

January 22, 2020

Via Hand Delivery and Electronic Mail
Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 E. 17th Street
Austin, Texas 78774

Re: Application #1446 for a Chapter 313 Value Limitation Agreement between the
Flatonia Independent School District and 7V Solar Ranch, LLC

First Year of Qualifying Time Period: June 1, 2020
First Year of Limitation Period: January 1, 2023

Dear Local Government Assistance and Economic Analysis Division:

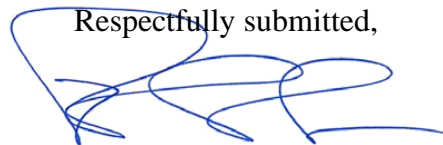
Pursuant to your request for additional information in your December 17, 2019 email correspondence, please find attached Amendment #001 to Application #1446. The following changes were made to the amended Application pages:

- Application Section 9 Q1: We anticipate Application approval by the school board by June 1, 2020.
- Application Section 9 Q3: The Qualifying Time Period starts on June 1, 2020.
- Application Section 14 Q7: Wage data has been updated to reflect the four (4) most recent quarters; calculations are reflected in Tab 13.
- Application Section 14 Q9: Minimum annual wage has been updated to reflect calculations in Tab 13.
- Application Section 14 Q10: Minimum annual wage has been updated to reflect calculations in Tab 13.
- Tab 2 Proof of Payment: Documentation is submitted demonstrating the wire transfer of Application Fee was approved.
- Tab 11 Reinvestment Zone: Reinvestment Zone map has been updated to conform with the Comptroller's requirements.
- Tab 14 Schedule D: Percentage is reflected in "Annual Incentive" column.
- Tab 16 Reinvestment Zone: Fayette County is still working on updating the Guidelines and Criteria, with a planned public hearing and vote on the Guidelines and Criteria to occur on March 15, 2020.
- Tab 17 Authorized Signatures: An updated signature page is attached.

The following answers were provided by the Applicant pursuant to the Additional Questions asked by the Comptroller:

1. Is the 7V Solar Ranch, LLC currently known by any other project names?
 - a. No.
2. Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.
 - a. Yes. The INR is 21INR0351 and was assigned on May 10, 2019.
3. Please also list any other names by which this project may have been known in the past in media reports, investor presentations, or any listings with any federal or state agency.
 - a. None.
4. Update project vicinity maps & RZ boundaries to be contiguous or remove the northern part of the project for now.
 - a. See attached map in Tab 11.

Thank you so much for your attention to the foregoing. Please do not hesitate to contact me should you have any questions.

Respectfully submitted,

Rick L. Lambert

RLL;sl

cc: Via Electronic Mail: richard@fayettecad.org
Mr. Richard Moring, Chief Appraiser, Fayette County Appraisal District

Via Electronic Mail: areddock@flatonia.txed.net
Dr. Andy Reddock, Superintendent of Schools, Flatonia Independent School District

Via Electronic Mail: rbranecky@flatonia.txed.net
Ms. Robin Branecky, Director of Special Programs, Flatonia Independent School District

Via Electronic Mail: Evan.Horn@EY.com
Mr. Evan Horn, Manager, Ernst & Young LLP

Via Electronic Mail: James.Cook@candelarenewables.com
Mr. James Cook, Vice President of Development, Candela Renewables

SECTION 9: Projected Timeline

1. Application approval by school board
2. Commencement of construction
3. Beginning of qualifying time period
4. First year of limitation
5. Begin hiring new employees
6. Commencement of commercial operations
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (*date your application is finally determined to be complete*)? ☐ Yes ☐ No
Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service?

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☐ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: (Name, tax rate and percent of project)
 City: (Name, tax rate and percent of project)
 Hospital District: (Name, tax rate and percent of project)
 Water District: (Name, tax rate and percent of project)
 Other (describe): (Name, tax rate and percent of project)
 Other (describe): (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☐ Yes ☐ No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☐ No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district?
 2. What is the amount of appraised value limitation for which you are applying?
- Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☐ Yes ☐ No
 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
 5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☐ Yes ☐ No

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)?
 2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of _____
(year)
 3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)?
- Note:** For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create?
 5. What is the number of new non-qualifying jobs you are estimating you will create?
 6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☐ Yes ☐ No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
 7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is
 - b. 110% of the average weekly wage for manufacturing jobs in the county is
 - c. 110% of the average weekly wage for manufacturing jobs in the region is
 8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ☐ §313.021(5)(A) or ☐ §313.021(5)(B)
 9. What is the minimum required annual wage for each qualifying job based on the qualified property?
 10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property?
 11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☐ Yes ☐ No
 12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ☐ Yes ☐ No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
 13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☐ No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.



Wires

1446-flatonia-7vsolarranch-amendment001-01222020

* Required
Showing Current/next day; Summary; Successful; Wire
1 Search Results




Print screen

<input checked="" type="checkbox"/>	Value Date	From	To	Amount	CCY	Confirmation	Status	Type
<input checked="" type="checkbox"/>	10/18/2019	Debit Acct #4510118821	Flatonia ISD Local Maintenance	75,000.00	USD	FED#101811B7033R009389	Successful	Wire

Proposed Reinvestment Zone

Within Fayette County

Legend

-  Fayette County
-  Flatonia ISD Boundary
-  Proposed Reinvestment Zone

Google Earth

Image Landsat / Copernicus

© 2019 Google



10 mi

1446-flatonia-7vsolarranch-amendment001-01222020

TAB 13

Wage Requirement Calculation

1. Average Weekly Wages for All Jobs (All Industries) in FAYETTE County, Q3 - Q4 2018, & Q1-Q2 2019

Category	Area	Period	Avg. Weekly Wage
All Industries	FAYETTE County	Q3 2018	\$775
All Industries	FAYETTE County	Q4 2018	\$858
All Industries	FAYETTE County	Q1 2019	\$795
All Industries	FAYETTE County	Q2 2019	\$776
		AVERAGE	\$801

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	01	Fayette	Total All	10	Total, All Industries	764
2018	02	Fayette	Total All	10	Total, All Industries	760
2018	03	Fayette	Total All	10	Total, All Industries	775
2018	04	Fayette	Total All	10	Total, All Industries	858
2019	01	Fayette	Total All	10	Total, All Industries	795
2019	02	Fayette	Total All	10	Total, All Industries	776

2. 110% of Average Weekly Wages for Manufacturing Jobs in FAYETTE County, Q3 - Q4 2018, & Q1-Q2 2019

Category	Area	Period	Avg. Weekly Wage
Manufacturing	FAYETTE County	Q3 2018	\$717
Manufacturing	FAYETTE County	Q4 2018	\$740
Manufacturing	FAYETTE County	Q1 2019	\$811
Manufacturing	FAYETTE County	Q2 2019	\$710
		AVERAGE	\$745
		110% OF AVERAGE	\$819

TAB 13

Wage Requirement Calculation

3. COG Region Wage Calculation

Year	Region	Annual Wage	Avg. Weekly Wage
2018	Capital Area Council of Governments	\$ 67,318	\$1,295
		110% OF AVERAGE	\$1,424

**2018 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	COG Number	Wages	
		Hourly	Annual
Texas		\$27.04	\$56,240
Alamo Area Council of Governments	18	\$22.80	\$47,428
Ark-Tex Council of Governments	5	\$18.73	\$38,962
Brazos Valley Council of Governments	13	\$18.16	\$37,783
Capital Area Council of Governments	12	\$32.36	\$67,318
Central Texas Council of Governments	23	\$19.60	\$40,771
Coastal Bend Council of Governments	20	\$28.52	\$59,318
Concho Valley Council of Governments	10	\$21.09	\$43,874
Deep East Texas Council of Governments	14	\$18.28	\$38,021
East Texas Council of Governments	6	\$21.45	\$44,616
Golden Crescent Regional Planning Commission	17	\$28.56	\$59,412
Heart of Texas Council of Governments	11	\$22.71	\$47,245
Houston-Galveston Area Council	16	\$29.76	\$61,909
Lower Rio Grande Valley Development Council	21	\$17.21	\$35,804
Middle Rio Grande Development Council	24	\$20.48	\$42,604
NORTEX Regional Planning Commission	3	\$25.14	\$52,284
North Central Texas Council of Governments	4	\$27.93	\$58,094
Panhandle Regional Planning Commission	1	\$24.19	\$50,314
Permian Basin Regional Planning Commission	9	\$25.90	\$53,882
Rio Grande Council of Governments	8	\$18.51	\$38,493
South East Texas Regional Planning Commission	15	\$36.26	\$75,430
South Plains Association of Governments	2	\$20.04	\$41,691
South Texas Development Council	19	\$17.83	\$37,088
Texoma Council of Governments	22	\$21.73	\$45,198
West Central Texas Council of Governments	7	\$21.84	\$45,431

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.
 Data published: July 2019
 Data published annually, next update will be July 31, 2020
 Annual wage figure assumes a 40-hour work week.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).
 Wage data is produced from Texas Occupational Employment Statistics (OES) data,
 and is not to be compared to BLS estimates.
 Data intended only for use in implementing Chapter 313, Tax Code.

Date 1/6/2020
Applicant Name 7V Solar Ranch LLC
ISD Name Flatonia ISD

Schedule C: Employment Information

Form 50-296A
Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period	0	2020-2021	2020	N/A	N/A	N/A	N/A	N/A
Each year prior to start of Value Limitation Period	0	2021-2022	2021	200 FTE avg; 300 FTE peak	\$50,000	N/A	N/A	N/A
Each year prior to start of Value Limitation Period	0	2022-2023	2022	200 FTE avg; 300 FTE peak	\$50,000	N/A	N/A	N/A
Value Limitation Period <small>The qualifying time period could overlap the value limitation period.</small>	1	2023-2024	2023	N/A	N/A	N/A	1	\$ 42,585
	2	2024-2025	2024	N/A	N/A	N/A	1	\$ 42,585
	3	2025-2026	2025	N/A	N/A	N/A	1	\$ 42,585
	4	2026-2027	2026	N/A	N/A	N/A	1	\$ 42,585
	5	2027-2028	2027	N/A	N/A	N/A	1	\$ 42,585
	6	2028-2029	2028	N/A	N/A	N/A	1	\$ 42,585
	7	2029-2030	2029	N/A	N/A	N/A	1	\$ 42,585
	8	2030-2031	2030	N/A	N/A	N/A	1	\$ 42,585
	9	2031-2032	2031	N/A	N/A	N/A	1	\$ 42,585
	10	2032-2033	2032	N/A	N/A	N/A	1	\$ 42,585
Years Following Value Limitation Period	11 through 25	2033-2047	2033-2047	N/A	N/A	N/A	1	\$ 42,585

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

- C1.

Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
If yes, answer the following two questions:

☒

Yes

☐

No
- C1a.

Will the applicant request a job waiver, as provided under 313.025(f-1)?

☒

Yes

☐

No
- C1b.

Will the applicant avail itself of the provision in 313.021(3)(F)?

☐

Yes

☒

No

Schedule D: Other Incentives (Estimated)

1/6/2020

7V Solar Ranch LLC
Flatonia ISD

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County:					
	City:					
	Other:					
Local Government Code Chapters 380/381	County: Fayette	2023	Est. 10 years	\$ 604,777.60	75%	\$ 151,194.40
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 604,777.60	453,583	\$ 151,194.40

Additional information on incentives for this project:

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print
here

Dr. Andy Reddock

Print Name (Authorized School District Representative)

Superintendent of Schools

Title

sign
here


Signature (Authorized School District Representative)

01 / 09 / 2020

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

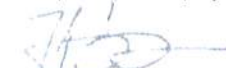
print
here

Thomas Houle

Print Name (Authorized Company Representative (Applicant))

Manager on behalf of Managing Member,
Candela Renewables Hamel Dev Co LLC

Title

sign
here


Signature (Authorized Company Representative (Applicant))

01 / 08 / 2020

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

8th day of January, 2020

Katie Thackerson

Notary Public in and for the State of Texas

My Commission expires: 09 / 05 / 2022

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.