



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

March 3, 2020

Samuel Wyatt
Superintendent
Rankin Independent School District
P.O. Box 90
Rankin, Texas 79778

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Rankin Independent School District
and Appaloosa Run Renewable Energy Project, LLC, Application 1445

Dear Superintendent Wyatt:

On December 31, 2019, the Comptroller issued written notice that Appaloosa Run Renewable Energy Project, LLC (applicant) submitted a completed application (Application 1445) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on October 30, 2019, to the Rankin Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

¹ All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1445.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2020.

Note that any building or improvement existing as of the application review start date of December 31, 2019, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

A handwritten signature in blue ink that reads "Lisa Craven". The signature is fluid and cursive, with the first name "Lisa" and last name "Craven" clearly legible.

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Appaloosa Run Renewable Energy Project, LLC (project) applying to Rankin Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Appaloosa Run Renewable Energy Project, LLC.

Applicant	Appaloosa Run Renewable Energy Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Wind
School District	Rankin ISD
2018-2019 Average Daily Attendance	270
County	Upton
Proposed Total Investment in District	\$202,074,000
Proposed Qualified Investment	\$202,074,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	3*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,154
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,154
Minimum annual wage committed to by applicant for qualified jobs	\$60,000
Minimum weekly wage required for non-qualifying jobs	\$1,384
Minimum annual wage required for non-qualifying jobs	\$71,969
Investment per Qualifying Job	\$67,358,000
Estimated M&O levy without any limit (15 years)	\$17,301,514
Estimated M&O levy with Limitation (15 years)	\$6,244,183
Estimated gross M&O tax benefit (15 years)	\$11,057,330

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table 2 is the estimated statewide economic impact of Appaloosa Run Renewable Energy Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	128	136	264	\$4,117,875	\$13,548,125	\$17,666,000
2022	3	18	21.488	\$180,000	\$2,853,000	\$3,033,000
2023	3	18	21	\$180,000	\$2,511,000	\$2,691,000
2024	3	12	15	\$180,000	\$1,969,000	\$2,149,000
2025	3	9	12	\$180,000	\$1,627,000	\$1,807,000
2026	3	8	11	\$180,000	\$1,420,000	\$1,600,000
2027	3	7	10	\$180,000	\$1,309,000	\$1,489,000
2028	3	7	10	\$180,000	\$1,271,000	\$1,451,000
2029	3	7	10	\$180,000	\$1,277,000	\$1,457,000
2030	3	8	11	\$180,000	\$1,307,000	\$1,487,000
2031	3	8	11	\$180,000	\$1,349,000	\$1,529,000
2032	3	7	10	\$180,000	\$1,240,000	\$1,420,000
2033	3	6	9	\$180,000	\$1,208,000	\$1,388,000
2034	3	6	9	\$180,000	\$1,208,000	\$1,388,000
2035	3	6	9	\$180,000	\$1,225,000	\$1,405,000
2036	3	6	9	\$180,000	\$1,246,000	\$1,426,000

Source: CPA REMI, Appaloosa Run Renewable Energy Project, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Rankin ISD I&S Tax Levy	Rankin ISD M&O Tax Levy	Rankin ISD M&O and I&S Tax Levies	Upton County Tax Levy	Rankin Hospital District County Tax Levy	Upton County ESD#1 Tax Levy	Upton County Water District Tax Levy	Estimated Total Property Taxes
				0.1000	0.9600		0.3516	0.2067	0.0096	0.0034	
2022	\$190,236,550	\$190,236,550		\$190,237	\$1,826,271	\$2,016,507	\$668,815	\$393,303	\$18,177	\$6,546	\$3,103,348
2023	\$180,224,100	\$180,224,100		\$180,224	\$1,730,151	\$1,910,375	\$633,614	\$372,603	\$17,220	\$6,202	\$2,940,014
2024	\$170,211,650	\$170,211,650		\$170,212	\$1,634,032	\$1,804,243	\$598,413	\$351,902	\$16,264	\$5,857	\$2,776,680
2025	\$160,199,200	\$160,199,200		\$160,199	\$1,537,912	\$1,698,112	\$563,212	\$331,202	\$15,307	\$5,512	\$2,613,346
2026	\$150,186,750	\$150,186,750		\$150,187	\$1,441,793	\$1,591,980	\$528,012	\$310,502	\$14,350	\$5,168	\$2,450,011
2027	\$140,174,300	\$140,174,300		\$140,174	\$1,345,673	\$1,485,848	\$492,811	\$289,802	\$13,394	\$4,823	\$2,286,677
2028	\$130,161,850	\$130,161,850		\$130,162	\$1,249,554	\$1,379,716	\$457,610	\$269,102	\$12,437	\$4,479	\$2,123,343
2029	\$120,149,400	\$120,149,400		\$120,149	\$1,153,434	\$1,273,584	\$422,409	\$248,402	\$11,480	\$4,134	\$1,960,009
2030	\$110,136,950	\$110,136,950		\$110,137	\$1,057,315	\$1,167,452	\$387,208	\$227,702	\$10,524	\$3,790	\$1,796,675
2031	\$100,124,500	\$100,124,500		\$100,125	\$961,195	\$1,061,320	\$352,008	\$207,001	\$9,567	\$3,445	\$1,633,341
2032	\$90,112,050	\$90,112,050		\$90,112	\$865,076	\$955,188	\$316,807	\$186,301	\$8,610	\$3,101	\$1,470,007
2033	\$80,099,600	\$80,099,600		\$80,100	\$768,956	\$849,056	\$281,606	\$165,601	\$7,654	\$2,756	\$1,306,673
2034	\$70,087,150	\$70,087,150		\$70,087	\$672,837	\$742,924	\$246,405	\$144,901	\$6,697	\$2,412	\$1,143,339
2035	\$60,074,700	\$60,074,700		\$60,075	\$576,717	\$636,792	\$211,205	\$124,201	\$5,740	\$2,067	\$980,005
2036	\$50,062,250	\$50,062,250		\$50,062	\$480,598	\$530,660	\$176,004	\$103,501	\$4,783	\$1,723	\$816,670
			Total	\$1,802,241	\$17,301,514	\$19,103,755	\$6,336,139	\$3,726,025	\$172,204	\$62,015	\$29,400,138

Source: CPA, Appaloosa Run Renewable Energy Project, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Upton County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Rankin ISD I&S Tax Levy	Rankin ISD M&O Tax Levy	Rankin ISD M&O and I&S Tax Levies	Upton County Tax Levy	Rankin Hospital District County Tax Levy	Upton County ESD#1 Tax Levy	Upton County Water District Tax Levy	Estimated Total Property Taxes
				0.1000	0.9600		0.3516	0.2067	0.0096	0.0034	
2022	\$190,236,550	\$30,000,000		\$190,237	\$288,000	\$478,237	\$668,815	\$393,303	\$18,177	\$6,546	\$1,565,077
2023	\$180,224,100	\$30,000,000		\$180,224	\$288,000	\$468,224	\$633,614	\$372,603	\$17,220	\$6,202	\$1,497,862
2024	\$170,211,650	\$30,000,000		\$170,212	\$288,000	\$458,212	\$598,413	\$351,902	\$16,264	\$5,857	\$1,430,648
2025	\$160,199,200	\$30,000,000		\$160,199	\$288,000	\$448,199	\$563,212	\$331,202	\$15,307	\$5,512	\$1,363,433
2026	\$150,186,750	\$30,000,000		\$150,187	\$288,000	\$438,187	\$528,012	\$310,502	\$14,350	\$5,168	\$1,296,219
2027	\$140,174,300	\$30,000,000		\$140,174	\$288,000	\$428,174	\$492,811	\$289,802	\$13,394	\$4,823	\$1,229,004
2028	\$130,161,850	\$30,000,000		\$130,162	\$288,000	\$418,162	\$457,610	\$269,102	\$12,437	\$4,479	\$1,161,790
2029	\$120,149,400	\$30,000,000		\$120,149	\$288,000	\$408,149	\$422,409	\$248,402	\$11,480	\$4,134	\$1,094,575
2030	\$110,136,950	\$30,000,000		\$110,137	\$288,000	\$398,137	\$387,208	\$227,702	\$10,524	\$3,790	\$1,027,360
2031	\$100,124,500	\$30,000,000		\$100,125	\$288,000	\$388,125	\$352,008	\$207,001	\$9,567	\$3,445	\$960,146
2032	\$90,112,050	\$90,112,050		\$90,112	\$865,076	\$955,188	\$316,807	\$186,301	\$8,610	\$3,101	\$1,470,007
2033	\$80,099,600	\$80,099,600		\$80,100	\$768,956	\$849,056	\$281,606	\$165,601	\$7,654	\$2,756	\$1,306,673
2034	\$70,087,150	\$70,087,150		\$70,087	\$672,837	\$742,924	\$246,405	\$144,901	\$6,697	\$2,412	\$1,143,339
2035	\$60,074,700	\$60,074,700		\$60,075	\$576,717	\$636,792	\$211,205	\$124,201	\$5,740	\$2,067	\$980,005
2036	\$50,062,250	\$50,062,250		\$50,062	\$480,598	\$530,660	\$176,004	\$103,501	\$4,783	\$1,723	\$816,670
			Total	\$1,802,241	\$6,244,183	\$8,046,424	\$6,336,139	\$3,726,025	\$172,204	\$62,015	\$18,342,807
			Diff	\$0	\$11,057,330	\$11,057,330	\$0	\$0	\$0	\$0	\$11,057,330

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Appaloosa Run Renewable Energy Project, LLC

*Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller’s determination that Appaloosa Run Renewable Energy Project, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$1,922,390	\$1,922,390	\$0	\$0
Limitation Period (10 Years)	2022	\$288,000	\$2,210,390	\$1,538,271	\$1,538,271
	2023	\$288,000	\$2,498,390	\$1,442,151	\$2,980,422
	2024	\$288,000	\$2,786,390	\$1,346,032	\$4,326,454
	2025	\$288,000	\$3,074,390	\$1,249,912	\$5,576,366
	2026	\$288,000	\$3,362,390	\$1,153,793	\$6,730,159
	2027	\$288,000	\$3,650,390	\$1,057,673	\$7,787,832
	2028	\$288,000	\$3,938,390	\$961,554	\$8,749,386
	2029	\$288,000	\$4,226,390	\$865,434	\$9,614,820
	2030	\$288,000	\$4,514,390	\$769,315	\$10,384,135
	2031	\$288,000	\$4,802,390	\$673,195	\$11,057,330
Maintain Viable Presence (5 Years)	2032	\$865,076	\$5,667,466	\$0	\$11,057,330
	2033	\$768,956	\$6,436,422	\$0	\$11,057,330
	2034	\$672,837	\$7,109,259	\$0	\$11,057,330
	2035	\$576,717	\$7,685,976	\$0	\$11,057,330
	2036	\$480,598	\$8,166,574	\$0	\$11,057,330
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$384,478	\$8,551,052	\$0	\$11,057,330
	2038	\$384,478	\$8,935,530	\$0	\$11,057,330
	2039	\$384,478	\$9,320,008	\$0	\$11,057,330
	2040	\$384,478	\$9,704,486	\$0	\$11,057,330
	2041	\$384,478	\$10,088,964	\$0	\$11,057,330
	2042	\$384,478	\$10,473,442	\$0	\$11,057,330
	2043	\$384,478	\$10,857,920	\$0	\$11,057,330
	2044	\$384,478	\$11,242,398	\$0	\$11,057,330
	2045	\$384,478	\$11,626,876	\$0	\$11,057,330
	2046	\$384,478	\$12,011,354	\$0	\$11,057,330

\$12,011,354

 is greater than

 \$11,057,330

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Appaloosa Run Renewable Energy Project, LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller's determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the Appaloosa Run Renewable Energy Project, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Appaloosa Run Renewable Energy Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Appaloosa Run Renewable Energy Project, LLC was formed in 2019. Since its formation, Appaloosa Run Renewable Energy Project, LLC and its associate parties have entered into the following representative agreements and contracts for the development of a project within Rankin ISD: Ground lease and Easement Agreement, D&O Insurance Policy & Public Liability insurance contract with MHBT Marsh & McLennan Agency LLC, Full wind study and contract with UL AWS Truepower, Full wind analysis and data monitoring contract with Arcvera Renewables, Environmental study contract with SWCA, Interconnection studies/contracts with AEP and ERCOT, Transformer agreement with SMIT Transformatoren, Master monitoring agreement with Flash Technology.”
 - B. “The business activities and these agreements and contracts listed above will help to determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in Rankin ISD. Appaloosa Run Renewable Energy Project, LLC has determined that a value limitation agreement with Rankin ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.”
 - C. “The Tri Global team has extensive experience in markets across the country. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the country. The Appaloosa Run Project is currently in such a period of assessment to determine whether the identified site in Rankin ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable.”

- D. "A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support. Without the requested limitation the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$202M needed to purchase the necessary equipment and other infrastructure and to fund the construction and closing costs of the facility."
- E. "The information provided in this Attachment and throughout the application has been assembled to provide the reviewer with the best possible data on which to make an assessment and determination of the critical nature of the limitation on appraised value to the feasibility of the Appaloosa Run Project. The applicant continually evaluates locations outside of Texas for its project development activities. The project capital that is planned to be deployed for the Applicant's project (dependent upon approval of the Appraised Value Limitation) has been considered for use in projects located in numerous states, which include Nebraska, Illinois, and Colorado."
- According to Meeting of the Upton County Commissioners court dated May 20, 2019, "Consider, Discuss and take any necessary action to approve Order approving Reinvestment Zone for Appaloosa Run Renewable Energy Project, LLC. - Judge Dusty W. Kilgore."
 - According to Rankin ISD Board of Trustees dated October 30, 2019. "Jerry Jackson made a motion to Accept an Application of Appaloosa Run Renewable Energy Project, LLC for Appraised Value Limitation on Qualified Property for School District maintenance and Operations Taxes Under Chapter 313 of the Texas Property Tax Code; to authorize the Superintendent of Schools to Review the Application of Completeness and Submit the Application to the Comptroller of Public Accounts; and to Authorize the Superintendent of Schools to Approve any Request for extension of the Deadline for Action by the Board of Trustees beyond the 150 day Review period as may be required as presented."
 - Supplemental information provided by the applicant indicated the following:
 - A. "Here is any possible name the project might have previously been known as: Spinning Star Energy LLC, Spinning Star Phase I LLC, Texas A Wind LLC, Noelke Hill."
 - B. "Yes, the project's GINR number is 20INR0249."

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input type="checkbox"/> Land has no existing improvements	<input checked="" type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value

Attachment 5

Documentation to assist in determining if limitation is a determining factor.

Has the applicant entered into any agreements, contracts, or letters of intent related to the proposed project?

Appaloosa Run Renewable Energy Project, LLC was formed in 2019.

Since its formation, Appaloosa Run Renewable Energy Project, LLC and its associate parties have entered into the following representative agreements and contracts for the development of a project within Rankin ISD:

- *Ground lease and Easement Agreement*
- *D&O Insurance Policy & Public Liability insurance contract with MHBT Marsh & McLennan Agency LLC*
- *Full wind study and contract with UL AWS Truepower*
- *Full wind analysis and data monitoring contract with Arcvera Renewables*
- *Environmental study contract with SWCA*
- *Interconnection studies/contracts with AEP and ERCOT*
- *Transformer agreement with SMIT Transformatoren*
- *Master monitoring agreement with Flash Technology*

Does the applicant have current business activities at the location where the proposed project will occur?

The business activities and these agreements and contracts listed above will help to determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in Rankin ISD. Appaloosa Run Renewable Energy Project, LLC has determined that a value limitation agreement with Snyder ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.

Is the applicant evaluating other locations not in Texas for the proposed project?

The Tri Global team has extensive experience in markets across the country. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the country.

The Appaloosa Run Project is currently in such a period of assessment to determine whether the identified site in Rankin ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable.

A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support. Without the requested limitation the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$202M needed to purchase the necessary equipment and other infrastructure and to fund the construction and closing costs of the facility.

Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?

The information provided in this Attachment and throughout the application has been assembled to provide the reviewer with the best possible data on which to make an assessment and determination of the critical nature of the limitation on appraised value to the feasibility of the Appaloosa Run Project.

The applicant continually evaluates locations outside of Texas for its project development activities. The project capital that is planned to be deployed for the Applicant's project (dependent upon approval of the Appraised Value Limitation) has been considered for use in projects located in numerous states, which include Nebraska, Illinois, and Colorado.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

NOTICE OF MEETING OF THE UPTON COUNTY COMMISSIONERS COURT

THERE WILL BE A MEETING OF THE UPTON COUNTY COMMISSIONERS COURT ON
MAY 20, 2019 AT 9:00 A.M., IN THE COMMISSIONERS COURTROOM,
UPTON COUNTY COURTHOUSE, 205 EAST 10TH STREET, RANKIN, TEXAS

TO CONSIDER AND TAKE ACTION ON THE FOLLOWING AGENDA:

1. Pledge and Prayer - Judge Dusty W. Kilgore
2. Public Comments
3. Pay Bills - Auditor Christy Hodges
4. Accept reports, deputations and any additions to the bond list - Clerk LaWanda McMurray
5. Approve the minutes of May 07, 2019 – Clerk LaWanda McMurray
6. Approve budget amendments - Auditor Christy Hodges
7. Acknowledge/Approve donations - Judge Dusty W. Kilgore
8. Raymond Quigg to announce Texas Agrilife Extension updates/reports.
9. Consider, Discuss, and take any necessary action on paying Barrera Construction \$85,075.00 & \$54,562.50 for work done on county roads – Commissioner Pete Jackson
10. Consider, Discuss and take any necessary action on approving Barbado Rules and Restrictions. Commissioner Pete Jackson
11. Consider, Discuss and take any necessary action on approving Permit for Installation of County Right-of-Way Pipeline and Utility Crossing on County Road 116 requested by Medallion Pipeline Company, LLC - Judge Dusty W. Kilgore
12. Consider, Discuss and take any necessary action on approving Permit for Installation of County Right-of-Way Pipeline and Utility Crossing on County Road 235 requested by DE3 Operating, LLC Judge Dusty W. Kilgore
13. **CONDUCT PUBLIC HEARING** receiving input, questions, comments and concerns from the public on the proposed Appaloosa Run Renewable Energy Project, LLC to establish a Reinvestment Zone- Judge Dusty W. Kilgore
14. Consider, Discuss and take any necessary action on how to proceed/grant or deny consideration on Appaloosa Run Renewable Energy Project, LLC Tax Abatement application - Judge Dusty W. Kilgore
15. Consider, Discuss and take any necessary action to approve Order approving Reinvestment Zone for Appaloosa Run Renewable Energy Project, LLC. - Judge Dusty W. Kilgore
16. Consider, Discuss and take any necessary action on Order Authorizing Fireworks Sales for the 4th of July- Judge Dusty W. Kilgore
17. Consider, Discuss and take any necessary action on Order Prohibiting Fireworks in Unincorporated Areas of Upton County for the 4th of July - Judge Dusty W. Kilgore
18. Consider, Discuss and take any necessary action on Emma Jones collecting McCamey Resthaven Cemetery payments - Commissioner Gary Wolfe

19. Consider, Discuss and take any necessary action on the County assisting the Chamber of Commerce with maintenance on the North East back corner of the Dub Day Arena/park
20. Consider, Discuss and take any necessary action on a request from Shot and Peggy Branham to have a profitable event (Team Roping) held at the Dub Day Arena – Commissioner Pete Jackson, Shot and Peggy Branham
21. Elected Officials closing comments

LaWanda McMurray
County Clerk
By *LaWanda McMurray*
Deputy

In Accordance with the Texas Open Meetings Act, Items on this Agenda may be subjected to being discussed in either open or closed session of the Court. The Upton County Commissioners' Court meetings are available to all persons regardless of disability. Individuals with disabilities who require special assistance should contact the Upton County Commissioners' Assistant at 432/693-2321 ext. 2 or 205 East 10th Street, County Judge's office, Rankin, Texas 79778 during normal business hours and at least one (1) business day in advance.

5.16.19 FILED AT 2:50 PM
LaWANDA McMURRAY
CLERK, COUNTY/DISTRICT COURT
UPTON COUNTY, TEXAS
LaWanda McMurray
CLERK/DEPUTY

The seal of Upton County, Texas, is circular with a five-pointed star in the center. The words "UPTON COUNTY TEXAS" are written around the perimeter of the seal.

**Rankin ISD Board of Trustees
Special Meeting
October 30th, 2019**

The Rankin Independent School District Board of Trustees met on Wednesday October 30th, at the Rankin ISD Administration Building for their regular monthly meeting with the following members present:

Cody Owens
Chad Fouts

Amanda Evridge
Jerry Jackson

Bryan Skehan

Others present: Sammy Wyatt, Dawn Wyatt, Paige Lopez, Brandon Brown, Miriam Watson, Shweta Sharma, Mackenzie Walters, Kendall Merkel, and Greg Poole

President Amanda Evridge called the meeting to order at 12:07pm.

Information Items

- A. Greg Poole spoke on funding for the City of Rankin Water Main Improvement Project. ETC has guaranteed \$200,000 towards the project as a "Good Neighbor" donation.
- B. The board reviewed and acknowledged the Individual Trustees of the Rankin Independent School District Conflict of Interest Policies in connection with an application of Appaloosa Run Energy Project.

Consideration and/or Action Items

- A. Jerry Jackson made a motion to Accept an Application of Appaloosa Run Renewable Energy Project, LLC for Appraised Value Limitation on Qualified Property for School District maintenance and Operations Taxes Under Chapter 313 of the Texas Property Tax Code; to authorize the Superintendent of Schools to Review the Application of Completeness and Submit the Application to the Comptroller of Public Accounts; and to Authorize the Superintendent of Schools to Approve any Request for extension of the Deadline for Action by the Board of Trustees beyond the 150 day Review period as may be required, as presented. Chad Fouts seconded the motion, passed 4-0.
- B. Cody Owens made a motion to retain Sara Leon & Associates, LLC and Jigsaw School Finance to assist the District in reviewing and evaluating the Application of Appaloosa run Renewable Energy Project, LLC for Appraised Value Limitation on Qualified Property for School District Maintenance and Operations Taxes, Pursuant to Chapter 313 of the Texas Property Code as presented. Bryan Skehan seconded the motion, passed 4-0.
- C. Jerry Jackson made a motion to table the resolution ballot for Upton County Appraisal District until next meeting. Cody Owens seconded the motion, passed 4-0.

Superintendent's Report

- A. Dawn Wyatt presented a preliminary audit report for the 2018-2019 School Year.
- B. Sammy Wyatt discussed the next Board Meeting on November 21st, 2019.

Adjournment

With no objections President Amanda Evridge adjourned the meeting at 02:03 pm.

Harris Self

Carl

Colby

Gundy

Paul

BRETT Chalk

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
- Rankin ISD - Appaloosa Run Renewable Energy Project, LLC, App. #1445

Comptroller Questions (via email on January 15, 2020):

1. *Please list any other names by which this project may have known in the past--in media reports, investor presentations, or any listings with any federal or state agency.*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's GINR number and when was it assigned.*

Applicant Response (via email on January 16, 2020):

1. *Here is any possible name the project might have previously been known as:*
 - i. *Spinning Star Energy LLC*
 - ii. *Spinning Star Phase I LLC*
 - iii. *Texas A Wind LLC*
 - iv. *Noelke Hill.*
2. *Yes, the project's GINR number is 20INR0249.*