



WALSH GALLEGOS  
TREVIÑO RUSSO & KYLE P.C.

March 6, 2020

Ms. Ginger Flowers  
Research Analyst  
Economic Development & Local Government  
Data Analysis & Transparency Division  
Texas Comptroller of Public Accounts  
111 East 17<sup>th</sup> Street  
Austin, Texas 78774

*VIA EMAIL DELIVERY: [Ginger.Flowers@cpa.state.tx.us](mailto:Ginger.Flowers@cpa.state.tx.us)  
and VIA U.S. POSTAL SERVICE DELIVERY*

Re: Application #1449—Victoria Independent School District (“District”) / Tax Limitation Agreement: Sunshine Energy, LLC (“Applicant”)

Dear Ms. Flowers:

Pursuant to your email correspondence dated January 15, 2020, please see below and attached for the requested additional information and clarification related to the above-mentioned application materials submitted to your office on November 26, 2019. In particular, please note the following amendments to Application #1449:

1. Section 7, Question 2 amended with explanation regarding project description, including Tab 4;
2. Section 13, amended to include information on property not eligible to become qualified property;
3. Updated Schedule C;
5. Tab 10 updated to include appropriate guidelines and criteria;
6. Tab 11 updated to include appropriate guidelines and criteria; and
7. Fully Executed Signature page.

Thank you for your consideration. Please feel free to contact me directly if you have any additional questions.

Sincerely,

EDDY HERNANDEZ PEREZ

EHP/arm  
Enclosure

Ms. Ginger Flowers

March 6, 2020

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cc: Dr. Quintin Shepherd, Superintendent of Schools, Victoria Independent School District  
*(Via E-Mail Delivery)*

Dan Casey, Moak Casey  
*(Via E-Mail Delivery)*

Evan Horn, Ernst & Young, LLP  
*(Via E-Mail Delivery)*

Raina Hornaday, Caprock Renewables  
*(Via E-Mail Delivery)*

Victoria County Appraisal District  
2805 N. Navarro, Suite 300  
Victoria, Texas 77901  
*(Via U.S. Postal Delivery)*

**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:
  - Land has no existing improvements
  - Land has existing improvements *(complete Section 13)*
  - Expansion of existing operation on the land *(complete Section 13)*
  - 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.**

SECTION 12: Qualified Property

- 1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ... [ ] Yes [x] No
2a. If yes, attach complete documentation including:
a. legal description of the land (Tab 9);
b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
c. owner (Tab 9);
d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ... [ ] Yes [x] No
3a. If yes, attach the applicable supporting documentation:
a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
b. legal description of reinvestment zone (Tab 16);
c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
d. guidelines and criteria for creating the zone (Tab 16); and
e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? ... 3/31/20

SECTION 13: Information on Property Not Eligible to Become Qualified Property

- 1. In Tab 10, attach a specific and detailed description of all existing property. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all proposed new property that will not become new improvements as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
a. maps and/or detailed site plan;
b. surveys;
c. appraisal district values and parcel numbers;
d. inventory lists;
e. existing and proposed property lists;
f. model and serial numbers of existing property; or
g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): ... \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): ... \$ 100,000.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

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 Quintin Shepherd March 4, 2020
Print Name (Authorized School District Representative) Title
sign here Q. Shepherd 3.4.20
Signature (Authorized School District Representative) 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 Raina Hornaday general manager
Print Name (Authorized Company Representative (Applicant)) Title
sign here Raina Hornaday 3-2-2020
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the 2nd day of March, 2020
Alicia Sparrow
Notary Public in and for the State of Texas
My Commission expires: 6-20-2023

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.



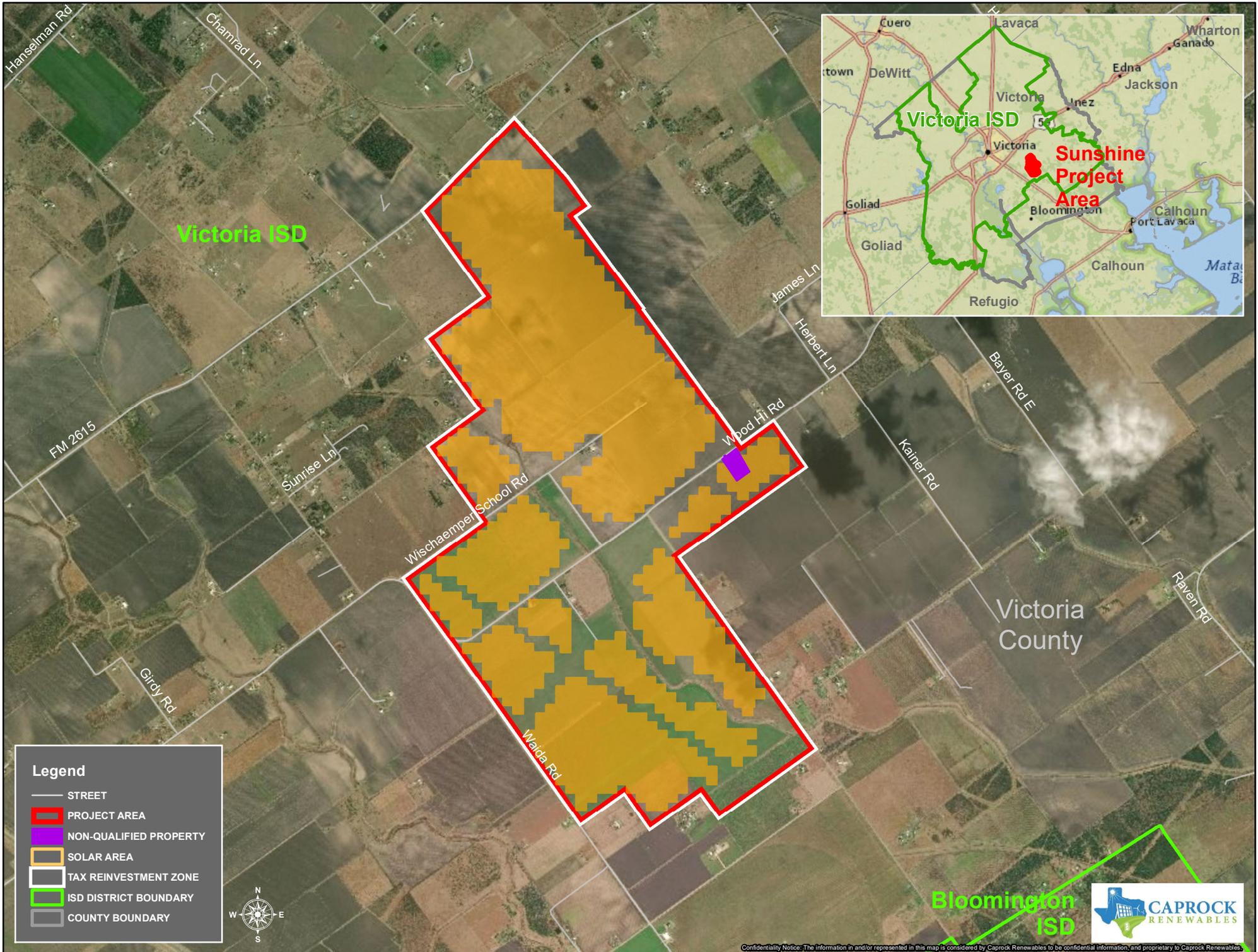
Sunshine Energy, LLC  
Chapter 313 Application to Victoria ISD

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**CHECKLIST ITEM #10**

Description of all property not eligible to become qualified property (if applicable).

For the project to qualify for the federal income Investment Tax Credit (ITC), the Applicant was required to complete a minimum amount of ITC qualification work before the statutorily imposed deadline of December 31, 2019. This pre-construction work consisted of site clearing, installation of 1000 feet of solar piles and racking, and 1000 feet of native compacted subgrade roads for access. This work impacted less than 5 acres and no electrical components were installed. The Applicant's completion of the minor amount of ITC qualification work does not, either legally or financially, commit it to constructing the Project in Victoria ISD.



0 0.25 0.5 0.75 1 Miles

SUNSHINE ENERGY LLC



Caprock Renewables  
1005 W 41st St, Suite 201, Austin, TX 78756  
512-643-1786

Confidentiality Notice: The information in and/or represented in this map is considered by Caprock Renewables to be confidential information and proprietary to Caprock Renewables.

# 1449\_Victoria ISD\_Sunshine Energy, LLC\_Amendment 002\_03/03/2020

## Schedule C: Employment Information

**Date** 2/28/2020  
**Applicant Name** Sunshine Energy, LLC  
**ISD Name** Victoria ISD

**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 (Fill in 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 <small>insert as many rows as necessary</small>	0	2019-2020	2019	0	\$0	0	0	n/a
Each year prior to start of value Limitation Period <small>insert as many rows as necessary</small>	Stub	2020-2021	2020	200 FTE avg; 300 FTE peak	\$50,000	0	0	n/a
Each year prior to start of value Limitation Period <small>insert as many rows as necessary</small>	QTP1	2021-2022	2021	200 FTE avg; 300 FTE peak	\$50,000	0	0	n/a
Value Limitation Period <small>The qualifying time period could overlap the value limitation period.</small>	QTP2/LP1	2022-2023	2022	0	n/a	0	1	\$65,354
	2	2023-2024	2023	0	n/a	0	1	\$65,354
	3	2024-2025	2024	0	n/a	0	1	\$65,354
	4	2025-2026	2025	0	n/a	0	1	\$65,354
	5	2026-2027	2026	0	n/a	0	1	\$65,354
	6	2027-2028	2027	0	n/a	0	1	\$65,354
	7	2028-2029	2028	0	n/a	0	1	\$65,354
	8	2029-2030	2029	0	n/a	0	1	\$65,354
	9	2030-2031	2030	0	n/a	0	1	\$65,354
	10	2031-2032	2031	0	n/a	0	1	\$65,354
Years Following Value Limitation Period	11 through 25	2031-2047	2031-2047	0	n/a	0	1	\$65,354

- 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)
- C1a.** Will the applicant request a job waiver as provided under 313.025(f-1)?
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No