POWELL YOUNGBLOOD & TAYLOR LLP
AUSTIN
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May 14, 2020

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

Re: Application for Appraised Value Limitation on Qualified Property from Hubbard Wind, LLC to Coolidge Independent School District, Application #1455

First Year of Qualifying Time Period: 01 / 01 / 2021
First Year of Limitation Period: 01 / 01 / 2022

Dear Local Government Assistance and Economic Analysis Division:

Pursuant to your request for additional information in your January 15, 2020 email correspondence, please find attached Amendment #001 to Application #1455. Additionally, the Applicant has also made further changes to the Application. The following changes were made to the amended application pages:

1. **Application Section 5.4.** *Are all applicant members of the combined group current on all tax payments due to the State of Texas?*
   a. "Not Applicable" was selected because the Applicant is not a combined group nor comprised of members of a combined group, as defined by Tax Code §171.0001(7).

2. **Application Section 9.1.** *Application approval by school board.*
   a. The date has been changed to October 1, 2020.

3. **Application Section 10.4.** *List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity.*
   a. South Limestone Hospital District has been removed because properties within the jurisdiction of this taxing entity are not within the school district boundaries.

4. **Application Section 10.5.** *Is the project located entirely within the ISD listed in Section 1?*
   a. Answer has been changed to "Yes." The Comptroller analyst has stated that each application is its own entity, even though it is part of a larger project, therefore the Project Boundary is entirely within the school district.

5. **Application Section 14.7.** *Wage and Employment Information.*
   a. Wages have been updated to reflect the wage data of 4 most recent quarters released by the Texas Workforce Commission. Calculations of such have been updated in Tab 13.

6. **Tab 4.** *Description of Project.*
   a. The electric generating capacity and number of wind turbines proposed for Coolidge ISD has been updated.

7. **Tab 6.** *Location of Project within Taxing Entities.*

a. The percentage of the Project located within each taxing jurisdiction has been updated.

8. **Tab 7.** *Description of Qualified Investment*.
   a. The electric generating capacity and number of wind turbines proposed for Coolidge ISD has been updated.
   b. Per the Comptroller, the following statement has been added: "*This application covers all qualified property in the reinvestment zone and project boundary within Coolidge ISD.*"

9. **Tab 8.** *Description of Qualified Property*.
   a. The electric generating capacity and number of wind turbines proposed for Coolidge ISD has been updated.
   b. Per the Comptroller, the following statement has been added: "*This application covers all qualified property in the reinvestment zone and project boundary within Coolidge ISD.*"

10. **Tab 11.** *Maps.*
    a. Maps have been updated with the new project boundary.
    b. In accordance with 34 TAC § 9.1053, the Applicant requests that the "Qualified Property" map remain confidential and segregated from the other documents submitted herein to protect against unintended disclosure.
    c. Pursuant to Texas Government Code § 552.110, the Applicant requests that the aforementioned "Qualified Property" map be considered confidential, removed, and submitted separately from the remaining value Application documents.

11. **Tab 13.** *Wage Requirement Calculations.*
    a. Calculation of wages have been updated to reflect the wage data of 4 most recent quarters released by the Texas Workforce Commission.

12. **Tab 14.** *Schedules.*
    a. Schedules have been updated to reflect new value of qualified investment.

13. **Tab 16.** *Reinvestment Zone.*
    a. A letter of intent to designate the reinvestment zone by Coolidge ISD has been included, along with Board Policy CCGB(LEGAL).

14. **Tab 17.** *Authorized Signatures.*
    a. A new signature page is attached.

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

Respectfully submitted,

Rick L. Lambert

RLL;sl

cc: *Via Electronic Mail: mfry@keatax.com*
Mr. Mike Fry, Director of Energy Services, K.E. Andrews

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May 7, 2020

Coolidge Independent School District
ATT: Dr. Robert Lowry
1002 Kirven Street
Coolidge, Texas 76635

RE: Application #1455 Hubbard Wind, LLC Amendment One

Dear Dr. Robert Lowry:

Please find attached Amendment One for Application #1455 Hubbard Wind, LLC. We kindly request that you review and consider the following changes:

- Section 9 Q1: Date Updated to October 1, 2020
- Section 10 Q4: South Limestone Hospital District Removed
- Section 10 Q5: Answer Updated to "Yes."
- Section 14 7a. & 7b. : Wages Updated
- Tab 4: Project Description Updated
- Tab 6: Jurisdictions Updated
- Tab 7: Project Description Updated; Statement added regarding Qualified Property
- Tab 8: Project Description Updated; Statement added regarding Qualified Property
- Tab 11: Maps Updated
- Tab 13: Updated Wage Data Included
- Tab 14: Updated Schedules Provided
- Tab 16: Letter of Intent Provided
- Tab 17: Updated Signature Page

Upon your review of this application, please feel free to contact us with any further questions. We appreciate your consideration of this application and look forward to working with you.

Sincerely,

Mike Fry

Mike Fry
Director, Energy Services
mfry@keatax.com

Tab 1

Pages 1-9 of the application

Please note: In Section 5 of this application, "N/A" was selected because the Applicant (Hubbard Wind, LLC) is not part of a combined group. It is a stand-alone entity.

SECTION 9: Projected Timeline

1. Application approval by school board . . . . . October 1, 2020
2. Commencement of construction . . . . . January 1, 2021
3. Beginning of qualifying time period . . . . . January 1, 2021
4. First year of limitation . . . . . January 1, 2022
5. Begin hiring new employees . . . . . January 1, 2022
6. Commencement of commercial operations . . . . . January 1, 2022
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date *(date your application is finally determined to be complete)*? . . . . . ☑ Yes ☐ No

   Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? . . . . . January 1, 2022

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located: Limestone County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property: Limestone CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? . . . . . ☐ Yes ☑ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

   County: Limestone Co., .7375, 100%
   (Name, tax rate and percent of project)

   City: N/A
   (Name, tax rate and percent of project)

   Hospital District: N/A
   (Name, tax rate and percent of project)

   Water District: N/A
   (Name, tax rate and percent of project)

   Other *(describe)*: Limestone Co. R & B .0266 100%
   (Name, tax rate and percent of project)

   Other *(describe)*: Limestone Co. Farm & Road .0251 100%
   (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? . . . . . ☑ Yes ☐ No

   5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? . . . . . ☐ Yes ☑ No

   6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

2. What is the last complete calendar quarter before application review start date:

   ☐ First Quarter ☐ Second Quarter ☑ Third Quarter ☐ Fourth Quarter of 2019 (year)

3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0

   Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).

4. What is the number of new qualifying jobs you are committing to create? 2

5. What is the number of new non-qualifying jobs you are estimating you will create? 0

6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? . . . . . ☑ Yes ☐ No

   6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).

   a. Average weekly wage for all jobs (all industries) in the county is 874.75

   b. 110% of the average weekly wage for manufacturing jobs in the county is 826.38

   c. 110% of the average weekly wage for manufacturing jobs in the region is 999.41

8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? . . . . . ☐ §313.021(5)(A) or ☑ §313.021(5)(B)

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 51,969.50

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 51,969.50

11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? . . . . . ☑ Yes ☐ No

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? . . . . . ☐ Yes ☑ No

    12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? . . . . . ☐ Yes ☑ No

    13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

Tab 4

Detailed Description of the Project

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.

Hubbard Wind, LLC is a 302.7 MW/AC electric generating wind facility. In its entirety, the project will consist of 108 wind turbines (GE model 2.82 and 2.3 safe harbor).

For the purpose of this application, we are requesting an appraised value limitation on the portion of the project located within Coolidge ISD. Across Coolidge ISD, there will be approximately 28 wind turbines or approximately 78 MW/AC production capacity.

In addition to turbines, other components of this project we request be included under the value limitation agreement include the following:

- Operation & Maintenance Building
- Substation
- Transmission Line
- Ancillary & Eligible Equipment
- Underground Electrical Collection Cables
- Meteorological Towers
- Access Roads to Turbines

The project, Hubbard Wind, LLC, is not entirely located within Coolidge ISD. Please refer to Tab 6 of this application for a more detailed description of the project allocation across school districts

and counties.

Wind generation facilities operate through capturing wind energy with two or three propeller-like blades mounted on a rotor to generate electricity. As wind blow, pockets of low-pressure air form on the downwind side of the blade. This low-pressure air then pulls the blade towards it, creating a lift and turning the rotor. The force of the lift is stronger than the drag and the wind's force against the front side of the blade. The combination of the lift and drag causes the rotor to spin thus turning a shaft that spins a generator to create electricity.

Tab 6

Location of Entire 302.7 MW/AC Project within Taxing Entities

Jurisdiction	*Tax Rate*	*Percent of Project Located within Jurisdiction*
Hubbard ISD	*1.45*	*17.49%*
Axtell ISD	*1.08*	*14.08%*
Coolidge ISD	*1.17*	*21.93%*
Mount Calm ISD	*1.1435*	*41.67%*
Hill County	*.459041*	*42.59%*
Hill County Lateral Road	*.080841*	*42.59%*
Hill County ESD	*.03*	*42.59%*
Limestone County Road & Bridge	*.0266*	*57.41%*
Limestone County	*.737500*	*57.41%*
Limestone County Farm Road	*.0251*	*57.41%*

Tab 7

Description of Qualified Investment

Hubbard Wind, LLC requests that the limitation covers all qualified investment and qualified property located within Coolidge ISD. It is currently anticipated that 25.93% of the total project will be located in Coolidge ISD.

Included within this portion of the investment will be approximately 28 wind turbines for a total generating capacity of approximately 78 MW/AC. The turbine models to be used will be General Electric's (GE) 2.82 and 2.3 models. In addition to the turbines, it is requested that the limitation applies to the investment for the following equipment:

- Operation & Maintenance Building
- Substation
- Transmission Line
- Ancillary & Eligible Equipment
- Underground Electrical Collection Cables
- Meteorological Towers
- Access Roads to Turbines

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Coolidge ISD.

Tab 8

Description of Qualified Property

Hubbard Wind, LLC requests that the limitation covers all qualified investment and qualified property located within Coolidge ISD. It is currently anticipated that 25.93% of the total project will be located in Coolidge ISD.

Included within this portion of the investment will be approximately 28 wind turbines for a total generating capacity of approximately 78 MW/AC. The turbine models to be used will be General Electric's (GE) 2.82 and 2.3 models. In addition to the turbines, it is requested that the limitation applies to the investment for the following equipment:

- Operation & Maintenance Building
- Substation
- Transmission Line
- Ancillary & Eligible Equipment
- Underground Electrical Collection Cables
- Meteorological Towers
- Access Roads to Turbines

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Coolidge ISD.

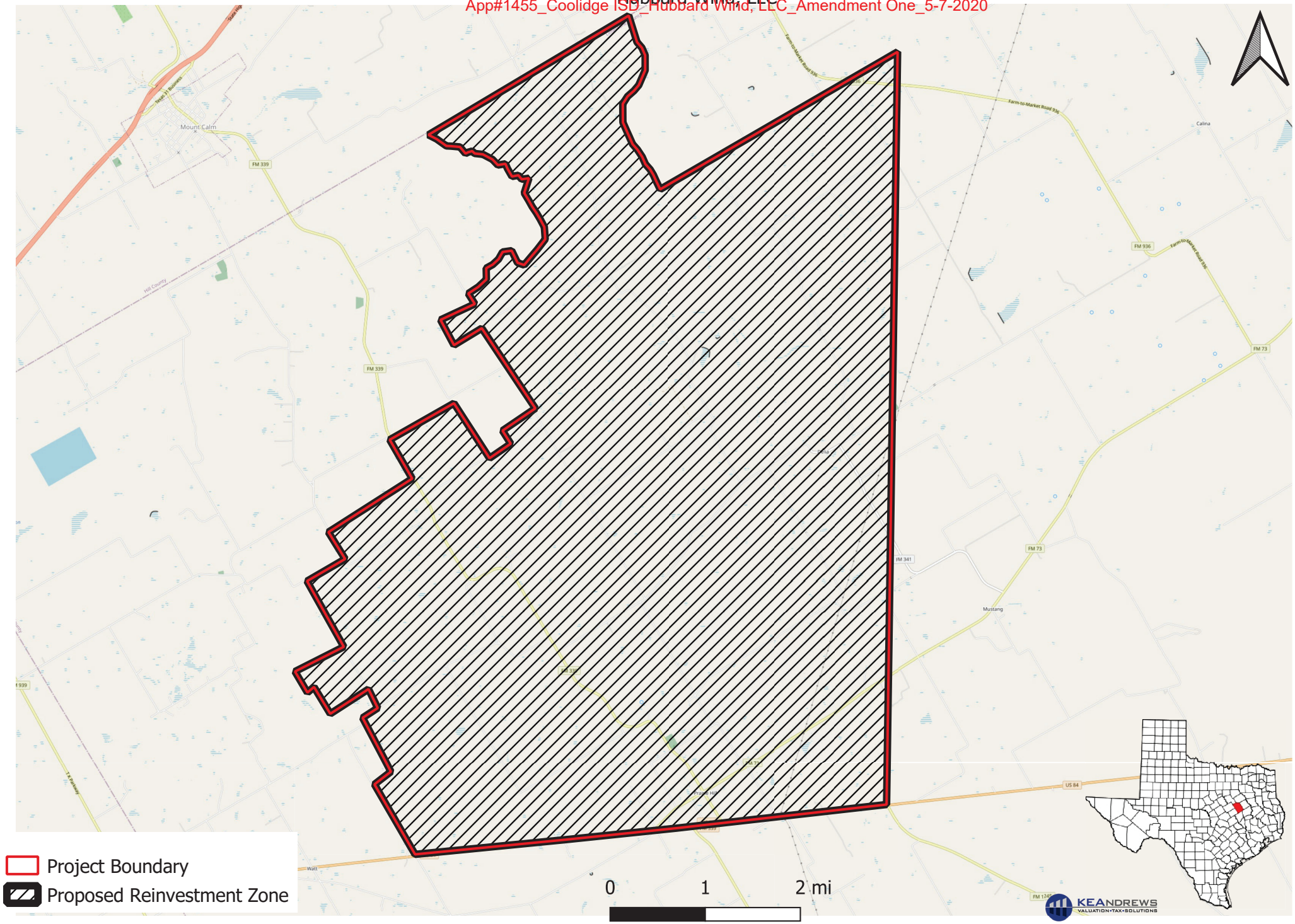
Tab 11

Maps

Attached.

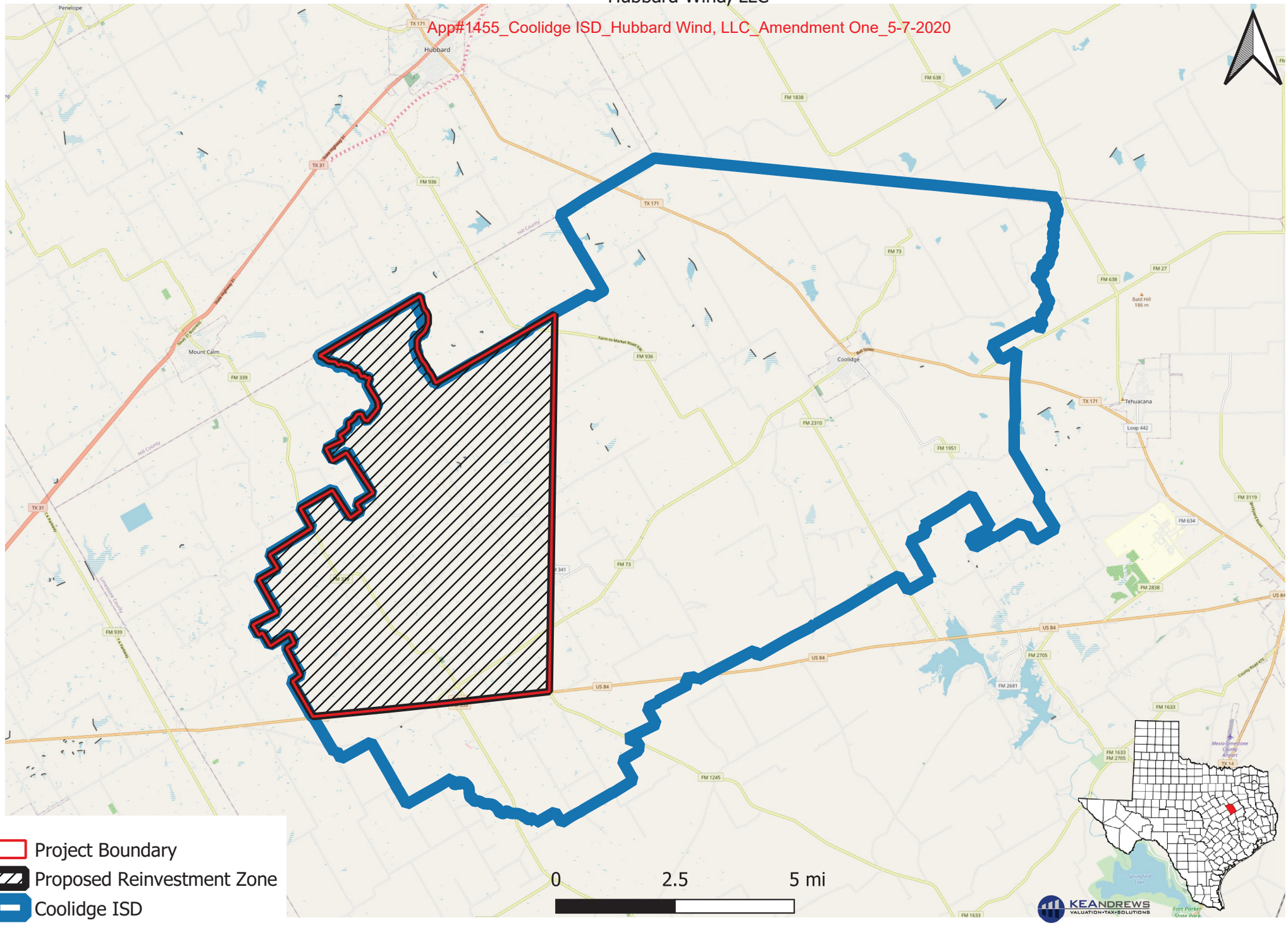
Hubbard Wind, LLC

App#1455_Coolidge ISD_Hubbard Wind, LLC_Amendment One_5-7-2020



Hubbard Wind, LLC

App#1455_Coolidge ISD_Hubbard Wind, LLC_Amendment One_5-7-2020



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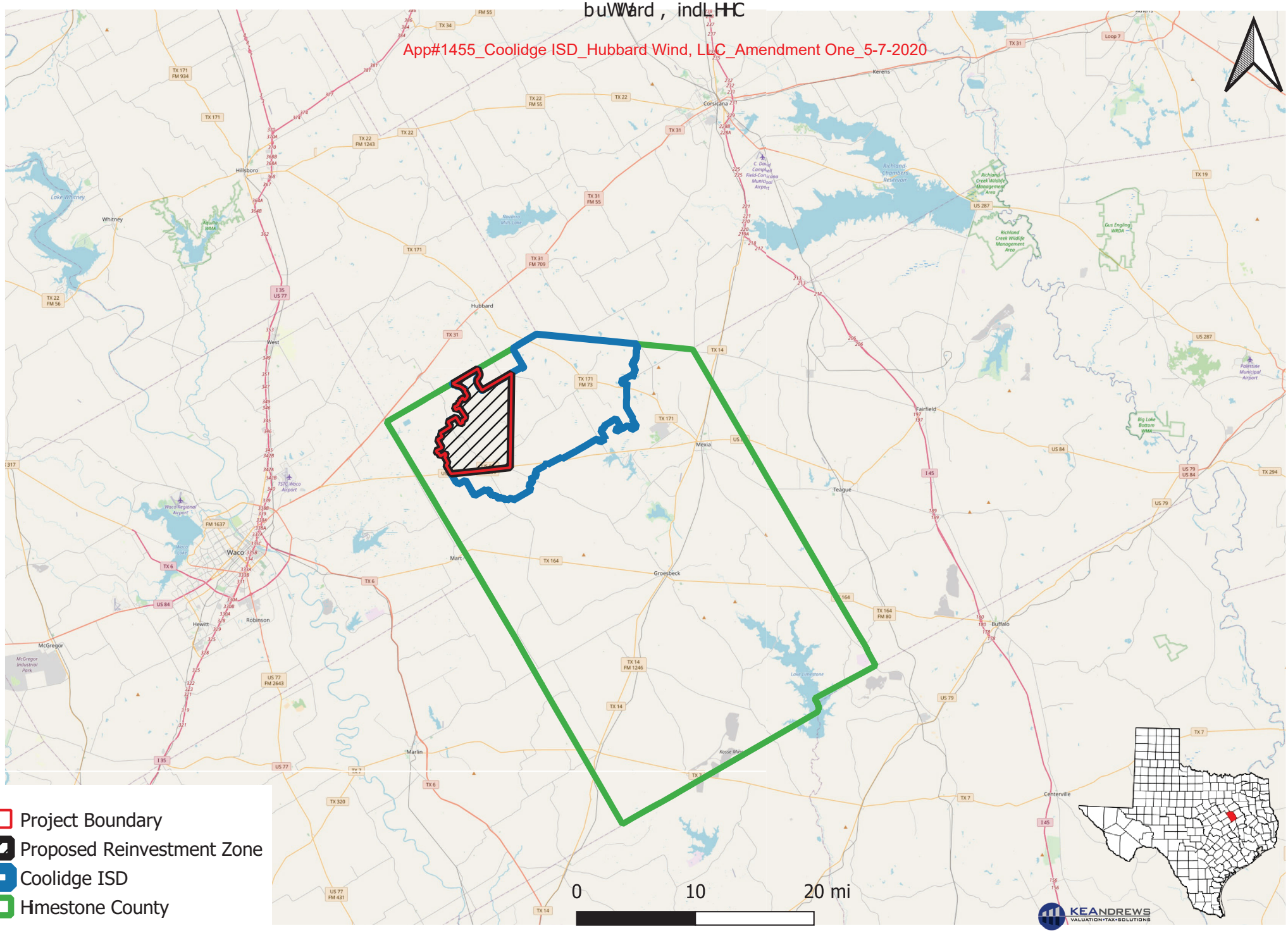

Tab 13

Calculation of Wage Requirements

Limestone County Average Weekly Wage: $874.75

Calculations were computed using the following data for the last four fiscal quarters:

Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2019	01	Limestone	Total All	Total, All Industries	907
2019	02	Limestone	Total All	Total, All Industries	877
2019	03	Limestone	Total All	Total, All Industries	856
2019	04	Limestone	Total All	Total, All Industries	859

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Limestone County 110% Average Manufacturing Weekly Wage: $826.38

Calculations were computed using the data available for the last 4 fiscal quarters:

Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2019	01	Limestone	Private	Manufacturing	745
2019	02	Limestone	Private	Manufacturing	779
2019	03	Limestone	Private	Manufacturing	755
2019	04	Limestone	Private	Manufacturing	726

Tab 14

Schedules A1-D

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

App#1455_Coolidge ISD_Hubbard Wind, LLC_Amendment One_5-7-2020

Form 50-296A

Revised May 2014

Date 5/7/2020

Applicant Name Hubbard Wind, LLC

ISD Name Coolidge ISD

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A	Column B	Column C	Column D	Column E
				New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	**Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2020-2021	2020	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period								
Complete tax years of qualifying time period	QTP1	2021-2022	2021	$ 85,665,460.00				$ 85,665,460.00
	QTP2	2022-2023	2022					
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				$ 85,665,460.00				$ 85,665,460.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				$ 85,665,460.00				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Date 5/7/2020
Applicant Name Hubbard Wind, LLC
ISD Name Coolidge ISD

App#1455_Coolidge ISD_Hubbard Wind, LLC_Amendment One_5-7-2020

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

				Column A	Column B	Column C	Column D	Column E
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Fill in actual tax year below) YYYY	New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Other investment made during this year that will not become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE]	**Total Investment** (A+B+C+D)
				Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*	--	**TOTALS FROM SCHEDULE A1**		$ 85,665,460.00				$ 85,665,460.00
Each year prior to start of value limitation period	0	2019-2020	2019					
Each year prior to start of value limitation period	0	2020-2021	2020					
Each year prior to start of value limitation period	0	2021-2022	2021	$ 85,665,460.00				$ 85,665,460.00
Value limitation period***	1	2022-2023	2022					
	2	2023-2024	2023					
	3	2024-2025	2024					
	4	2025-2026	2025					
	5	2026-2027	2026					
	6	2027-2028	2027					
	7	2028-2029	2028					
	8	2029-2030	2029					
	9	2030-2031	2030					
	10	2031-2032	2031					
Total Investment made through limitation				$ 85,665,460.00	$ -			$ 85,665,460.00
Continue to maintain viable presence	11	2032-2033	2032					
	12	2033-2034	2033					
	13	2034-2035	2034					
	14	2035-2036	2035					
	15	2036-2037	2036					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037					
	17	2038-2039	2038					
	18	2039-2040	2039					
	19	2040-2041	2040					
	20	2041-2042	2041					
	21	2042-2043	2042					
	22	2043-2044	2043					
	23	2044-2045	2044					
	24	2045-2046	2045					
	25	2046-2047	2046					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row.**

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date 5/7/2020
Applicant Name Hubbard Wind, LLC
ISD Name Coolidge ISD

App#1455_Coolidge ISD_Hubbard Wind, LLC_Amendment One_5-7-2020

Form 50-296A
Revised May 2014

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period	0	2019-2020	2019						
Each year prior to start of Value Limitation Period	0	2020-2021	2020						
Each year prior to start of Value Limitation Period	0	2021-2022	2021						
Value Limitation Period	1	2022-2023	2022			$ 85,665,460.00	$ 85,665,460.00	$ 85,665,460.00	$ 20,000,000.00
	2	2023-2024	2023			$ 81,382,187.00	$ 81,382,187.00	$ 81,382,187.00	$ 20,000,000.00
	3	2024-2025	2024			$ 77,098,914.00	$ 77,098,914.00	$ 77,098,914.00	$ 20,000,000.00
	4	2025-2026	2025			$ 72,815,641.00	$ 72,815,641.00	$ 72,815,641.00	$ 20,000,000.00
	5	2026-2027	2026			$ 68,532,368.00	$ 68,532,368.00	$ 68,532,368.00	$ 20,000,000.00
	6	2027-2028	2027			$ 64,249,095.00	$ 64,249,095.00	$ 64,249,095.00	$ 20,000,000.00
	7	2028-2029	2028			$ 59,965,822.00	$ 59,965,822.00	$ 59,965,822.00	$ 20,000,000.00
	8	2029-2030	2029			$ 55,682,549.00	$ 55,682,549.00	$ 55,682,549.00	$ 20,000,000.00
	9	2030-2031	2030			$ 51,399,276.00	$ 51,399,276.00	$ 51,399,276.00	$ 20,000,000.00
	10	2031-2032	2031			$ 47,116,003.00	$ 47,116,003.00	$ 47,116,003.00	$ 20,000,000.00
Continue to maintain viable presence	11	2032-2033	2032			$ 42,832,730.00	$ 42,832,730.00	$ 42,832,730.00	$ 42,832,730.00
	12	2033-2034	2033			$ 38,549,457.00	$ 38,549,457.00	$ 38,549,457.00	$ 38,549,457.00
	13	2034-2035	2034			$ 34,266,184.00	$ 34,266,184.00	$ 34,266,184.00	$ 34,266,184.00
	14	2035-2036	2035			$ 29,982,911.00	$ 29,982,911.00	$ 29,982,911.00	$ 29,982,911.00
	15	2036-2037	2036			$ 25,699,638.00	$ 25,699,638.00	$ 25,699,638.00	$ 25,699,638.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037			$ 21,416,365.00	$ 21,416,365.00	$ 21,416,365.00	$ 21,416,365.00
	17	2038-2039	2038			$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00
	18	2039-2040	2039			$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00
	19	2040-2041	2040			$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00
	20	2041-2042	2041			$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00
	21	2042-2043	2042			$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00
	22	2043-2044	2043			$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00
	23	2044-2045	2044			$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00
	24	2045-2046	2045			$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00
	25	2046-2047	2046			$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00	$ 17,133,092.00

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 5/7/2020
Applicant Name Hubbard Wind, LLC
ISD Name Coolidge 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** (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	**Average** annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	**Average** annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period	0	2019-2020	2019					
Each year prior to start of Value Limitation Period	0	2020-2021	2020					
Each year prior to start of Value Limitation Period	0	2021-2022	2021	300	$ 51,969.50			
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2022-2023	2022				2	$ 51,969.50
	2	2023-2024	2023				2	$ 51,969.50
	3	2024-2025	2024				2	$ 51,969.50
	4	2025-2026	2025				2	$ 51,969.50
	5	2026-2027	2026				2	$ 51,969.50
	6	2027-2028	2027				2	$ 51,969.50
	7	2028-2029	2028				2	$ 51,969.50
	8	2029-2030	2029				2	$ 51,969.50
	9	2030-2031	2030				2	$ 51,969.50
	10	2031-2032	2031				2	$ 51,969.50
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2047				2	$ 51,969.50

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) [X] Yes [ ] No

If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? [X] Yes [ ] No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? [ ] Yes [X] No

Schedule D: Other Incentives (Estimated)

Date: 5/7/2020

Applicant Name: Hubbard Wind, LLC

ISD Name: Coolidge ISD

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	**Taxing Entity (as applicable)**	**Beginning Year of Benefit**	**Duration of Benefit**	**Annual Tax Levy without Incentive**	**Annual Incentive**	**Annual Net Tax Levy**
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Limestone County	2022	10 years	$ 1,084,063.00	70%	$ 325,218.90
	City:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
			TOTAL	$ 1,084,063.00	Average 70%	$ 325,218.90

Additional information on incentives for this project:

Tab 16

Description of Reinvestment Zone

Hubbard Wind, LLC will be located in a proposed reinvestment zone to be created by Coolidge ISD. Please find attached the letter of intent for Coolidge ISD to create the reinvestment zone prior to the execution of the anticipated agreement.

COOLIDGE INDEPENDENT SCHOOL DISTRICT
1002 KIRVEN ST. * P.O. BOX 70 * COOLIDGE, TX * 76635

May 7, 2020

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

Re: Application for Appraised Value Limitation on Qualified Property from Hubbard Wind, LLC to Coolidge Independent School District, Application #1455

Intent of the Coolidge Independent School District to Establish the Hubbard Wind Reinvestment Zone #2

Dear Local Government Assistance and Economic Analysis Division:

The Board of Trustees of the Coolidge Independent School District (the "District") intends to conduct a public hearing to consider and act upon a Resolution designating a certain area as a Reinvestment Zone, under Texas Tax Code § 321.0025, in portions of Limestone County, Texas; establishing the boundaries thereof; and providing for an effective date. The Hubbard Wind, LLC project is to be located within the proposed *Hubbard Wind Reinvestment Zone #2*.

To determine whether to designate the proposed *Hubbard Wind Reinvestment Zone #2*, the Board of Trustees will consider, in accordance to Board Policy CCGB (LEGAL), whether the Reinvestment Zone: (i) meets the criteria set forth in Texas Tax Code § 312.0025 for the creation of a reinvestment zone, as set forth in the Property Redevelopment and Tax Abatement Act, as amended; and (ii) is reasonably likely to contribute to the expansion of primary employment in the Reinvestment Zone, or attract major investment in the Reinvestment Zone that would be a benefit to property in the Reinvestment Zone and to the District and contribute to the economic development of the region of this State in which the District is located. (*See* **Exhibit A**).

The adoption of this measure will be complete when the District considers the final approval of the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between the District and Applicant.

Thank you for your attention to the foregoing. Should you have any questions, please do not hesitate to contact the District's Authorized Representative Mr. Rick Lambert via email at rlambert@pyt-law.com (with copy to sleung@pyt-law.com) or via telephone at (512) 494-1177.

Sincerely,

Dr. Robert Lowry, Superintendent of Schools
Coolidge Independent School District

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Tax Increment Financing Act

Board of Directors

Except as provided at Large Municipality below, each district that levies taxes on real property in a reinvestment zone designated by a county or municipality in accordance with the Tax Increment Financing Act, Tax Code Chapter 311, may appoint one member of the reinvestment zone board of directors if the district has approved the payment of all or part of the tax increment produced by the district into the tax increment fund for the zone. A district may waive its right to appoint a director. *Tax Code 311.009(a), (b)*

Large Municipality

In a reinvestment zone designated by a municipality which is wholly or partially located in a county with a population of less than 1.8 million in which the principal municipality has a population of 1.1 million or more, each taxing unit that approves the payment of all or part of its tax increment into the tax increment fund is entitled to appoint a number of members to the board in proportion to the taxing unit's pro rata share of the total anticipated tax increment to be deposited into the tax increment fund during the term of the zone. *Tax Code 311.0091(a)–(c)*

Tax Increments

Amount

The amount of a district's tax increment for a year is the amount of property taxes levied and assessed by the district for that year on the captured appraised value of real property taxable by the district and located in a reinvestment zone or the amount of property taxes levied and collected by the district for that year on the captured appraised value of real property taxable by the district and located in a reinvestment zone. The board of the district shall determine which of the methods is used to calculate the amount of the district's tax increment.

"Captured Appraised Value"

The captured appraised value of real property taxable by a district for a year is the total taxable value of all real property taxable by the district and located in a reinvestment zone for that year less the tax increment base of the district.

"Tax Increment Base"

The tax increment base of a district is the total taxable value of all real property taxable by the district and located in a reinvestment zone for the year in which the zone was designated under Tax Code Chapter 311.

Tax Code 311.012

Collection and Deposit

Each district that taxes real property located in a reinvestment zone shall provide for the collection of its taxes in the zone as for any other property taxed by the district. Each district shall pay into the tax increment fund for the zone an amount equal to the tax increment produced by the district, less the sum of:

1. Property taxes produced from the tax increments that are, by contract executed before the designation of the area as a reinvestment zone, required to be paid by the district to another political subdivision; and

2. A portion, not to exceed 15 percent, of the tax increment produced by the district as provided by the reinvestment zone financing plan or a larger portion as provided at Agreement Required below.

Tax Code 311.013(a)–(b)

Notwithstanding any termination of the reinvestment zone and unless otherwise specified by an agreement between the district and the municipality or county that created the zone, a district shall make the required payment not later than the 90th day after the later of the delinquency date for district property taxes or the date the municipality or county that created the zone submits to the district an invoice specifying the tax increment produced by the district and the amount the district is required to pay into the tax increment fund for the zone. A district is not required to pay into a tax increment fund the applicable portion of a tax increment attributable to delinquent taxes until those taxes are collected. *Tax Code 311.013(c), (i)*

A district whose taxable value is reduced under Government Code 403.302(d)(4) (determination of district property values by the comptroller) shall pay into the tax increment fund, in addition to the amount otherwise required to be paid, an amount equal to the amount by which the amount of taxes the district would have been required to pay into the fund in the current year if the district levied taxes at the rate the district levied in 2005 exceeds the amount the district is otherwise required to pay into the fund in the year of the reduction. This additional amount may not exceed the amount the district receives in state aid for the current tax year under Education Code 48.253 (additional state aid for tax increment financing payments). The district shall pay the additional amount after the district receives the state aid to which the district is entitled for the current tax year under Education Code 48.253. *Tax Code 311.013(n)*

Agreement Required

A district is not required to pay into the tax increment fund any of its tax increment produced from property located in a reinvestment zone designated under Tax Code 311.005(a) or in an area added to a reinvestment zone under Tax Code 311.007 unless the district enters into an agreement to do so with the governing body of the municipality or county that designated the zone. *Tax Code 311.013(f)*

A district that participates in a zone is not required to increase the percentage or amount of the tax increment to be contributed by the district because of an amendment to the project plan or reinvestment zone financing plan for the zone unless the board by official action approves the amendment. *Tax Code 311.011(g)*

A district is not required to pay into the tax increment fund any of its tax increment produced from property located in an area added to the reinvestment zone under Tax Code 311.007(a) or (b) unless the board enters into an agreement to do so with the governing body of the municipality or county that created the zone. *Tax Code 311.013(k)*

If the governing body of the municipality or county that designated a reinvestment zone extends the term of all or a portion of the zone, a district is not required to participate in the zone or portion of the zone for the extended term unless the district enters into a written agreement to do so. *Tax Code 311.007(c)*

Notwithstanding the designation of a later termination date under Tax Code 311.017(a), a district that taxes real property located in the reinvestment zone is not required to pay any of its tax increment into the tax increment fund for the zone after the termination date designated in the ordinance or order creating the zone unless the board enters into an agreement to do so with the governing body of the municipality or county that created the zone. *Tax Code 311.017(a-1)*

Property Redevelopment and Tax Abatement Act

On or after September 1, 2001, a school district may not enter into a tax abatement agreement under Tax Code Chapter 312. *Tax Code 312.002(f)*

Reinvestment Zone for Chapter 313

Notwithstanding any other provision of Tax Code Chapter 312 to the contrary, the board, in the manner required for official action and for purposes of Tax Code Chapter 313, Subchapter B or C [see Texas Economic Development Act below], may designate an area entirely within the territory of the district as a reinvestment zone if the board finds that, as a result of the designation and the granting of a limitation on appraised value, for property located in the reinvestment zone, the designation is reasonably likely to:

1. Contribute to the expansion of primary employment in the reinvestment zone; or

2. Attract major investment in the reinvestment zone that would:

    a. Be a benefit to property in the reinvestment zone and to the district; and

b. Contribute to the economic development of the region of this state in which the district is located.

The board may seek the recommendation of the commissioners court of each county and the governing body of each municipality that has territory in the district before designating an area as a reinvestment zone.

Tax Code 312.0025

Texas Economic Development Act

In implementing the Texas Economic Development Act, Tax Code Chapter 313, districts should strictly interpret the criteria and selection guidelines provided by Chapter 313 and approve only those applications for an ad valorem tax benefit that:

1. Enhance the local community;
2. Improve the local public education system;
3. Create high-paying jobs; and
4. Advance the economic development goals of Texas.

Tax Code 313.004(3)

Definitions

Agreement

"Agreement" means the written agreement between the board and the approved applicant on the form adopted by reference in 34 Administrative Code 9.1052 (Forms) to implement a limitation on the appraised value for district maintenance and operations ad valorem property tax purposes on an entity's qualified property, required by Tax Code 313.027(d).

Agreement Holder

"Agreement holder" means an entity that has executed an agreement with a district.

Applicant

"Applicant" means an entity that has applied for a limitation on appraised value for district maintenance and operations ad valorem property tax purposes on the entity's property, as provided by Tax Code Chapter 313.

Application

"Application" means an application for limitation of appraised value for district maintenance and operations ad valorem property tax purposes on an entity's qualified property on the form adopted by reference in 34 Administrative Code 9.1052 (Forms), the schedules attached thereto, and the documentation submitted by an entity for the purpose of obtaining an agreement for a limitation on appraised value from a district.

Application Review Start Date

"Application review start date" means the later date of either the date on which the district issues its written notice that an applicant has submitted a completed application or the date on which the

comptroller issues its written notice that an applicant has submitted a completed application.

Completed Application

"Completed application" means an application in the form and number and containing all the information required pursuant to 34 Administrative Code 9.1053 (Entity Requesting Agreement to Limit Appraised Value), that has been determined by the district and the comptroller to include all minimum requirements for consideration.

Entity

"Entity" means any entity upon which a tax is imposed by Tax Code 171.001, including a combined group as defined by Tax Code 171.0001(7) or members of a combined group, provided, however, an entity does not include a sole proprietorship, partnership, or limited liability partnership.

34 TAC 9.1051(1), (2), (3), (7), (10), (12), (20)

Qualified Investment

"Qualified investment" means:

1. Tangible personal property that is first placed in service in this state during the applicable qualifying time period that begins on or after January 1, 2002, without regard to whether the property is affixed to or incorporated into real property, and that is:

    a. Described as Section 1245 property by Section 1245(a), Internal Revenue Code of 1986;

    b. Used in connection with the manufacturing, processing, or fabrication in a cleanroom environment of a semiconductor product, without regard to whether the property is actually located in the cleanroom environment, including integrated systems, fixtures, and piping; all property necessary or adapted to reduce contamination or to control airflow, temperature, humidity, chemical purity, or other environmental conditions or manufacturing tolerances; and production equipment and machinery, moveable cleanroom partitions, and cleanroom lighting;

    c. Used in connection with the operation of a nuclear electric power generation facility, including property, including pressure vessels, pumps, turbines, generators, and condensers, used to produce nuclear electric power; and property and systems necessary to control radioactive contamination;

    d. Used in connection with operating an integrated gasification combined cycle electric generation facility, including property used to produce electric power by means of a

combined combustion turbine and steam turbine application using synthetic gas or another product produced by the gasification of coal or another carbon-based feedstock; or property used in handling materials to be used as feedstock for gasification or used in the gasification process to produce synthetic gas or another carbon-based feedstock for use in the production of electric power in the manner described herein;

e. Used in connection with operating an advanced clean energy project, as defined by Health and Safety Code 382.003; or

2. A building or a permanent, nonremovable component of a building that is built or constructed during the applicable qualifying time period that begins on or after January 1, 2002, and that houses tangible personal property described by items 1a–e above.

Tax Code 313.021(1)

Qualified Property

"Qualified property" means:

1. Land:

a. That is 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;

b. On which a person proposes to construct a new building or erect or affix a new improvement that does not exist before the date the person submits a complete application for a limitation on appraised value under Tax Code Chapter 313, Subchapter B;

c. That is not subject to a tax abatement agreement entered into by a district under Tax Code Chapter 312; and

d. On which, in connection with the new building or new improvement described by item 1b above, the owner or lessee of, or the holder of another possessory interest in, the land proposes to:

(1) Make a qualified investment in an amount equal to at least the minimum amount required by Tax Code 313.023; and

(2) Create at least 25 new qualifying jobs, except as provided at Exception below;

2. The new building or other new improvement described by item 1b above; and

3. Tangible personal property:

   a. That is not subject to a tax abatement agreement entered into by a district under Tax Code Chapter 312;

   b. For which a sales and use tax refund is not claimed under Tax Code 151.3186; and

   c. Except for new equipment described in Tax Code 151.318(q) or (q-1), that is first placed in service in the new building, in the newly expanded building, or in or on the new improvement described by item 1b above, or on the land on which that new building or new improvement is located, if the personal property is ancillary and necessary to the business conducted in that new building or in or on that new improvement.

Tax Code 313.021(2); see also 34 TAC 9.1051(16) (additional requirements for "Qualified Property")

Exception

For purposes of Tax Code Chapter 313, Subchapter C, applicable to certain rural districts, a property owner is required to create at least 10 qualifying jobs. *Tax Code 313.051(b)*

Qualifying Job

"Qualifying job" means a permanent full-time job that:

1. Requires at least 1,600 hours of work a year;

2. Is not transferred from one area in this state to another area in this state;

3. Is not created to replace a previous employee;

4. Is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and

5. Pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Tax Code 313.021(3); 34 TAC 9.1051(30)

To be eligible for a limitation on appraised value under Tax Code Chapter 313, the property owner must create the required number of new qualifying jobs and the average weekly wage for all jobs created that are not qualifying jobs must exceed the county average weekly wage for all jobs in the county where the jobs are located. *Tax Code 313.024(d)*

Waiver of New Jobs Creation Requirement

Notwithstanding any other provision of Tax Code Chapter 313 to the contrary, the board may waive the new jobs creation requirement and approve an application if the board makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application. *Tax Code 313.025(f-1)*

Qualifying Time Period

"Qualifying time period" means:

1. The period that begins on the date that a person's application for a limitation on appraised value under Tax Code Chapter 313 is approved by the board and ends on December 31 of the second tax year that begins after that date, except as provided by items 2 and 3 below or Tax Code 313.027(h);

2. In connection with a nuclear electric power generation facility, the first seven tax years that begin on or after the third anniversary of the date the district approves the property owner's application for a limitation on appraised value, unless a shorter time period is agreed to by the board and the property owner; or

3. In connection with an advanced clean energy project, the first five tax years that begin on or after the third anniversary of the date the district approves the property owner's application for a limitation on appraised value, unless a shorter time period is agreed to by the board and the property owner.

Tax Code 313.021(4)

Substantive Document

"Substantive document" means a document or other information or data in electronic media determined by the comptroller to substantially involve or include information or data significant to an application, the evaluation or consideration of an application, or the agreement or implementation of an agreement for limitation of appraised value pursuant to Tax Code Chapter 313. The term includes, but is not limited to, any application requesting a limitation on appraised value and any amendments or supplements, any economic impact evaluation made in connection with an application, any agreement between applicant and the district and any subsequent amendments or assignments, any district written finding or report filed with the comptroller as required under 34 Administrative Code Chapter 9, Subchapter F; and any completed annual eligibility report (Form 50-772A) submitted to the comptroller. *34 TAC 9.1051(19)*

School District Categories

For purposes of determining the required minimum amount of a qualified investment and the minimum amount of a limitation on appraised value, districts to which Tax Code Chapter 313, Subchapter B applies are categorized according to the taxable value of property in the district for the preceding tax year under Government Code Chapter 403, Subchapter M (comptroller's study of school district property values), as set out in Tax Code 313.022. *Tax Code 313.022(b); 34 TAC 9.1058(d)*

For purposes of determining the required minimum amount of a qualified investment and the minimum amount of a limitation on appraised value, districts to which Tax Code Chapter 313, Subchapter C applies are categorized according to the taxable value of industrial property in the district for the preceding tax year under Government Code Chapter 403, Subchapter M (comptroller's study of school district property values), as set out in Tax Code 313.052. *Tax Code 313.052; 34 TAC 9.1058(d)*

Minimum Amounts of Qualified Investment

For each category of district established by Tax Code 313.022, the minimum amount of a qualified investment is set out in Tax Code 313.023. *Tax Code 313.023*

For each category of district established by Tax Code 313.052, the minimum amount of a qualified investment is set out in Tax Code 313.053. *Tax Code 313.053*

Eligibility

Tax Code Chapter 313, Subchapters B and C apply only to property owned by an entity subject to franchise tax (Tax Code Chapter 171). To be eligible for a limitation on appraised value, the entity must use the property for a purpose stated in Tax Code 313.024.

Exception for Wind-Powered Energy Device

An owner of a parcel of land that is located wholly or partly in a reinvestment zone, a new building constructed on the parcel of land, a new improvement erected or affixed on the parcel of land, or tangible personal property placed in service in the building or improvement or on the parcel of land may not receive a limitation on appraised value for the parcel of land, building, improvement, or tangible personal property under an agreement under Tax Code Chapter 313, Subchapter B that is entered into on or after September 1, 2017, if, on or after that date, a wind-powered energy device is installed or constructed on the same parcel of land at a location that is within 25 nautical miles of the boundaries of a military aviation facility located in this state. This prohibition applies regardless of whether the wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

Tax Code 313.024

Application for Limitation on Appraised Value

The owner or lessee of, or the holder of another possessory interest in, any qualified property may apply to the board for a limitation on the appraised value of the person's qualified property for district maintenance and operations ad valorem tax purposes. An application must be made on the form prescribed by the comptroller, must include the information required by the comptroller, and must be accompanied by:

1. The application fee established by the board;
2. Information sufficient to show that the real and personal property identified in the application as qualified property meets the applicable criteria established by Tax Code 313.021(2); and
3. Any information required by the comptroller for the purposes of Tax Code 313.026 (economic impact evaluation).

Tax Code 313.025(a)

Required Contents and Format

A completed application shall consist of, at a minimum, the items set forth in 34 Administrative Code 9.1053(a)(1) and shall be provided in the formats specified in 34 Administrative Code 9.1053(a)(2).

Optional Requests

An applicant may include in an application:

1. A request that the district waive the applicable requirement to create new jobs. In order for a completed application to include a job waiver request, the applicant shall submit the information specified in 34 Administrative Code 9.1053(b)(1); or
2. A request to begin the qualifying time period on a date that is after the date that the application is approved. In order for a completed application to include a qualifying time period deferral request, the applicant shall submit the information specified in 34 Administrative Code 9.1053(b)(2).

34 TAC 9.1053(a), (b)

Changes

At the request of the district or the comptroller, or with the prior approval of the district and the comptroller, the applicant may submit an application amendment or application supplement at any time after the submission of the initial application. In order to be considered as part of the application, the application amendment or supplement shall:

1. Be submitted in the same form or schedule and manner as the information was initially submitted or should have been initially submitted;

2. Include a date for the submission and a sequential number identifying the number of submissions made by the applicant;

3. Have the signature of the authorized representative(s) by which the applicant confirms and attests to the truth and accuracy of the information submitted in the application amendment or supplement, as applicable, to the best knowledge and belief of the applicant and its representative(s); and

4. Be submitted before the 120th day after the application was accepted by the district or within another time period as provided in writing by the comptroller.

34 TAC 9.1053(c)

If a district receives an amended application or a supplemental application from an applicant after the district has prepared or sent written notice that the applicant has submitted a completed application, the district shall either:

1. Reject the amended application, supplemental application, or application, in whole or in part, and discontinue consideration of any submission by the applicant;

2. With the written concurrence of the comptroller, consider the completed application, as amended or supplemented, before the 151st day from the application review start date; or

3. Review the documents submitted by the applicant, issue an amended written notice of a completed application, and present the amended application to the board in the manner and time period authorized by 34 Administrative Code 9.1053(c)(5).

34 TAC 9.1054(e) [See Acting on Completed Application below]

Confidential Business Information

Information provided to a district in connection with an application for a limitation on appraised value that describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application shall be segregated in the application from other information in the application and is confidential and not subject to public disclosure unless the board approves the application. Other information in the custody of a district or the comptroller in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Tax Code Chapter 313, such as the nature and amount of the projected investment, employment, wages, and benefits, may not be considered confidential business information if the board agrees to consider the application. Information in the custody of a

district or the comptroller if the board approves the application is not confidential under this provision. *Tax Code 313.028; 34 TAC 9.1055(a)(1)–(4)*

At the time that the applicant submits its application, application amendment, or application supplement, the applicant may request that all or parts of such document not be posted on the internet and not otherwise be publicly released. In order to make such request, the applicant shall:

1. Submit a written request that:

    a. Specifically lists each document or portion of document and each entry in any form prescribed by the comptroller that the applicant contends is confidential; and

    b. Identifies specific detailed reasons stating why the applicant believes each item listed should be considered confidential and identifies any relevant legal authority in support of the request;

2. Segregate the documents which are subject to the request from the other documents submitted with the application, application amendment, or application supplement that are not subject to the request; and

3. Adequately designate the documents subject to the request as "confidential."

34 TAC 9.1053(e)

Action on Application

Initial Review

Within seven days of receipt of each document, the district shall submit to the comptroller a copy of the application and the proposed agreement between the applicant and the district. If the applicant submits an economic analysis of the proposed project, the district shall submit a copy of the analysis to the comptroller. In addition, the district shall submit to the comptroller any subsequent revision of or amendment to any of those documents within seven days of receipt. *Tax Code 313.025(a-1); 34 TAC 9.1054(b)*

Acting on Completed Application

If the board by official action elects to consider an application and determines that the application received is a completed application, the district shall:

1. Provide written notice to the applicant and to the comptroller, with a copy to the appraisal district, that the district has received and will be considering a completed application. The notice shall include:

    a. The date on which the application was received;

b. The date on which the board elected to consider the application; and

c. The date on which the district determined that applicant has submitted a completed application;

2. At the time the district provides notice of a completed application, deliver to the comptroller:

a. A copy of the completed application including all material required by 34 Administrative Code 9.1053(a), and if applicable (b), (Entity Requesting Agreement to Limit Appraised Value); and

b. A request to the comptroller to provide an economic impact evaluation;

3. If the district maintains a generally accessible internet web site, provide a clear and conspicuous link on its web site to the internet web site maintained by the comptroller where substantive documents for the value limitation application for such district are posted;

4. On request of the comptroller, provide such written documents containing information requested by the comptroller as necessary for the consideration of a limitation on appraised value pursuant to Tax Code Chapter 313 within 20 days of the date of the request.

34 TAC 9.1054(c)(1)–(4)

Economic Impact Evaluation and Certification

The board is not required to consider an application for a limitation on appraised value. If the board elects to consider an application, the board shall deliver a copy of the application to the comptroller and request that the comptroller conduct an economic impact evaluation of the proposed investment. The comptroller shall conduct or contract with a third person to conduct the economic impact evaluation, which shall be completed and provided to the board, along with the comptroller's certificate or written explanation of the decision not to issue a certificate, as soon as practicable but not later than the 90th day after the date the comptroller receives the application. The board shall provide to the comptroller or to a third person contracted by the comptroller to conduct the economic impact evaluation any requested information. The board shall provide a copy of the economic impact evaluation to the applicant on request. *Tax Code 313.025(b); 34 TAC 9.1055(d)*

Supplemental application information, amended application information, and additional information requested by the comptroller shall be promptly forwarded to the comptroller within 20 days of the

date of the request. On request of the district or applicant, the comptroller may extend the deadline for providing additional information for a period of not more than ten working days. *34 TAC 9.1055(b)(1)(A)–(B)*

After receiving a copy of the application, the comptroller shall determine whether the property meets the requirements for eligibility for a limitation on appraised value. The comptroller shall notify the board of the comptroller's determination and provide the applicant an opportunity for a hearing before the determination becomes final. If the comptroller's determination becomes final, the comptroller is not required to provide an economic impact evaluation of the application or to submit a certificate for a limitation on appraised value of the property or a written explanation of the decision not to issue a certificate, and the board may not grant the application. *Tax Code 313.025(h), (i); 34 TAC 9.1055(b)(3), (c), (d), .1056*

Effect on Instructional Facilities

The comptroller shall promptly deliver a copy of the application to the Texas Education Agency (TEA). TEA shall determine the effect that the applicant's proposal will have on the number or size of the district's instructional facilities and submit a written report containing TEA's determination to the district. The board shall provide any requested information to TEA. Not later than the 45th day after the date TEA receives the application, TEA shall make the required determination and submit the written report to the board. *Tax Code 313.025(b-1)*

Fees

The board by official action shall establish reasonable nonrefundable application fees to be paid by property owners who apply to the district for a limitation on the appraised value of the person's property. The amount of an application fee must be reasonable and may not exceed the estimated cost to the district of processing and acting on an application, including any cost to the district associated with the required economic impact evaluation. *Tax Code 313.031(b); 34 TAC 9.1054(a)*

The total fee shall be paid at the time the application is submitted to the district. Any fees not accompanying the original application shall be considered supplemental payments. *34 TAC 9.1054(a)*

The comptroller may charge the applicant a fee sufficient to cover the costs of providing the economic impact evaluation. *Tax Code 313.025(b)*

Supplemental Payments

A person and the district may not enter into an agreement under which the person agrees to provide supplemental payments to a district or any other entity on behalf of a district in an amount that exceeds an amount equal to the greater of $100 per student per

year in average daily attendance or $50,000 per year, or for a period that exceeds the period beginning with the qualifying time period and ending December 31 of the third tax year after the date the person's eligibility for a limitation under Tax Code Chapter 313 expires. This limit does not apply to amounts described below at item 4 at Contents, Required and item 1 at Contents, Optional. *Tax Code 313.027(i)*

Approval

The board shall approve or disapprove an application not later than the 150th day after the date the application is filed, unless the economic impact evaluation has not been received or an extension is agreed to by the board and the applicant. *Tax Code 313.025(b)*

The board may extend the time period to approve a completed application required only if:

1. Either:
   a. An economic impact analysis has not been submitted to the district by the comptroller; or
   b. By agreement with the applicant; and
2. Notice of the extension is provided to the comptroller within seven days of the decision to provide the extension.

34 TAC 9.1054(d)

Before approving or disapproving an application that the board elects to consider, the board must make a written finding as to any criteria considered by the comptroller in conducting the economic impact evaluation under Tax Code 313.026. The board shall deliver a copy of those findings to the applicant.

The board may approve an application only if the board finds that the information in the application is true and correct, finds that the applicant is eligible for the limitation on the appraised value of the person's qualified property, and determines that granting the application is in the best interest of the district and this state.

The board may not approve an application unless the comptroller submits to the board a certificate for a limitation on appraised value of the property.

Tax Code 313.025(d-1), (e), (f)

When presented a completed application for which the comptroller has submitted a certificate for a limitation, the board shall either:

1. By majority vote adopt a written resolution approving the application which shall include:

a. Written findings:

(1) As to each criterion listed in 34 Administrative Code 9.1055(d)(3)(B)–(D) (Comptroller Application Review and Agreement to Limit Appraised Value);

(2) As to the criteria required by Tax Code 313.025(f-1) (waiver of new jobs creation requirement) if applicable;

(3) That the information in the application is true and correct; and

(4) That the applicant is eligible for the limitation on the appraised value of the entity's qualified property;

b. A determination that granting the application is in the best interest of the district and this state; and

c. Designate and direct a representative of the board to execute the agreement for property tax limitation presented by the approved applicant that complies with 34 Administrative Code Chapter 9, Subchapter F and Tax Code Chapter 313;

2. By majority vote disapprove the application; or

3. Take no official action and the application shall be considered disapproved on the 151st day after the application review start date.

34 TAC 9.1054(c)(5), (f)

In determining whether to approve an application, the board is entitled to request and receive assistance from the comptroller, the Texas Economic Development and Tourism Office, the Texas Workforce Investment Council, and the Texas Workforce Commission. The Texas Economic Development and Tourism Office or its successor may recommend that a district approve an application under Tax Code Chapter 313. In determining whether to approve an application, the board shall consider any recommendation made by the Texas Economic Development and Tourism Office or its successor. *Tax Code 313.025(c), (g)*

Continued Eligibility

In order to obtain and continue to receive a limitation on appraised value pursuant to Tax Code Chapter 313, an applicant shall:

1. Have a completed application approved by the board in compliance with 34 Administrative Code 9.1054(f) (School District Application Review and Agreement to Limit Appraised Value);

2. At least 20 days prior to the meeting at which the board is scheduled to consider the application, provide to the district and the comptroller a Texas Economic Development Act Agreement, as specified in 34 Administrative Code 9.1052(a)(6), with terms acceptable to the applicant;

3. If the applicant includes a combined group or members of the combined group, have the agreement executed by the authorized representative of each member of the combined group that owns a direct interest in property subject to the proposed agreement by which such members are jointly and severally liable for the performance of the stipulations, provisions, terms, and conditions of the agreement;

4. Comply with all stipulations, provisions, terms, and conditions of the agreement for a limitation on appraised value executed with the district, 34 Administrative Code Chapter 9, Subchapter F, and Tax Code Chapter 313;

5. Be and remain in good standing under the laws of this state and maintain legal status as an entity;

6. Owe no delinquent taxes to the state;

7. Maintain eligibility for limitation on appraised value pursuant to Tax Code Chapter 313; and

8. Provide to the district, the comptroller, and the appraisal district any change to information provided in the application, including but not limited to changes of the authorized representative(s); changes to the location and contact information for the approved applicant including all members of the combined group participating in the limitation agreement; and copies of any valid assignments of the agreement and contact information for authorized representative(s) of any assignees.

34 TAC 9.1053(f)

Agreement

The board and the property owner shall enter into a written agreement for the implementation of the limitation on appraised value on the owner's qualified property. *Tax Code 313.027(d); 34 TAC 9.1054(g), .1060*

If the comptroller determines that the agreement as submitted by the applicant does not comply with Tax Code Chapter 313 or the applicable rules or that the agreement contains provisions that are not consistent with or represents information significantly different from that presented in the application as submitted, the comptroller may amend or withdraw the comptroller certificate for a limitation,

and provide written notification to the district of the actions taken. *34 TAC 9.1055(e)(2)–(3)*

Limitation on Appraised Value

If the person's application is approved by the board, the appraised value for district maintenance and operations ad valorem tax purposes of the person's qualified property as described in the agreement between the person and the district may not exceed the lesser of:

1. The market value of the property; or
2. Subject to the minimum limitation amount below, the amount agreed to by the board.

Minimum Limitation

The amount agreed to by the board must be an amount in accordance with Tax Code 313.027(b), according to the category to which the district belongs. [See School District Categories above] A district, regardless of category, may agree to a greater amount.

Tax Code 313.027(a), (b), (c)

For a district to which Tax Code Chapter 313, Subchapter C applies, the amount agreed to by the board must be an amount in accordance with Tax Code 313.054, according to the category to which the district belongs. [See School District Categories above] A district, regardless of category, may agree to a greater amount. *Tax Code 313.054*

Contents

Required

The agreement must:

1. Provide that the limitation applies for a period of ten years;
2. Specify the beginning date of the limitation, which must be January 1 of the first tax year that begins after the application date, the qualifying time period, or the date commercial operations begin at the site of the project;
3. Describe with specificity the qualified investment that the person will make on or in connection with the person's qualified property that is subject to the limitation; other property of the person that is not specifically described in the agreement is not subject to the limitation unless the board, by official action, provides that the other property is subject to the limitation;
4. Incorporate each relevant provision of Tax Code Chapter 313, Subchapter B, and, to the extent necessary, include provisions for the protection of future district revenues through the adjustment of the minimum valuations, the payment of revenue offsets, and other mechanisms agreed to by the property owner and the district;

5. Require the property owner to maintain a viable presence in the district for at least five years after the date the limitation on appraised value of the owner's property expires;

6. Provide for the termination of the agreement, the recapture of ad valorem tax revenue lost as a result of the agreement if the owner of the property fails to comply with the terms of the agreement, and payment of a penalty or interest, or both, on that recaptured ad valorem tax revenue;

7. Specify the ad valorem tax years covered by the agreement;

8. Be in a form approved by the comptroller; and

9. Disclose any consideration promised in conjunction with the application and the limitation.

Tax Code 313.027(a-1), (e), (f), (j)

Optional

The agreement may:

1. Provide that the property owner will protect the district in the event the district incurs extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.

2. Specify any conditions the occurrence of which will require the district and the property owner to renegotiate all or any part of the agreement.

3. Provide for a deferral of the date on which the qualifying time period for the project is to commence or, subsequent to the date the agreement is entered into, be amended to provide for such a deferral. The agreement may not provide for the deferral of the date on which the qualifying time period is to commence to a date later than January 1 of the fourth tax year that begins after the date the application is approved except that if the agreement is one of a series of agreements related to the same project, the agreement may provide for the deferral of the date on which the qualifying time period is to commence to a date not later than January 1 of the sixth tax year that begins after the date the application is approved.

Tax Code 313.027(f), (h)

If an agreement for limitation on appraised value includes a provision in which the qualifying time period starts more than one year after the date that the application is approved, no earlier than 180

days and no later than 90 days prior to the start of the deferred qualifying time period:

1. The district shall provide the comptroller:

   a. Copies of any documents or other information received from the applicant; and

   b. After reviewing documents and information provided by the applicant, either:

      (1) A written acknowledgment of receiving the application amendment or supplement; or

      (2) A statement that no such amendment or supplement has been submitted; and

2. If the comptroller provides:

   a. A comptroller certificate for a limitation with conditions different from the existing agreement, the board shall hold a meeting and determine whether to amend the agreement to include the conditions required by the comptroller or terminate the agreement; or

   b. A written explanation of the comptroller's decision not to re-issue a certificate, the district shall terminate the agreement.

34 TAC 9.1054(h), .1055(g)

Compliance and Enforcement

The district shall provide to the comptroller any documents that reasonably appear to be substantive documents, and, within seven days of executing the agreement, a copy of the executed agreement and any attachments thereto. The district shall provide a copy of the executed agreement to the appraisal district.

The district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement for limitation of the appraised value, 34 Administrative Code Chapter 9, Subchapter F, and Tax Code Chapter 313. To determine and obtain compliance with each agreement, for each calendar year during the term of the agreement the district shall require the approved applicant to submit:

1. Either the information necessary to complete the annual eligibility report, or a completed annual eligibility report;

2. A completed job creation compliance report (Form 50-825); and

3. Any information required by the state auditor office or its designee.

34 TAC 9.1054(i)

Disclosure of Appraised Value Limitation Information	If a district maintains a generally accessible internet website, the district shall maintain a link on its internet website to the area of the comptroller's internet website where information on each of the district's agreements to limit appraised value is maintained. *Tax Code 313.0265(c)*
Accessibility of Documents	Any documents submitted in an electronic format (including searchable pdfs) to the comptroller must comply with the accessibility standards and specifications described in 1 Administrative Code Chapters 206 and 213. *34 TAC 9.1055(a)(5)*

Tab 17

Signatures and Certifications

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 Robert Lowry
Print Name (Authorized School District Representative)

Superintendent of Schools
Title

sign here
Signature (Authorized School District Representative)

5-12-20
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 John Di Donato
Print Name (Authorized Company Representative (Applicant))

Vice President
Title

sign here
Signature (Authorized Company Representative (Applicant))

Date

GIVEN under my hand and seal of office this, the

_____ day of _____, _____

_____
Notary Public in and for the State of Texas

(Notary Seal)

My Commission expires: _____

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.

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print here ➧

Print Name (Authorized School District Representative) | Title

sign here ➧

Signature (Authorized School District Representative) | Date

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print here ➧ John DiDonato

Print Name (Authorized Company Representative (Applicant)) | Title: Vice President

sign here ➧

Signature (Authorized Company Representative (Applicant)) | Date: 5/11/2020

KIM L. OTTO
MY COMMISSION # GG 936070
EXPIRES: March 28, 2024
Bonded Thru Notary Public Underwriters

(Notary Seal)

GIVEN under my hand and seal of office this, the

11 day of May

Notary Public in and for the State of Texas

My Commission expires: 3-28-2024

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.