O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW 808 WEST AVE AUSTIN, TEXAS 78701 TELEPHONE: (512) 494-9949 FACSIMILIE: (512) 494-9919

July 29, 2020

Local Government Assistance & Economic Analysis Texas Comptroller of Public Accounts P.O. Box 13528 Austin, Texas 78711-3528

RE: Value Limitation Agreement between Pawnee Independent School District and Helena Wind, LLC (#1462)

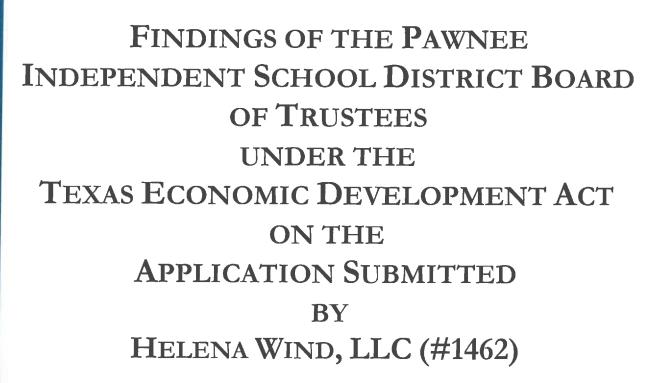
To the Local Government Assistance & Economic Analysis Division:

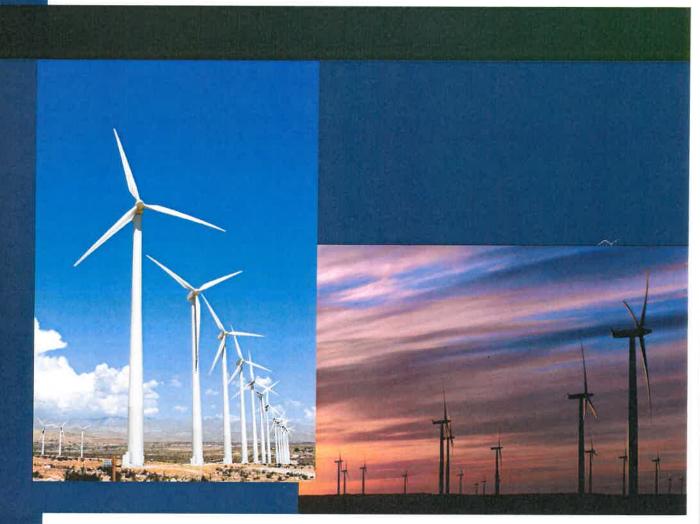
Enclosed please find a final copy each of the materials submitted to, and approved by, the Pawnee ISD Board of Trustees on July 14, 2020. The package contains a copy each of the Findings entered by the Board. A fully executed set of originals of these documents will be maintained in the Board's records. Attached to each of the Findings, please find 1) a copy of the Application; 2) a copy of the Comptroller's appraisal of the project; 3) a copy of the economic impact study; 4) a copy of the financial impact study; and, 5) the final participation agreement.

Please do not hesitate to call with any questions.

Sincerely,

William Eggleston Legal Assistant to Kevin O'Hanlon





July 14, 2020

FINDINGS OF THE PAWNEE INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY HELENA WIND, LLC (#1462)

JULY 14, 2020

FINDINGS OF THE PAWNEE INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY HELENA WIND, LLC (#1462)

STATE OF TEXAS§COUNTY OF BEE§

On July 14, 2020, a public meeting of the Board of Trustees of the Pawnee Independent School District ("District") was held. 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 of Trustees took up and considered the application of Helena Wind, LLC ("Applicant") for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On January 14, 2020, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts ("Comptroller") received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Application was determined to be complete as of March 5, 2020. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32066921225), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See Attachment B.

The Board of Trustees acknowledged receipt of the Application, along with the requisite application fee, established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Bee County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on May 26, 2020, in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate 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 before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

The Board of Trustees has previously directed that a specific financial analysis be conducted concerning the impact of the proposed value limitation on the finances of District. A copy of the report prepared by Moak, Casey & Associates, Inc., is attached to these findings as **Attachment D**.

The Board of Trustees has confirmed that the taxable value of property in the District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in Attachment E.

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is to be attached to these findings as Attachment **F**.

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis; after receiving public input from the community at multiple posted meetings of the Board of Trustees;

after extended negotiations with Applicant and its agents; after conducting a Public Hearing on July 14, 2020 at which the Board considered input from the Applicant, including the consideration of a letter concerning project operational parameters presented to the Pawnee ISD Board of Trustees, **Attachment K**; after considering input from the Board's consultants; and after considering all of the viewpoints of multiple members of the community, Board finds and in consideration of its own studies the Board finds:

Board Finding Number 1.

The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.

In support of Finding 1, the Application indicates that:

Helena Wind, LLC ("Helena Wind") is requesting a Chapter 313 Appraised Value Limitation Agreement from Pawnee ISD for a proposed renewable energy project using wind turbines (the "Project") to be constructed partially in Pawnee ISD (Bee County) and partially in Pettus ISD (Bee County). The portion of the Project located in Pawnee ISD is the subject of this application. The portion of the Project located in Pettus ISD may be the subject of an application.

The installed capacity of the proposed project is expected to be approximately 252 megawatts (MW). While turbine type and size have yet to be finalized, the current plan is to utilize approximately 60 Vestas V150-4.2 4.2 MW wind turbine generators with 105m towers and rotors of 150m diameter. The Project is anticipated to cover approximately 25,000 acres of privately-owned land, all currently used as farmland or pasture, and such uses can continue as the Project is designed to be compatible with such activities.

Construction of the Project is expected to commence in the second quarter of 2021 and is anticipated to be complete in the second quarter of 2022. The siting of the wind turbine generators is currently proposed to be allocated among the school districts as follows:

Pawnee ISD

48 turbines for a total of 201.6 MW

Pettus ISD

12 turbines for a total of 50.4 MW

In addition to the wind turbines, the Project will also include the following improvements in Pawnee ISD:

- An operations and maintenance building
- a series of new access roads to the turbines
- underground electrical collection cables
- meteorological towers
- substation
- overhead transmission line connecting to a substation at the Point of Interconnection

Property used for renewable electric energy generation is eligible for a limitation under \$313.024(b) (5).

Board Finding Number 2.

The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement (as detailed in Attachment B of the Comptroller's Certification).

Board Finding Number 3.

Based on the information certified by the Comptroller, the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state (as detailed in Attachment C of the Comptroller's Certification).

Board Finding Number 4.

The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration. In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District's consultants and the internal costs for processing the application, if any.

Board Finding Number 5.

Based upon the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment A, the Board finds that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions and information related to job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.

In its Application, the Applicant has committed to creating one (3) new qualifying jobs. The average salary level of qualifying jobs must be at least \$49,951 per year. The review of the application by the Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(5)(A) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) 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 employeeonly coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and
- (E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set

forth in Texas Tax Code § 313.021(2)(A)(iv)(b) was applied, for the size and scope of the project described in the Application, the required number of jobs meets or exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

Board Finding Number 7.

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

In its Application, Applicant has indicated that it does not intend to create any nonqualifying jobs. For any non-qualifying jobs the Applicant should create, the Applicant will be required to pay at least the county average wage of \$36,985 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(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 projects that the project would initially add \$236.8 million to the tax base that would be available for debt service purposes at the peak investment level for the 2022-23 school year. With the expansion of the I&S tax base, local taxpayers could see a substantial benefit from the addition of the Helena Wind project to the local I&S tax roll, in terms of potential reduction in the District's I&S tax rate.

Board Finding Number 9.

The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the project.

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the new project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

Board Finding Number 10.

The Board finds that with the adoption of District Policy CCGB (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.

Board Finding Number 11.

The Board of Trustees hired consultants to review and verify the information in the Application. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.

The Board has developed a written policy CCGB (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (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 and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by the Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code \$37.01(2)(A); as a result, all statements contained therein are representations 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 Chapter 313 Tax Limitation Agreement (Attachment G) is an "official proceeding," a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code \$37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

The consultants have prepared signed statements that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (Attachment H) The Board finds that reliance by the Board and its consultants 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.

Board Finding Number 12.

The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Twenty-Five Million Dollars, which is consistent with the minimum values currently set out by Tax Code, § 313.054(a).

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2018 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year (Attachment E). The total industrial value for the District is \$104.1 million. The District is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. The District is classified as a "rural" district due to its demographic characteristics. Given that the value

of industrial property is \$90 million or more but less than \$200 million, it is classified as a Category II district which can offer a minimum value limitation of \$25 million.

Board Finding Number 13.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information related to establishing the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement.

The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. (Attachment I)

Board Finding Number 14.

The Applicant (Taxpayer No. 32066921225) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32066921225), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

The project will be located within an area that is designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.

Board Finding Number 16.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District, and such provisions comply with the specific terms of Texas Tax Code, Chapter 313.

In support of this finding, the finance report prepared by Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss throughout most of the years that the value limitation is in effect without the proposed Agreement under current law. With this

Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (Attachment H)

Board Finding Number 17.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.

Board Finding Number 18.

The Board finds that there are no conflicts of interest at the time of considering the agreement.

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <u>https://pol.tasb.org/home/index/157</u>, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in Attachment J to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB, both (Legal) and (Local) that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 19.

The Board directs that a link on its Website be established to the Comptroller's Office Website where appraisal-limitation-related documents are made available to the public.

Board Finding Number 20.

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

In making this Finding 20 the Board has also considered the Applicant's letter to the District which is attached hereto to as **Attachment K**, and which outlines the terms of specific additional operational undertakings accepted by Applicant to alleviate specific environmental and safety concerns raised before the Board of Trustees during the course of its consideration of the Application.

It is therefore ORDERED that the Agreement attached hereto as Attachment G is approved and herby authorized to be executed and delivered by and on behalf of the District. It is further ORDERED that these Findings and the Attachments referred to herein be attached to the Official Minutes of this meeting and maintained in the permanent records of the Board of Trustees of the District.

Dated the 14th day of July 2020.

PAWNEE INDEPENDENT SCHOOL DISTRICT

By: 😒 0 PETE DOBSON

President, Board of Trustees

ATTEST By:

RAQUEL VILLARREAL Secretary, Board of Trustees

Attachment A

Application

Pawnee Independent School District

313 Application with Helena Wind, LLC

January 14, 2020





	APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS		
TAB	ATTACHMENT		
1	Pages 1 through 11 of Application		
2	Proof of Payment of Application Fee		
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation (if applicable)		
4	Detailed description of the project		
5	Documentation to assist in determining if limitation is a determining factor		
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)		
7	Description of Qualified Investment		
8	Description of Qualified Property		
9	Description of Land		
10	Description of all property not eligible to become qualified property (if applicable)		
11	 Maps that clearly show: a) Project vicinity b) Qualified investment including location of tangible personal propertry to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size Note: Electronic maps should be high resolution files. Include map legends/markers. 		
12	Request for Waiver of Job Creation Requirement and supporting information (if applicable)		
13	Calculation of three possible wage requirements with TWC documentation		
14	Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)		
15	Economic Impact Analysis, other payments made in the state or other economic information (if applicable)		
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* * To be submitted with application or before date of final application approval by school board		
	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)		

Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but - by Comptroller rule - the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
 - the date on which the school district received the application;
 - the date the school district determined that the application was complete; _
- the date the school board decided to consider the application; and
- a request that the Comptroller prepare an economic impact analysis of the application; provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and

forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F. The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application-as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during

Please visit the Comptroller's website to find out more about the program at comptroller.texas.gov/economy/local/ch313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative				
01/14/2020				
Date Application Received by District				
Michelle	Hartmann			
First Name				
Superintendent	Last Name			
Tide				
Pawnee Independent School District				
6229 FM 798 P.O. Box 569				
Street Address				
6229 FM 798 P.O. Box 569 Mailing Address				
Pawnee	Texas	70445		
Chy	State	78145 ZIP		
361-456-7256	361-456-7388	٤ır		
Phone Number	Fax Number			
Mobile Number (optional)	mhartmann@pawneeiso Email Address			
2. Does the district authorize the consultant to provide and obtain information	related to this application?	X Yes No		
The Data Analysis and Transparency Division at the Texas Comptroller of Public Accounts provides information and resources for taxpayers and local taxing entities.		For more information, visit our website: comptroller.texas.gov/economy/local/ch313/		

50-296-A + 03-17/3

Texas Comptroller of Public Accounts

SECTION 1-School District information (continued)		TOPPE TO THE OWNER
3. Authorized School District Consultant (If Applicable	e)	
Mali		
First Name	Hanley	
Consultant	Last Name	
านอ		
O'Hanlon, Demerath & Castillo		
Firm Name		
512-494-9949	E40.404.0040	
Phone Number	512-494-9919	
	Fax Number	
Mobile Number (optional)	mhanley@808west.com Email Address	
4. On what date did the district determine this application are to		January 15, 2020
4. On what date did the district determine this application comple	te?	January 15, 2020
5. Has the district determined that the electronic copy and hard co	opy are identical?	X Yes
		And Management A Yes
SECTION 2: Applicant Information		
1. Authorized Company Representative (Applicant)		
Philip	Moore	
First Name	Last Name	
Senior Vice President - Development	Orsted Onshore North Ame	
Title	Organization	
401 N. Michigan Ave., Suite 501	0	
Street Address		
401 N. Michigan Ave., Suite 501		
Mailing Address		
Chicago	IL.	60611
	State	ZIP
512-767-7461	312-527-0538	211
Phone Number	Fax Number	
	pmoore@lincoinclean.com	
Abile Number (optional)	Business Fmail Address	
 Will a company official other than the authorized company representation requests? 	sentative be responsible for responding to future	9
		Yes N
If yes, please fill out contact information for that person.		Tread Courses
Eric	Barnett	
irst Name	Last Name	
Director of Development	Orsted Onshore North Amer	
Ne	Organization	ica, LLC
01 N. Michigan Ave , Suite 501		
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Texas Comptroller of Public Accounts

Orașe II	
Sewell	
Last Name	
(512) 346-2712	
and a set of the second s	
*******	Yes
hool district. Any fees not accompanying the origina	al application shall be
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e and a stand provided is in recognition of, at	ue made to the school nticipation of, or
Ceive a property tax value limitation	
methodology without a specific	No N
Yes	No N
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s due to the State of Texas? 🖌 Yes	No N/A
	NO NA
s due to the State of Texas? Yes ory of default, delinquencies and/or essary, attach explanation in Tab 3)	NO N/A
	<u>NO</u> N/A
	<u>NO</u> N/A
	<u>NO</u> N/A
	<u>NO</u> N/A
	Helena Wind, LLC Helena Wind, LLC 171 (11 digits) ents? ar of agreement boration, etc) Limited Liability Cou up, as defined by Tax Code §171.0001(7)? m No. 05-165, No. 05-166, or any other documentar

	SECTIC	Texas Comptroller of Public Accounts	Than	Analysis Isparene n 50-296	ey.
		PN 6: Eligibility Under Tax Code Chapter 313.024			
	z. mep	ou an entity subject to the tax under Tax Code, Chapter 171? roperty will be used for one of the following activities: manufacturing	Lanna	Yes	No
	(2)	manufacturing		res	🖌 No
	(3)	a clean coal project as defined by Section 5.001. Water Onde	Y	íes 🔒	🖌 No
	(4)	a clean coal project, as defined by Section 5.001, Water Code	Y	/es	🖊 No
	(5)	an advanced clean energy project, as defined by Section 382.003, Health and Safety Code	Y	′es ,	🖊 No
	(6)	renewable energy electric generation	🖌 Yi	'es	No
	(7)	electric power generation using integrated gasification combined cycle technology	Ye	'es 🖌	/ No
	(8)	nuclear electric power generation	Ye	es 🗸	/ No
	(-)	a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)			7
	(9)	a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051	Ye		No
З	. Are you	I requesting that any of the land be classified as qualified investment?	Ye		No
4	. Will an	/ of the proposed qualified investment be leased under a capitalized lease?	Ye		No
5	Will any	of the proposed qualified investment be leased under an operating lease?	Ye		No
6.	Are you	including property that is owned by a person other than the applicant?	Ye		No
7.	Will any	property be pooled or proposed to be pooled with property owned by the applicant in determining the applicant	Ye	s 🖌	No
	your qu	alified investment?	Yes	s 🖌	No
		7: Project Description			
		, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of property, the nature of the business, a timeline for property construction or installation, and any other relevant informatic	freal and m.	tangible)
2.	Check t	ne project characteristics that apply to the proposed project:			
		nd has no existing improvements	ection 13)		
	Ex	pansion of existing operation on the land (complete Section 13) Relocation within Texas			
S	ECTION	8: Limitation as Determining Factor			
1.	Does the	applicant currently own the land on which the proposed project will occur?	Yes	Z	No
2.	Has the	applicant entered into any agreements, contracts or letters of intent related to the proposed project?			
З.	Does the	applicant have current business activities at the location where the proposed project will occur?	Yes		No
4.	Has the a	applicant made public statements in SEC filings or other documents regarding its intentions regarding the project location?	Yes	V	No
5.	Has the a	pplicant received any local or state permits for activities on the proposed project site?	Yes		No
6.	Has the a	pplicant received commitments for state or local incentives for activities at the proposed project site?	Yes		No
7.	is the app	licant evaluating other locations not in Texas for the proposed project?	Yes		No
8.	Has the a	pplicant provided capital investment or return on investment information for the proposed project in comparison	Yes		No
,	with other	alternative investment opportunities?	Yes		Ma
9. 1	Has the a	oplicant provided information related to the applicant's inputs, transportation and markets for the proposed project?			No
10. /	Are you si	abmitting information to assist in the determination as to whether the limitation on appraised value is a determining applicant's decision to invest capital and construct the project in Texas?	Yes		No
Cha	pter 313.(26(e) states "the applicant may subrat intermedian to the application of the	Yes	ا ل ا	No
(nd)	er Subse	ction (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.	ve determ	ination	1

For more information, visit our website: comptroller.texas.gov/economy/local/ch313/

	Texas Comptroller of Public Accounts	Data Analy Transpar	ency
-	SECTION 9: Projected Timeline	Form 50-	296-A
1.	Application approval by school board	06/30/2020)
2.		Q2 2021	
3.		06/30/2020	`
4.		The first sector of the sector	
5.	Begin hiring new employees	01/01/2022	
6.	Begin hiring new employees	Q2 2022	
7.	Commencement of commercial operations 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)?	Q2 2022	
	Note: Improvements made before that time may not be considered qualified property.	Yes	N
	When do you anticipate the new buildings or improvements will be placed in service?	05/01/2022	
S	ECTION 10: The Property		
1.	Identify county or counties in which the proposed project will be located Bee County		
	Identify Central Appraisal District (CAD) that will be responsible for appraising the property Bee County Central Ap	praisal Distri	ct
	Will this CAD be acting on behalf of another CAD to appraise this property?		
4.	List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:	L Tes	V No
1	County: Bee County, 0.67782, 100% City: N/A		
	(Name tax rate and percent of project) (Name tax rate and percent	t of project)	
	Hospital District: N/A Water District: N/A (Name, tax rate and percent of project) (Name, tax rate and percent of project) (Name, tax rate and percent	of project)	
¢	Other (describe): Coastal Bend College, .17687, 100% Other (describe): N/A	tor project)	
5. 19	Other (describe): Coastal Bend College, .17687, 100% (Name, tax rate and percent of project) Other (describe): N/A (Name, tax rate and percent (Name, tax rate and percent) s the project located entirely within the ISD listed in Section 12	of project)	
	s the project located entirely within the ISD listed in Section 1?	Yes	🖌 No
. C	you receive a determination from the Texas Economic Development and Tourism Office that this area and her this area and the second s		
0	single unified project seeking a limitation agreement constitute a single unified project (SUP), as allowed in \$313.024/d-2)2	Yes	🖌 No
	the office of the Governor.		
	TICN () Investment		
nita stric	E: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of ap tion vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the prop ct. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/econor	praised value perty within the s ny/local/ch313/	school
A	the time of early in the state of the state	,000,000.00	
		000,000.00	
m	ave: The property value limitation amount is based on property values available at the time of application and ay change prior to the execution of any final agreement.		
Do	bes the qualified investment meet the requirements of Tax Code §313.021(1)?	Ves	No
7.0	 tach 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 requered 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 or 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 period and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11). 	esting an apprai	sed
Do Sul	you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for bchapter C school districts) for the relevant school district category during the qualifying time period?	🖌 Yes	ы.
	For more information, visit our website: comptroller.texas.gov/economy/local/ch313/	A les	No

50-296-A • 03-17/3

			Texas Comptroller of Public Accounts	Transpa Form 50	reney
	SECTI	ON 1;	2: Qualified Property		200 4
1.			etailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property e below.) The description must include:		
			pecific and detailed description of the qualified property for which you are requesting an appraised value limitation 3.021 (Tab 8);		
			escription of any new buildings, proposed new improvements or personal property which you intend to include as p perty (Tab 8); and	art of your qua	lified
	10	a m	ap of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).		
2.	ាន បាទ	e land	upon which the new buildings or new improvements will be built part of the qualified property described by)(A)?		
	2a	. I f ye	s, attach complete documentation including:	Yes	No No
		a.	legal description of the land (Tab 9);		
		b.	each existing appraisal parcel number of the land on which the new improvements will be constructed, regardles the land described in the current parcel will become qualified property (Tab 9);	s of whether or	not all of
		C.	owner (Tab 9);		
		d.	the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and		
		θ,	a detailed map showing the location of the land with vicinity map (Tab 11).		
3.		land o stmen	n which you propose new construction or new improvements currently located in an area designated as a t zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 23032	Yes	No.
	3a.	п уе	s, attach the applicable supporting documentation:		NO NO
		a.	evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 15):		
		b.	legal description of reinvestment zone (Tab 16);		
		C.	order, resolution or ordinance establishing the reinvestment zone (Tab 16);		
		d,	guidelines and criteria for creating the zone (Tab 16); and		
		θ.	a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)		
		If no, the be office	submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating oundaries of the zone on which you propose new construction or new improvements to the Comptroller's within 30 days of the application date. What is the anticipated date on which you will submit final proof pinvestment zone or enterprise zone?	Feb. 2020	

SECTION 131 Information on Property Not Eligible to Become Qualified Property

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

6.	Total estimated market value of proposed property not eligible to become qualified property	
	(diat property described in response to duestion 2)-	0.00
		0.00
rec	quirements of 313.021(1). Such property cannot become qualified property on Schedule B.	

For more information, visit our website: comptroller.texas.gov/economy/local/ch313/

Texas Comptroller of Public Accounts	Data Analysis and Transparency
SECTION 14: Wage and Employment Information	Form 50-296-A
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
 What is the last complete calendar quarter before application review start date; First Quarter Second Quarter Third Quarter Fourth Quarter of 2019 	
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
Active For Job deminitions see TAC §9.1051 and Tax Code §313.021(3).	
 What is the number of new qualifying jobs you are committing to create? What is the number of new qualifying jobs you are committing to create? 	4
5. What is the number of new non-qualifying jobs you are estimating you will create?	
o. Do you intend to request that the governing body waive the minimum news we list	name) and an analysis of a second s
 provided under Tax Code §313.025(f-1)? 6a. If yes, attach evidence in Tab 12 documenting that the new qualifying job creation requirement above exceeds the number necessary for the operation, according to industry standards. 	Yes No
7. Attach in Tab 13 the four most recent quarters of data for each wage calculation below, including documentation from the TWC v actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this based on information from the four quarterly periods for which data were available at the time of the application review start date application). See TAC §9.1051(21) and (22).	vebsite. The final estimate — will be (date of a completed
a. Average weekly wage for all jobs (all industries) in the county is	707.25
b. 110% of the average weekly wage for manufacturing jobs in the county is	975.98
c. 110% of the average weekly wage for manufacturing jobs in the region is	1,254.80
 8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? 9. When the required for \$313.021(5)(A) or 	C - Annales Manager, spectra and the state of
9. What is the minimum required annual wage for each qualifying the board on the sure is	to the second se
10. What is the annual wage you are committing to pay for each of the neuron with the second states and the second states and the second states are second states and the second states are second states and the second states are	50,750.96
	50,751.00
 11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? 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)? 12a. If yes, attach in Tab 12 supportion. 	Yes No
12a. If yes, attach in Tab 12 supporting documentation from the TWC, pursuant to §313.021(3)(F).	Yes 🖌 No
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?	
13a. If yes, attach in Tab 6 supporting documentation including a list of qualifying jobs in the other school district(s).	Yes 🖌 No

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**.

For more information, visit our website: comptroller.texas.gov/economy/local/ch313/

Proof of payment of filing fee received by the Comptroller of Public Accounts per TAC Rule §9.1054 (b)(5)

(Page Inserted by Office of Texas Comptroller of Public Accounts)

Documentation of Combined Group Membership under Texas Tax Code 171.0001(7)

Documentation from Texas Comptroller's Franchise Tax Division to demonstrate combined group membership:

- 1. Helena Wind, LLC is a Delaware Limited Liability Company formed on April 16th, 2018.
- Helena Wind, LLC is registered in the State of Texas as a foreign limited liability company, File Number 802994591, in the Office of the Secretary of State. Taxpayer number 32066921225.
- 3. Helena Wind, LLC has one member with 100% ownership, Lincoln Clean Energy, LLC, which is registered in the State of Texas as a foreign limited liability company, File Number 0802369618, in the Office of the Secretary of State. Taxpayer number 32059303761.
- 4. Contact information for Helena Wind, LLC is as follows:
 - a. Contact: Philip Moore
 - b. Phone: (512) 767 7461
 - c. Email: pmoore@lincolnclean.com
- 5. Helena Wind, LLC will appear as an affiliate on the combined group report filed by Orsted Onshore North America, LLC beginning with franchise tax report year 2020.

Detailed Description of the Project

Provide 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.

Helena Wind, LLC ("Helena Wind") is requesting a Chapter 313 Appraised Value Limitation Agreement from Pawnee ISD for a proposed renewable energy project using wind turbines (the "Project") to be constructed partially in Pawnee ISD (Bee County) and partially in Pettus ISD (Bee County). The portion of the Project located in Pawnee ISD is the subject of this application. The portion of the Project located in Pettus ISD may be the subject of an application.

The installed capacity of the proposed project is expected to be approximately 252 megawatts (MW). While turbine type and size have yet to be finalized, the current plan is to utilize approximately 60 Vestas V150-4.2 4.2 MW wind turbine generators with 105m towers and rotors of 150m diameter. The Project is anticipated to cover approximately 25,000 acres of privately-owned land, all currently used as farmland or pasture, and such uses can continue as the Project is designed to be compatible with such activities. Construction of the Project is expected to commence in the second quarter of 2021 and is anticipated to be complete in the second quarter of 2022. The siting of the wind turbine generators is currently proposed to be allocated among the school districts as follows:

Pawnee ISD

48 turbines for a total of 201.6 MW

Pettus ISD

12 turbines for a total of 50.4 MW

In addition to the wind turbines, the Project will also include the following improvements in Pawnee ISD:

- An operations and maintenance building
- a series of new access roads to the turbines
- underground electrical collection cables
- meteorological towers
- substation
- overhead transmission line connecting to a substation at the Point of Interconnection

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

Helena Wind, LLC is a Delaware limited liability company. Helena Wind, LLC has one member with 100% ownership, Orsted Onshore North America, LLC ("Orsted"). Orsted 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, Nebraska, South Dakota, and Texas.

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 was previously known by the name "Foxtrot Wind, LLC." The Project applied to ERCOT on July 26, 2018, and it has been assigned GINR number 20INR0129.

For the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work before the statutorily imposed deadline of December 31, 2018. This work consisted of earth-moving to prepare eight (8) holes for turbine foundations (though foundations were not installed) and installation of 4,000 linear feet of road connecting three foundation holes. These preconstruction activities were not deemed taxable improvements by the Bee County Central Appraisal District and no tax bill was delivered.

The Applicant's completion of the minor amount of PTC work qualification work does not, either legally or financially, commit it to constructing the Project in Bee County.

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. The applicant's current projects in development include projects in the following states: Florida, Illinois, Missouri, Nebraska, South Dakota, Colorado, and Virginia. This appraised value limitation is critical to the ability of the Project to move forward as currently sited.

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 aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.

The overall project is anticipated to have a capacity of 252 MW consisting of sixty (60) Vestas V150-4.2 4.2 MW wind turbine generators. The siting of the turbines will be allocated among the school districts as follows:

Pawnee ISD

48 turbines for a total capacity of 201.6 MW

Pettus ISD

12 turbines for a total capacity of 50.4 MW

Based on the location of the turbines shown above, 80% of the Project is in Pawnee ISD, and 20% of the Project is in Pettus ISD.

100% of the Project is in Bee County.

The Project's Operations & Maintenance building and substation will be in Pawnee ISD.

Description of Qualified Investment

Helena Wind, LLC plans to construct a 252 MW wind farm consisting of 60 turbines in Bee county within the boundaries of Pawnee ISD and Pettus ISD.

The applicant is requesting an appraised value limitation on all the qualified investment and the qualified property constructed or placed upon the real property within Pawnee ISD. For purposes of this application, the Project anticipates using Vestas V150-4.2 4.2 MW turbines. The qualified investment in Pawnee ISD is expected to include approximately forty-eight (48) Vestas V150-4.2 4.2 MW wind turbine generators, including 105m towers, nacelles, rotors with 150m rotor diameter, and reinforced concrete foundations, pads, underground and overhead electric collection cables, met towers, and control systems as necessary for the commercial generation of electricity. While the turbine locations have not yet been finalized, they are expected to be sited in a series of rows running approximately east to west in the northern part of Bee county. The map in Tab 11 shows the preliminary turbine locations. The exact placement of these turbines, as well as the exact specifications, heights, and component parts, is subject to ongoing planning, soil and geotechnical studies, and engineering and will be determined before construction commences.

In addition to the wind turbines, the project will also include the following qualified investment in Pawnee ISD:

- Access roads to the turbines
- Underground electrical collection cables
- Permanent meteorological towers
- Overhead transmission line connecting the project substation to the Point of Interconnection
- Operations and Maintenance Building
- Project Substation

The approximate location of each of these improvements is shown on the map in Tab 11.

Description of Qualified Property

Helena Wind, LLC plans to construct a 252 MW wind farm consisting of 60 turbines in Bee county within the boundaries of Pawnee ISD and Pettus ISD.

The applicant is requesting an appraised value limitation on all the qualified investment and the qualified property constructed or placed upon the real property within Pawnee ISD. For purposes of this application, the Project anticipates using Vestas V150-4.2 4.2 MW turbines. The qualified investment in Pawnee ISD is expected to include approximately forty-eight (48) Vestas V150-4.2 4.2 MW wind turbine generators, including 105m towers, nacelles, rotors with 150m rotor diameter, and reinforced concrete foundations, pads, underground and overhead electric collection cables, met towers, and control systems as necessary for the commercial generation of electricity. While the turbine locations have not yet been finalized, they are expected to be sited in a series of rows running approximately east to west in the northern part of Bee county. The map in Tab 11 shows the preliminary turbine locations. The exact placement of these turbines, as well as the exact specifications, heights, and component parts, is subject to ongoing planning, soil and geotechnical studies, and engineering and will be determined before construction commences.

In addition to the wind turbines, the project will also include the following qualified investment in Pawnee ISD:

- Access roads to the turbines
- Underground electrical collection cables
- Permanent meteorological towers
- Overhead transmission line connecting the project substation to the Point of Interconnection
- Operations and Maintenance Building
- Project Substation

The approximate location of each of these improvements is shown on the map in Tab 11.

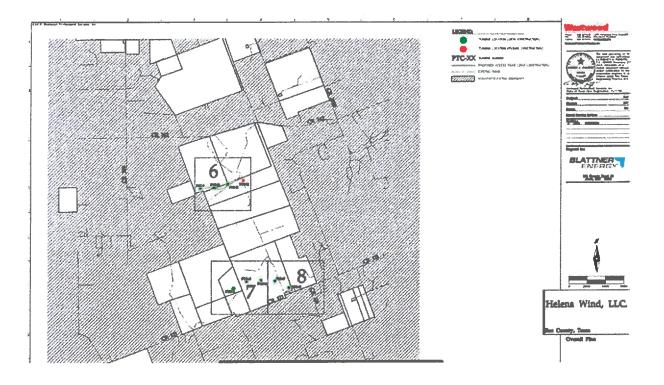
Description of Land

The land will not be part of the qualified property for the Project.

Description of all property not eligible to become qualified property

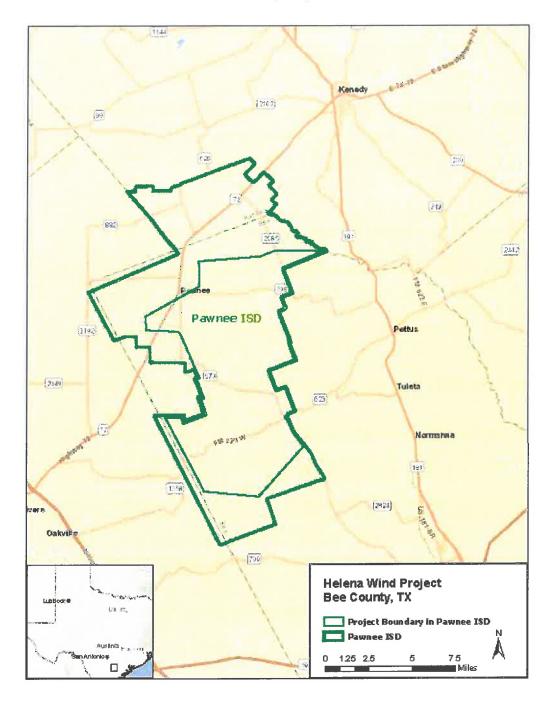
Applicant completed a minor amount of pre-construction work in December of 2018 at the Project site in order to qualify the Project for the federal income tax Production Tax Credit in accordance with federal law. This pre-construction work consisted of earth-moving to prepare eight (8) holes for turbine foundations (though turbine foundations were not installed) and the installation and completion of 4,000 linear feet of road connecting three foundation holes. These preconstruction activities were not deemed to have created taxable improvements by the Bee County Central Appraisal District, and no tax bill was delivered. The pre-construction activities did not result in the creation of any Qualified Property.

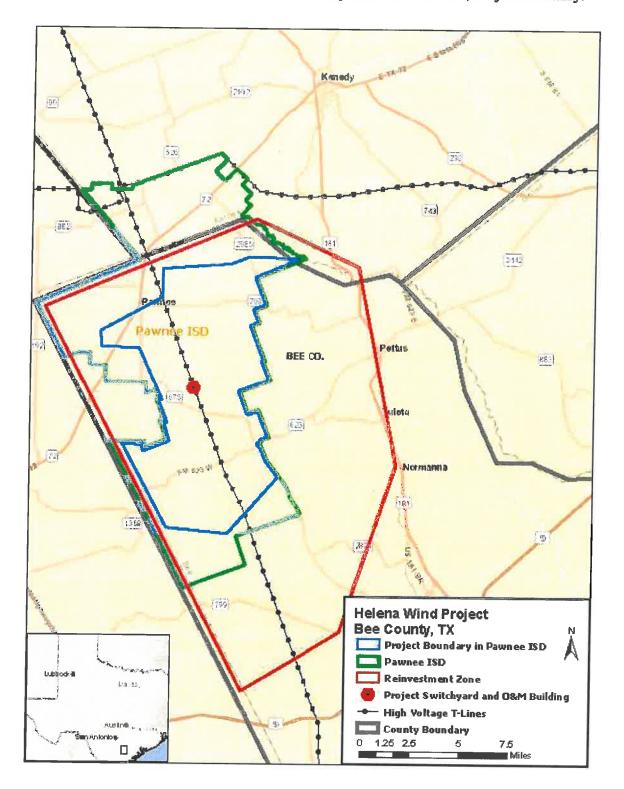
The 2018 pre-construction activities are represented with a map below:



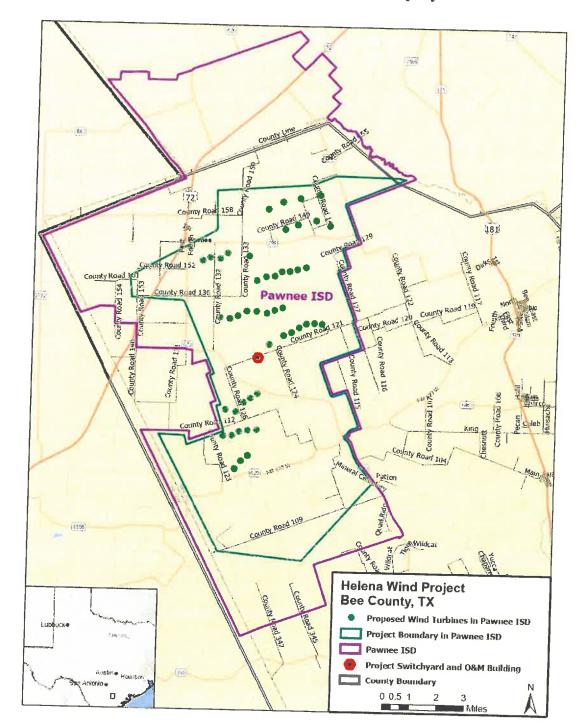
Maps

Vicinity Map:





Location of Bee County, Pawnee ISD, Bee County Reinvestment Zone, Project Boundary:



Location of Pawnee ISD Boundary, Bee County Boundary, Reinvestment Zone, Project Boundary, Qualified Investment, and Qualified Property:

Tab Item 12 Request for Waiver of Job Creation Requirement

See attached letter. Based on the attached letter, Helena Wind, LLC is committing to creating five (5) jobs to support the entire project. Although no individual employees will be assigned specifically to manage the portions of the Project in Pawnee ISD or Pettus ISD, based on the number of turbines located in each school district, the created jobs will be allocated among the school districts as follows:

Pawnee ISD 4 jobs Pettus ISD 1 job January 14, 2020

Superintendent Hartmann Pawnee ISD 6229 FM 798 P.O. Box 569 Pawnee, TX 78145

Re: Chapter 313 Job Waiver Request

Dear Superintendent Hartmann,

Please consider this letter to be Helena Wind, LLC's formal request to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-l).

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body 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 that is described in this application. Wind energy projects create many full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the wind industry, approximately 1 full time job is required for every 15 wind turbine generators installed. We expect to install fifty-seven (57) wind turbine generators in Pawnee ISD. As such we can commit to creating four (4) full-time positions in Pawnee ISD. This position would be a qualifying job as described in Section 313.021(3) of the Texas Tax Code.

The applicant requests that the Pawnee ISD's Board of Trustees make such a finding and waive the job creation requirement. This waiver request is in line with industry standards for the job requirements for a wind energy facility of this size, as evidenced by limitation agreement applications that have been filed by other wind energy developers, and by documentation related to the development and operation of wind generation facilities.

The project stands to provide significant benefits to the community with respect to increased tax base and the ongoing royalty payments it will make to local landowners.

Kind Regards,

Sin R. Awardt

Eric Barnett Director of Development Helena Wind, LLC

Calculation of three possible wage requirements with TWC documentation

Quarterly Employment and Wages (QCEW)

Year	Period	Area	Ownership	Ind-Code	Industry	Avg. Weekly Wages
2018	3 rd Qtr	Bee	Total All	10	Total, All Industries	\$705
2018	4 th Qtr	Bee	Total All	10	Total, All Industries	\$716
2019	1 st Qtr	Bee	Total All	10	Total, All Industries	\$692
2019	2 nd Qtr	Bee	Total All	10	Total, All Industries	\$716
Average						\$707.25

Average Weekly Wage for All Jobs (All Industries) in Bee County

110% of \$707.25 = \$777.98

Drag a	column	header and	drop It	here to gro	iup by I	hat column			17	State Section -		14 76 1921
Year	× T	Period	× Ŧ	Area	× Ŧ	Ownership	×	industry Code	× T	Industry	× T	Average Weekly × Wage T
2018		01		Bee		Total All		10		Total. All Industries		735
2018		02		Bee		Total All		10		Total All Industries		691
2018		03		Bee		Total All		10		Total, All Industries		705
2018		04		Бее		Total All		10		Total, All Industries		716
2019		01		Bee		Total All		10		Total. All Industries		692
2019		02		Bee		Total All		10		Total, All Industries		716

Quarterly Employment and Wages (QCEW)

					5	
Year	Period	Area	Ownership	Ind-Code	Industry	Avg. Weekly
						Wages
2018	3 rd Qtr	Bee	Private	31-33	Manufacturing	
2018	4 th Qtr	Bee	Private	31-33	Manufacturing	\$873
2019	1 st Otr	Bee	Private	31-33	Manufacturing	\$994
2019	2 nd Otr	Bee	Private	31-33		\$763
Average			Illvalo	51-35	Manufacturing	\$919
						\$887.25

Average Weekly Wage for Manufacturing Jobs in Bee County

110% of \$887.25 = \$975.98

Drag a c		header and	100	here to gro	oup by I	hat column						
Year	×	Penod	x T	Area	× Ŧ	Ownership	ж Т	Indusiry Code	× T	Industry	× T	Average Weekdy × Wage ¥
2018		01		Bee		Private		31-33		Manufacturing		1,323
2018		02		Bee		Private		31-33		Manufacturing		1 028
2018		03		8ee		Private		31-33		Manufacturing		873
2018		04		Bee		Private		31-33		Manufacturing		994
2019		01		8ee		Private		31-33		Manufacturing		763
2019		02		Bee		Private		31-33		Manufacturing		919

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for Manufacturing Jobs in Region

Bee County is included in the Coastal Bend Council of Governments. The most recently reported (2018) average wage for the Coastal Bend Council of Governments is \$59,318.

\$59,318 / 52 = \$1,140.73

110% of \$1,140 = \$1,254.80

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

		Way	res
COG	COG Number	Hourty	Annual
Texas		\$27,04	\$56.240
Alamo Area Council of Governments	18	\$22.80	\$47,428
Ark-Tex Council of Governments	5	\$18.73	\$38,962
Brazos Valley Council of Governments	13	\$18.16	\$37,783
Capital Area Council of Governments	12	\$32.36	\$67.318
Central Texas Conncil of Governments	23	\$19.60	\$40.771
Constal Band Conneil of Governmenter	20	\$28.52	\$59.318
Concho Valley Council of Governments	10	\$21.09	\$43,874
Deep East Texas Council of Governments	14	\$18.28	\$38,021
East Texas Council of Governments	6	\$21.45	\$44,616
Golden Crescent Regional Planning Commission	17	\$28.56	\$59,412
Heart of Texas Conneil of Governments	11	\$22.71	\$47.245
Houston-Galveston Area Council	16	\$29.76	\$61,909
Lower Rio Grande Valley Development Council	21	\$17.21	\$35,804
Middle Rio Grande Development Council	24	\$20.48	\$42,604
NORTEX Regional Planning Commission	3	\$25.14	\$52,284
North Central Texas Council of Governments	4	\$27.93	\$58.094
Pauhandle Regional Planning Commission	1	\$24.19	\$50,314
Permian Basin Regional Planning Commission	9	\$25.90	\$53,882
Rio Grande Council of Governments	8	\$18.51	\$38,493
South East Texas Regional Planning Commission	15	\$36.26	\$75,430
South Plains Association of Governments	2	\$20.04	\$41,691
South Texas Development Council	19	\$17.83	\$37.088
Texoma Council of Governments	22	\$21.73	\$45,198
West Central Texas Conncil of Governments	7	\$21.84	\$45,431

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

Note: Data is not supported by the Bureau of Labor Statistics (BLS). Wage data is produced from Texas Occupational Employment Statistics (OES) data, and is not to be compared to BLS estimates.

Data intended only for use in implementing Chapter 313, Tax Code.

Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable) See Attached

Date Applicant Name ISD Name

Helena Wind, LLC Pawnee ISD

Form 50-296A

					PROPERTY INVESTMENT AMOUNTS			Revised May 201
					(Estimated Investment in each year. Do not put cumulative totals.)	totals.)		
				Column A	Column B	Column C	Comming.	
	Year	School Year	Tax Year (Fill in actual tax year	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	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	When new investment made during this year that Other new investment made during this year that will not become Qualified Property ISEE may become Qualified Property ISEE	Column E Total Investment Rsum of Columns of AB of an
Investment made before filing complete application with district				cue Voi ir gitės is became Quai (et Prigunty	c Dual / or Property		VUTE] The only other investment intake bolies in complete anglicultern with dislocit.	
Investment made after filling complete application with district, but before final board approval of application	2020	2020-2021	2020				Foodmo Qualified Protectly is land.]	
Investment made after final board approval of								
application and before Jan. 1 of first complete tax year of qualifying time period								\$0
Complete tax vears of gualifying time period	2021	2021-2022	2021					\$C
	2022	2022-2023	2022	\$240,600,000	\$1 ,000,000			\$241,600,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]	TIme Peri	od [ENTER this n	ow In Schedule A2]					
				\$240,600,000	\$1,000,000	\$0	\$	
					Ent	Enter amounts from TOTAL row above in Schedule A2	A2	
Ĺ	otal Quall	fied Investment {	Total Qualified Investment (sum of green cells)					

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.

\$241,600,000

Only tangble personal property that is specifically described in the application can become qualified property. Column B: The total cultar amount of planned investment aech year in bulldings or nonnerrowable component of bulldings. Column D: Pollar value of other investment and may affect concomic impact and total value. Examples of other investment in the law into theorem 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 order property in the law into theorem qualified property are and or professional services. Column D: Dollar value of other investment that may affect accomment inpact, neurouse, monity or upgrade existing property or a sufficied property are and other investment that may affect accomment inpact and total value. Examples of other investment that may release other investment that may affect accomment in the bulle other investment that may affect accomment as defined by TAC 9.1051. This is proposed property that rotal to other investment that may affect accomment to a plant of the application. Total investment: Exit the green qualified of other investment that may affect accomment to a fully on the fue total investment can may affect accomment as used in the plant of the investment total may affect accomment. For the green qualified property are actively in a column and enter the sum in the blue total investment cow. Enter the data from this row into the first row in Schedule A2. Total investment: For the green qualified investment cow.

Date Applicant Name Helena Wind, LLC ISD Name Pawnee ISD

Total Investment from Schedule A1* Each year prior to stant of value imitation period**				/Eatimated Investor	(Estimated Investment in each user Do not suit autority in the			
Total Investment from Schedule A1* Each year prior to stant of value limitation period**				Amministry investment in each	· Jem · Do not bot commistive totals.			
Total Investment from Schedule A1* Each year prior to stant of value limitation period**				Column A	Column B	Column C	0	
Total Investment from Schedule A1* Each year prior to stant of value limitation period**	Year	School Year (YYY-YYY)	Tax Year (Fill in actual tax year below) ҮҮҮҮ	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	ng Ihis year that Property (SEE	Other investmen will become Qua	Column E Total Investment
Each year prior to start of value limitation period**	1	TOTALS FROM	TOTALS FROM SCHEDULE A1			edute A1 in the rou	W below	60000
				\$240,600,000	\$1,000,000	0\$	0\$	\$241,600,000
finant as many news as necessary	-	2020-2021	2020					
Each year prior to start of value ifmitation period** #sevt as many raws es necessary	0	2021-2022	2021	5340 PD0				
	-	2022-2023	2022	000'000'0+28	\$1,000,000	80	0\$	\$241,600,000
	2	2023-2024	2023	0.0	80	20	\$0	05
	9	2024-2025	2024	2 C	80	80	0\$	05
	4	2025-2026	2025	0.0	\$0	80	\$0	5
	5	2026-2027	2026		\$0	\$0	\$0	. ,
	6	2027-2028	2027		\$0	\$0	\$0	5
	7	2028-2029	2028	0.0	\$0	\$2,000,000	\$0	S2.000.000
	8	2029-2030	2029	00	80	\$2,000,000	0\$	\$2 000 000
		2030-2031	2030	2	\$0	\$2,000,000	\$0	\$2,000.000
	10	2031-2032	2031	04	80	\$2,000,000	\$0.	\$2,000,000
	Total	I Investment made	Total Investment made through Ilmitation	0%	\$0	\$2,000,000	20	
	1	2032-2033	2032	\$240,809,000	\$1,000,000	\$10,000,000	20	\$249 600 000
	12	2033-2034	2033		うちはなか してい アード・パー	\$3,000,000		
Continue to maintain viable presence	13	2034-2035	2034			\$3,000,000		\$3,000,000
	14	2035-2036	2035			\$3,000,000		\$3.000.000
	15	2036-2037	2036			\$3,000,000		000 000 53
	16	2037-2038	2037			\$3,000,000		
1	17	2038-2039	2038			\$3,000,000		\$3 000 000
	18	2039-2040	2039			\$3,000,000	and the second se	
	19	2040-2041	2040			\$3,000,000		53 000 000 ES
Additional years for 25 year economic impact as required by	20	2041-2042	2041			\$3,000,000		83 000 000
313.026(5)(1)	21	2042-2043	2042			\$3,000,000)		
	22	2043-2044	2043			\$3,000,000		
	23	2044-2045	2044			\$3,000,000		000'000'8\$
	24	2045-2046	2045			\$3,000,000		S3 000 000
]	25	2046-2047	2046			\$3,000,000		S3 000 000

* 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 limitation (after the end of qualifying time period by before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" rew(s). If the limitation starts at the end of the qualifying time period of one also include hysalineari made during the qualifying time period of years 1 and/or 2 of the value limitation period. Approver value limitation period, do not also include hysalineari made during time period in years 1 and/or 2 of the value limitation period. Approver value limitation starts at the end of the qualifying time period of years 1 and/or 2 of the value limitation period, dopending on the overlap, Only include investments/years that were not captured on Schedule A1.
For all Common: This reprove that a start of value limitation period. Only include investments/years that were not captured on Schedule A1.
Column A1. This reprove that is application can be one qualified period. The property it the property is specifically described in the application can be one qualified period.
Column B1. The total dollar amount of planned investment is the end of buildings.

Colum C: Dolarvalue of other investment that may affect economic impact and total value. Examples of other investment that will not bocome 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 column D: Dolar 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.

Applicant Name ISD Name Date

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

Helena Wind, LLC

Form 50-296A

	Γ				Qualified Property		Ŭ	Estimated Tamer 1.	107 Abia noninali
							1	SUMated Layanie Value	
ł	Year	School Year (YYY-YYY)	Tax Year (Fill in actual tax vear)	Estimated Market Value of	Estimated Total Market Value of new buildings or	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the	Market Value less any exemptions (such as pollution control) and	Final taxable value for I&C	
Each year prior to start of Value Limitation Period	0	2020-2021	6			new improvements"	before limitation	after all reductions	M&O after all reductions
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2021-2022	2021						
I		2022-2023	2022	\$0	\$0	\$236 768 000	4736 760 000		
	2	2023-2024	2023	\$0	U\$	\$222 561 020	#230,700,000	\$236,768,000	\$20,000,000
	m	2024-2025	2024	\$0	O\$	\$200 208 205	026,100,327¢	\$222,561,920	\$20,000,000
	4	2025-2026	2025	\$0		\$196 655 713	\$106 PEF 710	\$209,208,205 \$100,000	\$20,000,000
	5	2026-2027	2026	\$0) ()	@104,000,10	\$130,000,/13	\$196,655,713	\$20,000,000
1	9	2027-2028	2027	\$0		\$104,000,37U	\$184,856,370	\$184,856,370	\$20,000,000
	~	2028-2029	2028	U\$		#1/0/104/900	\$1/3,/64,988	\$173,764,988	\$20,000,000
<u> </u>	8	2029-2030	2029	e e	D A	\$103,339,088	\$163,339,088	\$163,339,088	\$20,000,000
<u> </u>	6	2030-2031	2030		0\$	\$153,538,743	\$153,538,743	\$153,538,743	\$20,000,000
		2031-2022	2004	200	\$0	\$144,326,418	\$144,326,418	\$144,326,418	\$20.000.000
		2002 0000	1602	\$0	\$0	\$135,666,833	\$135,666,833	\$135.666 833	
		ZU3Z-ZU33	2032	\$0	\$0	\$127,526,823	\$127,526.823	\$127 526 823	\$177 FOR 800
Continue to maintain		zu33-zu34	2033	\$0	\$0	\$119.875.214	\$119875214	¢110 875 014	#440 020 04 0
	_	2034-2035	2034	\$0	\$0	\$112.682 701	\$112 682 701	\$110,010,414 \$140,600,104	\$119,8/5,214
<u> </u>	4	2035-2036	2035	\$0	C#	\$105 001 700	#101,002,701	\$112,082,7U1	\$112,682,701
1	15 2	2036-2037	2036	CS.		#00,500,405	\$105,921,739	\$105,921,739	\$105,921,739
	16 2	2037-2038	2037			435 TOD, 435	\$99,566,435	\$99,566,435	\$99,566,435
	17 2	2038-2039	2038	ç t		\$33,592,449	\$93,592,449	\$93,592,449	\$93,592,449
	18	2039-2040	2039			\$87,976,902	\$87,976,902	\$87,976,902	\$87,976,902
Additional vears for 1	19 2	2040-2041	2040	000	0.9	\$82,698,288	\$82,698,288	\$82,698,288	\$82,698,288
L	20 2	2041-2042	2041		0	\$/1,/36,390	\$77,736,390	\$77,736,390	\$77,736,390
	+	2042-2043	CFUC	D¢	\$0	\$73,072,207	\$73,072,207	\$73,072,207	\$73.072.207
313.026(c)(1)	_	0402-2402	2042	\$0	\$0	\$68,687,875	\$68,687,875	\$68,687,875	\$68 687 875
		111111111111111111111111111111111111111	2043	\$0	\$0	\$64,566,602	\$64,566,602	\$64 566 602	CEA FEE END
		chu-2045	2044	\$0	\$0	\$60,692,606	\$60,692 606	\$60.607.606	#04,300,002
		2045-2046	2045	\$0	\$0	\$57.051.050	\$57 051 050	#00,002,000	\$00,092,006
Ń	25 2	2046-2047	2046	\$0	U\$	¢£3 £77 007	PL0 001 000	nen'i en'i et	\$57,051,050
Notes: Ma	arket v	alue in future	years is good f.	Market value in future years is good faith estimate of future taxe	taxable value for the ni	Notes: Market value in future years is good faith estimate of future taxable value for the numbers of monoch texasion	4100 02/,98/	\$53,627,987	\$53,627,987

Information
Employment
Schedule C:

Date Applicant Name ISD Name

Helena Wind, LLC Pawnee ISD

Form 50-296A Revised May 2014

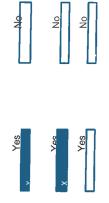
				Const	Construction	Non Ouoli6dae Ista		LEVISBU MAY 2014
							Qualitying Jobs	ng Jobs
				Column A	Column B	Column C	Column D	Column E
							Number of new qualifying inhs annicent commits to	
	Year	School Year (YYYY-YYYY)	Тах Year (Actual tax year) ҮҮҮҮ	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it	create meeting all criteria of Sec. 313.021(3)	Average annual wage of
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2020-2021	2020				(cumulative)	new qualifying jobs
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2021-2022	2021					
	-	2022-2023	2022	N/A	\$40,000	0	0	
	2	2023-2024	2023	N/A	VIN VIN	0	4	\$50,751.00
	з	2024-2025	2024	N/A	AVV AVV	0	4	\$50,751.00
	4	2025-2026	2025	N/A	A/N	0 0	4	\$50,751.00
	5	2026-2027	2026	N/A	N/A		4	\$50,751.00
	9	2027-2028	2027	N/A	N/A		4	\$50,751.00
	7	2028-2029	2028	N/A	N/A		4	\$50,751.00
	ø	2029-2030	2029	N/A	N/A		4	\$50,751.00
	6	2030-2031	2030	N/A	N/A		4	\$50,751.00
	10	2031-2032	2031				4	\$50,751.00
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2046				4	\$50,751.00
				N/A	N/A	0	4	\$50 751 00
Notor.	CAT CON	Nataa: Saa TAO 0 4054 faa 4-6a W						NO.10 1000

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

(25 **C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) If yes, answer the following two questions:

 ${\bf C1a}.$ Will the applicant request a job waiver, as provided under 313.025(f-1)?

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?



Date

Schedule D: Other Incentives (Estimated)

Applicant Name ISD Name

Helena Wind, LLC Pawnee ISD

Form 50-296A Revised May 2014

	State and Local	State and Local Incentives for which the Applicant intends to apply (Estimated)	Applicant intends to ap	olv (Estimated)		
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy	Annual Incontivo	Among the First Street
	County:	N/A	NIA	WITTOUT Incentive	Т	
I ax Code Chapter 311	City:	N/A	N/A	NIA		N/A
	Other:	N/A	NIA			N/A
	County: Bee County		AINI .	N/A	N/A	A/A
Tax Code Chapter 312			2022 10 years	\$705,660	\$387,660 (54.93%)	\$318 000
-		N/A	N/A	N/A		N/A 10,000
			N/A	N/A	NIA	NIA
noal Government Code Charters 200,001	ry.	N/A	N/A	NIA	NIA	N/A
		N/A	NIA	N/A	N/A	MIA
	Other:	N/A	NIA	N/A		
Freeport Exemptions	N/A	N/A	A/A			A/A
Non-Annexation Agreements	N/A			A/N	N/A	N/A
Enterprise Zone/Project	N/A		NIA	N/A	N/A	N/A
Economic Development Corporation			NIA	N/A	N/A	N/A
			NA		N/A	
		N/A	NIA		A/A	
	N/A	NA	N/A			
Skills Development Fund	N/A				NIA	
Training Facility Space and Equipment	N/A				NA	
	VN		N/A		N/A	
Permitting Assistance	N/A		HIN		N/A	
	A/A		NiA		NIA	
			N/A		NIA	
		N/A	N/A		N/A	
	N/A	N/A	NA		VIN	
Other;	N/A	NIA	N/A			
			TOTAL	\$705 680	ł	
					000,1000	\$318,000
Additional information on incontinuo for this particulation						

Additional information on incentives for this project:

Tab Item 15 Economic Impact Analysis Not applicable.

Description of Reinvestment Zone

COUNTY JUDGE: Stephanie A. Moreno COUNTY CLERK: Mirella Escamilla Davis DISTRICT CLERK: Zenaida R. Silva COUNTY ATTORNEY: Mike Knight SHERIFF: Alden Southmayd TAX ASSESSOR – COLLECTOR Linda G. Bridge



COMMISSIONER PRECINCT 1: Carlos Salazar, Jr. COMMISSIONER PRECINCT 2: Dennis De Witt COMMISSIONER PRECINCT 3: Eloy Rodriguez COMMISSIONER PRECINCT 4: Ken Haggard COUNTY AUDITOR: April Cantu

RESOLUTION ELECTING TO BECOME ELIGIBLE TO PARTICIPATE IN TAX ABATEMENT AND ORDER ADOPTING UPDATED GUIDELINES AND CRITERIA FOR GRANTING TEMPORARY PROPERTY TAX ABATEMENTS

WHEREAS, the Property Redevelopment and Tax Abatement Act (the "Act"), Chapter 312 of the Texas Tax Code authorizes counties, cities and other taxing units to provide temporary property tax abatement for limited periods of time as an inducement for the development or redevelopment of a property; and,

WHEREAS, the Act further requires that in order to become eligible to participate in tax abatement, a county or other taxing unit must adopt a resolution stating its election to do so and adopt guidelines and criteria for property tax abatement agreements; and,

WHEREAS, the Commissioners Court of Bee County previously adopted Guidelines and Criteria for Property Tax Abatement, but more than two years have elapsed since such action and such Guidelines and Criteria have expired.

NOW, THEREFORE, BE IT ORDERED, by the Commissioners Court of Bee County, that the County is eligible to participate in tax abatement and further ORDERS adoption of the updated Guidelines and Criteria attached hereto as Exhibit A in accordance with the requirements of the Act.

DULY ADOPTED BY VOTE OF THE COMMISSIONERS COURT OF BEE COUNTY, TEXAS, ON THIS THE 28th DAY OF AUGUST, 2017.

STEPHANIE MORENO Bee County Judge

CARLOS SALAZAR JR. Commissioner, Precinct 1

SAMMY G. FARIAS

Commissioners, Precinct 3

ATTEST:

COUNTY CLERK, BEE COUTY, BY:

MIRELLA ESCAMILLA DAVIS, Bee County Clerk

DENNIS DEWITT Commissioner, Precinc

KENNETH HAGGARD Commissioners, Precinct 4

GUIDELINES AND CRITERIA Tax Abatement or Phase-In Bee County, Texas

WHEREAS, Bee County recognizes that an active program of economic development is necessary to the economic welfare of the community and its citizens;

WHEREAS, Bee County recognizes that the attraction of long-term investment and the establishment of new jobs in the area would enhance the economic base of area taxing entities;

WHEREAS, Bee County recognizes that abatement or phase-in of certain taxes can be an effective economic incentive to attract or retain businesses to the community;

WHEREAS, Bee County recognizes that abatement or phase-in of certain taxes will allow Bee County to be competitive in attracting economic growth and be of benefit to all the citizens of the community;

WHEREAS, Bee County acknowledges that both the retention of economic assets and existing jobs and the creation of new jobs and economic endeavors have an important place in striking a positive economic balance in Bee County. These Guidelines and Criteria for seeking tax abatement from Bee County are intended to be flexible and special circumstances may lead the Commissioners Court to tailor individual tax abatement agreements to specific circumstances;

WHEREAS, the Texas Property Redevelopment and Tax Abatement Act provides that a county may not enter into a tax abatement agreement or designate an area as a reinvestment zone unless Bee County has established guidelines and criteria governing tax abatement agreements by the county; and

WHEREAS, the Texas Property Redevelopment and Tax Abatement Act further provides that the guidelines and criteria adopted by a county are effective for two years from the date adopted;

NOW, THEREFORE Bee County sets forth these Guidelines and Criteria for tax abatement or tax phase-in within its respective jurisdictions as follows:

Section 1 Definitions

The following defined terms shall have the following definitions when capitalized herein:

- 1. "Abatement" means the full or partial exemption from ad valorem taxes of certain real property in a Reinvestment Zone designated by an Affected Jurisdiction for economic development purposes.
- 2. "Affected Jurisdiction" means Bee County and any municipality or school district, the majority of which is located in Bee County that levies ad valorem taxes upon and

provides services to property located within the proposed or existing Reinvestment Zone designated by Bee County.

- **3.** "Agreement" means written contractual agreement between a property owner and/or lessee and an Affected Jurisdiction for the purposes of tax abatement.
- 4. "Base Year Value" means the assessed value of eligible property January 1 preceding the execution of the Agreement plus (if applicable) the agreed upon value of eligible property improvements made after January 1 but before the execution of the Agreement.
- 5. "Deferred Maintenance" means improvements necessary for continued operations, which do not improve productivity or alter the process technology.
- 6. "Distribution Center Facility" means buildings and structures, including machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator where a majority of the goods or services are distributed to points at least 25 miles from its location in Bee County.
- 7. "Expansion" means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- 8. "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- 9. "Manufacturing Facility" means buildings and structures, including fixed in place machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- 10. "Modernization" means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed in place machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.
- 11. "New Facility" means a property previously undeveloped that is placed into service by means other than or in conjunction with expansion or modernization.
- 12. "New Jobs" means employees associated with the authorized facility on a full-time permanent basis in Bee County within one year of production start-up. These jobs:

a. Must be dependent upon the proposed project (i.e. the positions would not exist if the project is not completed); and

b. Must NOT simply relocate current employees within the company without the employee's previous position being filled. (i.e. Company employment 1 year from startup must be equal to or greater than the current employment listed on the application plus the number of new jobs.)

- 13. "Other Basic Industry" means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services, including, but not limited to, electricity and power, which serve a market primarily outside of Bee County and result in the creation of new permanent jobs and create new tax base in Bee County.
- 14. "Phase-In" means the incremental increase of taxes over a period of four to eight years until full local taxation is reached, according to the schedule found in Section 2.8. It has been determined that this terminology more accurately reflects the practice of abatement for the County of Bee, Texas.
- 15. "Productive Life" means the number of years a property improvement is expected to be in service.
- 16. "Regional Service Facility" means buildings and structures, including machinery and equipment, used or to be used to service goods where a majority of the goods being serviced are domiciled at least 25 miles from the facility's Bee County location.
- 17. "Reinvestment Zone" is a specific parcel of property designated by the Bee County Commissioners Court within which tax abatement can be granted.
- 18. "Research Facility" means buildings and structures, including fixed in-place machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

Section 2 Requirements For Phase-In

- 1. Authorized Facility. A facility may be eligible for phase-in if it is located in a designated Reinvestment Zone and is a Manufacturing Facility, Research Facility, Distribution Center or Regional Service Facility, or Other Basic Industry.
- 2. Creation of New Value. Phase-in may only be granted for the additional value of eligible property improvements made subsequent to and specified in a phase-in Agreement between the Affected Jurisdiction and the property owner or lessee, subject to such limitations as Bee County may require.
- 3. Employee Origin. In order to be eligible for designation as a Reinvestment Zone and receive tax phase-in, the planned improvement must not be expected to solely or primarily have the effect of transferring employment from one part of Bee County to another.
- 4. Eligible Property. Phase-in may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements plus that office space and related fixed

improvements necessary to the operation and administration of the facility.

- 5. Ineligible Property. The following types of property shall be fully taxable and ineligible for phase-in: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; aircraft; housing; hotel accommodation; retail facilities; Base Year Value investments; property to be rented or leased to third parties except as provided in Section 2.6; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; and property in a Reinvestment Zone that is owned or leased by a member of the Bee County Commissioners Court.
- 6. Lease Facilities. If a new facility is to be constructed by a third party owner for lease to an Applicant otherwise eligible for tax phase-in, then the building owner may also be eligible for phase-ins. To calculate the applicable category for Phase-In, the investment of both entities will be added and each shall be eligible to receive Phase-In at the same rate as would have been available if one owner was accomplishing the entire project.
- 7. Economic Qualifications. In order to be eligible to receive tax phase-in, the planned new facility or planned expansion to modernization of an existing facility must meet the following qualifications:

a. Be reasonably expected to increase the appraised value of the property in the amount of not less than One Hundred Thousand (\$100,000) Dollars after construction is completed.

b. For new construction projects expected to create less than ten (10) New Jobs, project must be of strategic importance to the community and align with the strategic economic plan of the County.

c. Companies seeking to qualify for tax phase-in on the basis of job retention shall document that without the creation of a reinvestment zone and/or tax phase-in; the company will either reduce or cease operations.

8. Maximum Available Abatements Per Year *

Taxable		Y	ear.					
Investment (Millions)	1	2	3	4	5	6	7	8
Up to .10			ante des las			the out way		
.10 to .99	90	80	60	40	~			
1.0 to 2.99	90	90	75	60	45	-		
3.0 to 6.99	90	90	80	70	60	50		
7.0 to 14.99	90	90	85	75	65	55	45	the last set
15.0 or more	90	90	85	80	75	65	55	45

* Affected jurisdictions reserve the right to grant abatements less than the maximums stated

Sept./2017 – Sept./2019

above.

* For Eligible Property investments in excess of \$100 million or 100 New Jobs, the Affected Jurisdictions reserve the right to grant Abatements up to the state maximum of 100% for 10 years.

- 9. New and Existing Facilities. Tax phase-in may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- 10. **Transferability**. A tax abatement Agreement may only be assigned to a new owner or lessee of a facility with the written consent of Bee County, which may be withheld at Bee County's discretion.
- 11. Partially Eligible. Partially eligible for phase-ins are modernization projects and manufacturing facilities, which are intended to replace existing equipment, or facilities when the existing equipment and facilities will be removed thus eliminating existing value from the tax rolls. In this event, the value of the existing facility and equipment shall be frozen at the time of the phase-in Agreement and shall remain frozen throughout the phase-in period. The eligible abatable value of the new project shall be the difference between the total new investment amount and the existing tax value of the equipment and/or facility to be removed.
- 12. Taxability. From the execution of the phase-in contract to the end of the Agreement period, taxes shall be payable as follows: (1) the value of ineligible property as provided in Section 2.5. shall be fully taxable; (2) the Base Year Value of existing eligible property as determined each year shall be fully taxable; and, (3) the additional value of new eligible and partially eligible property shall be taxable in the manner described in Section 2.8.
- **13.** Term of Phase-in. The term shall be no longer than as set out in the schedule shown in paragraph 2.8 for each stated range of investment.

Section 3 Application

- 1. Written Request. Any present or potential owner of taxable property in an Affected Jurisdiction may request the creation of a Reinvestment Zone and tax phase-in by filing a written request with the Affected Jurisdictions and attaching a plat and metes and bounds description effectively describing said Reinvestment Zone.
- 2. Contents of Application. The application shall consist of a completed application form accompanied by: a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken; a descriptive list of the improvements which will be a part of the facility; a map and property description; and a time schedule for undertaking and completing the planned improvements. In the case of modernizing, a statement of the assessed value of the facility separately stated for real and personal property shall be given for the tax year immediately

preceding the application. The application form shall also include such financial and other information necessary for Bee County to evaluate the financial capacity and other factors of the applicant.

- 3. Filing the Application. The initial application for the creation of a "Reinvestment Zone" and tax phase-in shall be made to the Bee County Judge. Upon receipt of a completed application, the County Judge shall notify in writing the presiding officer of the legislative body of each Affected Jurisdiction and provide each presiding officer with a copy of the application. The County Judge as applicable shall then set a public hearing before the Bee County Commissioners Court to afford the Applicant an opportunity to request that a Reinvestment Zone be designated and to describe the project and request the tax phase-in. All interested parties will have the opportunity to publicly state why the phase-in should or should not be granted at this hearing. Notice of the Public Hearing shall be clearly identified on a Bee County Creates the Reinvestment Zone, the other Affected Jurisdictions may set their public meetings in the same manner as described above to grant or not grant the applied for abatement.
- 4. Feasibility Study. After receipt of an application for creation of a Reinvestment Zone and application for phase-in, Bee County shall make a determination that the improvements sought to be included in the Reinvestment Zone and the Tax Abatement Agreement are feasible and practical and would be a benefit to the land to be included in the Reinvestment Zone. The feasibility study shall include, but not be limited to, an estimate of the economic impact on each jurisdiction of the creation of the Reinvestment Zone and the abatement amount of taxes on the property to be included in the Reinvestment Zone.
- 5. Timeliness. Bee County shall not establish a Reinvestment Zone for the purpose of abatement if it finds that the request for the phase-in was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility.
- 6. Application Fee. An applicant is required to submit an application fee along with the submission of its application for tax abatement. The amount of the application fee is the sole discretion of the Bee County Commissioners Court, however, the application fee shall not exceed \$1,000. The application fee may be waived at the sole discretion of the Bee County Commissioners Courty.

Section 4 Public Hearing

1. No Obligation. The adoption of these guidelines and criteria by Bee County does not:

a. limit the discretion of Bee County to decide whether to enter into a specific tax phase-in Agreement;

b. limit the discretion of Bee County to delegate to its employees the authority to

determine whether or not Bee County should consider a particular application or request for tax phase-in; or

c. create any property, contract, or other legal right in any person or entity to have Bee County consider or grant a specific application or request for tax phase-in.

- 2. Adverse Effects. Should Bee County make findings during its public hearing that the granting of abatement will have a substantial adverse effect on its bonds, tax revenue, service capacity or the provision of service, that finding shall be a reason for Bee County to deny any designation of the Reinvestment Zone, the granting of abatement, or both. Additionally, Bee County reserves the right to grant less than the abatement percentages shown in Section 2.8, or deny all phase-ins if Bee County, in its sole discretion, determines that Applicants' investment will not meet the community enhancement goals of said Bee County.
- 3. Additional Conditions to Approval. Neither a Reinvestment Zone nor phase-in Agreement shall be authorized if it is determined that: (1) there would be a substantial adverse effect on the provision of government service or tax base; (2) the applicant has insufficient financial capacity; (3) planned or potential use of property would constitute a hazard to public safety, health or morals; or, (4) violation of other codes or law.

Section 5 Agreement

- 1. **Compliance with Guidelines and Criteria.** Bee County may not enter into a Tax Phasein Agreement unless it finds that the terms of the Agreement and the property subject to the Agreement meet these Guidelines and Criteria.
- 2. Contents of Agreement. After approval, Bee County shall formally pass a resolution and execute an Agreement with the Applicant, and if applicable, the owner of the facility which shall include: (1) estimated value to be abated and the Base Year Value; (2) percent of value to be abated each year as provided in Section 2.7; (3) the commencement date and the termination date of phase-in; (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in, Section 3.2; (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections 6 and 7, or other provisions that may be required for uniformity or State law. Such Agreement shall be executed within 60 days after the applicant has forwarded all necessary information and documentation to Bee County or at such later date as may be agreed between applicant and Bee County.

Section 6 Recapture

1. Discontinuation of Service. In the event that the facility is completed and begins producing product or service, but subsequently discontinues producing product or service for any reason excepting fire, explosion or other casualty or accident or natural disaster for a period of one year during the phase-in period, then the Phase-In Agreement shall

terminate and so shall the abatement of the taxes for the current and any future calendar year during which the facility no longer produces. The taxes, which were to be abated for that calendar year, shall be paid to the Affected Jurisdictions within 60 days from the date of termination.

- 2. Default and Cure. Should Bee County determine that the company or individual is in default according to the terms and conditions of its Agreement, Bee County shall notify the company or individual in writing at the address stated in the Agreement, and if such is not cured within 60 days from the date of such notice ("Cure Period"), then the Agreement may be terminated.
- 3. Termination of Agreement. In the event that the company or individual (1) allows its unabated ad valorem taxes owed any of the Affected Jurisdictions to become delinquent and fails to properly follow the legal procedures for their protest and/or contest in a timely manner, or (2) violates any of the terms and conditions of the Phase-In Agreement with any of the Affected Jurisdictions and fails to cure during the Cure Period, the Agreement then may be terminated by every Affected Jurisdiction and all taxes previously abated by virtue of every Agreement will be recaptured by each Affected Jurisdiction and shall be paid by Applicant to each Affected Jurisdiction within 60 days of the termination.

Section 7 Administration

- 1. Informed Appraisal. The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the Reinvestment Zone. Each year, the company or individual receiving abatement shall furnish the appraiser with such information as may be necessary for abatement, including changes in appraised value of property and verification of full-time equivalent positions as required by the Agreement. Once value has been established, the Chief Appraiser shall notify the Affected Jurisdictions that levies taxes on the amount of the assessment.
- 2. Periodic Inspections. The Agreement shall stipulate that employees and/or designated representatives of the Affected Jurisdictions will have access to the Reinvestment Zone during the term of the phase-in to inspect the facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
- **3. Annual Evaluation.** Upon completion of construction, the Affected Jurisdictions shall annually evaluate each facility and report possible violations to the contract and Agreement to Bee County and its attorney.

Section 8 Sunset Provision

- 1. **Biannual Review.** These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all Reinvestment Zones and tax phase-in contracts created pursuant to its provisions will be reviewed by Bee County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed or eliminated providing that such actions shall not affect existing contracts.
- 2. Industrial Districts. These Guidelines and Criteria do not apply to Industrial District Contracts entered into in accordance with Chapter 42 of the Texas Local Government Code.

Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative

Attached

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 tartmanr (Authorized School District Representative) sign here nature (Authorized School District Representative)

-povintendent 1817 1819/2020 Title 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.

here Hurp moents	SV P
Print Name (Authorized Company Representative (Applicant))	Title
sign here Authorized Company Representative (Applicant))	1 (K) 0 0 0 Date
PAULA DARLINE OSTROOT Notary Public, State of Texas Comm. Expires 05-11-2023 Notary ID 3841490	GIVEN under my hand and seal of office this, the day of <u>MMMM</u> , 2020 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.

Page 8

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE AUSTIN, TEXAS 78701 TELEPHONE: (512) 494-9949 FACSIMILE: (512) 494-9919

February 13, 2020

Local Government Assistance & Economic Analysis Texas Comptroller of Public Accounts P.O. Box 13528 Austin, Texas 78711-3528

RE: Amendment 1 to the Pawnee Independent School District from Helena Wind, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find Amendment 1 to the Pawnee Independent School District from Helena Wind, LLC. The following changes have been made:

- 1. Section 10: The Property The webpage is listed here: http://www.co.bee.tx.us/upload/page/5290/2019/2019%20tax%20rates.pdf
- 2. Section 11: Investment Updated Qualified Investment to \$20,000,000 and Limitation to \$25,000,000.
- 3. Section 14: Wage and Employment Information, Question 4 Jobs changed to 3
- 4. Tab 7 and 8 Company had to add the following line: "This Application covers all qualified property in the reinvestment zone and project boundary within Pawnee ISD necessary for commercial operations."
- 5. Tab 12 Jobs changed from 4 to 3
- 6. Updated Schedule C Column D. Changed from 4 to 3 jobs.

A copy of the application will be submitted to the Bee County Appraisal District.

Sincerely,

All

Kevin O'Hanlon School District Consultant

Cc: Bee County Appraisal District Helena Wind, LLC

	Amendment 1 - 1462 - Pawnee ISD - Helena Wind, L		
	Texas Comptroller of Public Accounts	Data Analy: Transpar Form 50-2	ency
	SECTION 9: Projected Timeline		
Ī	I. Application approval by school board	01/14/2020)
2	2. Commencement of construction	Q1 2021	
		01/14/2020)
4	First year of limitation	2022	
5		Q1 2022	
6	Commencement of commercial operations	Q1 2022	
7		Ves	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?	Q1 2022	
	SECTION 10: The Property		
1.	Identify county or counties in which the proposed project will be located Bee County		
2.	Identify Central Appraisal District (CAD) that will be responsible for appraising the property Bee County Central App	oraisal Distr	ict
	Will this CAD be acting on behalf of another CAD to appraise this property?	Yes	V No
	List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:		
	County: Bee County, 0.67782, 100% City: (Name, tax rate and percent of project)	of project)	
	Hospital District: Water District: (Name, tax rate and percent of project) (Name, tax rate and percent	of project)	
	Other (describe): Coastal Bend College, .17687, 100% (Name, tax rate and percent of project) Other (describe): (Name, tax rate and percent	of puriod)	
5.	Is the project located entirely within the ISD listed in Section 1?	Yes	V No
	5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.	162	
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.		
<u> </u>	ECTION In Investment		
um	DTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of ap itation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the prop rtrict. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/econor	orty within the	e school 3/.
		,000,000.00	
2.	What is the amount of appraised value limitation for which you are applying?	,000,000.00	C
	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.		
З.	Does the qualified investment meet the requirements of Tax Code §313.021(1)?	Ves	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 required 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 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 period and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11). 	of your minimu	ım
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?	Ves	No
	For more information, visit our website: comptroller.texas.gov/economy/local/ch313/	Page 5	No

	Amendment 1 - 1462 - Pawnee ISD - Helena Wind, L	
	Texas Comptroller of Public Accounts	Data Analysis and Transparency Form 50-296-A
	SECTION 14: Wage and Employment Information	(بروابة أعايدهم وحاد
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	
З.	. 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?	3
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
7.	Attach in Tab 13 the four most recent quarters of data for each wage calculation below, including documentation from the TWC actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this based on information from the four quarterly periods for which data were available at the time of the application review start dat application). See TAC §9.1051(21) and (22). a. Average weekly wage for all jobs (all industries) in the county is	s estimate — will be
	b. 110% of the average weekly wage for manufacturing jobs in the county is	960.58
	c. 110% of the average weekly wage for manufacturing jobs in the region is	1,254.80
	Which Tax Code section are you using to estimate the qualifying job wage standard required for this project?	or s313.021(5)(B) 49,950.16
10.	. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property?	49,951.00
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).	una latant
	. 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).	Baldfallelog

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**.

Description of Qualified Investment

Helena Wind, LLC plans to construct a 252 MW wind farm consisting of 60 turbines in Bee county within the boundaries of Pawnee ISD and Pettus ISD. This application covers all qualified property in the reinvestment zone and project boundary within Pawnee ISD necessary for commercial operations.

The applicant is requesting an appraised value limitation on all the qualified investment and the qualified property constructed or placed upon the real property within Pawnee ISD. For purposes of this application, the Project anticipates using Vestas V150-4.2 4.2 MW turbines. The qualified investment in Pawnee ISD is expected to include approximately forty-eight (48) Vestas V150-4.2 4.2 MW wind turbine generators, including 105m towers, nacelles, rotors with 150m rotor diameter, and reinforced concrete foundations, pads, underground and overhead electric collection cables, met towers, and control systems as necessary for the commercial generation of electricity. While the turbine locations have not yet been finalized, they are expected to be sited in a series of rows running approximately east to west in the northern part of Bee county. The map in Tab 11 shows the preliminary turbine locations. The exact placement of these turbines, as well as the exact specifications, heights, and component parts, is subject to ongoing planning, soil and geotechnical studies, and engineering and will be determined before construction commences.

In addition to the wind turbines, the project will also include the following qualified investment in Pawnee ISD:

- Access roads to the turbines
- Underground electrical collection cables
- Permanent meteorological towers
- Overhead transmission line connecting the project substation to the Point of Interconnection
- Operations and Maintenance Building
- Project Substation

The approximate location of each of these improvements is shown on the map in Tab 11.

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- Project Substation

The approximate location of each of these improvements is shown on the map in Tab 11.

Tab Item 12 Request for Waiver of Job Creation Requirement

See attached letter. Based on the attached letter, Helena Wind, LLC is committing to creating four (4) jobs to support the entire project. Although no individual employees will be assigned specifically to manage the portions of the Project in Pawnee ISD or Pettus ISD, based on the number of turbines located in each school district, the created jobs will be allocated among the school districts as follows:

Pawnee ISD 3 jobs Pettus ISD 1 job September 4, 2019

Superintendent Hartmann Pawnee ISD 6229 FM 798 P.O. Box 569 Pawnee, TX 78145

Re: Chapter 313 Job Waiver Request

Dear Superintendent Hartmann,

Please consider this letter to be Helena Wind, LLC's formal request to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-l).

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body 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 that is described in this application. Wind energy projects create many full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the wind industry, approximately 1 full time job is required for every 15 wind turbine generators installed. We expect to install forty-eight (48) wind turbine generators in Pawnee ISD. As such we can commit to creating three (3) full-time positions in Pawnee ISD. This position would be a qualifying job as described in Section 313.021(3) of the Texas Tax Code.

The applicant requests that the Pawnee ISD's Board of Trustees make such a finding and waive the job creation requirement. This waiver request is in line with industry standards for the job requirements for a wind energy facility of this size, as evidenced by limitation agreement applications that have been filed by other wind energy developers, and by documentation related to the development and operation of wind generation facilities.

The project stands to provide significant benefits to the community with respect to increased tax base and the ongoing royalty payments it will make to local landowners.

Kind Regards,

and all the frankt

Eric Barnett Development Director Helena Wind, LLC

Calculation of three possible wage requirements with TWC documentation

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for All Jobs (All Industries) in Bee County

Year	Period	Area	Ownership	Ind-Code	Industry	Avg. Weekly Wages
2018	4 th Qtr	Bee	Total All	10	Total, All Industries	\$716
2019	1 st Qtr	Bee	Total All	10	Total, All Industries	\$692
2019	2 nd Qtr	Bee	Total All	10	Total, All Industries	\$717
2019	3 rd Qtr	Bee	Total All	10	Total, All Indsutries	\$716
Average						\$710.25

110% of \$710.25 = \$781.28

×	1	х		×		×		×		×	Average Weekly X
Year T	Peniod	Ŧ	Area	T	Ownership	T	Industry Code	T	Industry	Ϋ́	Wage T
2018	01		Bee		Total All		70		Total, All Industries		735
2018	02		Bee		Total All		10		Total, All Industries		691
2018	C3		Вее		Total All		10		Total, All Industries		705
2018	04		8ee		Total Ali		10		Total, All Industries		716
2019	01		Bee		Total All		10		Total, All Industries		692
2019	02		Bee		Tolal Ali		10		Total All Industries		717
2019	03		Bee		Totai All		10		Total, All Industries		716

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for Manufacturing Jobs in Bee County

Year	Period	Area	Ownership	Ind-Code	Industry	Avg.
						Weekly
						Wages
2018	4^{th}Qtr	Bee	Private	31-33	Manufacturing	\$994
2019	1 st Qtr	Bee	Private	31-33	Manufacturing	\$763
2019	2 nd Qtr	Bee	Private	31-33	Manufacturing	\$920
2019	3 rd Qtr	Bee	Private	31-33	Manufacturing	\$816
Average						\$873.25

110% of 873.25 = 960.58

Drag a c	Drag a column header and drop it here to group by that column											
Year	×	Period	ж Т	Area	× T	Ownership	×	industry Code	x T	Industry	× T	Average Weekiy × Wage T
20118		C1		Bee		Private		31-33		Manufacturing		1.323
2018		02		Bee		Private		31-33		Mahufacturing		1.028
2018		03		Bee		Private		31-33		Manufacturing		873
2018		04		Bee		Private		31-33		Manufacturing		994
2019		01		Bee		Private		31-33		Manufacturing		763
2019		02		Bee		Private		31-33		Manufacturing		920
2019		03		Bee		Privale		31-33		Manufacturing		816

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for Manufacturing Jobs in Region

Bee County is included in the Coastal Bend Council of Governments. The most recently reported (2018) average wage for the Coastal Bend Council of Governments is \$59,318.

\$59,318 / 52 = \$1,140.73

110% of \$1,140 = \$1,254.80

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

		Wa	ges
COG	COG Number	Hourly	Annual
Texas		\$27.04	\$56,240
Alamo Area Council of Governments	18	\$22.80	\$47,428
Ark-Tex Council of Governments	5	\$18.73	\$38,962
Brazos Valley Council of Governments	13	\$18.16	\$37,783
Casetal Area Council of Governments	12	\$32.36	\$67,318
Central Texas Council of Governments	23	\$19.60	\$40,771
Coastal Bend Council of Governments	20	\$28.52	\$59.318
Concho Valley Council of Governments	10	\$21.09	\$43,874
Deep East Texas Council of Governments	14	\$18.28	\$38,021
East Texas Council of Governments	6	\$21.45	\$44.616
Golden Crescent Regional Planning Commission	17	\$28.56	\$59,412
Heart of Texas Council of Governments	11	\$22.71	\$47.245
Houston-Galveston Area Council	16	\$29.76	\$61,909
Lower Rio Grande Valley Development Council	21	\$17,21	\$35,804
Middle Rio Grande Development Council	24	\$20.48	\$42,604
NORTEX Regional Planning Commission	3	\$25.14	\$52,284
North Central Texas Council of Governments	4	\$27.93	\$58,094
Panhandle Regional Planning Commission	1	\$24.19	\$50,314
Pennian Basin Regional Planning Commission	9	\$25.90	\$53.882
Rio Grande Council of Governments	8	\$18,51	\$38,493
South East Texas Regional Planning Commission	15	\$36.26	\$75,430
South Plains Association of Governments	2	\$20.04	\$41,691
South Texas Development Council	19	\$17.83	\$37.088
Texoma Council of Governments	22	\$21.73	\$45,198
West Central Texas Council of Governments	7	\$21.84	\$45,431

Calculated by the Texas Worl:force Commission Labor Market and Career Information Department. Data published: July 2019 Data published ansmally, next update will be July 31, 2020 Ansmal wage figure assume: a 40-hour work week.

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

Schedule C: Employment Information

Date Applicant Name ISD Name

Helena Wind, LLC Pawnee ISD

Form 50-296A Revised May 2014

Amendment 1 – 1462 – Pawnee ISD – Helena Wind, LLC – 02/10/20

And the part of the									Revised May 2014
AnticipationColumn AColumn BColumn CColumn CColumn C $ref<ref<refrefrefrefrefrefrefrefref<ref<ref<refrefrefrefrefrefrefrefref<ref<ref<ref<$					Const	ruction	Non-Qualifying Jobs	Qualifyi	ng Jobs
Variation Tax Year Number of construction Number of non-qualitying create metagial commits in set of non-qualitying create commits in set of non-qualitying commits in set of non-qualitying create cumulative) 0 2022-2023 2023 2024 NA NA NA NA NA NA <t< th=""><th></th><th></th><th></th><th></th><th>Column A</th><th>Column B</th><th>Column C</th><th>Column D</th><th>Column E</th></t<>					Column A	Column B	Column C	Column D	Column E
$ \begin{bmatrix} 0 & 2020-2021 & 2020 \\ 0 & 2021-2022 & 2021 \\ 1 & 2022-2023 & 2021 & 180 FTEs & 340,000 & 0 & 0 \\ 2 & 2022-2023 & 2022 & MA & MA & MA & 0 & 0 & 0 \\ 2 & 2 & 2023-2024 & 2023 & MA & MA & 0 & 0 & 0 & 0 \\ 3 & 2 & 2023-2024 & 2023 & MA & MA & 0 & 0 & 0 & 0 \\ 5 & 2 & 2 & 2 & 0 & 0 & 0 & 0 & 0 & 0 \\ 5 & 2 & 2 & 0 & 0 & 0 & 0 & 0 & 0 & 0 \\ 5 & 2 & 2 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0$		Year	School Year (YYY-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 new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
$ \left[\begin{array}{cccccccccccccccccccccccccccccccccccc$	Each year prior to start of Value Limitation Period Insert as many rows as necessary	٥	2020-2021	2020					
	Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2021-2022	2021	180 FTEs	240 000 000			
		-	2022-2023	2022	N/A				349 951 00
3 2024-2025 2024 NA NA NA 0 4 2025-2028 2025 NA NA 0 0 0 5 2025-2028 2026 NA NA 0 0 0 6 2025-2028 2026 NA NA 0 0 0 7 2026-2027 2026 NA NA 0 0 0 7 2026-2028 2027 NA NA 0 0 0 7 2028-2029 2028 NA NA 0 0 0 8 2030-2031 2030 NA NA 0 0 0 9 2030-2031 2030 NA NA 0 0 0 10 2031-2032 2031 NA NA 0 0 0 11 2031-2032 2031 NA NA 0 0 0 11		2	2023-2024		N/A	N/A	0	-	\$49 051 00
4 2025-2026 2025 NA NA 0 0 5 2026-2027 2026 NA NA 0 0 6 2027-2028 2027 NA NA 0 0 7 2028-2029 2028 NA NA 0 0 7 2028-2029 2028 NA NA 0 0 8 2029-2030 2029 NA NA 0 0 0 9 2030-2031 2030 NA NA 0 0 0 0 10 2031-2032 2030 NA NA 0 0 0 0 0 11 2031-2032 2031 2031 10 10 0 0 0 11 2031-2032 2031 10 10 10 10 10 10 10 10 10 10 10 10 10 10 10 10		e	2024-2025		A/N	N/A	0		\$49 951 OD
		4	2025-2026		N/A	N/A	0		\$49 951 DD
		5	2026-2027		N/A	A/N			\$49.954 DD
7 2028-2029 2028 NA NA NA 0 0 8 2029-2030 2029 NA NA NA 0 0 0 9 2030-2031 2030 NA NA 0 0 0 0 10 2031-2032 2031 NA NA 0 0 0 11 through 25 2032-2047 2032-2046 NA NA 0 0		9	2027-2028		N/A	A/N			\$49 951 DD
8 2029-2030 2029 NA NA 0		7	2028-2029		N/A	A/N			\$49.951.00
9 2030-2031 2030 N/A N/A 0 0 10 2031-2032 2031 0 0 11 11 2032-2047 2032-2046 N/A N/A 0 0		ø	2029-2030		N/A	N/A	0		\$49.951.00
10 2031-2032 2031		6	2030-2031		N/A	N/A	0		\$49,951.00
11 through 2032-2045 2032-2046 N/A 0/A 0		10	2031-2032	2031				e	\$49,951.00
	Years Following Value Limitation Period	11 through 25	2032-2047		AVA				
					Cal	Y N	0		\$49,951.00

Notes: See TAC 9.1051 for definition of non-qualifying jobs. Only include jobs on the project site in this school district. C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)?

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?

No	No	No
Yes	Yes	Yes

Texas Comptroller of Public Accounts

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 chella sian here Signat

Superintendent 2-13-2020 Date

Data Analysis and

Transparency Form 50-296-A

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 beliet.

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 PMOORE here Authorized Company Representative (Applicant)) sign here presentativo (Applicant))

Sinion NCE PERSIDENT Tile 2/7/2020

GIVEN under my hand and seal of office this, the

Public in and 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.

For more information, visit our website: comptroller.texas.gov/economy/local/ch313/

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE AUSTIN, TEXAS 78701 TELEPHONE: (512) 494-9949 FACSIMILE: (512) 494-9919

May 1, 2020

Local Government Assistance & Economic Analysis Texas Comptroller of Public Accounts P.O. Box 13528 Austin, Texas 78711-3528

RE: Amendment 2 to the Pawnee Independent School District from Helena Wind, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find Amendment 2 to the Pawnee Independent School District from Helena Wind, LLC. The following changes have been made:

- 1. Tab 11
 - Updated Vicinity Map
 - Updated Reinvestment Zone Map
 - Updated Qualified Property Map
- 2. Added Reinvestment Zone order from the Pawnee Independent School District
- 3. New Signature Page

A copy of the application will be submitted to the Bee County Appraisal District.

Sincerely,

Ade

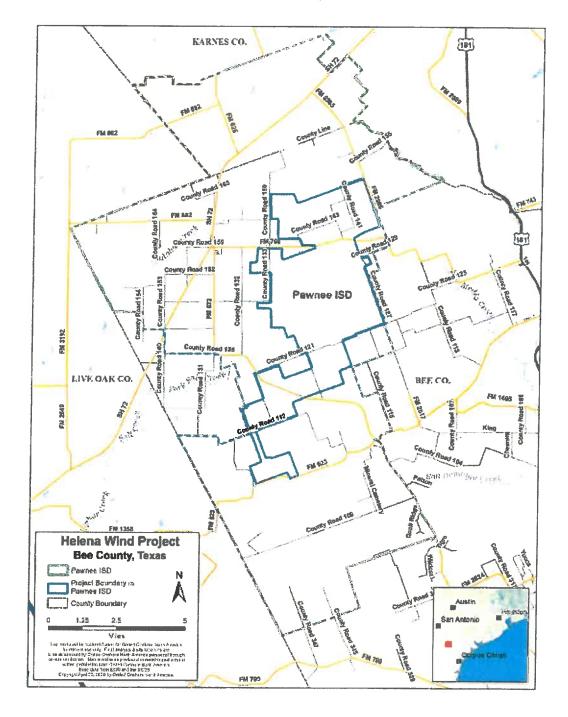
Kevin O'Hanlon School District Consultant

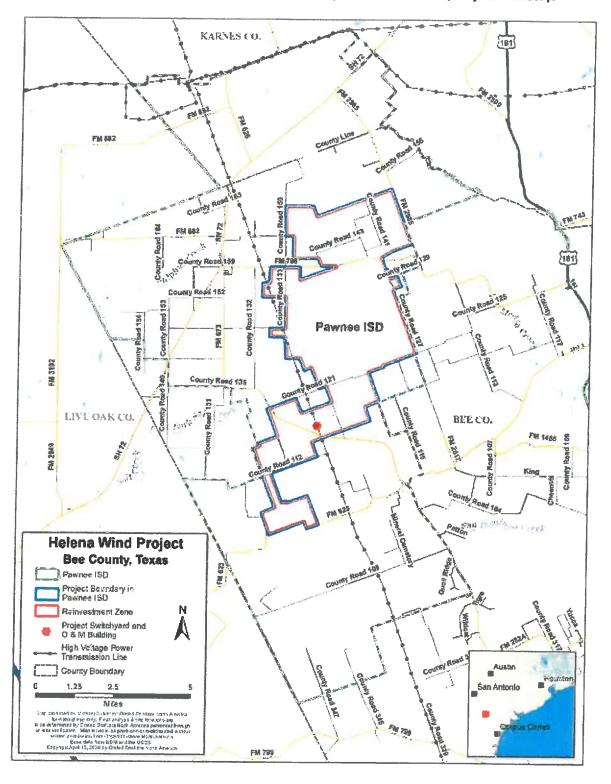
Cc: Bee County Appraisal District Helena Wind, LLC

Tab 11

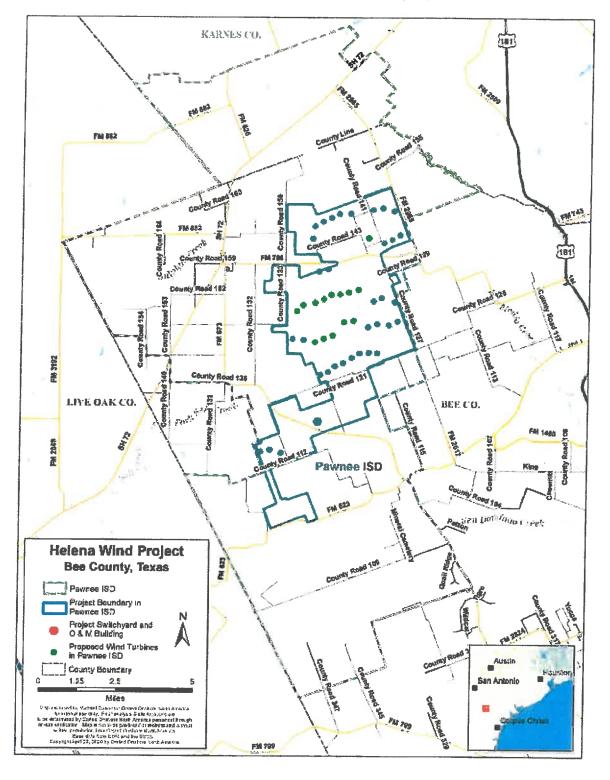
Maps

Vicinity Map:





Location of Bee County, Pawnee ISD, Bee County Reinvestment Zone, Project Boundary:



Location of Pawnee ISD Boundary, Bee County Boundary, Reinvestment Zone, Project Boundary, Qualified Investment and Qualified Property:

PAWNEE INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING HELENA REINVESTMENT ZONE NO. 1

WHEREAS, Section 312.0025 of the Texas Tax Code permits a school district to designate a reinvestment zone if that designation 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 school district and contribute to the economic development of the region of this state in which the school district is located; and,

WHEREAS, the Pawnee Independent School District (the "District") desires to encourage the development of primary employment and to attract major investment in the District and contribute to the economic development of the region in which the school district is located; and,

WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and,

WHEREAS, the District published notice of a public hearing regarding the possible designation of the area described in the attached **Exhibit A** as a reinvestment zone for the purposes of Chapter 313 of the Texas Tax Code; and,

WHEREAS, the District wishes to create a reinvestment zone within the boundaries of the school district in Bee County, Texas as shown on the map attached as **Exhibit B**; and,

WHEREAS, the District has given written notice of the proposed action and the Public Hearing to all political subdivisions and taxing authorities having jurisdiction over the property proposed to be designated as the reinvestment zone, described in the attached **Exhibits A & B**; and,

WHEREAS, all interested members of the public were given an opportunity to make comments at the public hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE PAWNEE INDEPENDENT SCHOOL DISTRICT:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Board of Trustees of the Pawnee Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on the adoption of HELENA REINVESTMENT ZONE NO. I has been called, held and conducted, and that notices of such hearing have been published and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,
- (b) That the boundaries of *HELENA REINVESTMENT ZONE NO. 1* be and, by the adoption of this Resolution, are declared and certified to be the area as described in the description attached hereto as "**Exhibit A**"; and,
- (c) That the map attached hereto as "Exhibit B" is declared to be and, by the adoption of this Resolution, is certified to accurately depict and show the boundaries of *HELENA REINVESTMENT ZONE NO. 1* which is described in Exhibit A; and further certifies that the property described in Exhibit A is inside the boundaries shown on Exhibit B; and,
- (d) That creation of *HELENA REINVESTMENT ZONE NO. 1* with boundaries as described in **Exhibit A** and **Exhibit B** will result in benefits to the Pawnee Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) That the *HELENA REINVESTMENT ZONE NO. 1* described in **Exhibit A** and **Exhibit B** 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, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Pawnee Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Pawnee Independent School District hereby creates a reinvestment zone under the provisions of Texas Tax Code §312.0025, encompassing the area described by the descriptions in **Exhibit A** and **Exhibit B**, and such reinvestment zone is hereby designated and shall hereafter be referred to as *HELENA REINVESTMENT ZONE NO. 1*.

SECTION 4. That the existence of the *HELENA REINVESTMENT ZONE NO. 1* shall first take effect upon, XXX XXth, 2020, the date of the adoption of this Resolution by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such adoption.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason beheld to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this

Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Pawnee Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Bee County of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this XX day of XXXX, 2020.

PAWNEE INDEPENDENT SCHOOL DISTRICT

By:

ATTEST:

President Board of Trustees

Secretary Board of Trustees

EXHIBIT A

LEGAL DESCRIPTION OF HELENA REINVESTMENT ZONE NO. 1

HELENA REINVESTMENT ZONE NO. 1

EXHIBIT B

SURVEY MAPS OF HELENA REINVESTMENT ZONE NO. 1

Texas Comptroller of Public Accounts

Data Analysis and Transparency Form 50-296-A

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17.

NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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

print, sign here # Signat (Authorized School District R

Superintendent 4/28/2020

2. Authorized Company Representative (Applicant) Signature and Notarization

PAULA DARLINE OSTROOT Notary Public, State of Texas

Comm. Expires 05-11-2023 Notery ID 3841490

(Notary Seal)

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 Prie sign here Stone

SENIOR NEE PESSIDENTP 4/22/2000

GIVEN under my hand and seal of office this, the

day of tary Public in and for the State 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.



50-296-A • 02-20/4

1462-Pawnee-Helena-Supplement001 March 16, 2020

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE AUSTIN, TEXAS 78701 TELEPHONE: (512) 494-9949 FACSIMILE: (512) 494-9919

March 16, 2020

Local Government Assistance & Economic Analysis Texas Comptroller of Public Accounts P.O. Box 13528 Austin, Texas 78711-3528

RE: Supplement001 to the Pawnee Independent School District from Helena Wind, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find Supplement001 to the Pawnee Independent School District from Helena Wind, LLC. The following changes have been made:

- 1. Adjusted Application approval by school board
- 2. Updated limitation amount to 25,000,000 on Schedule B.

A copy of the application will be submitted to the Bee County Appraisal District.

Sincerely,

Kevin O'Hanlon School District Consultant

Cc: Bee County Appraisal District Helena Wind, LLC

62-Pawnee-	Helena-Sup	plement001
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	1462-Pawnee-Helena	
	Texas Comptroller of Public Accounts	Transparency Form 50-296-A
	SECTION 9: Projected Timeline	
	1. Application approval by school board	01/14/2020
	2. Commencement of construction	Q1 2021
	3. Beginning of qualifying time period	06/03/2020
	4. First year of limitation	01/01/2022
	5. Begin hiring new employees	Q1 2022
	6. Commencement of commercial operations	Q1 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)?	
	Note: Improvements made before that time may not be considered qualified property.	
٤	3. When do you anticipate the new buildings or improvements will be placed in service?	Q1 2022
	SECTICIN 10: The Property	
1	I Identify county or counties in which the proposed project will be located Bee County	
2		ppraisal District
з	. 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: Bee County, 0.67782, 100% (Name, tax rate and percent of project) (Name, tax rate and percent of project) (Name, tax rate and percent of project)	
	Hospital District: Water District: (Name, tax rate and percent of project) (Name, tax rate and percent of project)	
	Other (describe): Coastal Bend College, .17687, 100% Other (describe): (Name, tax rate and percent of project) (Name, tax rate and percent of project) Other (describe): (Name, tax rate and percent of project)	
5.	Is the project located entirely within the ISD listed in Section 1?	ant of project)
	5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.	. Yes 🖌 No
6.	Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at leas one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)?	t . Yes 🗸 No
	6a. If yes, attach in Tab 6 supporting documentation from the Office of the Governor.	
_	SECTION / L. Investment	
	OTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of nitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the p strict. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/ecor	man a she can ddia ta ata ata ata ata ata ata ata ata at
1.	At the time of application, what is the estimated minimum qualified investment required for this school district?	20,000,000.00
2.		25,000,000.00
	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.	
З.	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 revulue 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 par qualified investment (Tab 7); and 	questing an appraised
_	c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during period and buildings to be constructed during the qualifying time period, with vicinity map (Tab 11).	the qualifying time
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
	For more information, visit our website: comptroller.texas.gov/economy/local/ch313/	Ranes

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

Date Applicant Name

Helena Wind, LLC

1462-Pawnee-Helena-Supplement001 ForMation-I206A20

ISD Name									ForMarS0-296A20
					Qualified Property		Ц	Estimated Tavable Value	Revised May 2014
	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	E s P	Final taxable value for	Final taxable value for
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2020-2021	2020					I&S affer all reductions	M&O after all reductions
Each year prior to start of Value Limitation Period Insert as many rows as necessary	0	2021-2022	2021						
	-	2022-2023	2022	ß	0\$	\$236.768.000	\$236 768 000	\$748 DDD	\$75 000 000
	2	2023-2024	2023	\$	\$	\$222,561,920	\$222.561.920	\$222 561 920	\$25,000,000
~~	e	2024-2025	2024	ß	\$0	\$209,208,205	208	208	\$25,000,000
	4	2025-2026	2025	\$	\$0	\$196,655,713	\$196.655.713	\$196,655,713	\$75,000,000
	ŝ	2026-2027	2026	¢\$	0\$	\$184,856,370	\$184,856,370	\$184.856.370	\$25,000,000
	ဖ	2027-2028	2027	ß	\$0	\$173,764,988	\$173,764,988	\$173.764.988	\$25 MM MM
	2	2028-2029	2028	\$0	\$0	\$163,339,088	\$163.339.088	\$163 339 088	\$75,000,000
	8	2029-2030	2029	ß	\$0	\$153,538,743	\$153,538,743	\$153.538.743	\$75 000 000
	თ	2030-2031	2030	ß	\$0	\$144,326,418	\$144,326,418	\$144,326,418	\$25 000 000
	9	2031-2032	2031	ß	\$0	\$135,666,833	\$135,666,833	\$135,666,833	\$25 000 000
	÷	2032-2033	2032	80	\$0	\$127,526,823	\$127,526,823	\$127,526,823	\$127 526 823
Continue to maintain	9	2033-2034	2033	\$0	\$0	\$119,875,214	\$119,875,214	\$119,875,214	\$119.875.214
viable presence	33	2034-2035	2034	ß	\$0	\$112,682,701	\$112,682,701	\$112,682,701	\$112.682.701
		2035-2036	2035	ß	\$0	\$105,921,739	\$105,921,739	\$105,921,739	\$105.921.739
		2036-2037	2036	80	\$0	\$99,566,435	\$99,566,435	\$99,566,435	\$99,566,435
		2037-2038	2037	80	\$0	\$93,592,449	\$93,592,449	\$93,592,449	\$93,592,449
	- T	2038-2039	2038	\$0	\$0	\$87,976,902	\$87,976,902	\$87,976,902	\$87,976,902
			2039	ß	\$0	\$82,698,288	\$82,698,288	\$82,698,288	\$82,698,288
Additional years for	2		2040	₽	\$0	\$77,736,390	\$77,736,390	\$77,736,390	\$77,736,390
25 year economic impact	20		2041	ß	\$0	\$73,072,207	\$73,072,207	\$73,072,207	\$73.072.207
313.026(c)(1)		2042-2043	2042	æ	\$0	\$68,687,875	\$68,687,875	\$68,687,875	\$68,687,875
		2043-2044	2043	₿	\$0	\$64,566,602	\$64,566,602	\$64,566,602	\$64,566,602
		2044-2045	2044	ß	\$0	\$60,692,606	\$60,692,606	\$60.692,606	\$60.697.606
	1	2045-2046	2045	ß	\$0	\$57,051,050	\$57.051.050	\$57,051,050	\$57 051 050
	25	2046-2047	2046	\$	\$0	\$53,627,987		\$53 627 987	\$53 677 Q87
NOTES	Marke Only ir	Market value in future years is good fai Only include market value for eligible pi	e years is good vatue for eligibl	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.	taxable value for the pudule.	urposes of property taxa			

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE AUSTIN, TEXAS 78701 TELEPHONE: (512) 494-9949 FACSIMILE: (512) 494-9919

April 9, 2020

Local Government Assistance & Economic Analysis Texas Comptroller of Public Accounts P.O. Box 13528 Austin, Texas 78711-3528

RE: Supplement002 to the Pawnee Independent School District from Helena Wind, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find Supplement001 to the Pawnee Independent School District from Helena Wind, LLC. The following changes have been made:

- 1. Section 8: Limitation as a determining factor; Question 4 changed to yes
- 2. Updated Last paragraph of Tab 5 to explain their website.

A copy of the application will be submitted to the Bee County Appraisal District.

Sincerely,

de

Kevin O'Hanlon School District Consultant

Cc: Bee County Appraisal District Helena Wind, LLC

		Texas Comptroller of Public Accounts	Tr	Analy anspar m 50-	ency	đ
	SECTION 6: Elig	jibility Under Tax Code Chapter 313.024				
1 2		ity subject to the tax under Tax Code, Chapter 171?	\checkmark	Yes		No
	(1) manufa	sturing		Yes	\checkmark	No
	(2) researc	n and development		Yes	\checkmark	No
	(3) a clean	coal project, as defined by Section 5.001, Water Code		Yes	\checkmark	No
	(4) an adva	nced clean energy project, as defined by Section 382.003, Health and Safety Code		Yes	\checkmark	No
	(5) renewał	ble energy electric generation	\checkmark	Yes		No
	(6) electric	power generation using integrated gasification combined cycle technology		Yes	\checkmark	No
	(7) nuclear	electric power generation		Yes	\checkmark	No
		ter center that is used as an integral part or as a necessary auxiliary part for the activity conducted by t in one or more activities described by Subdivisions (1) through (7)		Yes	\checkmark	No
	(9) a Texas	Priority Project, as defined by 313.024(e)(7) and TAC 9.1051	П	Yes	J	No
З.		ing that any of the land be classified as qualified investment?		Yes		No
4.		proposed qualified investment be leased under a capitalized lease?		Yes		No
5.		proposed qualified investment be leased under an operating lease?		Yes		No
6.		g property that is owned by a person other than the applicant?	Π	Yes		No
7.		y be pooled or proposed to be pooled with property owned by the applicant in determining the amount of				
	your qualified in	vestment?		Yes	\checkmark	No
5	SECTION 7: Proj	ect Description				
	in Tab 4, attach	a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use o y, the nature of the business, a timeline for property construction or installation, and any other relevant informatic	f real a	nd tan	gible	
2.		ct characteristics that apply to the proposed project:				
		no existing improvements	ection ⁻	13)		
	Expansion	of existing operation on the land (complete Section 13) Relocation within Texas				
S	ECTION 8: Limi	tation as Determining Factor				
1.	Does the applica	int currently own the land on which the proposed project will occur?		Yes	\checkmark	No
2.	Has the applicar	t entered into any agreements, contracts or letters of intent related to the proposed project?		Yes		No
з.	Does the applica	Int have current business activities at the location where the proposed project will occur?		Yes		No
4.		t made public statements in SEC filings or other documents regarding its intentions regarding the location?		Yes		No
5.		t received any local or state permits for activities on the proposed project site?				
		t received commitments for state or local incentives for activities at the proposed project site?		Yes		No
				res		No
		valuating other locations not in Texas for the proposed project?	✓ `	fes		No
ο.		t provided capital investment or return on investment information for the proposed project in comparison tive investment opportunities?		/es	\checkmark	No
9.	Has the applicant	provided information related to the applicant's inputs, transportation and markets for the proposed project?		/es	\checkmark	No
10.	Are you submittir	g information to assist in the determination as to whether the limitation on appraised value is a determining cant's decision to invest capital and construct the project in Texas?		⁄es		No
		states "the applicant may submit information to the Comptroller that would provide a basis for an affirma				

under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

For more information, visit our website: comptroller.texas.gov/economy/local/ch313/

50-296-A • 03-17/3

Tab Item 5

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

Helena Wind, LLC is a Delaware limited liability company. Helena Wind, LLC has one member with 100% ownership, Orsted Onshore North America, LLC ("Orsted"). Orsted 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, Nebraska, South Dakota, and Texas.

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 was previously known by the name "Foxtrot Wind, LLC." The Project applied to ERCOT on July 26, 2018, and it has been assigned GINR number 20INR0129.

For the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work before the statutorily imposed deadline of December 31, 2018. This work consisted of earth-moving to prepare eight (8) holes for turbine foundations (though foundations were not installed) and installation of 4,000 linear feet of road connecting three foundation holes. These preconstruction activities were not deemed taxable improvements by the Bee County Central Appraisal District and no tax bill was delivered.

The Applicant's completion of the minor amount of PTC work qualification work does not, either legally or financially, commit it to constructing the Project in Bee County.

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. The applicant's current projects in development include projects in the following states: Florida, Illinois, Missouri, Nebraska, South Dakota, Colorado, and Virginia. This appraised value limitation is critical to the ability of the Project to move forward as currently sited.

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 aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.

Helena Wind, LLC has a project website available to the public. Orsted Onshore has websites for several of its development projects, and none are intended to imply that further investment of resources into the projects are a foregone conclusion. Rather, the project websites are intended as a resource for the communities to find information about potential developments in their community, communicate with Orsted Onshroe, and learn more about the respective project technologies.

Attachment B

Franchise Tax Account Status





Franchise Tax Account Status As of : 07/06/2020 14:40:25

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

HE	LENA WIND, LLC
Texas Taxpayer Number	32066921225
Mailing Address	1999 BRYAN ST STE 900 DALLAS, TX 75201-3140
O Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	04/19/2018
Texas SOS File Number	0802994591
-	C T CORPORATION SYSTEM
	1999 BRYAN ST., STE. 900 DALLAS, TX 75201



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 26, 2020

Michelle Hartmann Superintendent Pawnee Independent School District 6229 FM 798 P. O. Box 569 Pawnee, TX 78145

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Pawnee Independent School District and Helena Wind, LLC, Application 1462

Dear Superintendent Hartmann:

On March 5, 2020, the Comptroller issued written notice that Helena Wind, LLC (applicant) submitted a completed application (Application 1462) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on January 14, 2020, to the Pawnee Independent School District (school district) by the applicant.

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

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

Determination required by 313.025(h)

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

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

Sec. 313.024(d)	Applicant has requested a waiver to create the required number of
	new qualifying jobs and pay all jobs created that are not qualifying
	jobs a wage that exceeds the county average weekly wage for all jobs
	in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application 1462.

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

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

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

Determination required by 313.026(c)(2)

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

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

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

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

Note that any building or improvement existing as of the application review start date of March 5, 2020, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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

Sincerely,

DocuSigned by: lisa Craven Lisa Craven

Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Helena Wind, LLC (project) applying to Pawnee Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Applicant	Helena Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Wind
School District	Pawnee ISD
2018-2019 Average Daily Attendance	248
County	Bee
Proposed Total Investment in District	\$249,600,000
Proposed Qualified Investment	\$241,600,000
Limitation Amount	\$25,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	3*
Number of new non-qualifying jobs estimated by pplicant	0
verage weekly wage of qualifying jobs committed to by pplicant	
linimum weekly wage required for each qualifying job by ax Code, 313.021(5)(A)	\$961 \$961
finimum annual wage committed to by applicant for ualified jobs	\$49,951
linimum weekly wage required for non-qualifying jobs	\$711
linimum annual wage required for non-qualifying jobs	\$36,985
nvestment per Qualifying Job	\$83,200,000
timated M&O levy without any limit (15 years)	\$23,146,714
stimated M&O levy with Limitation (15 years)	\$7,911,057
stimated gross M&O tax benefit (15 years)	\$15,235,657

 Table 1 is a summary of investment, employment and tax impact of Helena Wind, LLC.

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

		Employment			Personal Income	
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	0	0	0	\$0	\$0	\$0
2021	180	144	324	\$0	\$27,000,000	\$27,000,000
2022	3	63	66	\$149,853	\$6,850,147	\$7,000,000
2023	3	42	45	\$149,853	\$4,850,147	\$5,000,000
2024	3	18	21	\$149,853	\$2,850,147	\$3,000,000
2025	3	17	20	\$149,853	\$2,850,147	\$3,000,000
2026	3	9	12	\$149,853	\$1,850,147	\$2,000,000
2027	3	9	12	\$149,853	\$1,850,147	\$2,000,000
2028	3	7	10	\$149,853	\$1,850,147	\$2,000,000
2029	3	5	8	\$149,853	\$1,850,147	\$2,000,000
2030	3	5	8	\$149,853	\$850,147	\$1,000,000
2031	3	5	8	\$149,853	\$850,147	\$1,000,000
2032	3	5	8	\$149,853	\$850,147	\$1,000,000
2033	3	3	6	\$149,853	\$850,147	\$1,000,000
2034	3	3	6	\$149,853	\$850,147	\$1,000,000
2035	3	1	4	\$149,853	-\$149,853	\$0

 Table 2 is the estimated statewide economic impact of Helena Wind, LLC (modeled).

Source: CPA REMI, Helena Wind, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Pawnee ISD I&S Tax Levy	Pawnee ISD M&O Tax Levy	Pawnee ISD M&O and I&S Tax Levies	Bee County Tax Levy	Costal Bend Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2418	0.9700		0.6778	0.1769	
2022	\$236,768,000	\$236,768,000		\$572,505	\$2,296,650	\$2,869,155	\$1,604,814	\$418,843	\$4,892,811
2023	\$222,561,920	\$222,561,920		\$538,155	\$2,158,851	\$2,697,005	\$1,508,525	\$393,712	\$4,599,242
2024	\$209,208,205	\$209,208,205		\$505,865	\$2,029,320	\$2,535,185	\$1,418,013	\$370,089	\$4,323,288
2025	\$196,655,713	\$196,655,713		\$475,514	\$1,907,560	\$2,383,074	\$1,332,932	\$347,884	\$4,063,890
2026	\$184,856,370	\$184,856,370		\$446,983	\$1,793,107	\$2,240,089	\$1,252,956	\$327,011	\$3,820,057
2027	\$173,764,988	\$173,764,988		\$420,164	\$1,685,520	\$2,105,684	\$1,177,779	\$307,390	\$3,590,853
2028	\$163,339,088	\$163,339,088		\$394,954	\$1,584,389	\$1,979,343	\$1,107,112	\$288,947	\$3,375,402
2029	\$153,538,743	\$153,538,743		\$371,257	\$1,489,326	\$1,860,582	\$1,040,686	\$271,610	\$3,172,878
2030	\$144,326,418	\$144,326,418		\$348,981	\$1,399,966	\$1,748,948	\$978,244	\$255,313	\$2,982,505
2031	\$135,666,833	\$135,666,833		\$328,042	\$1,315,968	\$1,644,011	\$919,550	\$239,995	\$2,803,555
2032	\$127,526,823	\$127,526,823		\$308,360	\$1,237,010	\$1,545,370	\$864,377	\$225,595	\$2,635,342
2033	\$119,875,214	\$119,875,214		\$289,858	\$1,162,790	\$1,452,648	\$812,514	\$212,059	\$2,477,221
2034	\$112,682,701	\$112,682,701		\$272,467	\$1,093,022	\$1,365,489	\$763,763	\$199,336	\$2,328,588
2035	\$105,921,739	\$105,921,739		\$256,119	\$1,027,441	\$1,283,560	\$717,938	\$187,376	\$2,188,873
2036	\$99,566,435	\$99,566,435		\$240,752	\$965,794	\$1,206,546	\$674,861	\$176,133	\$2,057,540
			Total	\$5,769,975	\$23,146,714	\$28,916,689	\$16,174,065	\$4,221,293	\$49,312,046

Source: CPA, Helena Wind, LLC *Tax Rate per \$100 Valuation

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

Year	Estimated Taxable Value <u>for</u> I&S	Estimated Taxable Value for M&O		Pawnee ISD I&S Tax Levy	Pawnee ISD M&O Tax Levy	Pawnee ISD M&O and I&S Tax Levies	Bee County Tax Levy	Costal Bend Tax Levy	Estimated Total Property Taxes
			Tax Rate [*]	0.2418	0.9700		0.6778	0.1769	
2022	\$236,768,000	\$25,000,000		\$572,505	\$242,500	\$815,005	\$722,166	\$418,843	\$1,956,014
2023	\$222,561,920	\$25,000,000		\$538,155	\$242,500	\$780,655	\$678,836	\$393,712	\$1,853,203
2024	\$209,208,205	\$25,000,000		\$505,865	\$242,500	\$748,365	\$638,106	\$370,089	\$1,756,561
2025	\$196,655,713	\$25,000,000		\$475,514	\$242,500	\$718,014	\$599,820	\$347,884	\$1,665,717
2026	\$184,856,370	\$25,000,000		\$446,983	\$242,500	\$689,483	\$563,830	\$327,011	\$1,580,324
2027	\$173,764,988	\$25,000,000		\$420,164	\$242,500	\$662,664	\$530,001	\$307,390	\$1,500,055
2028	\$163,339,088	\$25,000,000		\$394,954	\$242,500	\$637,454	\$498,201	\$288,947	\$1,424,601
2029	\$153,538,743	\$25,000,000		\$371,257	\$242,500	\$613,757	\$468,309	\$271,610	\$1,353,675
2030	\$144,326,418	\$25,000,000		\$348,981	\$242,500	\$591,481	\$440,210	\$255,313	
2031	\$135,666,833	\$25,000,000		\$328,042	\$242,500	\$570,542	\$413,797	\$239,995	\$1,224,334
2032	\$127,526,823	\$127,526,823		\$308,360	\$1,237,010	\$1,545,370	\$864,377	\$225,595	\$2,635,342
2033	\$119,875,214	\$119,875,214		\$289,858	\$1,162,790	\$1,452,648	\$812,514	\$212,059	\$2,477,221
2034	\$112,682,701	\$112,682,701		\$272,467	\$1,093,022	\$1,365,489	\$763,763	\$199,336	\$2,328,588
2035	\$105,921,739	\$105,921,739		\$256,119	\$1,027,441	\$1,283,560	\$717,938	\$187,376	\$2,188,873
2036	\$99,566,435	\$99,566,435		\$240,752	\$965,794	\$1,206,546	\$674,861	\$176,133	\$2,057,540
			Total	\$5,769,975	\$7,911,057	\$13,681,032	\$9,386,728	\$4,221,293	\$27,289,053
			Diff	\$0	\$15,235,657	\$15,235,657	\$6,787,336	\$0	\$22,022,993

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

Source: CPA, Helena Wind, LLC

*Tax Rate per \$100 Valuation

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

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

This represents the Comptroller's determination that Helena Wind, 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 and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation	2019	\$0	\$0	\$0	\$0
Pre-Years	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
	2022	\$242,500	\$242,500	\$2,054,150	\$2,054,150
	2023	\$242,500	\$485,000	\$1,916,351	\$3,970,500
	2024	\$242,500	\$727,500	\$1,786,820	\$5,757,320
Linuitation	2025	\$242,500	\$970,000	\$1,665,060	\$7,422,380
Limitation Period	2026	\$242,500	\$1,212,500	\$1,550,607	\$8,972,987
(10 Years)	2027	\$242,500	\$1,455,000	\$1,443,020	\$10,416,007
(It reals)	2028	\$242,500	\$1,697,500	\$1,341,889	\$11,757,897
	2029	\$242,500	\$1,940,000	\$1,246,826	\$13,004,722
	2030	\$242,500	\$2,182,500	\$1,157,466	\$14,162,189
	2031	\$242,500	\$2,425,000	\$1,073,468	\$15,235,657
	2032	\$1,237,010	\$3,662,010	\$0	\$15,235,657
Maintain Viable	2033	\$1,162,790	\$4,824,800	\$0	\$15,235,657
Presence	2034	\$1,093,022	\$5,917,822	\$0	\$15,235,657
(5 Years)	2035	\$1,027,441	\$6,945,263	\$0	\$15,235,657
	2036	\$965,794	\$7,911,057	\$0	\$15,235,657
	2037	\$907,847	\$8,818,904	\$0	\$15,235,657
	2038	\$853,376	\$9,672,280	\$0	\$15,235,657
	2039	\$802,173	\$10,474,453	\$0	\$15,235,657
Additional Years	2040	\$754,043	\$11,228,496	\$0	\$15,235,657
as Required by	2041	\$708,800	\$11,937,297	\$0	\$15,235,657
313.026(c)(1)	2042	\$666,272	\$12,603,569	\$0	\$15,235,657
(10 Years)	2043	\$626,296	\$13,229,865	\$0	\$15,235,657
	2044	\$588,718	\$13,818,583	\$0	\$15,235,657
	2045	\$553,395	\$14,371,979	\$0	\$15,235,657
	2046	\$520,191	\$14,892,170	\$0	\$15,235,657
	-	\$14,892,170	is less than	\$15,235,657	
Analysis Summary					
ls the project reason as a result of the lim			an amount sufficient to e	offset the M&O levy loss	No

Source: CPA, Helena Wind, LLC

		Employment			Personal Income		Revenue & Expenditure			
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effe	
2020	0	0	0	\$0	\$0	\$0	C	0		
2021	180	144	324	\$0	\$27,000,000	\$27,000,000	1300000	-620000	\$1,920,0	
2022	3	63	66	\$149,853	\$6,850,147	\$7,000,000	360000	110000	\$250.0	
2023	3	42	45	\$149,853	\$4,850,147	\$5,000,000	300000	180000	\$120.0	
2024	3	18	21	\$149,853	\$2,850,147	\$3,000,000	270000	230000	\$40,0	
2025	3	17	20	\$149,853	\$2,850,147	\$3,000,000	230000	230000		
2026	3	9	12	\$149,853	\$1,850,147	\$2,000,000	230000	250000	-\$20,(
2027	3	9	12	\$149,853	\$1,850,147	\$2,000,000	230000	240000	-\$10,0	
2028	3	7	10	\$149,853	\$1,850,147	\$2,000,000	240000	240000		
2029	3	5	8	\$149,853	\$1,850,147	\$2,000,000	230000	230000		
2030	3	5	8	\$149,853	\$850,147	\$1,000,000	210000	210000		
2031	3	5	8	\$149,853	\$850,147	\$1,000,000	190000	200000	-\$10,0	
2032	3	5	8	\$149,853	\$850,147	\$1,000,000	130000	190000	-\$60,0	
2033	3	3	6	\$149,853	\$850,147	\$1,000,000	110000	140000	-\$30,0	
2034	3	3	6	\$149,853	\$850,147	\$1,000,000	80000	130000	-\$50.0	
2035	3	1	4	\$149,853	-\$149,853	\$0	50000	110000	-\$60,0	
2036	3	5	8	\$149,853	-\$149,853	\$0	20000	90000	-\$70,0	
2037	3	3	6	\$149,853	\$850,147	\$1,000,000	20000	50000	-\$30,0	
2038	3	(1)	2	\$149,853	-\$149,853	\$0	20000	50000	-\$30,0	
2039	3	1	4	\$149,853	\$850,147	\$1,000,000	0	30000	-\$30,0	
2040	3	1	4	\$149,853	\$850,147	\$1,000,000	20000	0	\$20,0	
2041	3	7	10	\$149,853	-\$149,853	\$0	-30000	-40000	\$10,0	
2042	3	5	8	\$149,853	\$850,147	\$1,000,000	50000	-40000	\$90,0	
2043	3	5	8	\$149,853	\$1,850,147	\$2,000,000	60000	-50000	\$110,00	
2044	3	5	8	\$149,853	\$2,850,147	\$3,000,000	60000	-20000	\$80,0	
2045	3	5	8	\$149,853	\$1,850,147	\$2,000,000	30000	-80000	\$110,00	
2046	3	9	12	\$149,853	\$2,850,147	\$3,000,000	140000	-80000	\$220,00	
2047	3	13	16	\$149,853	\$3,850,147	\$4,000,000	230000	-80000	\$310,0	
						Fotal	\$4,780,000	\$1,900,000	\$2,880,0	
							\$17,772,170	is greater than	\$15,235,657	

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

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

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

- Per Helena Wind, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. "Helena Wind, LLC is a Delaware limited liability company. Helena Wind, LLC has one member with 100% ownership, Orsted Onshore North America, LLC ("Orsted") Orsted 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, Nebraska, South Dakota, and Texas."
 - B. "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. The applicant's current projects in development include projects in the following states: Florida, Illinois, Missouri, Nebraska, South Dakota, Colorado, and Virginia. This appraised value limitation is critical to the ability of the Project to move forward as currently sited."
 - C. "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.
- Website for the Helen Wind project <u>https://helenawind.com/</u>
- Helena Wind Project website: "Orsted contacted Bee County residents via phone surveys and asked how they felt about a wind energy investment in their area. The results (shown across two independent surveys) reported a 2:1 ratio of supporters in favor of locating a wind farm project in the County. The project will generate new property tax revenue to support local schools and county services."
- "Helena Wind, LLC has a project website available to the public. Orsted Onshore has websites for

several of its development projects, and none are intended to imply that further investment of resources into the projects are a foregone conclusion. Rather, the project websites are intended as a resource for the communities to find information about potential developments in their community, communicate with Orsted Onshroe, and learn more about the respective project technologies."

Supporting Information

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

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

Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

		Texas Comptroller of Public Accounts	Tr	Analy anspar m 50-	sis and ency	pril 8, d
	SECTIO	N 6: Eligibility Under Tax Code Chapter 313.024				
1. 2	. The p	ou an entity subject to the tax under Tax Code, Chapter 171? roperty will be used for one of the following activities: manufacturing	 ✓ 	Yes Yes		No No
	(2)	research and development		Yes	1	No
	(3)	a clean coal project, as defined by Section 5.001, Water Code		Yes	J	No
	(4)	an advanced clean energy project, as defined by Section 382.003, Health and Safety Code		Yes	V	No
	(5)	renewable energy electric generation	1	Yes		No
	(6)	electric power generation using integrated gasification combined cycle technology		Yes	\checkmark	No
	(7)	nuclear electric power generation		Yes	\checkmark	No
	(8)	a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)		Yes		No
	(9)	a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051		Yes	\checkmark	No
З.		u requesting that any of the land be classified as qualified investment?		Yes	$\overline{\checkmark}$	No
4.	Will an	y of the proposed qualified investment be leased under a capitalized lease?		Yes	\checkmark	No
5.	Will an	y of the proposed qualified investment be leased under an operating lease?		Yes	\checkmark	No
6.	Are yo	u including property that is owned by a person other than the applicant?	\square	Yes	\checkmark	No
7.		y property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of alified investment?		Yes	\checkmark	No
S	ECTION	7: Project Description				
1.	In Tab person	4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of al property, the nature of the business, a timeline for property construction or installation, and any other relevant information	real a n.	and tar	ngible	
2.		the project characteristics that apply to the proposed project: and has no existing improvements (complete Se	ction	13)		
	E	xpansion of existing operation on the land (complete Section 13) Relocation within Texas				
S	ECTION	8: Limitation as Determining Factor				
1.	Does th	e applicant currently own the land on which the proposed project will occur?		Yes	\checkmark	No
2.	Has the	applicant entered into any agreements, contracts or letters of intent related to the proposed project?	\checkmark	Yes		No
З.	Does th	e applicant have current business activities at the location where the proposed project will occur?		Yes	\checkmark	No
4.		applicant made public statements in SEC filings or other documents regarding its intentions regarding the ad project location?	\checkmark	Yes		No
5.	Has the	applicant received any local or state permits for activities on the proposed project site?	\checkmark	Yes	\square	No
6.	Has the	applicant received commitments for state or local incentives for activities at the proposed project site?		Yes	\square	No
7.	Is the a	pplicant evaluating other locations not in Texas for the proposed project?	V	Yes		No
		applicant provided capital investment or return on investment information for the proposed project in comparison er alternative investment opportunities?		Yes		No
		applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?		Yes		No
10.	Are you	submitting information to assist in the determination as to whether the limitation on appraised value is a determining the applicant's decision to invest capital and construct the project in Texas?		Yes		No

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

For more information, visit our website: comptroller.texas.gov/economy/local/ch313/

Supporting Information

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

Tab Item 5

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

Helena Wind, LLC is a Delaware limited liability company. Helena Wind, LLC has one member with 100% ownership, Orsted Onshore North America, LLC ("Orsted"). Orsted 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, Nebraska, South Dakota, and Texas.

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 was previously known by the name "Foxtrot Wind, LLC." The Project applied to ERCOT on July 26, 2018, and it has been assigned GINR number 20INR0129.

For the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work before the statutorily imposed deadline of December 31, 2018. This work consisted of earth-moving to prepare eight (8) holes for turbine foundations (though foundations were not installed) and installation of 4,000 linear feet of road connecting three foundation holes. These preconstruction activities were not deemed taxable improvements by the Bee County Central Appraisal District and no tax bill was delivered.

The Applicant's completion of the minor amount of PTC work qualification work does not, either legally or financially, commit it to constructing the Project in Bee County.

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. The applicant's current projects in development include projects in the following states: Florida, Illinois, Missouri, Nebraska, South Dakota, Colorado, and Virginia. This appraised value limitation is critical to the ability of the Project to move forward as currently sited.

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 aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.

Helena Wind, LLC has a project website available to the public. Orsted Onshore has websites for several of its development projects, and none are intended to imply that further investment of resources into the projects are a foregone conclusion. Rather, the project websites are intended as a resource for the communities to find information about potential developments in their community, communicate with Orsted Onshroe, and learn more about the respective project technologies.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2) Pawnee ISD-Helena Wind, LLC App. #1462

Comptroller Questions (via email on February 5, 2020 and Tab 5):

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

Applicant Response (via email on February 13, 2020 and Tab 5):

- 1. No.
- 2. The Project applied to ERCOT on July 26, 2018 and it has been assigned GINR number 201NRO129.
- 3. The project was formerly known as Foxtrot Wind, LLC.

Helena Wind Farm

About the project

Our nation is in the midst of an energy transformation and Texas is leading the charge. Bee County has an opportunity not only to participate in this energy revolution, but to reap the economic benefits.

Located across 20,000 acres in northern Bee County, the 250 MW Helena Wind Project will have the capacity to generate enough electricity to supply an estimated 90,000 homes each year. Project wind turbines will be sited on private land; because the towers take up less than 1% of the total land area, ranchers and farmers can continue their operations.

The Helena Wind project expands upon roughly 1,000 megawatts of wind projects developed by Ørsted across Texas. Ørsted is one of the world's largest energy companies and has proven financial strength and access to resources for development of projects.

Name:	Helena Wind
Location:	Bee County, Texas
Capacity:	250 MWac
Annual Production:	Enough to power 90,000 homes
Owner & Developer:	Ørsted
Interconnection via:	American Electric Power

Jobs created during construction:

Community and Property Value Impact

Throughout Texas, <u>wind energy projects are transforming rural economies</u>, which enhances the quality of life and opportunities in a community. Ørsted is not only committed to being good stewards of the land, but also to the environment in which our neighbors live, work and raise a family.

A wind energy investment has no significant long-term adverse impact to local property values, and can actually increase value, according to the most recent (2019) survey of wind farm impacts compiled by the Texas A&M University Real Estate Center.

Winds' Impact on Wildlife

As part of project development, a full suite of environmental studies will be performed to identify any potential environmental impacts from the project. These studies will impact the layout and design of the project as to minimize and mitigate any potential environmental impacts. Wind is responsible for less than 0.01 percent (1 in 10,000) of all human related bird deaths. By comparison, domestic cats, per data from the US Fish and Wildlife Service and the National Audubon Society, are responsible for over 70% of all human related bird deaths.

Benefits of partnering with Ørsted

Landowner & Community Benefits

Participating landowners will receive long-term, consistent income from the project that does not impact other sources of income from their land.

Helena Wind Farm

In addition, Bee County, Pawnee School District, and Coastal Bend College stand to receive tens of millions in new tax revenue during the 30-year lifespan of the project. This is stable revenue that county officials and school districts can count on as soon as the project becomes operational in 2022.

The Highest Standards for Health, Safety, and Maintenance

Ørsted's experience operating renewable energy facilities throughout the United States ensures that policies and procedures are in place to deliver a safe and effective project. Ørsted is committed to the highest quality standards of project construction, maintenance, and operation. This starts with the first steps of development and lasts until the project is decommissioned.

Examples:

- Procurement of wind turbines from Tier 1 manufacturers that adhere to the highest quality standards
- Local procurement of materials and local hiring, when possible
- Regular deployment of Operation & Maintenance staff to ensure site safety and peak performance
- 24/7 system monitoring to track performance and proactively detect any issues

Ørsted is dedicated to operating a wind energy project that creates long-term value for the land and long-term benefits for the community. Operations & maintenance teams are deployed regularly to guarantee site safety and peak performance. The company is committed to a safe and efficient construction process and conducts thorough analyses to ensure the impacts on the community, wildlife, and land are minimal for our neighbors in Bee County.

Good Neighbors

Ørsted listens to the community and is committed to being a good neighbor. We analyze the potential traffic, economic, and environmental impacts during development. Throughout the construction and operation of the project, Ørsted will hold regular meetings with Bee County officials so that a direct line of communication is maintained. We are also available to meet with neighbors to address any concerns.

Land Restoration

Texas law governing wind farm leases specify termination rights and restoration. Upon termination or project completion, Ørsted will remove facilities down to 3 feet below grade.

What does Bee County think?

Ørsted contacted Bee County residents via phone surveys and asked how they felt about a wind energy investment in their area. The results (shown across two independent surveys) reported a 2:1 ratio of supporters in favor of locating a wind farm project in the County. The project will generate new property tax revenue to support local schools and county services.

Why Wind?

Wind energy is thriving across the country; more than 1.3 million American homes are now located within five miles of a turbine. Already, Texas leads the nation, generating nearly \$300 million in tax and lease investments every year and supporting 25,000 wind-related jobs across the state. Farmers and ranchers nationwide who lease their land for wind development receive more than \$250 million annually in stable income.

A <u>Lawrence Berkeley National Laboratory study</u> found no evidence that the presence of wind facilities impacted home values. The study was based on 50,000 home sales near 67 wind facilities in 9 states.

Ørsted is committed to ensuring that Bee County residents have all the information they need as development moves forward. Local landowners can optimize the economic potential of their property by generating income for their families and benefit from clean and affordable electricity.

IV

Farmers and ranchers nationwide who lease their land for wind turbines receive more than \$250 million annually in stable income from the developments

-American Wind Energy Association



Ørsted is a global renewable energy company with operations in Europe, Asia-Pacific and North America. Publicly traded since 2016 and headquartered in Denmark, Ørsted develops, constructs, owns and operates offshore and onshore utility-scale wind farms, solar, energy storage facilities and bioenergy plants and provides energy products to its customers. In the United States, Ørsted's renewable energy portfolio spans technologies and geographies with onshore wind, offshore wind, solar and storage in operation or construction across Texas, the Midwest and Northeast markets. Of Ørsted's 8GW of global installed capacity, we have 1GW of onshore wind in the US with a further 670MW under construction. In addition, we have 460MWAC of solar PV and battery storage under construction. By 2025 we aim to have at least 5GW operational onshore capacity across the country. Ørsted has the ambition to be a global green energy major in the rapidly expanding renewable energy market with 30 gigawatts of installed capacity by 2030, enough to power the lives of more than 55 million people.

For more information on Ørsted, visit <u>orsted.com</u> or follow us on <u>Facebook</u>, <u>LinkedIn</u>, <u>Instagram</u> and <u>Twitter</u>.

Contact us

We prioritize hiring locally and working with local contractors. Please contact us if you want us to know about your services.



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Attachment D

Summary of Financial Impact

CHAPTER 313 PROPERTY VALUE LIMITATION FINANCIAL IMPACT OF THE PROPOSED HELENA WIND, LLC PROJECT IN THE PAWNEE INDEPENDENT SCHOOL DISTRICT (PROJECT # 1462)

PREPARED BY



MARCH 31, 2020 REVISED

Executive Summary

Helena Wind, LLC (Company) has requested that the Pawnee Independent School District (PISD) 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 PISD on January 14, 2020 the Company plans to invest \$236.8 million to construct 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 Helena 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, PISD 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 subsquent details in the report below for more information.

Total Revenue Loss Payment owed to PISD	\$2.5 million	
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$12.45 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 5, 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.

After the Comptroller's certificate is received, O'Hanlon, Demerath & Castillo (O'Hanlon) will contact 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 must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

Prior to final board meeting, O'Hanlon will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. In some instances, the school board may also be required to adopt a job waiver or create a reinvestment zone during this meeting.

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. It does not appear to be an issue for PISD, 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. <u>Chapter 313 will be subject to legislative renewal in 2021 and any changes made may impact these calculations moving forward</u>.

(For more detailed information on the school finance funding system, please review the Texas Education Agency's (TEA) website. <u>The current information is expected to be updated</u> 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.

School Finance Impact Study - PISD

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:	202
Local M&O Tax Base	\$366.4 million
2019-20 M&O Tax Rate:	\$0.9700 per \$100 of Taxable Value
2020-21 Projected M&O Tax Rate:	\$0.9540 per \$100 of Taxable Value
I&S Tax Rate:	\$0.2042 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 Helena 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) District Revenue Protection District Property Value with Project	Sec. 48.256(d) District Revenue Protection District Property Value with Limitation	DPV Value with Project per WADA	DPV Value with Limitation per WADA
QTP0	2020-21	202.36	398.68	\$0.9540	\$0.2042	\$374,692,546	\$374,692,546	\$939,830	\$939,830
QTP1	2021-22	202.36	398.68	\$0.9540	\$0.2042	\$374,692,546	\$374,692,546	\$939,830	\$939,830
QTP2/VL1	2022-23	202.36	398.68	\$0.9540	\$0.2042	\$374,692,546	\$374,692,546	\$939,830	\$939,830
VL2	2023-24	202.36	398.68	\$0.9540	\$0.2042	\$611,460,546	\$399,692,546	\$1,533,709	\$1,002,537
VL3	2024-25	202.36	398.68	\$0.9540	\$0.2042	\$597,254,466	\$399,692,546	\$1,498,076	\$1,002,537
VL4	2025-26	202.36	398.68	\$0.9540	\$0.2042	\$583,900,751	\$399,692,546	\$1,464,581	\$1,002,537
VL5	2026-27	202.36	398.68	\$0.9540	\$0.2042	\$571,348,259	\$399,692,546	\$1,433,096	\$1,002,537
VL6	2027-28	202.36	398.68	\$0.9540	\$0.2042	\$559,548,916	\$399,692,546	\$1,403,500	\$1,002,537
VL7	2028-29	202.36	398.68	\$0.9540	\$0.2042	\$548,457,534	\$399,692,546	\$1,375,680	\$1,002,537
VL8	2029-30	202.36	398.68	\$0.9540	\$0.2042	\$538,031,634	\$399,692,546	\$1,349,529	\$1,002,537
VL9	2030-31	202.36	398.68	\$0.9540	\$0.2042	\$528,231,289	\$399,692,546	\$1,324,947	\$1,002,537
VL10	2031-32	202.36	398.68	\$0.9540	\$0.2042	\$519,018,964	\$399,692,546	\$1,301,840	\$1,002,537
VP1	2032-33	202.36	398 68	\$0.9540	\$0 2042	\$510,359,379	\$399,692,546	\$1,280,120	\$1,002,537
VP2	2033-34	202.36	398.68	\$0.9540	\$0.2042	\$502,219,369	\$502,219,369	\$1,259,702	\$1,259,702
VP3	2034-35	202.36	398.68	\$0.9540	\$0.2042	\$494,567,760	\$494,567,760	\$1,240,510	\$1,240,510
VP4	2035-36	202.36	398.68	\$0.9540	\$0.2042	\$487,375,247	\$487,375,247	\$1,222,469	\$1,222,469
VP5	2036-37	202.36	398.68	\$0.9540	\$0,2042	\$480,614,285	\$480,614,285	\$1,205,511	\$1,205,511

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

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

M&O Impact of the Helena Wind Project on PISD

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 \$2.5 million over the course of the Agreement, with most of the loss reflected in the first limitation year (2022-23).

Table 2– "Baseline Revenue Model" Project Value Added to DPV with No Value Limitati	оп
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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	\$3,387,139	\$91,063	-\$960,587	\$138,590	\$6,752	\$0	\$0	\$2,662,957
QTP1	2021-22	\$3,387,139	\$50,102	-\$919,626	\$138,590	\$6,752	\$0	\$0	\$2,662,957
QTP2/VL1	2022-23	\$5,552,531	\$91,063	-\$1,007,499	\$227,191	\$11,058	\$0	. \$0	\$4,874,344
VL2	2023-24	\$5,422,332	\$50,102	-\$2,954,819	\$221,863	\$0	\$0	\$0	\$2,739,478
VL3	2024-25	\$5,299,946	\$91,063	-\$2,873,394	\$216,856	\$0	\$0	\$0	\$2,734,471
VL4	2025-26	\$5,184,902	\$50,102	-\$2,717,389	\$212,149	\$0	\$0	\$0	\$2,729,764
VL5	2026-27	\$5,076,762	\$91,063	-\$2,650,210	\$207,724	\$0	\$0	\$0	\$2,725,339
VL6	2027-28	\$4,975,109	\$50,102	-\$2,507,596	\$203,565	\$0	\$0	\$0	\$2,721,180
VL7	2028-29	\$4,879,556	\$91,063	-\$2,453,004	\$199,655	\$0	\$0	\$0	\$2,717,270
VL8	2029-30	\$4,789,736	\$50,102	-\$2,322,223	\$195,980	\$0	\$0	\$0	\$2,713,595
VL9	2030-31	\$4,705,305	\$91,063	-\$2,278,753	\$192,525	\$0	\$0	\$0	\$2,710,140
VL10	2031-32	\$4,625,940	\$50,102	-\$2,158,427	\$189,278	\$0	\$0	\$0	\$2,706,893
VP1	2032-33	\$4,532,544	\$91,063	-\$2,105,992	\$185,456	\$0	\$0	\$0	\$2,703.071
VP2	2033-34	\$4,463,820	\$50,102	-\$1,996,307	\$182,644	\$0	\$0	\$0	\$2,700,259
VP3	2034-35	\$4,399,219	\$91,063	-\$1,972,667	\$180,001	\$0	\$0	\$0	\$2,697,616
VP4	2035-36	\$4,338,494	\$50,102	-\$1,870,981	\$177,516	\$0	\$0	\$0	\$2,695,131
VP5	2036-37	\$4,281,413	\$91,063	-\$1,854.861	\$175,181	\$0	\$0	\$0	\$2,692,796

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

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$14.98 million over the life of the agreement. The PISD revenue losses are expected to total approximately \$2.5 million. The potential net tax benefits (after hold-harmless payments are made) are estimated to total \$12.45 million, prior to any negotiations with Helena 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.



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	\$3,387,139	\$91,063	-\$960,587	\$138,590	\$6,752	\$0	\$0	\$2,662,957
QTP1	2021-22	\$3,387,139	\$50,102	-\$919,626	\$138,590	\$6,752	\$0	\$0	\$2,662,957
QTP2/VL1	2022-23	\$3,611,681	\$91,063	-\$1,007,499	\$147,778	\$7,189	\$0	\$0	\$2,850,212
VL2	2023-24	\$3,611,681	\$50,102	-\$1,144,168	\$147,778	\$0	\$0	\$0	\$2,665,393
VL3	2024-25	\$3,611,681	\$91,063	-\$1,185,129	\$147,778	\$0	\$0	\$0	\$2,665,393
VL4	2025-26	\$3,611,681	\$50,102	-\$1,144,168	\$147,778	\$0	\$0	\$0	\$2,665,393
VL5	2026-27	\$3,611,681	\$91,063	-\$1,185,129	\$147,778	\$0	\$0	\$0	\$2,665,393
VL6	2027-28	\$3,611,681	\$50,102	-\$1,144,168	\$147,778	\$0	\$0	\$0	\$2,665,393
VL7	2028-29	\$3,611,681	\$91,063	-\$1,185,129	\$147,778	\$0	\$0	\$0	\$2,665,393
VL8	2029-30	\$3,611,681	\$50,102	-\$1,144,168	\$147,778	\$0	\$0	\$0	\$2,665,393
VL9	2030-31	\$3,611,681	\$91,063	-\$1,185,129	\$147,778	\$0	\$0	\$0	\$2,665,393
VL10	2031-32	\$3,611,681	\$50,102	-\$1,144,168	\$147,778	\$0	\$0	\$0	\$2,665,393
VP1	2032-33	\$4,532,544	\$91,063	-\$1,236,623	\$185,456	\$0	\$0	\$0	\$3,572,440
VP2	2033-34	\$4,463,820	\$50,102	-\$1,996,307	\$182,644	\$0	\$0	\$0	\$2,700,259
VP3	2034-35	\$4,399,219	\$91,063	-\$1,972,667	\$180,001	\$0	\$0	\$0	\$2,697,616
VP4	2035-36	\$4,338,494	\$50,102	-\$1,870,981	\$177,516	\$0	\$0	\$0	\$2,695,131
VP5	2036-37	\$4,281,413	\$91,063	-\$1,854,861	\$175,181	\$0	\$0	\$0	\$2,692,796

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	-\$1,940,850	\$0	\$0	-\$79,413	-\$3,869	\$0	\$0	-\$2,024,132
VL2	2023-24	-\$1,810,651	\$0	\$1,810,651	-\$74,085	\$0	\$0	\$0	-\$74,085
VL3	2024-25	-\$1,688,265	\$0	\$1,688,265	-\$69,078	\$0	\$0	\$0	-\$69,078
VL4	2025-26	-\$1,573,221	\$0	\$1,573,221	-\$64,371	\$0	\$0	\$0	-\$64,371
VL5	2026-27	-\$1,465,081	\$0	\$1,465,081	-\$59,946	\$0	\$0	. \$0	-\$59,946
VL6	2027-28	-\$1,363,428	\$0	\$1,363,428	-\$55,787	\$0	\$0	\$0	-\$55,787
VL7	2028-29	-\$1,267,875	\$0	\$1,267,875	-\$51,877	\$0	\$0	\$0	-\$51,877
VL8	2029-30	-\$1,178,055	\$0	\$1,178,055	-\$48,202	\$0	\$0	\$0	-\$48,202
VL9	2030-31	-\$1,093,624	\$0	\$1,093,624	-\$44,747	\$0	\$0	\$0	-\$44,747
VL10	2031-32	-\$1,014,259	\$0	\$1,014,259	-\$41,500	\$0	\$0	\$0	-\$41,500
VP1	2032-33	\$0	\$0	\$869,369	\$0	\$0	\$0	\$0	\$869,369
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	\$1	\$0	-\$1	\$0	\$0	\$0	\$0	\$0

QTP= Qualifying Time Period

VL= Value Limitation

VP= Viable Presence

\$14,984,320 -**\$2,533,725 \$12,450,595**

Table 5 - Estimated Financial Impact of the Helena Wind Project Property Value Limitation RequestSubmitted to PISD at \$0.95400 M&O 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	Tax Savings to Company	School District Revenue Protection	Estimated Net Tax Benefits
QTP0	2020-21	\$0	\$0	\$0.95400	\$0	\$0	\$0
QTP1	2021-22	\$0	\$0	\$0.95400	\$0	\$0	\$0
QTP2/VL1	2022-23	\$236,768,000	\$25,000,000	\$0.95400	\$2,020,263	-\$2,024,132	-\$3,869
VL2	2023-24	\$222,561,920	\$25,000,000	\$0.95400	\$1,884,737	-\$74,085	\$1,810,652
VL3	2024-25	\$209,208,205	\$25,000,000	\$0.95400	\$1,757,343	-\$69,078	\$1,688,265
VL4	2025-26	\$196,655,713	\$25,000,000	\$0.95400	\$1,637,593	-\$64,371	\$1,573,222
VL5	2026-27	\$184,856,370	\$25,000,000	\$0.95400	\$1,525,027	-\$59,946	\$1,465,081
VL6	2027-28	\$173,764,988	\$25,000,000	\$0.95400	\$1,419,215	-\$55,787	\$1,363,428
VL7	2028-29	\$163,339,088	\$25,000,000	\$0.95400	\$1,319,752	-\$51,877	\$1.267,875
VL8	2029-30	\$153,538,743	\$25,000,000	\$0.95400	\$1,226,257	-\$48,202	\$1,178,055
VL9	2030-31	\$144,326,418	\$25,000,000	\$0.95400	\$1,138,372	-\$44,747	\$1,093,625
VL10	2031-32	\$135,666,833	\$25,000,000	\$0.95400	\$1,055,760	-\$41,500	\$1,014,260
VP1	2032-33	\$127,526,823	\$127,526,823	\$0.95400	\$0	\$0	\$0
VP2	2033-34	\$119,875,214	\$119,875,214	\$0.95400	\$0	\$0	\$C
VP3	2034-35	\$112,682,701	\$112,682,701	\$0.95400	\$0	\$0	\$0
VP4	2035-36	\$105,921,739	\$105,921,739	\$0.95400	\$0	\$0	\$0
VP5	2036-37	\$99,566,435	\$99.566,435	\$0.95400	\$0	\$0	\$0

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 PISD currently levying a \$0.2042 per \$100 I&S rate. As shown in the Table 6 below, local taxpayers could see a substantial benefit from the addition of the Helena Wind project to the local I&S tax roll, in terms of potential reduction in the District's I&S tax rate.

The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. 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 Helena Wind Project Property Value Limitation Request on PISD 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	\$0.2042	\$378,045,950	\$771,894	\$0	\$0.204180	\$0.0000
QTP1	2021-22	\$0.2042	\$378,045,950	\$771,894	\$0	\$0.204180	\$0.0000
QTP2/VL1	2022-23	\$0.2042	\$378,045,950	\$771,894	\$236,768,000	\$0.125549	-\$0.0786
VL2	2023-24	\$0.2042	\$378,045,950	\$771,894	\$222,561,920	\$0.128519	-\$0.0757
VL3	2024-25	\$0.2042	\$378,045,950	\$771,894	\$209,208,205	\$0.131441	-\$0.0727
VL4	2025-26	\$0.2042	\$378,045,950	\$771,894	\$196,655,713	\$0.134312	-\$0.0699
VL5	2026-27	\$0.2042	\$378,045,950	\$771,894	\$184,856,370	\$0.137128	-\$0.0671
VL6	2027-28	\$0.2042	\$378,045,950	\$771,894	\$173,764,988	\$0.139884	-\$0.0643
VL7	2028-29	\$0.2042	\$378,045,950	\$771,894	\$163,339,088	\$0.142578	-\$0.0616
VL8	2029-30	\$0.2042	\$378,045,950	\$771,894	\$153,538,743	\$0.145206	-\$0.0590
VL9	2030-31	\$0.2042	\$378,045,950	\$771,894	\$144,326,418	\$0.147767	-\$0 0564
VL10	2031-32	\$0.2042	\$378,045,950	\$771,894	\$135,666,833	\$0.150258	-\$0.0539
VP1	2032-33	\$0.2042	\$378,045,950	\$771,894	\$127,526,823	\$0 152677	-\$0.0515
VP2	2033-34	\$0.2042	\$378,045,950	\$771,894	\$119,875,214	\$0.155023	-\$0.0492
VP3	2034-35	\$0.2042	\$378,045,950	\$771,894	\$112,682,701	\$0.157296	-\$0.0469
VP4	2035-36	\$0.2042	\$378,045,950	\$771,894	\$105,921,739	\$0.159493	-\$0,0447
VP5	2036-37	\$0.2042	\$378,045,950	\$771,894	\$99,566,435	\$0.161615	-\$0.0426

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.

Attachment E

Taxable Value of Property

*** COMPTROLLER.TEXAS.GOV**



Property Tax Assistance

2018 ISD Summary Worksheet

013-Bee

013-902/Pawnee ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Esti mate	2018 Value Assigned
A. SINGLE-FAMILY RESID ENCES	7,326,850	N/A	7,326,850	7,326,850
B. MULTIFAMILY RESIDE NCES	0	N/A	0	0
C1. VACANT LOTS	437,230	N/A	437,230	437,230
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AG LAND	5,640,870	N/A	5,640,870	5,640,870
D2. REAL PROP:FARM & RANCH	4,264,850	N/A	4,264,850	4,264,850
E. REAL PROP NONQUA L ACREAGE	19,259,510	N/A	19,259,510	19,259,510
F1. COMMERCIAL REAL	926,680	N/A	926,680	926,680
F2. INDUSTRIAL REAL	60,524,830	N/A	60,524,830	60,524,830
G. OIL, GAS, MINERALS	36,728,400	N/A	36,728,400	36,728,400
J. UTILITIES	45,109,510	N/A	45,109,510	45,109,510
L1. COMMERCIAL PERS	834,740	N/A	834,740	834,740
L2. INDUSTRIAL PERSON AL	15,669,430	N/A	15,669,430	15,669,430
M. MOBILE HOMES	751,380	N/A	751,380	751,380
N. INTANGIBLE PERSON AL PROP	D	N/A	0	0
O. RESIDENTIAL INVENT ORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
Subtotal	197,474,280	0	197,474,280	197,474,280
Less Total Deductions	8,677,520	0	8,677,520	8,677,520
Total Taxable Value	188,796,760	0	188,796,760	188,796,760

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

т1	Т2	тз	Т4
190,181,310	188,796,760	190,181,310	188,796,760

Loss To	50% of the loss
the Additional	to the Local Optional
\$10,000 Homestead	Percentage Homestead
Exemption	Exemption
1,384,550	0

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	T 8	Т9	т10
190,181,310	188,796,760	190,181,310	188,796,760

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 LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

128-Karnes

013-902/Pawnee ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Esti mate	2018 Value Assigned
A. SINGLE-FAMILY RESID ENCES	193,837	N/A	193,837	193,837
B. MULTIFAMILY RESIDE NCES	0	N/A	0	0
C1. VACANT LOTS	16,200	N/A	16,200	16,200
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AG LAND	1,024,046	1.0089	1,014,968	1,024,046
D2. REAL PROP:FARM & RANCH	172,550	N/A	172,550	172,550
E. REAL PROP NONQUA L ACREAGE	6,078,403	N/A	6,078,403	6,078,403
F1. COMMERCIAL REAL	1,236,407	N/A	1,236,407	1,236,407
F2. INDUSTRIAL REAL	0	N/A	0	0
G. OIL, GAS, MINERALS	108,372,470	1.0171	106,550,457	108,372,470
J. UTILITIES	29,092,300	N/A	29,092,300	29,092,300
L1. COMMERCIAL PERS	2,473,441	N/A	2,473,441	2,473,441
L2. INDUSTRIAL PERSON AL	27,864,870	N/A	27,864,870	27,864,870
M. MOBILE HOMES	363,927	N/A	363,927	363,927
N. INTANGIBLE PERSON AL PROP	0	N/A	0	0
O. RESIDENTIAL INVENT ORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
Subtotal	176,888,451	0	175,057,360	176,888,451
Less Total Deductions	2,418,376	0	2,418,376	2,418,376
Total Taxable Value	174,470,075	0	172,638,984	174,470,075

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	тз	T4
174,710,327	174,470,075	174,710,327	174,470,075

Loss To	50% of the loss
the Additional	to the Local Optional
\$10,000 Homestead	Percentage Homestead
Exemption	Exemption
240,252	0

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

77	тв	T 9	T10
174,710,327	174,470,075	174,710,327	174,470,075

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 LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

013-902-02/Pawnee ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Esti mate	2018 Value Assigned
A. SINGLE-FAMILY RESID ENCES	7,520,687	N/A	7,520,687	7,520,687
B. MULTIFAMILY RESIDE NCES	0	N/A	0	0
C1. VACANT LOTS	453,430	·N/A	453,430	453,430
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AG LAND	6,664,916	1.0014	6,655,838	6,664,916
D2, REAL PROP:FARM & RANCH	4,437,400	N/A	4,437,400	4,437,400

E. REAL PROP NONQUA L ACREAGE	25,337,913	N/A	25,337,913	25,337,913
F1. COMMERCIAL REAL	2,163,087	N/A	2,163,087	2,163,087
F2. INDUSTRIAL REAL	60,524,830	N/A	60,524,830	60,524,830
G. OIL, GAS, MINERALS	145,100,870	1.0127	143,278,857	145,100,870
J. UTILITIES	74,201,810	N/A	74,201,810	74,201,810
L1. COMMERCIAL PERS	3,308,181	N/A	3,308,181	3,308,181
L2. INDUSTRIAL PERSON AL	43,534,300	N/A	43,534,300	43,534,300
M. MOBILE HOMES	1,115,307	N/A	1,115,307	1,115,307
N. INTANGIBLE PERSON AL PROP	0	N/A	0	0
O. RESIDENTIAL INVENT	0	N/A	0	D
S. SPECIAL INVENTORY	0	N/A	0	0
Subtotal	374,362,731		372,531,640	374,362,731
ess Total Deductions	11,095,896		11,095,896	11,095,896
Fotal Taxable Value	363,266,835		361,435,744	363,266,835

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

т1	T2	тз	T4
364,891,637	363,266,835	364,891,637	363,266,835

Loss To	50 % of the loss
the Additional	to the Local Optional
\$10,000 Homestead	Percentage Homestead
Exemption	Exemption
1,624,802	D

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

77	T8	Т9	T10	
364,891,637	363,266,835	364,891,637	363,266,835	

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

Attachment F

TEA's Facilities Value

Attachment G

Participation Agreement

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES

by and between

PAWNEE INDEPENDENT SCHOOL DISTRICT

and

HELENA WIND, LLC

(*Texas Taxpayer ID* #<u>32066921225</u>)

Comptroller Application #1462

Dated

July 14, 2020

Texas Economic Development Act Agreement Comptroller Form 50-826 (Jan 2020)

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES

STATE OF TEXAS §
COUNTY OF BEE §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **PAWNEE INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **HELENA WIND**, **LLC**, Texas Taxpayer Identification Number 32066921225 hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on January 14, 2020, the Superintendent of Schools of the Pawnee Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on January 14, 2020, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

WHEREAS, the Application was delivered to the Texas Comptroller's Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application is complete and March 5, 2020, is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Bee County Appraisal District established in Bee County, Texas (the "Bee County Appraisal District"), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on May 26, 2020, issued a certificate for limitation on Agreement for Limitation on Appraised Value Between Pawnee ISD and Helena Wind, LLC July 14, 2020 Page 2 of 30

appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on July 14, 2020, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on July 14, 2020, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient 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; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on July 14, 2020, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on July 13, 2020, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on July 14, 2020, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary, or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

"<u>Act</u>" means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, as amended.

"<u>Agreement</u>" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

"<u>Applicant</u>" means Helena Wind, LLC, (*Texas Taxpayer ID #32066921225*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

"<u>Applicant's Qualified Investment</u>" means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

"<u>Applicant's Qualified Property</u>" means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT** 4 of this Agreement.

"<u>Application</u>" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on January 14, 2020. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

"<u>Application Approval Date</u>" means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

"<u>Application Review Start Date</u>" means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

"<u>Appraised Value</u>" shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

"Appraisal District" means the Bee County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Pawnee Independent School District.

"<u>Commercial Operation</u>" means the date on which the project becomes commercially operational, has installed or constructed Qualified Property on the Land, and is able to generate electricity and is connected to the grid with an interconnection agreement.

"<u>Comptroller</u>" means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

"<u>Comptroller's Rules</u>" means the applicable rules and regulations of the Comptroller set forth in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

"County" means Bee County, Texas.

"<u>District</u>" or "<u>School District</u>" means the Pawnee Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant's Qualified Property or the Applicant's Qualified Investment.

"*Final Termination Date*" means the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

"<u>Force Majeure</u>" means acts of God, war, fires, explosions, hurricanes, floods, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each Party must inform the other in writing with proof of receipt within 60 business days of the existence of such Force Majeure or otherwise waive this right as a defense.

"*Land*" means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

"<u>Maintain Viable Presence</u>" means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant's maintenance of jobs and wages as required by the Act and as set forth in its Application.

"<u>Market Value</u>" shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

"<u>New Qualifying Jobs</u>" means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller's Rules.

"<u>New Non-Qualifying Jobs</u>" means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

"*Qualified Investment*" has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller's Rules.

"<u>Qualified Property</u>" has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller's Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

"<u>Qualifying Time Period</u>" means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller's Rules, and this Agreement.

"State" means the State of Texas.

"<u>Supplemental Payment</u>" means any payments or transfers of things of value made to the District or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the Agreement and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

"<u>Tax Limitation Amount</u>" means the maximum amount which may be placed as the Appraised Value on the Applicant's Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

"<u>Tax Limitation Period</u>" means the Tax Years for which the Applicant's Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

" $\underline{Tax \ Year}$ " shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

"*Taxable Value*" shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller's Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

"<u>Applicable School Finance Law</u>" means Chapters 41, 42, 48 and 49 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, including specifically, the applicable rules and regulations of the agencies of the State, and judicial decisions construing or interpreting any of the above. The term includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the "Applicable School Finance Law" shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

"Maintenance and Operations Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace the District's Maintenance and Operations Revenue lost as a result of such similar agreements, minus (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE, in each case, as any of the items in clauses (i), (ii), and (iv) above may be amended by Applicable School Finance Law from time to time, and plus or minus, as applicable, any other revenues, payments or amounts received or required to be reimbursed by the District from State and local funding for maintenance and operations purposes under Applicable School Finance Law, such that Maintenance and Operations Revenue shall be the net amount of all such revenues, payments or other amounts which the District is entitled to receive and retain from State and local funding for maintenance and operations purposes under Applicable School Finance Law.

"<u>New M&O Revenue</u>" means the total State and local Maintenance & Operations Revenue that the District would have actually received for such school year, if calculated using prior year taxable values.

"<u>Net Tax Benefit</u>" means, for any subject Tax Year during the term of this Agreement, an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District during the term of this Agreement if this Agreement had not been entered into by the Parties and the Applicant's Qualified Property been subject to the ad valorem maintenance & operations tax at the rate applicable for such Tax Year, for all Tax Years beginning with the Tax Year that includes the Application Review Start Date up to and including the subject Tax Year

Texas Economic Development Act Agreement Comptroller Form 50-826 (Jan 2020) for which the calculation is being made; *minus*, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due from Applicant to the District or any other governmental entity, including the State of Texas, for the same Tax Years, plus (B) any and all payments due to the District under Articles IV and V, of this Agreement for the same Tax Years, plus (C) any and all payments owed to the District under Article VI of this Agreement for the same Tax Years.

"Option to Terminate" means Applicant's written notice to the District which: (i) in the event that Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment prior to the beginning of the Tax Limitation Period notifies the District of Applicant's unilateral determination to terminate this Agreement; or, (ii) with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, where the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The Applicant may exercise the Subsection (ii) option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year where the payment otherwise due exceeded the amount of taxes that Applicant would have paid had it not entered into the Agreement. Any termination of this Agreement under Subsection (ii) of this provision s shall be effective immediately prior to the second Tax Year next following the Tax Year in which notice is given.

"Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax at the tax rate actually adopted by the District for the applicable year. For purposes of this calculation, the Third Party will base its calculations upon taxable values for the prior school year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, plus the taxable value of the Qualified Property for the prior school year subject to this Agreement. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant's Qualified Property will be used for the Qualified Property in lieu of the property's M&O taxable value.)

"<u>Revenue Protection Amount</u>" means the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date as calculated in accordance with Section 4.2 of this Agreement.

ARTICLE II AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6, and as more fully specified in this Agreement, the value of the Applicant's Qualified Property listed and assessed by the County Appraiser for the District's maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is March 5, 2020, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is July 14, 2020.

C. The Qualifying Time Period for this Agreement:

i. Starts on July 14, 2020, the Application Approval Date, and

ii. Ends on December 31, 2022, the last day of the second complete Tax

Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2022, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and
- ii. Ends on December 31, 2031.
- E. The Final Termination Date for this Agreement is December 31, 2036.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

A. the Market Value of the Applicant's Qualified Property; or

B. \$25,000,000 Section 313.054 of the TEXAS TAX CODE

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

Agreement for Limitation on Appraised Value Between Pawnee ISD and Helena Wind, LLC July 14, 2020 Page 9 of 30

Section 2.5. TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

A. have completed the Applicant's Qualified Investment in the amount of \$20,000,000 during the Qualifying Time Period;

B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and

C. pay an average weekly wage of at least \$711 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;

B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;

C. provide such Supplemental Payments as more fully specified in Article VI;

D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and

E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III OUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as EXHIBIT 1 and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in EXHIBIT 2, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in EXHIBIT 2 unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in EXHIBIT 4, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in EXHIBIT 4 shall not be considered by the District or the Appraisal District to be part of the Applicant's

Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in EXHIBIT 4, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) property used for renewable energy electric generation.

ARTICLE IV <u>PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES</u>

Section 4.1. INTENT OF THE PARTIES. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was, in any manner, a sole and direct producing cause. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the risk of any and all negative financial consequences to the District's total annual Maintenance and Operations Revenue, for which the execution of this Agreement was a sole and direct producing cause will be borne solely by Applicant and not by District.

The Parties hereto expressly understand and agree that, for all years to which this Agreement may apply, the calculation of negative financial consequences will be defined for each applicable year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may well periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement; ii) are based upon current Applicable School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and, iii) may change in future years to reflect changes in the Applicable School Finance Law.

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Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT

A. Calculation of the Revenue Protection Amount.

The amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "Revenue Protection Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The Revenue Protection Amount owed by the Applicant to District means the Original M&O Revenue minus the New M&O Revenue (as such terms are defined in Section 1.2);

- B. In making the calculations required by this Section 4.2 of this Agreement:
 - i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.
 - ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).
 - iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.
 - iv. For All calculations made for years during the Tax Limitation Period under Section
 4.2 of this Agreement, Subsection ii of this subsection will reflect the Tax
 Limitation Amount for such year.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by a qualified and experienced independent third party (the "Third Party") selected each year by the District except that, if the District desires to select a Third Party other than Moak Casey & Associates, such selection must receive the Applicant's consent, which consent shall not be unreasonably withheld, delayed, or conditioned. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Third Party under this Agreement shall be made using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall

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submit the valuation information to the Third Party selected under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Section 4.5. Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.6, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of The Third Party shall maintain supporting data consistent with generally accepted verification. accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Fifteen Thousand Dollars (\$15,000.00). For any Tax Year outside of the Tax Limitation Period and for which the Comptroller's Biennial Report is not required, Applicant shall not be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Seven Thousand Five Hundred Dollars (\$7,500.00).

Section 4.7. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 4.5 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the

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Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District within thirty (30) dates of receipt of written notice, up to the limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a sole and direct result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

ARTICLE V PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: all non-reimbursed costs, certified by District's external auditor to have been incurred by District for 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 during any project construction year. Applicant shall have the right to contest the findings of the District's external auditor in the same manner as described in Section 9.3 herein.

ARTICLE VI SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS.

Applicant shall pay to the District the Supplemental Payments set forth on the following schedule on the payment due dates shown on the following schedule.

School Year	Tax Year	Payment Date	Supplemental Payment
2020-2021	2020	January 31, 2021	\$50,000
2021-2022	2021	January 31, 2022	\$50,000
2022-2023	2022	January 31, 2023	\$50,000
2023-2024	2023	January 31, 2024	\$50,000
2024-2025	2024	January 31, 2025	\$50,000
2025-2026	2025	January 31, 2026	\$50,000
2026-2027	2026	January 31, 2027	\$50,000
2027-2028	2027	January 31, 2028	\$50,000
2028-2029	2028	January 31, 2029	\$50,000
2029-2030	2029	January 31, 2030	\$50,000
2030-2031	2030	January 31, 2031	\$50,000
2031-2032	2031	January 31, 2032	\$50,000
2032-2033	2032	January 31, 2033	\$50,000
2033-2034	2033	January 31, 2034	\$50,000
2034-2035	2034	December 31, 2034	\$50,000

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

Notwithstanding the foregoing:

A. the total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

C. the limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)-(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's 2018-2019 Average Daily Attendance of 248, rounded to the whole number.

Section 6.3. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.3, above.

B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.

C. The payment of all amounts due under this Article shall be made shall be paid on the dates set forth in the table in Section 6.3 above.

Section 6.4. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Supplemental Payments calculated as described in Section 6.4, above.

ARTICLE VII ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than ninety-six (96) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the

Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.

By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a "Material Breach"):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the

amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

i. whether or not a breach of this Agreement has occurred;

ii. whether or not such breach is a Material Breach;

iii. the date such breach occurred, if any;

- iv. whether or not any such breach has been cured; and
- C. In the event that the Board of Trustees determines that such a breach has occurred and

has not been cured, it shall at that time determine:

i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);

ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and

iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

D. After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination") and provide a copy to the Comptroller.

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within thirty (30) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Bee County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses and the Applicant shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Bee County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the sixty (60) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

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Section 9.4. Consequences of Early Termination or Other Breach by Applicant.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.1 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the sixty (60) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the

limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to

Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$20,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

ARTICLE X. MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (*e.g.*, by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

B. Notices to the District shall be addressed to the District's Authorized Representative as follows:

Name: Michelle Hartmann Title: Superintendent District: Pawnee Independent School District Physical: 6229 FM 798 Mailing: P.O. Box 567 Pawnee, TX 78145 Phone: (361) 456-7256 Facsimile: (361) 456-7388 Email: mhartmann@pawneeisd.net

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Name: Philip Moore Title: Senior Vice President – Development Organization: Orsted Onshore North America, LLC Physical: 401 N. Michigan Avenue Mailing: 401 N. Michigan Avenue

Chicago, IL 60611 Phone: (512) 767-7461 Facsimile: (312) 527-0538 Email: pmoore@lincolnclean.com

or at such other address or to such other facsimile transmission number and to the attention of such other person as a Party may designate by written notice to the other.

D. A copy of any notice delivered to the Applicant shall also be delivered to any lender for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.C, below.

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

i. The Applicant shall submit to the District and the Comptroller:

a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;

b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;

c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX

CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

B. In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.5. Governing Law. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Bee County.

Section 10.6. AUTHORITY TO EXECUTE AGREEMENT. Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any

term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.8. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

A. When a reference is made in this Agreement to a Section, Article, or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

B. The words "include," "includes," and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase, "but not limited to". Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require.

C. The provisions of the Act and the Comptroller's Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

i. The Act;

ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and

iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.11. PUBLICATION OF DOCUMENTS. The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt of such document, the District shall submit a copy to

the Comptroller for publication on the Comptroller's Internet website;

B. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website;

C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District and Comptroller's office in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

A. all payments, including liquidated damage and tax payments, have been made;

B. all reports have been submitted;

C. all records have been maintained in accordance with Section 8.6.A; and

D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e- mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

i. When delivered if delivered personally or sent by express courier service;

ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;

iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or

iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 14th day of July 2020.

HELENA WIND, LLC By its sole member Orsted Onshore DevCo, LLC By its sole member Orsted Onshore North America, LLC

By: £

PHILIP MOORE Senior Vice President -Development

Pawnee Independent SCHOOL DISTRICT

PETE DOBSON President Board of Trustees

ATTEST: **RAQUEL VILLARREAL**

RAQUEL VILLARREA Secretary Board of Trustees

Agreement for Limitation on Appraised Value Between Pawnee ISD and Helena Wind, LLC July 14, 2020 Page 30 of 30

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

On July 14, 2020, the Pawnee Independent School District adopted an Order creating the *Helena Reinvestment Zone No. 1*. A legal description and map of the *Helena Reinvestment Zone No. 1* is attached as the last page of this **EXHIBIT 1** following the legal description of the zone. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *Helena Reinvestment Zone No. 1* and the Pawnee Independent School District.

Agreement for Limitation on Appraised Value Between Pawnee ISD and Helena Wind, LLC Exhibit 1 Texas Economic Development Act Agreement Comptroller Form 50-826 (Jan 2020)

EXHIBIT 1

PAWNEE INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING HELENA REINVESTMENT ZONE NO. 1

WHEREAS, Section 312.0025 of the Texas Tax Code permits a school district to designate a reinvestment zone if that designation 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 school district and contribute to the economic development of the region of this state in which the school district is located; and,

WHEREAS, the Pawnee Independent School District (the "District") desires to encourage the development of primary employment and to attract major investment in the District and contribute to the economic development of the region in which the school district is located; and,

WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and,

WHEREAS, the District published notice of a public hearing regarding the possible designation of the area described in the attached **Exhibit** A as a reinvestment zone for the purposes of Chapter 313 of the Texas Tax Code; and,

WHEREAS, the District wishes to create a reinvestment zone within the boundaries of the school district in Bee County, Texas as shown on the map attached as Exhibit B; and,

WHEREAS, the District has given written notice of the proposed action and the Public Hearing to all political subdivisions and taxing authorities having jurisdiction over the property proposed to be designated as the reinvestment zone, described in the attached **Exhibits A & B**; and,

WHEREAS, all interested members of the public were given an opportunity to make comments at the public hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE PAWNEE INDEPENDENT SCHOOL DISTRICT:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Board of Trustees of the Pawnee Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

PAWNEE INDEPENDENT SCHOOL DISTRICT RESOLUTION CREATING HELENA REINVESTMENT ZONE NO. 1 July 14, 2020 Page 1

Agreement for Limitation on Appraised Value Between Pawnee ISD and Helena Wind, LLC Exhibit 1

- (a) That the public hearing on the adoption of HELENA REINVESTMENT ZONE NO. I has been called, held and conducted, and that notices of such hearing have been published and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,
- (b) That the boundaries of *HELENA REINVESTMENT ZONE NO. 1* be and, by the adoption of this Resolution, are declared and certified to be the area as described in the description attached hereto as "Exhibit A"; and,
- (c) That the map attached hereto as "Exhibit B" is declared to be and, by the adoption of this Resolution, is certified to accurately depict and show the boundaries of *HELENA REINVESTMENT ZONE NO. 1* which is described in Exhibit A; and further certifies that the property described in Exhibit A is inside the boundaries shown on Exhibit B; and,
- (d) That creation of *HELENA REINVESTMENT ZONE NO. 1* with boundaries as described in **Exhibit A** and **Exhibit B** will result in benefits to the Pawnee Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) That the HELENA REINVESTMENT ZONE NO. 1 described in Exhibit A and Exhibit B 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, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Pawnee Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Pawnee Independent School District hereby creates a reinvestment zone under the provisions of Texas Tax Code §312.0025, encompassing the area described by the descriptions in **Exhibit A** and **Exhibit B**, and such reinvestment zone is hereby designated and shall hereafter be referred to as *HELENA REINVESTMENT ZONE NO. 1.*

SECTION 4. That the existence of the HELENA REINVESTMENT ZONE NO. 1 shall first take effect upon, July 14th, 2020, the date of the adoption of this Resolution by the Board of

Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such adoption.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason beheld to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this

PAWNEE INDEPENDENT SCHOOL DISTRICT RESOLUTION CREATING HELENA REINVESTMENT ZONE NO. J July 14, 2020 Page 2

Agreement for Limitation on Appraised Value Between Pawnee ISD and Helena Wind, LLC Exhibit 1

Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Pawnee Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Bee County of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 14th day of July, 2020.

PAWNEE INDEPENDENT SCHOOL DISTRICT

Bv: President

Board of Trustees

ATTESI Secretary

Board of Trustees

PAWNEE INDEPENDENT SCHOOL DISTRICT RESOLUTION CREATING HELENA REINVESTMENT ZONE NO. 1 July 14th, 2020 Page 3

Agreement for Limitation on Appraised Value Between Pawnee ISD and Helena Wind, LLC Exhibit 1

EXHIBIT A

LEGAL DESCRIPTION OF HELENA REINVESTMENT ZONE NO. 1

HELENA REINVESTMENT ZONE NO. 1

PAWNEE INDEPENDENT SCHOOL DISTRICT RESOLUTION CREATING HELENA REINVESTMENT ZONE NO. 1 July 14th, 2020 Page 4

Agreement for Limitation on Appraised Value Between Pawnee ISD and Helena Wind, LLC Exhibit 1

or Portions of the following Sections within Reinvesment Zone - See Attached Map						
SECTION	BLOCK	SURVEY	ABSTRACT	COUNT		
		B.G. IJAMS SURVEY	A-202	BEE		
		W.C. GILL SURVEY	A-166	BEE		
		T. SMITH SURVEY	A-294	BEE		
		J.J. SANCHES SURVEY	A-296	BEE		
		T. MANCHA SURVEY	A-225	BEE		
SECTION 505		R.B. MARCY SURVEY	A-237	BEE		
		F. LEWIS SURVEY	A-385	BEE		
SECTION 506		S.A. BURNETT SURVEY	A-109	BEE		
		J.C. BEASLEY SURVEY	A-541	BEE		
		N. RECENDEZ SURVEY	A-278	BEE		
		J.C. BEASLEY SURVEY	A-540	BEE		
		KEY WEST IRR. CO. SURVEY	A-383	BEE		
SECTION 2		B.S. & F. RR. CO. SURVEY	A-515	BEE		
SECTION 2		B.S. & F. RR. CO. SURVEY	A-514	BEE		
SECTION 1		B.S. & F. RR. CO. SURVEY	A-128	BEE		
SECTION 4		E.L. & R.R. RR. CO. SURVEY	A-1204	BEE		
SECTION 2		B & B SURVEY	A-550	BEE		
SECTION 1		B & B SURVEY	A-513	BEE		
		C. BAKER SURVEY	A-112	BEE		
		W. GILL SURVEY	A-168	BEE		
		G.J. BROWN SURVEY	A-113	BEE		
SECTION 1	MM1	R.E. CEZEAUX SURVEY	A-1248	BEE		
		F.M. ELLIS SURVEY	A-1211	BEE		
		J.T. BORROUM SURVEY	A-578	BEE		
SECTION 4		B. & B. SURVEY	A-531	BEE		
		C.B. SHAIN SURVEY	A-305	BEE		
		T.B. BARTON SURVEY	A-114	BEE		
		J.R. JOHNSON SURVEY	A-206	BEE		
SECTION 3		E.L. & R.R. RR. CO. SURVEY	A-453	BEE		
SECTION 3		B.S. & F. CO SURVEY	A-347	BEE		
SECTION 2		B.S. & F. CO SURVEY	A-527	BEE		
		T.B. BARTON SURVEY	A-83	BEE		
		J.F. CHESMAN SURVEY	A-144	BEE		

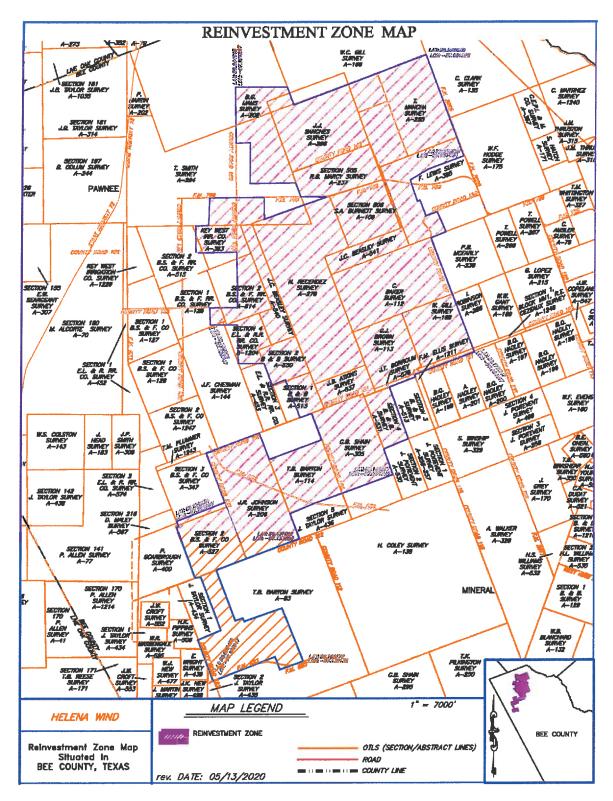
Agreement for Limitation on Appraised Value Between Pawnee ISD and Helena Wind, LLC Exhibit 1

EXHIBIT B

SURVEY MAPS OF HELENA REINVESTMENT ZONE NO. 1

PAWNEE INDEPENDENT SCHOOL DISTRICT REDUITION CREATENS HELENA REINVESTMENT ZONE NO. 1 July 14th, 2020 Page 5

Agreement for Limitation on Appraised Value Between Pawnee ISD and Helena Wind, LLC Exhibit 1



Agreement for Limitation on Appraised Value Between Pawnee ISD and Helena Wind, LLC Exhibit 1

DESCRIPTION AND LOCATION OF LAND

All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *Helena Reinvestment Zone No. 1* and the Pawnee Independent School District. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the legal description and maps attached to **Exhibit 1** and **Exhibit 4**.

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment shall be all tangible personal property first placed in service after July 14, 2020, that is owned by the Applicant, as more fully described in Tab #7 of the Application and located within the boundaries of the Pawnee Independent School District and the *Helena Reinvestment Zone No. 1* depicted by the map attached to **EXHIBIT 4**.

Helena Wind, LLC plans to construct a 252 MW wind farm consisting of 60 turbines in Bee county within the boundaries of Pawnee ISD and Pettus ISD. This application covers all qualified property in the reinvestment zone and project boundary within Pawnee ISD necessary for commercial operations.

The applicant is requesting an appraised value limitation on all the qualified investment and the qualified property constructed or placed upon the real property within Pawnee ISD. For purposes of this application, the Project anticipates using Vestas V150-4.2 4.2 MW turbines. The qualified investment in Pawnee ISD is expected to include approximately forty-eight (48) Vestas V150-4.2 4.2 MW wind turbine generators, including 105m towers, nacelles, rotors with 150m rotor diameter, and reinforced concrete foundations, pads, underground and overhead electric collection cables, met towers, and control systems as necessary for the commercial generation of electricity. While the turbine locations have not yet been finalized, they are expected to be sited in a series of rows running approximately east to west in the northern part of Bee county. The map in **EXHIBIT 4**, below, shows the preliminary turbine locations. The exact placement of these turbines, as well as the exact specifications, heights, and component parts, is subject to ongoing planning, soil and geotechnical studies, and engineering and will be determined before construction commences.

In addition to the wind turbines, the project will also include the following qualified investment in Pawnee ISD:

- Access roads to the turbines
- Underground electrical collection cables
- Permanent meteorological towers
- · Overhead transmission line connecting the project substation to the Point of Interconnection
- Operations and Maintenance Building
- Project Substation

The approximate location of each of these improvements is shown on the map attached to **EXHIBIT** 4, below:

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Applicant's Qualified Property shall be all tangible personal property first placed in service after March 5, 2020, that is owned by the Applicant, as more fully described in Tab #8 of the Application and located within *the* boundaries of the Pawnee Independent School District and the *Helena Reinvestment Zone No. 1* depicted by *the* map attached to this **EXHIBIT 4**.

Description of Qualified Property

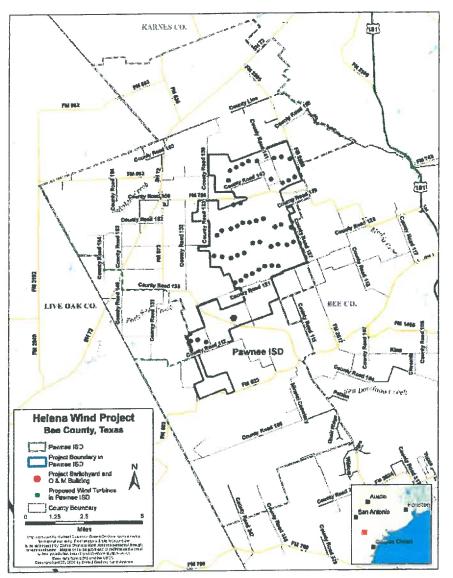
Helena Wind, LLC plans to construct a 252 MW wind farm consisting of 60 turbines in Bee county within the boundaries of Pawnee ISD and Pettus ISD. This application covers all qualified property in the reinvestment zone and project boundary within Pawnee ISD necessary for commercial operations.

The applicant is requesting an appraised value limitation on all the qualified investment and the qualified property constructed or placed upon the real property within Pawnee ISD. For purposes of this application, the Project anticipates using Vestas V150-4.2 4.2 MW turbines. The qualified investment in Pawnee ISD is expected to include approximately forty-eight (48) Vestas V150-4.2 4.2 MW wind turbine generators, including 105m towers, nacelles, rotors with 150m rotor diameter, and reinforced concrete foundations, pads, underground and overhead electric collection cables, met towers, and control systems as necessary for the commercial generation of electricity. While the turbine locations have not yet been finalized, they are expected to be sited in a series of rows running approximately east to west in the northern part of Bee county. The map attached to this **EXHIBIT 4** shows the preliminary turbine locations. The exact placement of these turbines, as well as the exact specifications, heights, and component parts, is subject to ongoing planning, soil and geotechnical studies, and engineering and will be determined before construction commences.

In addition to the wind turbines, the project will also include the following qualified investment in Pawnee ISD:

- Access roads to the turbines
- Underground electrical collection cables
- Permanent meteorological towers
- Overhead transmission line connecting the project substation to the Point of Interconnection
- Operations and Maintenance Building
- Project Substation

The approximate location of each of these improvements is shown on the map attached below.



Location of Pawnee ISD Boundary, Bee County Boundary, Reinvestment Zone, Project Boundary, Qualified Investment and Qualified Property:

Agreement for Limitation on Appraised Value Between Pawnee ISD and Helena Wind, LLC Exhibit 4 Texas Economic Development Act Agreement Comptroller Form 50-826 (Jan 2020)

Ехнівіт 4

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

July 14, 2020

President and Members Board of Trustees Pawnee Independent School District 6229 FM 798 P.O. Box 569 Pawnee, Texas 78145

Re: Recommendations and Findings of the firm Concerning Application of Helena Wind, LLC (#1462) for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Pawnee Independent School District, with respect to the pending Application of Helena Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review, we have drawn the following conclusions:

- 1. All statements of current fact contained in the Application are true and correct.
- 2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
- 3. The Applicant has the current means and ability to complete the proposed project.
- 4. All applicable school finance implications arising from the contemplated Agreement have been explored.
- 5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District over the course of the Agreement.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Helena Wind, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey Partner

www.moakcasey.com

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW 808 WEST AVE AUSTIN, TEXAS 78701 TELEPHONE: (512) 494-9949 FACSIMILE: (512) 494-9919

KEVIN O'HANLON CERTIFIED, CIVIL APPELLATE CERTIFIED, CIVIL TRIAL

JUSTIN DEMERATH

BENJAMIN CASTILLO

July 14, 2020

President and Members Board of Trustees Pawnee Independent School District 6229 FM 798 P.O. Box 569 Pawnee, Texas 78145

> Re: Recommendations and Findings of the Firm Concerning Application of Helena Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Pawnee Independent School District, with respect to the pending Application of Helena Wind, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Helena Wind, LLC. Based upon our review we have drawn the following conclusions:

- 1. All statements of current fact contained in the Application are true and correct.
- 2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
- 3. The Applicant has the current means and ability to complete the proposed project.
- 4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate legal provisions to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Helena Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Mole

Kevin O'Hanlon For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

July 13, 2020

Michelle Hartmann Superintendent Pawnee Independent School District 6229 FM 798, P. O. Box 569 Pawnee, TX 78145

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Pawnee Independent School District and Helena Wind, LLC, Application 1462

Dear Superintendent Hartmann:

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 Pawnee Independent School District and Helena Wind, 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 Annette Holmes with our office. She can be reached by email at annette.holmes@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-3792, or at 512-475-3792.

Sincerely,

DocuSigned by: Nill Counitian

45047260A6AB46C... Will Counihan Director Data Analysis & Transparency Division

cc: Mali Hanley, O'Hanlon, Demerath & Castillo Philip Moore, Orsted Onshore North America, LLC Eric Barnett, Orsted Onshore North America, LLC David Swell, Stahl, Davies, Swell, Chavarria & Friend, LLP Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

- 1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
- 2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
- 3. A person has a substantial interest in a business entity if:

The person owns at least:

- a. Ten percent of the voting stock or shares of the business entity, or
- b. Either ten percent or \$15,000 of the fair market value of the business entity; or
- c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
- 4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.

Orsted

By HAND DELIVERY

Board of Trustees Pawnee Independent School District

Re: Texas Comptroller File No. 1462; Application to the Pawnee Independent School District from Helena Wind, LLC Supplemental Community and Safety Initiatives

Ladies and Gentlemen:

Helena Wind, LLC has sought and received questions and comments from members of the Board and local residents in the community concerning the wind energy project that is the subject of the above-referenced application (the "Project") and as a result, Helena Wind, LLC has developed an initiative to address the concerns raised by the local community.

Helena Wind, LLC has committed to the following undertakings in this initiative:

- 1. All landowners within the area proposed to be designated as a reinvestment zone have confirmed that they have no objection to the Project. They are either (i) parties to a current wind energy lease with Helena Wind, LLC; or (ii) have begun discussions with Helena Wind, LLC about entering into a wind energy lease.
- 2. During the life of the Project, Helena Wind, LLC will not erect a wind turbine generator within one thousand (1,000) feet of any structure used as a primary residence. The 1,000-foot buffer will be measured from the center of the tower of the wind tower generator to the closest point on the main structure of the primary residence, but excluding garages, barns, secondary dwellings, sheds and similar auxiliary structures.
- 3. In its lease agreements with landowners, Helena Wind, LLC has committed to pay any and all property taxes, rollback taxes, other assessments and charges, general and specific, that may be levied or assessed by reason of Helena Wind, LLC's use of the Property and/or use or ownership of the installed wind energy facilities.
- 4. Helena Wind, LLC and Orsted have committed to the development and maintenance of a safety Site Emergency Action Plan to be put in place before the project becomes operational. The Site Emergency Action Plan will clearly identify contact information for first responders in the event of an emergency. The Site Emergency Action Plan will be updated throughout the life of the project. Helena Wind, LLC will coordinate with Bee County fire and emergency services ahead of operations to familiarize them with its project operations and staff.
- 5. For the duration of the Project, Helena Wind, LLC will create and maintain a Project website to be used for public information. Helena Wind, LLC, will periodically update the website with construction and or other updates as well as a maintaining a

"Contact Us" button, in order to facilitate ongoing communications concerning the Project. The current site location is: https://helenawind.com.

Please do not hesitate to contact me should you have any questions regarding these matters.

Helena Wind, LLC very much appreciates the leadership and support of the Board of Trustees of Pawnee Independent School District in working with us to bring this Project to Texas.

Thank you for your consideration.

Sincerely,

cilan

Philip Moore Senior Vice President – Development Orsted Onshore North America, LLC

ACKNOWLEDGED AND APPROVED:

PAWNEE INDEPENDENT SCHOOL DISTRICT

Pete Dobson President Board of Trustees