

FINDINGS
of the
JIM HOGG COUNTY
INDEPENDENT
SCHOOL DISTRICT
BOARD OF TRUSTEES

**Under Chapter 313 of the
Texas Tax Code**

**ON THE APPLICATION FOR
APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY**

SUBMITTED BY

BARRANCA WIND ENERGY, LLC

Comptroller Application Number 1452

August 26, 2020

RESOLUTION AND FINDINGS OF FACT
of the
JIM HOGG COUNTY INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY
SUBMITTED BY BARRANCA WIND ENERGY, LLC

STATE OF TEXAS §
COUNTY OF JIM HOGG §
JIM HOGG COUNTY INDEPENDENT SCHOOL DISTRICT §

PREAMBLE

On the 26th day of August, 2020, a public meeting of the Board of Trustees of the Jim Hogg County Independent School District (the “Board”) was held to solicit input from interested parties on the application by Barranca Wind Energy, LLC (“Barranca Wind Energy” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board considered the application by Barranca Wind Energy for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller’s Economic Impact Analysis under Texas Tax Code §313.026, the Board of Trustees of the Jim Hogg County Independent School District, in accordance with Texas Tax Code §313.025(e) and (f) and 34 T.A.C. §9.1054, makes the following Findings regarding the Application:

On or about the 20th day of November, 2019, the Board of Trustees for the Jim Hogg County Independent School District received an Application for Appraised Value Limitation on Qualified Property from Barranca Wind Energy, pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for a renewable energy electric generation project; specifically, an approximately 177 megawatt renewable energy project using wind turbines (the “Property”). *See* Application, §6.2.5, and Tab 4, attached hereto as Attachment A; *see also* Attachment D. The Board agreed to consider such Application, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon the District’s determination that the Application was complete. The Comptroller acknowledged receipt of the Application on or about December 12, 2019. Thereafter, on or about March 13, 2020, the District on behalf of the Applicant, submitted pages for Amendment No. 01 (revised §§12 and 14, Tabs 6 and 12 and Schedule C), and the Comptroller issued its notice of completeness and determined the Application complete as of March 17, 2020, the Application Review Start Date. Thereafter, on or about April 24, 2020, the District, on behalf of Applicant, submitted pages for Amendment No. 01 (revised Schedules B and C); and, on or about August 26, 2020 submitted Supplement No. 02 (reinvestment zone). The Application, Amendment No. 01 and Supplement Nos. 01 and 02 are hereafter collectively referred to as the “Application.” A copy of the

Application and Comptroller's completeness letter of March 17, 2020 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Barranca Wind Energy, LLC is 32067716558. Barranca Wind Energy is an entity subject to Chapter 171 of the Texas Tax Code and is active and has the right to transact business in Texas, as represented by the Texas Comptroller of Public Accounts and as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

The Board acknowledged receipt of the Application and necessary application fee, which was reasonable and did not exceed the estimated cost to the District for processing and acting on the Application, as established by §§313.025(a)(1) and 313.031(b) of the Texas Tax Code, 34 T.A.C. §9.1054(a), and Local District Policy. *See* Attachment A at Tab 2.

The Application was delivered to the Texas Comptroller's Office for review pursuant to §313.025(b) of the Texas Tax Code.

A copy of the Application was delivered to the Jim Hogg County Appraisal District for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.024, 313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an Economic Impact Analysis to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on May 8, 2020 that the Application be approved (the "Certificate Decision"). *See* Attachment C. The Board of Trustees has carefully considered such Evaluation and Certificate Decision. Copies of the Certificate Decision and Economic Impact Analysis are attached to these Findings as Attachments C and D, respectively.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Jim Hogg County Independent School District. A copy of a revised report prepared by Moak, Casey & Associates and dated August 19, 2020 is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of property applicable to the Barranca Wind Energy Application in the Jim Hogg County Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, fell within a rural school district, Category 2 of §313.054 of the Texas Tax Code at the time the Certificate Decision was issued. *See* "2019 Preliminary Property Value Study Report," attached hereto as Attachment G; *see also* Attachment D.

The District's Board of Trustees, by resolution dated June 17, 2020, granted Applicant's request to extend the statutory deadline by which the District must consider its Application until December 31, 2020. The Comptroller was provided notice of this extension, as set out under 34 Texas Administrative Code §9.1054(d). *See* Resolution authorizing extension of consideration period and notice to Applicant, collectively attached hereto as Attachment K.

After receipt of the completed Application, the District entered into negotiations with Barranca Wind Energy regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the “Agreement”) pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District pursuant to Section 48.256(d) of the Texas Education Code. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. As required by the Comptroller’s Office, the parties changed only the provisions of the template that the Comptroller permitted (Form 50-826, revised February 6, 2020). The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement (as defined by 34. Tex. Admin. Code §9.1051 and adopted by §9.1052(a)(6)) was submitted to and approved by the Comptroller, as required by 34 Tex. Admin. Code §9.1015(e)(1). See copy of August 14, 2020, Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller’s Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of Barranca Wind Energy’s Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

Board Finding Number 1.

Based on the Application and the Comptroller’s Certificate Decision, the Property meets the requirements of Texas Tax Code §313.024 for eligibility for a limitation on appraised value under Texas Tax Code §313.024(b)(5) as a renewable energy electric generation project.

In support of Finding Number 1, the Comptroller’s Certificate Decision states:

Determination required by 313.025(h)

* * *

Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

* * *

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.

See Attachment C. See also Attachment A (Tab 1, §6.2(5) and Tabs 4, 7 and 8) and Attachment D.

Board Finding Number 2.

The project proposed by Applicant is reasonably likely to generate sufficient tax revenue to offset the 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.

In support of Finding Number 2, the Certificate Decision states:

Certification 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.

See Attachment C.

Also in support of Finding Number 2, the Comptroller's Economic Impact Analysis states:

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

This [table] represents the Comptroller's determination that Barranca Wind Energy, 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.

[see table on next page]

	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	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2022	\$242,525	\$242,525	\$1,776,758	\$1,776,758
	2023	\$242,525	\$485,050	\$1,655,601	\$3,432,358
	2024	\$242,525	\$727,575	\$1,541,713	\$4,974,071
	2025	\$242,525	\$970,100	\$1,434,659	\$6,408,730
	2026	\$242,525	\$1,212,625	\$1,334,028	\$7,742,758
	2027	\$242,525	\$1,455,150	\$1,239,435	\$8,982,192
	2028	\$242,525	\$1,697,675	\$1,150,517	\$10,132,709
	2029	\$242,525	\$1,940,200	\$1,066,934	\$11,199,644
	2030	\$242,525	\$2,182,725	\$988,367	\$12,188,011
	2031	\$242,525	\$2,425,250	\$914,513	\$13,102,524
Maintain Viable Presence (5 Years)	2032	\$1,087,616	\$3,512,866	\$0	\$13,102,524
	2033	\$1,022,359	\$4,535,225	\$0	\$13,102,524
	2034	\$961,018	\$5,496,243	\$0	\$13,102,524
	2035	\$903,357	\$6,399,599	\$0	\$13,102,524
	2036	\$849,155	\$7,248,754	\$0	\$13,102,524
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$798,206	\$8,046,960	\$0	\$13,102,524
	2038	\$750,313	\$8,797,274	\$0	\$13,102,524
	2039	\$705,295	\$9,502,568	\$0	\$13,102,524
	2040	\$662,977	\$10,165,545	\$0	\$13,102,524
	2041	\$623,198	\$10,788,744	\$0	\$13,102,524
	2042	\$585,806	\$11,374,550	\$0	\$13,102,524
	2043	\$550,658	\$11,925,208	\$0	\$13,102,524
	2044	\$517,619	\$12,442,827	\$0	\$13,102,524
	2045	\$486,561	\$12,929,388	\$0	\$13,102,524
	2046	\$457,368	\$13,386,756	\$0	\$13,102,524
		\$13,386,756	is greater than	\$13,102,524	
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, Barranca Wind Energy, LLC					

See Attachment D (at Attachment B thereof).

Board Finding Number 3.

The new qualifying jobs creation requirement under § 313.051(b) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Applicant's facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to § 313.025(f-1).

In support of this Finding, Applicant submitted, as Tab 12 to its Application, information regarding the industry standard for the number of jobs for a project with qualified property of this size and type. The Applicant states that for a project of the size and type described in the Application will require less than ten (10) permanent jobs. Applicant reports in Tab 12 that wind energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary in nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Applicant further reports that based on its experience in the wind industry, wind projects require approximately one full-time employee for every 20 wind turbines. In line with that industry standard for job requirements, Barranca Wind Energy, LLC has committed to create three (3) total jobs for the approximated 59 wind turbines (177 MW) within Jim Hogg County ISD for this project. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J. *See also* Attachments A (§14 of Tabs 1, 7 and 8) and D.

Board Finding Number 4.

The Applicant will create three (3) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; (3) pay an annual wage of \$40,797 (\$785 per week)¹, an amount equal to at least 110% of the Regional average weekly wage for manufacturing jobs as defined under §313.021(5)(B); (4) are not created to replace a previous employee; and (5) are not transferred from another area of Texas to the project described the Application.

See Attachments A, D and J.

Board Finding Number 5.

The Applicant does not intend to create any non-qualifying jobs.

In its application, Applicant indicates that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least \$774 per week, which exceeds the county average wage for all jobs in the County, in accordance with the provisions of Texas Tax Code §313.024(d). *See* Attachments A and D.

Board Finding Number 6.

The ability of the Applicant to locate the proposed renewable energy facility in another state or another region of this state is significant because of the highly competitive marketplace for electricity and economic development. Therefore, the

¹ The weekly wage recited in the Comptroller's Economic Impact Analysis is rounded to the nearest dollar; the Application (Tab 1, §14#7.c) provides for a weekly wage of \$784.55.

limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas and Jim Hogg County ISD.

See Attachment C.

In support of Finding Number 6, the Comptroller's Certificate states, "[t]he Comptroller has determined that the limitation on appraised value is a determining factor in the Barranca Wind Energy, LLC's decision to invest capital and construct the project in this state." The Economic Impact Analysis further states:

- Per Barranca Wind Energy, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. ""Barranca Wind Energy, LLC is a Delaware limited liability company. Barranca Wind Energy, LLC has one member with 100% ownership, Lincoln Clean Energy, LLC ("LCE"). LCE has successfully developed projects involving over \$1 billion in capital investment in some of the largest electricity markets in the United States, including California, New Jersey, and Texas."
 - B. "The Applicant for this Project has entered into several contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project, and each of these contracts may be terminated by Applicant without incurring any significant liability. The Project has obtained the following state and local permits: Tax Abatement Agreement with Jim Hogg County, Tax Abatement Agreement with Jim Hogg County, Tax Abatement Agreement with Zapata County."
 - C. "The Project was previously referred to as the Vaquero Wind Project when it was a wholly owned subsidiary of Bordas Renewable Energy. The project is now a wholly owned subsidiary of Lincoln Clean Energy, LLC. The Project has applied to ERCOT and it has been assigned GIR #19INR0165, which was assigned to Barranca Wind Energy, LLC on February 28, 2018."
 - D. "The Applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. LCE has several gigawatts of renewable energy development assets in over fifteen states that it is marketing to different off-takers throughout the United States. LCE is considering investment in many of these potential projects, instead of this Project. The applicant's current projects in development include projects in the following states: Nebraska, South Dakota, New Mexico, Colorado,

and Virginia. This appraised value limitation is critical to the ability of the Project to move forward as currently sited."

- E. "Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics."

See Attachment D.

Board Finding Number 7.

The proposed limitation on appraised value for the qualified property is \$25,000,000.

The Comptroller's Minimum School District Limitation Values Report, effective as of January 1, 2019, provides that the District is a Subchapter C under Texas Tax Code §313.054, Category 2 District, with a minimum limitation of \$25,000,000. See Attachments A and D.

Board Finding Number 8.

The revenue gains that will be realized by the school district if the Application is approved will be significant in the long term, with special reference to revenues used for supporting school district debt.

In support of this Finding, the analysis prepared by Moak, Casey & Associates indicates that the Project would add an estimated \$208,152,000 to the tax base for debt service purposes at the peak investment level for the 2022-23 school year (tax year 2022). See Table 5, Attachment E. The Project remains fully taxable for debt services taxes. The District is currently levying a \$0.3846 per \$100 I&S tax rate. See Attachment E, p. 7. As a result, local taxpayers should see some benefit from the addition of the project to the local I&S tax roll. See Table 5, Attachment E. In addition, the estimated potential revenue gains from Supplemental Payments as provided for in the proposed Agreement are estimated to be \$1,581,000. See Estimated Financial Impact Table dated August 19, 2020, at the last page of Attachment E, and Attachment H (Article VI).

Board Finding Number 9.

The effect of the Applicant's proposed project is not expected to increase the District's instructional facility needs. Jim Hogg County ISD can accommodate the student growth anticipated from Applicant's project with its existing facilities.

See TEA's Facilities Impact Review Letter at Attachment F.

Board Finding Number 10.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Table 5 of Attachment E (column labeled "Taxes after Value Limit"), and the total amount of M&O taxes that would be imposed on the qualified property with the limitation on appraised value is estimated to be \$7,147,494.

Board Finding Number 11.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does not receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Table 5 of Attachment E (column labeled "Taxes before Value Limit"), and the total amount of M&O taxes that would be imposed on the qualified property without the limitation on appraised value is estimated to be \$20,066,983.

Board Finding Number 12.

Based upon the Applicant's certification that the Application is true and correct, the Comptroller's Economic Impact Analysis, the Comptroller's Certificate Decision, and the consultants' review of these and other documents, the Board has determined that the information provided by the Applicant in its Application was true and correct when submitted.

Upon acceptance of the Application, the District requested the Comptroller to undertake an economic impact evaluation and retained certain consultants to help the Board determine: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning the economic incentives available are a determining factor; and, (5) the proposed project meets eligibility requirements for an Agreement under Tax Code Chapter 313.

As a part of its review process, the Board notes that the Application was submitted by Applicant under oath. A Chapter 313 application is a governmental record under Tex. Penal Code §37.01(2)(A), and all representations contained therein are statements of fact within the meaning of Tex. Penal Code §37.01(3). Since Board action upon the adoption of these Findings and the approval of the Agreement (Attachment H) is an “official proceeding,” a false statement in the Application would constitute perjury under Tex. Penal Code §37.03.

The Board finds that sworn statements are routinely relied upon by fact finders in official governmental proceedings. The Board further finds that reliance upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified, is reasonable and within the intent of Chapter 313, Texas Tax Code. See Attachments A, B, C and D.

Board Finding Number 13.

The Applicant (Taxpayer Id. 32067716558) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on the Comptroller’s acknowledgment that Applicant’s right to transact business in Texas is active as a franchise-tax paying entity subject to taxes imposed by Chapter 171 of the Texas Tax Code.

See Attachments A, B and C.

Board Finding Number 14.

The project will be located within an area that is currently designated as a reinvestment zone, pursuant to Chapter 312 and as permitted by Chapter 313 of the Texas Tax Code. Should it be required, the District will cooperate with the Applicant’s efforts to ensure that the area remains designated as a reinvestment zone for so long as the law allows.

See Attachment A (Tab 16).

Board Finding Number 15.

Per Applicant’s certification in its Application, no existing improvements are located on the land and construction of Qualified Property has not begun on the project site. Prior to these Findings, the District has made a visual inspection of the project area and confirmed that no construction of Qualified Property has begun.

See Attachment A (§7.2 of Tab 1, and Tabs 10 and 11).

Board Finding Number 16.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, meets all the requirements set out in Texas Tax Code §313.027, including adequate and appropriate revenue protection provisions for the District.

In support of this Finding, and based on the information provided and certified by Applicant in its Application, the District's Financial Impact Analysis demonstrates that, pursuant to current school finance law (including Texas Education Code §48.256(d)), the District is projected to receive a revenue protection payment in tax year 2022 (school year 2022-23) in the estimated amount of \$1,383,418. See Table 5 in Attachment E. Therefore, any potential negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District as set out in the Agreement. See proposed Agreement, Article IV, at Attachment H, and Estimated Financial Impact Table dated 8/19/2020 at Attachment E.

Board Finding Number 17.

The Board finds that there are no conflicts of interest at the time of its consideration of the Agreement.

In support of this Finding, the Board finds that it has taken appropriate action to ensure that all District Trustees and the Superintendent have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

The Board further finds that it has taken appropriate action to ensure that all other applicable District employees and/or consultants have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

The Board further finds that it is unaware that any conflict exists as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 18.

Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State to approve Barranca Wind Energy's Application and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

See Attachment D.

Board Finding Number 19.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller, as of February 6, 2020, and the Comptroller has verified that the Agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 T.A.C. Chapter 9, Subchapter F.

See Attachment I.

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Jim Hogg County Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and (f) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the new jobs requirement pursuant to § 313.051(b) is hereby WAIVED; and,

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED contemporaneously with these Findings and is hereby authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Jim Hogg County Independent School District, along with a copy of these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and,

IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Jim Hogg County Independent School District Board of Trustees.

[signatures follow on next page]

Dated this 26th day of August, 2020.

Jim Hogg County Independent School District

By *Etra L. Ramirez*
Signature
Etra L. Ramirez
Printed Name and Title

Attest:

By *Belinda C. Molina*
Signature
Belinda C. Molina
Printed Name and Title

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Applicant's Franchise Tax Account Status
C	Comptroller's Certificate Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's 2019 Preliminary Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's August 14, 2020 Agreement Review Letter
J	Job Waiver Request
K	Extension Notice and Resolution



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

March 17, 2020

Susana Garza
Superintendent
Jim Hogg County Independent School District
210 W. Lucille
Hebbronville, Texas 78361

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Jim Hogg County Independent School District and Barranca Wind Energy, LLC, Application 1452

Dear Superintendent Garza:

On December 12, 2019, the Comptroller's office received Barranca Wind Energy, LLC's (applicant) application for a limitation on appraised value (Application 1452) from Jim Hogg County Independent School District (school district).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on March 17, 2020.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the Comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the school district and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Deisy Perez with our office. She can be reached by email at deisy.perez@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 5-2410 or at 512-475-2410.

Sincerely,

Will Counihan
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Phillip Moore, Lincoln Clean Energy, LLC
Jenn Goodwillie, Lincoln Clean Energy, LLC

See Application documents
(Comptroller No. 1452)
posted on Comptroller Website:
Application (posted 1/23/20)
Amendment No. 1
and Supplement Nos. 1 and 2



Franchise Tax Account Status

As of : 08/18/2020 15:42:44

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

BARRANCA WIND ENERGY, LLC	
Texas Taxpayer Number	32067716558
Mailing Address	211 E 7TH ST STE 620 AUSTIN, TX 78701-3218
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	07/06/2018
Texas SOS File Number	0803061569
Registered Agent Name	CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701

See Certification Packet
(Comptroller No. 1452)
posted on Comptroller Website

See Certification Packet
(Comptroller No. 1452)
posted on Comptroller Website

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED
BARRANCA WIND ENERGY, LLC PROJECT IN THE
JIM HOGG COUNTY INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1452)**

PREPARED BY



**UPDATED
AUGUST 19, 2020**

Executive Summary

Barranca Wind Energy, LLC (Company) has requested that the Jim Hogg County Independent School District (JHCISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to JHCISD on November 20, 2019, the Company plans to invest \$208.2 million in additional taxable value in the District as its portion of a renewable wind energy electric generation facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process. The update reflects the correct \$25 million value limitation for the project.

The Barranca Wind project is consistent with the state’s goal to “encourage large scale capital investments in this state.” When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others, although few of these other types of projects have been the basis for Chapter 313 applications.

Under the provisions of Chapter 313, JHCISD may offer a minimum value limitation of \$25 million. This value limitation, under the proposed application, will begin in the 2022-23 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA’s initial school finance analysis is detailed in this report. This analysis incorporates to the fullest extent possible the changes approved in House Bill 3 as approved in 2019, the most significant school finance revisions in more than 30 years. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to JHCISD	\$1.38 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$11.5 million

Application Process

After the school district has submitted an application to the Comptroller’s Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. A Completeness Letter was issued for this application on March 17, 2020.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. After the certificate is received, the district has until the 150th day from the receipt of the Completeness Letter to adopt an agreement, although extensions may be requested by the Company and granted by the District.

The Comptroller's certificate was received on May 8, 2020, the District's legal counsel contacted the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement was submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees and the Comptroller approved the form of the final Agreement on August 14, 2020.

At the final board meeting on August 26, 2020, the school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. The school board will also be required to adopt a job waiver.

How the 313 Agreement Interacts with Texas School Finance

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). Recapture costs are primarily a Tier I issue, although Tier II also can involve recapture costs for some school districts.

The basic allotment is now set at \$6,160 per weighted ADA (WADA) and is the basis for Tier I calculations. In the case of Tier II, the first eight cents of additional tax effort can be used to generate state aid of up to \$98.56 per WADA for what are known as "golden" pennies. Tax effort for golden pennies is not subject to recapture. Up to an additional nine cents may be levied to generate \$49.28 per WADA for what are known as "copper" pennies (generating half the revenue per WADA of the golden pennies).

Changes in the recapture calculation are an important part of HB 3, for those districts subject to recapture under the new law. Rather than being tied to property wealth exceeding an equalized wealth level per WADA, recapture is now defined as the amount of revenue collected in excess of a district's Tier I allotment, or for Tier II the amount of collections in excess of the entitlement provided for tax effort generating copper-penny level state aid. (Golden pennies are not subject to recapture.) The changes in the recapture methodology may affect the results of revenue protection payments relative to what was calculated when the equalized wealth level was used to determine the amount of recapture owed the state by school districts subject to recapture. The recapture change does not appear to be an issue for JHCISD, based on the calculations shown below.

Another significant school funding change is establishing current-year property values to determine state funding and recapture under the Foundation School Program. The traditional approach for the last 30 years has been to rely upon prior-year state property values as determined annually under the Comptroller's State Property Value Study (Section 403 of the Government Code). The change in House Bill 3 calls for using current-year property values as determined by the Comptroller's Property Value Study, without an explanation as to how the property value study is to be completed on a real-time basis.

While school district funding will now be determined based on current-year property values, House Bill 3 included language that addressed the property values to be used in determining calculating revenue protection payments under Chapter 313 agreements. This information is contained in Section 48.256(d), Education Code, as shown below:

- d) This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner under Section 313.027, Tax Code, for the implementation of a limitation on appraised value under Subchapter B or C, Chapter 313, Tax Code. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Subchapter B or C, Chapter 313, Tax Code, before the expiration of the subchapter. The comptroller shall provide information to the agency necessary for this subsection. **A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district's taxable value of property for the preceding tax year [emphasis added].**

Given the directive with regard to the use of preceding-tax-year values to calculate revenue protection payments required under Chapter 313 agreements, the amounts collected are expected to be consistent with the patterns shown since these calculations were first calculated under the standard Chapter 313 agreement language, dating back to 2004. The most significant impact is typically in the first limitation year, although major value increases in project values in later limitation years may also trigger a revenue protection payment. The additional factor that may generate a variance with the traditional pattern of revenue protection amounts is the new methodology in the calculation of recapture, as noted previously.

The calculations shown below are based on the Section 48.256(d), Education Code directive to use preceding-tax-year property values to determine the revenue protection payment, if any, owed to the school district under the terms of the Chapter 313 Agreement between the Applicant and the School District. These calculations are to be made for each of the 10 limitation years under the terms of the Agreement. Chapter 313 will be subject to legislative renewal in 2021 and any changes made may impact these calculations moving forward.

(For more detailed information on the school finance funding system, please review the Texas Education Agency's (TEA) website. [The current information is expected to be updated as the details of House Bill 3 implementation are determined by TEA.](#)

The implementation of recent legislative action on school funding in House Bill 3 could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment is now set to \$6,160, the Tier II golden penny yield is set to \$98.56 per WADA for up to eight cents, while the copper penny yield is \$49.28 per WADA for up to nine cents of local tax effort. These are maintained for future years at this time.

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously approved Chapter 313 projects are also factored into the M&O tax bases used.

ADA:	1,057
Local M&O Tax Base	\$419.2 million
2019-20 M&O Tax Rate:	\$0.9701 per \$100 of Taxable Value
2020-21 Projected M&O Tax Rate:	\$0.9565 per \$100 of Taxable Value
I&S Tax Rate:	\$0.3846 per \$100 of Taxable Value

Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Table 1 - Base District Information with Barranca Wind Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	Sec. 48.256(d)	Sec. 48.256(d)	DPV Value with Project per WADA	DPV Value with Limitation per WADA
						District Revenue Protection District Property Value with Project	District Revenue Protection District Property Value with Limitation		
QTP0	2020-21	1,056.74	1,744.95	\$0.9565	\$0.3846	\$438,861,172	\$438,861,172	\$251,504	\$251,504
QTP1	2021-22	1,056.74	1,744.95	\$0.9565	\$0.3846	\$438,861,172	\$438,861,172	\$251,504	\$251,504
QTP2/VL1	2022-23	1,056.74	1,744.95	\$0.9565	\$0.3846	\$438,861,172	\$438,861,172	\$251,504	\$251,504
VL2	2023-24	1,056.74	1,744.95	\$0.9565	\$0.3846	\$647,013,172	\$463,861,172	\$370,792	\$265,831
VL3	2024-25	1,056.74	1,744.95	\$0.9565	\$0.3846	\$634,524,052	\$463,861,172	\$363,635	\$265,831
VL4	2025-26	1,056.74	1,744.95	\$0.9565	\$0.3846	\$639,888,149	\$480,965,042	\$366,709	\$275,633
VL5	2026-27	1,056.74	1,744.95	\$0.9565	\$0.3846	\$624,787,182	\$476,899,461	\$358,055	\$273,303
VL6	2027-28	1,056.74	1,744.95	\$0.9565	\$0.3846	\$610,958,176	\$473,443,718	\$350,130	\$271,323
VL7	2028-29	1,056.74	1,744.95	\$0.9565	\$0.3846	\$581,624,762	\$453,861,172	\$333,319	\$260,100
VL8	2029-30	1,056.74	1,744.95	\$0.9565	\$0.3846	\$572,458,947	\$453,861,172	\$328,066	\$260,100
VL9	2030-31	1,056.74	1,744.95	\$0.9565	\$0.3846	\$563,843,080	\$453,861,172	\$323,129	\$260,100
VL10	2031-32	1,056.74	1,744.95	\$0.9565	\$0.3846	\$555,744,166	\$453,861,172	\$318,488	\$260,100
VP1	2032-33	1,056.74	1,744.95	\$0.9565	\$0.3846	\$548,131,186	\$453,861,172	\$314,125	\$260,100
VP2	2033-34	1,056.74	1,744.95	\$0.9565	\$0.3846	\$540,974,985	\$540,974,985	\$310,024	\$310,024
VP3	2034-35	1,056.74	1,744.95	\$0.9565	\$0.3846	\$534,248,156	\$534,248,156	\$306,169	\$306,169
VP4	2035-36	1,056.74	1,744.95	\$0.9565	\$0.3846	\$527,924,937	\$527,924,937	\$302,545	\$302,545
VP5	2036-37	1,056.74	1,744.95	\$0.9565	\$0.3846	\$521,981,111	\$521,981,111	\$299,138	\$299,138

*Basic Allotment: \$6,160; Golden Penny Yield: \$98.56; Copper Penny Yield: \$49.28

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact of the Barranca Wind Project on JHCISD

A model is established to make a calculation of the “Baseline Revenue Model” (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the “Value Limitation Revenue Model” (Table 3) by adding the project’s limited value of \$25 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$1.38 million over the course of the Agreement, with all the loss reflected in the first limitation year (2022-23).

Table 2– “Baseline Revenue Model” --Project Value Added to DPV with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2020-21	\$3,758,216	\$6,925,818	\$0	\$164,230	\$479,079	\$0	\$846,256	\$12,173,599
QTP1	2021-22	\$3,758,216	\$6,925,818	\$0	\$164,230	\$479,079	\$0	\$705,583	\$12,032,926
QTP2/VL1	2022-23	\$5,661,343	\$6,925,818	\$0	\$247,395	\$722,461	\$0	\$0	\$13,557,017
VL2	2023-24	\$5,546,880	\$5,018,109	\$0	\$242,393	\$402,303	\$0	\$823,241	\$12,032,926
VL3	2024-25	\$5,592,907	\$5,132,571	\$0	\$244,404	\$417,839	\$0	\$0	\$11,387,721
VL4	2025-26	\$5,455,252	\$5,083,409	\$0	\$238,389	\$402,815	\$0	\$0	\$11,179,865
VL5	2026-27	\$5,329,143	\$5,221,809	\$0	\$232,878	\$408,447	\$0	\$0	\$11,192,277
VL6	2027-28	\$5,063,892	\$5,348,552	\$0	\$221,287	\$401,408	\$0	\$0	\$11,035,139
VL7	2028-29	\$4,979,888	\$5,617,392	\$0	\$217,616	\$425,685	\$0	\$0	\$11,240,581
VL8	2029-30	\$4,900,923	\$5,701,397	\$0	\$214,165	\$429,113	\$0	\$0	\$11,245,598
VL9	2030-31	\$4,826,697	\$5,780,361	\$0	\$210,922	\$432,336	\$0	\$0	\$11,250,316
VL10	2031-32	\$4,756,924	\$5,854,587	\$0	\$207,873	\$435,365	\$0	\$0	\$11,254,749
VP1	2032-33	\$4,675,370	\$5,924,360	\$0	\$204,309	\$437,040	\$0	\$0	\$11,241,079
VP2	2033-34	\$4,614,951	\$5,989,947	\$0	\$201,668	\$439,709	\$0	\$0	\$11,246,275
VP3	2034-35	\$4,558,158	\$6,051,598	\$0	\$199,187	\$442,218	\$0	\$0	\$11,251,161
VP4	2035-36	\$4,504,773	\$6,109,550	\$0	\$196,854	\$444,577	\$0	\$0	\$11,255,754
VP5	2036-37	\$4,454,590	\$6,164,025	\$0	\$194,661	\$446,794	\$0	\$0	\$11,260,070

QTP=	Qualifying Time Period
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M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$12.9 million over the life of the agreement. The JHCISD revenue losses are expected to total approximately \$1.38 million. The total potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$11.5 million, prior to any negotiations with Barranca Wind on supplemental payments. (See Table 5.)

It should be noted that a key element in the revenue-loss calculation appears to be linked to the retention of prior-year property values in the calculation of the revenue protection amount for the 2022-23 school year. Under the standard agreement, these calculations are based on whatever school finance and property tax laws are in effect each year. With a legislative session occurring in 2021, there could be changes made to current school finance law. While the District will still be protected against revenue losses, these calculations may be reduced below what we are projecting under what is now current law.

Table 3- "Value Limitation Revenue Model" --Project Value Added to DPV with Value Limitation in Effect

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2020-21	\$3,758,216	\$6,925,818	\$0	\$164,230	\$479,079	\$0	\$846,256	\$12,173,599
QTP1	2021-22	\$3,758,216	\$6,925,818	\$0	\$164,230	\$479,079	\$0	\$705,583	\$12,032,926
QTP2/VL1	2022-23	\$3,982,758	\$6,925,818	\$0	\$174,042	\$508,541	\$0	\$582,440	\$12,173,599
VL2	2023-24	\$3,982,758	\$6,696,693	\$0	\$174,042	\$470,985	\$0	\$708,448	\$12,032,926
VL3	2024-25	\$4,136,379	\$6,696,693	\$0	\$180,755	\$489,824	\$0	\$0	\$11,503,651
VL4	2025-26	\$4,099,864	\$6,539,937	\$0	\$179,160	\$462,093	\$0	\$0	\$11,281,054
VL5	2026-27	\$4,068,825	\$6,577,198	\$0	\$177,803	\$463,610	\$0	\$0	\$11,287,436
VL6	2027-28	\$3,892,941	\$6,608,870	\$0	\$170,117	\$447,450	\$0	\$0	\$11,119,378
VL7	2028-29	\$3,892,941	\$6,788,343	\$0	\$170,117	\$474,735	\$0	\$0	\$11,326,136
VL8	2029-30	\$3,892,941	\$6,788,343	\$0	\$170,117	\$474,735	\$0	\$0	\$11,326,136
VL9	2030-31	\$3,892,941	\$6,788,343	\$0	\$170,117	\$474,735	\$0	\$0	\$11,326,136
VL10	2031-32	\$3,892,941	\$6,788,343	\$0	\$170,117	\$474,735	\$0	\$0	\$11,326,136
VP1	2032-33	\$4,675,370	\$6,788,343	\$0	\$204,309	\$569,681	\$0	\$0	\$12,237,703
VP2	2033-34	\$4,614,951	\$5,989,947	\$0	\$201,668	\$439,709	\$0	\$0	\$11,246,275
VP3	2034-35	\$4,558,158	\$6,051,598	\$0	\$199,187	\$442,218	\$0	\$0	\$11,251,161
VP4	2035-36	\$4,504,773	\$6,109,550	\$0	\$196,854	\$444,577	\$0	\$0	\$11,255,754
VP5	2036-37	\$4,454,590	\$6,164,025	\$0	\$194,661	\$446,794	\$0	\$0	\$11,260,070

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

Table 4 - Value Limitation Revenue Model Less Baseline Revenue Model with No Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2020-21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2021-22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2022-23	-\$1,678,585	\$0	\$0	-\$73,353	-\$213,920	\$0	\$582,440	-\$1,383,418
VL2	2023-24	-\$1,564,122	\$1,678,584	\$0	-\$68,351	\$68,682	\$0	-\$114,793	\$0
VL3	2024-25	-\$1,456,528	\$1,564,122	\$0	-\$63,649	\$71,985	\$0	\$0	\$115,930
VL4	2025-26	-\$1,355,388	\$1,456,528	\$0	-\$59,229	\$59,278	\$0	\$0	\$101,189
VL5	2026-27	-\$1,260,318	\$1,355,389	\$0	-\$55,075	\$55,163	\$0	\$0	\$95,159
VL6	2027-28	-\$1,170,951	\$1,260,318	\$0	-\$51,170	\$46,042	\$0	\$0	\$84,239
VL7	2028-29	-\$1,086,947	\$1,170,951	\$0	-\$47,499	\$49,050	\$0	\$0	\$85,555
VL8	2029-30	-\$1,007,982	\$1,086,946	\$0	-\$44,048	\$45,622	\$0	\$0	\$80,538
VL9	2030-31	-\$933,756	\$1,007,982	\$0	-\$40,805	\$42,399	\$0	\$0	\$75,820
VL10	2031-32	-\$863,983	\$933,756	\$0	-\$37,756	\$39,370	\$0	\$0	\$71,387
VP1	2032-33	\$0	\$863,983	\$0	\$0	\$132,641	\$0	\$0	\$996,624
VP2	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2035-36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2036-37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

Table 5 - Estimated Financial Impact of the Barranca Wind Project Property Value Limitation Request Submitted to JHCISD at \$0.95655 M&O per \$100 Tax Rate

Year of Agreement	School Year	Project Taxable Value for M&O If No Limitation	Project Taxable Value for M&O with Limitation	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings to Company	School District Revenue Protection	Estimated Net Tax Benefits
QTP0	2020-21	\$0	\$0	\$0.95655	\$0	\$0	\$0	\$0	\$0
QTP1	2021-22	\$0	\$0	\$0.95655	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2022-23	\$208,152,000	\$25,000,000	\$0.95655	\$1,991,074	\$239,137	\$1,751,937	-\$1,383,418	\$368,519
VL2	2023-24	\$195,662,880	\$25,000,000	\$0.95655	\$1,871,610	\$239,137	\$1,632,473	\$0	\$1,632,473
VL3	2024-25	\$183,923,107	\$25,000,000	\$0.95655	\$1,759,313	\$239,137	\$1,520,176	\$0	\$1,520,176
VL4	2025-26	\$172,887,721	\$25,000,000	\$0.95655	\$1,653,754	\$239,137	\$1,414,617	\$0	\$1,414,617
VL5	2026-27	\$162,514,458	\$25,000,000	\$0.95655	\$1,554,529	\$239,137	\$1,315,392	\$0	\$1,315,392
VL6	2027-28	\$152,763,590	\$25,000,000	\$0.95655	\$1,461,257	\$239,137	\$1,222,120	\$0	\$1,222,120
VL7	2028-29	\$143,597,775	\$25,000,000	\$0.95655	\$1,373,582	\$239,137	\$1,134,445	\$0	\$1,134,445
VL8	2029-30	\$134,981,908	\$25,000,000	\$0.95655	\$1,291,167	\$239,137	\$1,052,030	\$0	\$1,052,030
VL9	2030-31	\$126,882,994	\$25,000,000	\$0.95655	\$1,213,697	\$239,137	\$974,560	\$0	\$974,560
VL10	2031-32	\$119,270,014	\$25,000,000	\$0.95655	\$1,140,875	\$239,137	\$901,738	\$0	\$901,738
VP1	2032-33	\$112,113,813	\$112,113,813	\$0.95655	\$1,072,423	\$1,072,423	\$0	\$0	\$0
VP2	2033-34	\$105,386,984	\$105,386,984	\$0.95655	\$1,008,077	\$1,008,077	\$0	\$0	\$0
VP3	2034-35	\$99,063,765	\$99,063,765	\$0.95655	\$947,593	\$947,593	\$0	\$0	\$0
VP4	2035-36	\$93,119,939	\$93,119,939	\$0.95655	\$890,737	\$890,737	\$0	\$0	\$0
VP5	2036-37	\$87,532,743	\$87,532,743	\$0.95655	\$837,293	\$837,293	\$0	\$0	\$0
					\$20,066,983	\$7,147,494	\$12,919,489	-\$1,383,418	\$11,536,071

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- **Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations, which could be significant under HB 3.**
- **Legislative changes addressing property value appraisals and exemptions.**
- **Year-to-year appraisals of project values and district taxable values.**
- **Changes in school district tax rates and student enrollment.**

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with JHCISD currently levying a \$0.3846 per \$100 I&S rate. As shown in the Table 6 below, local taxpayers should benefit from the addition of the Barranca Wind project to the local I&S tax roll, with a potential reduction in the I&S tax rate, based on the data assumptions used in this report. The enhanced I&S tax base also offers the potential to address future school facility needs.

Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Table 6 - Estimated Impact of the Barranca Wind Project Property Value Limitation Request on JHCISD I&S Tax Rate

Year of Agreement	School Year	I&S Rate w/out Project	Local Value w/out Project	I&S Taxes w/out Project	Project Full Taxable Value	I&S Rate with Project Value	Change in I&S Rate
QTP0	2020-21	\$0.3846	\$461,162,826	\$1,773,632	\$0	\$0.384600	\$0.0000
QTP1	2021-22	\$0.3846	\$461,162,826	\$1,773,632	\$0	\$0.384600	\$0.0000
QTP2/VL1	2022-23	\$0.3846	\$461,162,826	\$1,773,632	\$208,152,000	\$0.264992	-\$0.1196
VL2	2023-24	\$0.3846	\$461,162,826	\$1,773,632	\$195,662,880	\$0.270031	-\$0.1146
VL3	2024-25	\$0.3846	\$461,162,826	\$1,773,632	\$183,923,107	\$0.274945	-\$0.1097
VL4	2025-26	\$0.3846	\$461,162,826	\$1,773,632	\$172,887,721	\$0.279730	-\$0.1049
VL5	2026-27	\$0.3846	\$461,162,826	\$1,773,632	\$162,514,458	\$0.284383	-\$0.1002
VL6	2027-28	\$0.3846	\$461,162,826	\$1,773,632	\$152,763,590	\$0.288900	-\$0.0957
VL7	2028-29	\$0.3846	\$461,162,826	\$1,773,632	\$143,597,775	\$0.293278	-\$0.0913
VL8	2029-30	\$0.3846	\$461,162,826	\$1,773,632	\$134,981,908	\$0.297517	-\$0.0871
VL9	2030-31	\$0.3846	\$461,162,826	\$1,773,632	\$126,882,994	\$0.301615	-\$0.0830
VL10	2031-32	\$0.3846	\$461,162,826	\$1,773,632	\$119,270,014	\$0.305571	-\$0.0790
VP1	2032-33	\$0.3846	\$461,162,826	\$1,773,632	\$112,113,813	\$0.309385	-\$0.0752
VP2	2033-34	\$0.3846	\$461,162,826	\$1,773,632	\$105,386,984	\$0.313058	-\$0.0715
VP3	2034-35	\$0.3846	\$461,162,826	\$1,773,632	\$99,063,765	\$0.316592	-\$0.0680
VP4	2035-36	\$0.3846	\$461,162,826	\$1,773,632	\$93,119,939	\$0.319987	-\$0.0646
VP5	2036-37	\$0.3846	\$461,162,826	\$1,773,632	\$87,532,743	\$0.323245	-\$0.0614

IFA and EDA state aid are now based on current-year values, which could affect the tax rate needed for bond payments in districts eligible for these funds.



Estimated Financial Impact of #1452 - Barranca Wind Energy, LLC Chapter 313 Property Value Limitation Request Submitted to Jim Hogg County ISD

(A)	(B)	(C)	(D)	(E)	(G)	(H)	(F)	(G)	(H)	(I)	(J)
Year of Agreement	School Year	Project Taxable Value for M&O If No Limitation	Project Taxable Value for M&O With Limitation	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings To Company	Article IV Revenue Protection Payment	Estimated Net Tax Benefits	Article VI Supplemental Payments	Potential Company Tax Benefit
QTP0	2020-21	\$0	\$0	\$0.95655	\$0	\$0	\$0	\$0	\$0	\$105,400	-\$105,400
QTP1	2021-22	\$0	\$0	\$0.95655	\$0	\$0	\$0	\$0	\$0	\$105,400	-\$105,400
QTP2/VL1	2022-23	\$208,152,000	\$25,000,000	\$0.95655	\$1,991,074	\$239,137	\$1,751,937	-\$1,383,418	\$368,519	\$105,400	\$263,119
VL2	2023-24	\$195,662,880	\$25,000,000	\$0.95655	\$1,871,610	\$239,137	\$1,632,473	\$0	\$1,632,473	\$105,400	\$1,527,073
VL3	2024-25	\$183,923,107	\$25,000,000	\$0.95655	\$1,759,313	\$239,137	\$1,520,176	\$0	\$1,520,176	\$105,400	\$1,414,776
VL4	2025-26	\$172,887,721	\$25,000,000	\$0.95655	\$1,653,754	\$239,137	\$1,414,617	\$0	\$1,414,617	\$105,400	\$1,309,217
VL5	2026-27	\$162,514,458	\$25,000,000	\$0.95655	\$1,554,529	\$239,137	\$1,315,392	\$0	\$1,315,392	\$105,400	\$1,209,992
VL6	2027-28	\$152,763,590	\$25,000,000	\$0.95655	\$1,461,257	\$239,137	\$1,222,120	\$0	\$1,222,120	\$105,400	\$1,116,720
VL7	2028-29	\$143,597,775	\$25,000,000	\$0.95655	\$1,373,582	\$239,137	\$1,134,445	\$0	\$1,134,445	\$105,400	\$1,029,045
VL8	2029-30	\$134,981,908	\$25,000,000	\$0.95655	\$1,291,167	\$239,137	\$1,052,030	\$0	\$1,052,030	\$105,400	\$946,630
VL9	2030-31	\$126,882,994	\$25,000,000	\$0.95655	\$1,213,697	\$239,137	\$974,560	\$0	\$974,560	\$105,400	\$869,160
VL10	2031-32	\$119,270,014	\$25,000,000	\$0.95655	\$1,140,875	\$239,137	\$901,738	\$0	\$901,738	\$105,400	\$796,338
VP1	2032-33	\$112,113,813	\$112,113,813	\$0.95655	\$1,072,423	\$1,072,423	\$0	\$0	\$0	\$105,400	-\$105,400
VP2	2033-34	\$105,386,984	\$105,386,984	\$0.95655	\$1,008,077	\$1,008,077	\$0	\$0	\$0	\$105,400	-\$105,400
VP3	2034-35	\$99,063,765	\$99,063,765	\$0.95655	\$947,593	\$947,593	\$0	\$0	\$0	\$105,400	-\$105,400
VP4	2035-36	\$93,119,939	\$93,119,939	\$0.95655	\$890,737	\$890,737	\$0	\$0	\$0		\$0
VP5	2036-37	\$87,532,743	\$87,532,743	\$0.95655	\$837,293	\$837,293	\$0	\$0	\$0		\$0
					\$20,066,983	\$7,147,494	\$12,919,489	-\$1,383,418	\$11,536,071	\$1,581,000	\$9,955,071

QTP = Qualifying Time Period
VL = Value Limitation
VP = Viable Presence

Fully Taxable for I&S

Loss of M&O taxes plus Tier II state aid would have earned on those taxes plus any offset due to Formula Transition Aid

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this table.



Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

IMPORTANT: You must provide a copy of this letter to the law firm working on the value limitation agreement. Please keep this letter with your district's records.

March 26, 2020

Etna L Ramirez, President
Board of Trustees
Jim Hogg County Independent School District
210 W Lucille St,
Hebbronville, Texas 78361

Dear Mrs. Ramirez:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Barranca Wind Energy, LLC project #1452 on the number and size of school facilities in Jim Hogg County Independent School District (JHCISD). Based on an examination of JHCISD enrollment and the number of potential new jobs, the TEA has determined that the Barranca Wind Energy, LLC project should not have a significant impact on the number or size of school facilities in JHCISD.

Please feel free to contact me by phone at (512) 463-8732 or by email at amy.copeland@tea.texas.gov if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Amy Copeland". The signature is written in a cursive, flowing style.

Amy Copeland
Director of State Funding

Cc: Dr. Susana P Garza


Taxes

Property Tax Assistance

2019 ISD Summary Worksheet**124-Jim Hogg****124-901/Jim Hogg County ISD**

Category	Local Tax Roll Value	2019 WTD Mean Ratio	2019 PTAD Value Estimate	2019 Value Assigned
A. SINGLE-FAMILY RESIDENCES	108,775,600	0.9186	118,414,544	118,414,544
B. MULTIFAMILY RESIDENCES	2,686,420	N/A	2,686,420	2,686,420
C1. VACANT LOTS	5,079,900	N/A	5,079,900	5,079,900
C2. COLONIA LOTS	1,002,790	N/A	1,002,790	1,002,790
D1. QUALIFIED AGRICULTURAL LAND	50,532,980	0.9185	55,017,681	55,017,681
D2. REAL PROPERTY: FARM & RANCH	20,868,530	N/A	20,868,530	20,868,530
E. REAL PROPERTY NON QUAL ACREAGE	14,228,910	N/A	14,228,910	14,228,910
F1. COMMERCIAL REAL	24,304,760	0.9010	26,975,316	26,975,316
F2. INDUSTRIAL REAL	141,244,500	N/A	141,244,500	141,244,500
G. OIL, GAS, MINERALS	16,082,210	0.9454	17,011,011	17,011,011
J. UTILITIES	51,236,980	0.9392	54,553,854	54,553,854
L1. COMMERCIAL PERSONAL	9,082,116	N/A	9,082,116	9,082,116
L2. INDUSTRIAL PERSONAL	10,936,690	N/A	10,936,690	10,936,690
M. MOBILE HOMES	176,460	N/A	176,460	176,460

N. INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
Subtotal	456,238,846	0	477,278,722	477,278,722
Less Total Deductions	36,408,919	0	38,417,550	38,417,550
Total Taxable Value	419,809,577	0	438,840,822	438,840,822

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M & O) tax purposes and for interest and sinking fund (I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M & O Purposes

T1	T2	T3	T4
447,659,252	438,861,172	444,194,782	435,396,702

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
8,798,080	3,464,470

T1 = School district taxable value for M & O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

T7	T8	T9	T10
447,659,252	438,861,172	444,194,782	435,396,702

T7 = School district taxable value for I & S purposes before the loss to the additional \$10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR TAXABLE VALUE TO BE INVALID, AND STATE VALUE WAS CERTIFIED BECAUSE YOUR LOCAL VALUE DID NOT EXCEED THE STATE VALUE AND: 1) WAS INVALID IN ONE OR MORE OF THE PREVIOUS TWO YEARS OR 2) IS LESS THAN 90% OF THE LOWER END OF THE MARGIN OF ERROR RANGE OR 3) THE APPRAISAL DISTRICT THAT APPRAISES PROPERTY FOR THE SCHOOL DISTRICT WAS NOT IN COMPLIANCE WITH THE SCORING REQUIREMENT OF THE COMPTROLLER'S MOST RECENT REVIEW OF THE APPRAISAL DISTRICT CONDUCTED UNDER SECTION 5.102, TAX CODE (MAP REVIEW)

124-901-02/Jim Hogg County ISD

Category	Local Tax Roll Value	2019 WTD Mean Ratio	2019 PTAD Value Estimate	2019 Value Assigned
A. SINGLE-FAMILY RESIDENCES	108,775,600	0.9186	118,414,544	118,414,544
B. MULTIFAMILY RESIDENCES	2,686,420	N/A	2,686,420	2,686,420

C1. VACANT LOTS	5,079,900	N/A	5,079,900	5,079,900
C2. COLONIA LOTS	1,002,790	N/A	1,002,790	1,002,790
D1. QUALIFIED AG LAND	50,532,980	0.9185	55,017,681	55,017,681
D2. REAL PROP:FA RM & RANCH	20,868,530	N/A	20,868,530	20,868,530
E. REAL PROP NON QUAL ACREAGE	14,228,910	N/A	14,228,910	14,228,910
F1. COMMERCIAL REAL	24,304,760	0.9010	26,975,316	26,975,316
F2. INDUSTRIAL REAL	141,244,500	N/A	141,244,500	141,244,500
G. OIL,GAS,MINER ALS	16,082,210	0.9454	17,011,011	17,011,011
J. UTILITIES	51,236,980	0.9392	54,553,854	54,553,854
L1. COMMERCIAL PERSONAL	9,082,116	N/A	9,082,116	9,082,116
L2. INDUSTRIAL PERSONAL	10,936,690	N/A	10,936,690	10,936,690
M. MOBILE HOMES	176,460	N/A	176,460	176,460
N. INTANGIBLE PERSONAL PROP	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
Subtotal	456,238,846		477,278,722	477,278,722
Less Total Deductions	36,408,919		38,417,550	38,417,550
Total Taxable Value	419,809,577		438,840,822	438,840,822

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

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T1	T2	T3	T4
447,659,252	438,861,172	444,194,782	435,396,702

Loss To the Additional \$10,000 Homestead Exemption	50 % of the loss to the Local Optional Percentage Homestead Exemption
8,798,080	3,464,470

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T4 = T2 minus 50 % of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

T7	T8	T9	T10
447,659,252	438,861,172	444,194,782	435,396,702

T7 = School district taxable value for I & S purposes before the loss to the additional \$10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

See Agreement
(Comptroller No. 1452)
posted on Comptroller Website



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 14, 2020

Susana Garza
Superintendent
Jim Hogg County Independent School District
210 W. Lucille
Hebbronville, Texas 78361

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Jim Hogg County Independent School District and Barranca Wind Energy, LLC, Application 1452

Dear Superintendent Garza:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Jim Hogg County Independent School District and Barranca Wind Energy, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the Agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Deisy Perez with our office. She can be reached by email at deisy.perez@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-2410, or at 512-475-2410.

Sincerely,

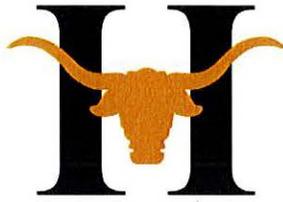
DocuSigned by:

45D47260A6AB46C...
Will Counihan

Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Phillip Moore, Lincoln Clean Energy, LLC
Jenn Goodwillie, Lincoln Clean Energy, LLC

See Tab 12 in Amendment No. 1
(Comptroller No. 1452)
posted on Comptroller Website



JIM HOGG COUNTY

INDEPENDENT SCHOOL DISTRICT

June 17, 2020

Barranca Wind Energy, LLC
c/o Jennifer Goodwillie, Sr. Director of Development *Via Email: jgoodwillie@lincolnclean.com*
LCE/Orsted
812 San Antonio St., Suite 500
Austin, Texas 78701

Re: Request for Extension from Barranca Wind Energy, LLC
Regarding an Appraised Value Limitation Agreement
Comptroller App. No. 1452

Dear Ms. Goodwillie:

Please be advised that at a properly called meeting of the Jim Hogg County Independent School District Board of Trustees on June 17, 2020, the Board took action on the request for an extension to consider the application of Barranca Wind Energy, LLC for an Appraised Value Limitation Agreement with Jim Hogg County ISD. The District approved the request and has granted the extension on the application for the maximum time allowed, *i.e.*, until December 31, 2020. *See* enclosed copy of the Resolution granting the extension. The Board's action will be reflected in the Minutes of this meeting.

If you have any further questions concerning your extension, please do not hesitate to contact me or Fred Stormer at the Underwood Law Firm. Thank you for your cooperation in this matter.

Sincerely,

Dr. Susana P. Garza
Superintendent of Schools

cc: June Gray, Development
Fred Stormer, Underwood Law Firm

Via Email: jgray@lincolnclean.com
Via Email: fred.stormer@uwlaw.com

**RESOLUTION OF THE BOARD OF TRUSTEES
OF
JIM HOGG COUNTY INDEPENDENT SCHOOL DISTRICT**

The Board of Trustees of Jim Hogg County Independent School District (“the District”) does hereby make the following resolution regarding a pending application by Barranca Wind Energy, LLC (“Barranca Wind Energy”) for an appraised value limitation agreement under Texas Tax Code, Chapter 313:

WHEREAS, on or about November 20, 2019, Barranca Wind Energy submitted to the District an application under Texas Tax Code, Chapter 313 (the “Application”) for an appraised value limitation agreement (“Agreement”);

WHEREAS, on or about December 12, 2019, the Application was received by the Texas Comptroller of Public Accounts (the “Texas Comptroller”), after the District deemed it complete;

WHEREAS, on or about March 17, 2020, the Texas Comptroller issued a letter deeming the Application complete, advising that it would move forward with its economic impact evaluation, and triggering the Application Review Start Date;

WHEREAS, Texas Tax Code §313.025(b) requires that the Board approve or disapprove an application before the 151st day after the date the application is deemed complete by the Texas Comptroller (the “Deadline”), unless the Texas Comptroller’s economic impact evaluation has not been received or an extension is agreed to by the Board and Barranca Wind Energy;

WHEREAS, due to the current state of emergency and the rapid spread of COVID-19, a novel coronavirus, which has resulted in widespread business closures and limited government operation, the need to renew the Reinvestment Zone, as well as ongoing negotiations, it is likely that the Agreement will not be approved by the Comptroller in time for the Board to issue its Findings of Fact, and approve and execute such an Agreement before the Deadline; and

WHEREAS, on or about June 1, 2020, Barranca Wind Energy submitted a request to the District to extend the Deadline, a copy of which is attached here to as Exhibit “A.”

NOW BE IT THEREFORE RESOLVED, that the statements contained in the preamble of this Resolution are true and correct and adopted as findings of fact and operative provisions hereof, and that it is in the District’s best interest to extend the Deadline as requested;

BE IT FURTHER RESOLVED, that Board of Trustees finds that it is in the best interest of the District to grant Barranca Wind Energy’s request, and extend the Deadline for the maximum time allowed, *i.e.*, until December 31, 2020; and

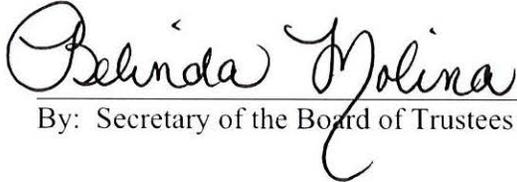
BE IT FURTHER RESOLVED, the Superintendent, or her designee, is directed to provide notice to Barranca Wind Energy and the Comptroller's Office of the Board's decision to grant Barranca Wind Energy's request and extend the Deadline until December 31, 2020.

Passed and approved by the Jim Hogg County Independent School District Board of Trustees on this 17th day of June, 2020.

Jim Hogg County Independent School District



By: President of the Board of Trustees



By: Secretary of the Board of Trustees

EXHIBIT A



June 1, 2020

Dr. Susana Garza
Jim Hogg County Independent School District
210 W. Lucille
Hebbronville, TX 78361

Re: 313 Application #1452 Extension Request – Jim Hogg County ISD – Barranca Wind Energy, LLC

Dear Dr. Garza:

Barranca Wind Energy, LLC is writing to request an extension to the 150-day approval period for Barranca Wind Energy, LLC's 313 request. We ask that Jimm Hogg County Independent School District further extend the deadline to December 31, 2020.

We appreciate your consideration of our 313 application. Should you have any questions, comments, or concerns, please do not hesitate to contact me at 512.626.3417.

Best,

Jennifer Goodwillie

Jennifer Goodwillie
Senior Director of Development