



**WALSH GALLEGOS**  
TREVIÑO RUSSO & KYLE P.C.

May 22, 2020

Mr. John Villarreal  
Chapter 313 Manager  
Local Government Assistance and  
Economic Development Division  
Texas Comptroller of Public Accounts  
111 E. 17<sup>th</sup> Street  
Austin, Texas 78774

*VIA E-MAIL DELIVERY:*  
*John.Villarreal@cpa.texas.gov*

Re: Odem-Edroy Independent School District (“District”) / Tax Limitation Agreement: El Algodon Alto Wind Farm, LLC (“Applicant”)

Dear Mr. Villarreal:

Pursuant to Tax Code §313.025(b) and 34 TAC Rules §9.1053(a)(2) and 9.1054(c), attached is one (1) copy of the Application for Appraised Value Limitation on Qualified Property (“Application”), including schedules in Excel format, submitted to the Odem-Edroy Independent District by El Algodon Alto Wind Farm, LLC for public posting.

The Application was received on May 11, 2020. The Board of Trustees of the District elected to consider the application on May 11, 2020. The District determined the Application was complete on May 18, 2020.

The District requests that the Comptroller provide an economic impact evaluation. By copy of this letter, we are notifying the Applicant that the District has submitted the Application to the Comptroller and to the San Patricio County Appraisal District.

Please call if you have any questions.

Sincerely,

  
EDDY HERNANDEZ PEREZ

EHP/arm  
Enclosures

Mr. John Villarreal  
May 22, 2020  
Page 2

cc: Ms. Yolanda Carr  
Superintendent of Schools  
Odem-Edroy Independent School District  
One Owl Square  
Odem, Texas 78370

*(Via Certified Mail No. 7019 1640 0001 2277 3895;  
Return Receipt Requested)*

Mr. Chris Grammer  
Culwell Consulting  
1303 Darter Lane  
Austin, Texas 78746

*(Via Certified Mail No 7019 1640 0001 2277 3901;  
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Mr. Sean Logsdon  
RWE Renewables Americas LLC  
701 Brazos Street, Suite 1400  
Austin, Texas 78701

*(Via Certified Mail No. 7019 1640 0001 2277 3918;  
Return Receipt Requested)*

Mr. Michael Sivore  
Senior Development Manager  
RWE Renewables America LLC  
701 Brazos Street, Suite 1400  
Austin, Texas 78701

*(Via Certified Mail No. 7019 1640 0001 2277 3925;  
Return Receipt Requested)*

Mr. Michael Fry  
Director-Energy Services  
KE Andrews  
1900 Dalrock Road  
Rowlett, Texas 75088

*(Via Certified Mail No. 7019 1640 0001 2277 3932;  
Return Receipt Requested)*

San Patricio County Appraisal District  
P.O. Box 938  
Sinton, Texas 78387-0938

*(Via U.S. Postal Service Delivery)*

# **El Algodon Alto Wind Farm, LLC**

Application for Appraised Value Limitation on  
Qualified Property with Odem-Edroy Independent  
School District

**El Algodon Alto Wind Farm, LLC  
Application for Appraised Value Limitation on Qualified Property  
Tab 1**

**Pages 1-11 of the Application**

# 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, as indicated on page 9 of this application, separating each section of the documents in addition to an electronic copy. 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 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, and has determined that all assertions of confidentiality are appropriate, the Comptroller will publish all submitted non-confidential 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 on Comptroller’s website.

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 the application review period.

Please visit the Comptroller’s website to find out more about the program at [comptroller.texas.gov/economy/local/ch313/](http://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

\_\_\_\_\_

Date Application Received by District

\_\_\_\_\_

First Name \_\_\_\_\_ Last Name

\_\_\_\_\_

Title

\_\_\_\_\_

School District Name

\_\_\_\_\_

Street Address

\_\_\_\_\_

Mailing Address

\_\_\_\_\_

\_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP

\_\_\_\_\_

Phone Number \_\_\_\_\_ Fax Number

\_\_\_\_\_

Mobile Number (optional) \_\_\_\_\_ Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application? .....  Yes  No

**SECTION 1: School District Information (continued)**

**3. Authorized School District Consultant (If Applicable)**

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
Mobile Number (optional)

\_\_\_\_\_  
Email Address

4. On what date did the district determine this application complete? .....

5. Has the district determined that the electronic copy and hard copy are identical? .....  Yes  No

**SECTION 2: Applicant Information**

**1. Authorized Company Representative (Applicant)**

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Organization

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
ZIP

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
Mobile Number (optional)

\_\_\_\_\_  
Business Email Address

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? .....  Yes  No

2a. If yes, please fill out contact information for that person.

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Organization

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
ZIP

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
Mobile Number (optional)

\_\_\_\_\_  
Business Email Address

3. Does the applicant authorize the consultant to provide and obtain information related to this application? .....  Yes  No

**SECTION 2: Applicant Information (continued)**

**4. Authorized Company Consultant (If Applicable)**

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
Business Email Address

**SECTION 3: Fees and Payments**

1. Has an application fee been paid to the school district? .....  Yes  No
- The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.
- 1a. If yes, include all transaction information below. Include proof of application fee paid to the school district in **Tab 2**. Any confidential banking information provided will not be publicly posted.

\_\_\_\_\_  
Payment Amount

\_\_\_\_\_  
Transaction Type

\_\_\_\_\_  
Payor

\_\_\_\_\_  
Payee

\_\_\_\_\_  
Date transaction was processed

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school 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 for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? .....  Yes  No  N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? .....  Yes  No  N/A

**SECTION 4: Business Applicant Information**

1. What is the legal name of the applicant under which this application is made? \_\_\_\_\_
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) ..... \_\_\_\_\_
3. Parent Company Name ..... RWE Renewables Development, LLC
4. Parent Company Tax ID ..... \_\_\_\_\_
5. List the NAICS code ..... \_\_\_\_\_
6. Is the applicant a party to any other pending or active Chapter 313 agreements? .....  Yes  No
- 6a. If yes, please list application number, name of school district and year of agreement
- \_\_\_\_\_

**SECTION 5: Applicant Business Structure**

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) \_\_\_\_\_
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? .....  Yes  No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.

**SECTION 5: Applicant Business Structure (continued)**

2b. List the Texas Franchise Tax Reporting Entity Taxpayer Name

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2c. List the Reporting Entity Taxpayer Number

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3. Is the applicant current on all tax payments due to the State of Texas? .....  Yes  No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? .....  Yes  No  N/A

**SECTION 6: Eligibility Under Tax Code Chapter 313.024**

1. Are you an entity subject to the tax under Tax Code, Chapter 171? .....  Yes  No
2. The property will be used for one of the following activities:
- (1) manufacturing .....  Yes  No
  - (2) research and development .....  Yes  No
  - (3) a clean coal project, as defined by Section 5.001, Water Code .....  Yes  No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code .....  Yes  No
  - (5) renewable energy electric generation .....  Yes  No
  - (6) electric power generation using integrated gasification combined cycle technology .....  Yes  No
  - (7) nuclear electric power generation .....  Yes  No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) .....  Yes  No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051\* .....  Yes  No
3. Are you requesting that any of the land be classified as qualified investment? .....  Yes  No
4. Will any of the proposed qualified investment be leased under a capitalized lease? .....  Yes  No
5. Will any of the proposed qualified investment be leased under an operating lease? .....  Yes  No
6. Are you including property that is owned by a person other than the applicant? .....  Yes  No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? .....  Yes  No

**\*Note:** Applicants requesting eligibility under this category should note that there are additional application and reporting data submission requirements.

**SECTION 7: Project Description**

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information. If the project is an amendment or a reapplication please specify and provide details regarding the original project.
2. Check the project characteristics that apply to the proposed project:
- |  |   |
|--|---|
| <input type="checkbox"/> Land has no existing improvements                                 | <input type="checkbox"/> Land has existing improvements (complete Section 13) |
| <input type="checkbox"/> Expansion of existing operation on the land (complete Section 13) | <input type="checkbox"/> Relocation within Texas                              |

**SECTION 8: Limitation as Determining Factor**

1. Does the applicant currently own the land on which the proposed project will occur? .....  Yes  No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? .....  Yes  No
3. Does the applicant have current business activities at the location where the proposed project will occur? .....  Yes  No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? .....  Yes  No
5. Has the applicant received any local or state permits for activities on the proposed project site? .....  Yes  No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? .....  Yes  No
7. Is the applicant evaluating other locations not in Texas for the proposed project? .....  Yes  No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? .....  Yes  No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? .....  Yes  No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? .....  Yes  No

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

**SECTION 9: Projected Timeline**

**NOTE:** Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement ..... \_\_\_\_\_
2. Estimated commencement of construction ..... \_\_\_\_\_
3. Beginning of qualifying time period (MM/DD/YYYY) ..... \_\_\_\_\_
4. First year of limitation (MM/DD/YYYY) ..... \_\_\_\_\_
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
  - A. January 1 following the application date
  - B. January 1 following the end of QTP
  - C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations ..... \_\_\_\_\_

**SECTION 10: The Property**

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

M&O (ISD): _____ (Name, tax rate and percent of project)	I&S (ISD): _____ (Name, tax rate and percent of project)
County: _____ (Name, tax rate and percent of project)	City: _____ (Name, tax rate and percent of project)
Hospital District: _____ (Name, tax rate and percent of project)	Water District: _____ (Name, tax rate and percent of project)
Other (describe): _____ (Name, tax rate and percent of project)	Other (describe): _____ (Name, tax rate and percent of project)

**SECTION 10: The Property (continued)**

5. List all state and local incentives as an annual percentage. Include the estimated start and end year of the incentive:

County: \_\_\_\_\_  
(Incentive type, percentage, start and end year)

City: \_\_\_\_\_  
(Incentive type, percentage, start and end year)

Hospital District: \_\_\_\_\_  
(Incentive type, percentage, start and end year)

Water District: \_\_\_\_\_  
(Incentive type, percentage, start and end year)

Other (describe): \_\_\_\_\_  
(Incentive type, percentage, start and end year)

Other (describe): \_\_\_\_\_  
(Incentive type, percentage, start and end year)

6. Is the project located entirely within the ISD listed in Section 1? .....  Yes  No

6a. If no, attach in **Tab 6** maps of the entire project (depicting all other relevant school districts) and additional information on the project scope and size. Please note that only the qualified property within the ISD listed in Section 1 is eligible for the limitation from this application. Please verify that all information in **Tabs 7 and 8**, Section 11, 12 and 13, and map project boundaries pertain to only the property within the ISD listed in Section 1.

7. 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

7a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

**SECTION 11: Texas Tax Code 313.021(1) Qualified Investment**

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

1. At the time of application, what is the estimated minimum qualified investment required for this school district? ..... \_\_\_\_\_

2. What is the amount of appraised value limitation for which you are applying? ..... \_\_\_\_\_

**Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.

3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? .....  Yes  No

4. Attach a description of the qualified investment [See §313.021(1).] The description must include:

- a. a specific and detailed description of the qualified investment you propose to make within the project boundary for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
- b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
- c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).

5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? .....  Yes  No

**SECTION 12: Texas Tax Code 313.021(2) Qualified Property**

1. Attach a detailed description of the qualified property. [See §313.021(2)] The description must include:

- 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
- 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**);
- 1c. a map or site plan of the proposed qualified property showing the location of the new buildings or new improvements inside the project area boundaries within a vicinity map that includes school district, county and RZ boundaries (**Tab 11**); and

1d. Will any of the proposed qualified property be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area? .....  Yes  No

**Note:** Property used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area cannot be considered qualified property and will not be eligible for a limitation. See TAC §9.1051(16).

**SECTION 12: Texas Tax Code 313.021(2) Qualified Property (continued)**

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

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

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

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

**SECTION 14: Wage and Employment Information**

1. What is the number of new qualifying jobs you are committing to create? .....
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) .....
3. 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) and TAC 9.1051(b)(1)? .....  Yes  No
  - 3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
  - a. Non-qualified job wages  
- average weekly wage for all jobs (all industries) in the county is .....
  - b. Qualifying job wage minimum option §313.021(5)(A)  
-110% of the average weekly wage for manufacturing jobs in the county is .....
  - c. Qualifying job wage minimum option §313.021(5)(B)  
-110% of the average weekly wage for manufacturing jobs in the region is .....
5. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? .....  §313.021(5)(A) or  §313.021(5)(B)
6. What is the minimum required annual wage for each qualifying job based on the qualified property? .....
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? .....
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? .....  Yes  No
9. 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
  - 9a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
10. 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
  - 10a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

**SECTION 15: Economic Impact**

1. Complete and attach Schedules A1, A2, B, and C 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**.

**El Algodon Alto Wind Farm, LLC  
Application for Appraised Value Limitation on Qualified Property  
Tab 2**

**Proof of Payment of Application Fee**

See attached.

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)*

**EI Algodon Alto Wind Farm, LLC  
Application for Appraised Value Limitation on Qualified Property  
Tab 3**

**Documentation of Combined Group Membership**

EI Algodon Alto Wind Farm, LLC will be listed in the upcoming franchise tax report for RWE Renewables Development, LLC. Unfortunately, at this time, the document has not been issued yet, but should be available in June. Please Note: RWE Renewables Development, LLC is the parent company of EI Algodon Alto Wind Farm, LLC.

**El Algodon Alto Wind Farm, LLC**  
**Application for Appraised Value Limitation on Qualified Property**  
**Tab 4**

**Description of Project**

The proposed Project will consist of a facility designed to use wind power to generate electricity, including wind turbines, towers, transformers, transmission lines, and associated ancillary equipment necessary to safely operate, maintain and transmit power to the ERCOT grid, and meteorological equipment to measure and test wind speed and direction. The entire Project is proposed to consist of approximately 91 wind turbine generators, with a capacity of 2.2 megawatts per generator, with an approximate total capacity of 200 MW. Portions of the Project will be located in three different school districts with San Patricio County (Mathis ISD, Odem-Edroy ISD, and Sinton ISD). Tab 6 of this application details how the Project facilities are divided among the school districts. The portion of the Project located in Odem-Edroy ISD is the subject of this application. The portions of the Project located in Mathis ISD and Sinton ISD are the subject of separate applications being filed simultaneous (or nearly simultaneous) with this application.

The Project layout is not finalized at this time, but the base case scenario assumes that approximately 42% of the total project will be located in Odem-Edroy ISD (based on the location of the wind turbines). The base case assumes the Vestas 2.2 MW model as the turbine for the Project. Odem-Edroy ISD is proposed to have approximately 38 turbines (for a total capacity of 83.6 MWs) within its boundary. All of the property for which the applicant is seeking a limitation on appraised value will be owned by the applicant. All qualified property will be located inside the project boundaries.

The Project is in the process of signing the Full Interconnection Agreement with ERCOT. The Project applied for interconnection with Ercot on February 4, 2013, and has been assigned interconnection study ERCOT #15INR0034. The project has not been known by any other names in public statements or in other public applications.

Current land use for the private property consists of farming, ranching, hunting, and oil and gas production (note that these uses can continue as the Project is designed to be compatible with such activities).

Please note: this application covers all qualified property located within Odem-Edroy ISD within the proposed reinvestment zone and the boundaries of the ISD.

**El Algodon Alto Wind Farm, LLC**  
**Application for Appraised Value Limitation on Qualified Property**  
**Tab 5**

**Limitation as a Determining Factor**

Throughout the United States the production of renewable energy has been increasing as the cost of these systems has decreased and technological advancements have improved efficiency. In 2019, Texas ranked 1st in installed wind capacity. The state's geographic positions and containment of several large population centers has made Texas a favorable location for renewable energy development.

Renewable energy developers face many challenges in the determination of project location--one of these factors being the selection of an area where the greatest return on investment can be achieved. There are several factors that contribute to Texas's favorability for development, one however that does not is the state's notoriously high property tax burden--ranking in the top 10 across the United States.

An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed.

In the event a 313 value limitation agreement cannot be secured with Odem-Edroy ISD, the Company is currently considering several other sites to locate this investment including areas in Texas (Stephens County, Jack County, Bee County, Kenedy County, Willacy County, San Patricio County and several others), Oklahoma (Vici complex, Major), Kansas (two project sites), Indiana, Illinois, and Canada. These area also offer tax incentives to improve the financial viability of the investment. RWE has not built a project in Texas that did not have a Chapter 313 agreement, as it is crucial to exceeding the company financial hurdle. RWE recently sold a project that was unable to get a Chapter 313 agreement, as it was unable to meet the minimum financial hurdle. Without a Chapter 313 agreement, this Project would probably not be built.

Applicant has entered into interconnection studies with the Transmission Service Provider who owns the 345kV Transmission line running across the project site. Applicant (or an affiliate of applicant) has also entered into lease and easement agreements with landowners to permit the installation and operation of the Project facilities. None of the agreements entered into by applicant commits applicant to construct the Project.



*Tab 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)*

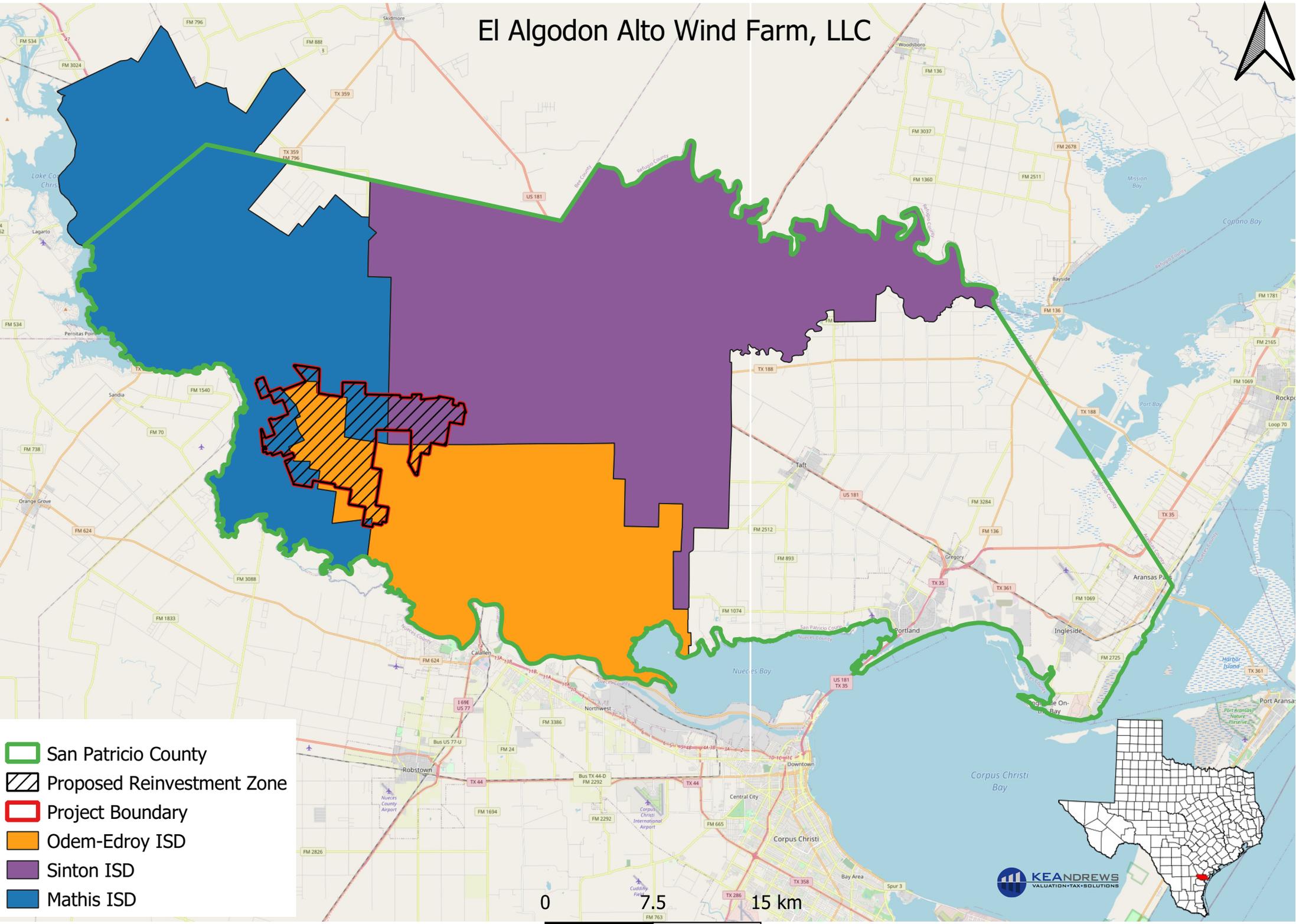
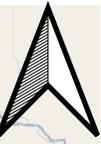
El Algodon Alto Wind Farm, LLC is located within the following jurisdictions:

<i>Jurisdiction</i>	<i>Tax Rate</i>	<i>Percentage of Project Located in Jurisdiction</i>
<i>San Patricio County</i>	<i>.426924</i>	<i>100%</i>
<i>San Patricio County Road</i>	<i>.078676</i>	<i>100%</i>
<i>San Patricio Drainage District</i>	<i>.065450</i>	<i>100%</i>
<i>Sinton Independent School District</i>	<i>1.4483</i>	<i>27%</i>
<i>Mathis Independent School District</i>	<i>1.4726</i>	<i>31%</i>
<i>Odem Edroy Independent School District</i>	<i>1.56835</i>	<i>42%</i>

Please find attached maps that further detail the location of the entire project.



# El Algodon Alto Wind Farm, LLC



-  San Patricio County
-  Proposed Reinvestment Zone
-  Project Boundary
-  Odem-Edroy ISD
-  Sinton ISD
-  Mathis ISD

0 7.5 15 km



**El Algodon Alto Wind Farm, LLC  
Application for Appraised Value Limitation on Qualified Property  
Tab 7**

**Description of Qualified Investment**

The portion of the project located in Odem-Edroy ISD is proposed to consist of approximately 38 wind turbine generators, with a capacity of 2.2 megawatts per generator, for an approximate generating capacity of 84 MW. The Project layout is not finalized at this time, but the preceding is the base case scenario.

Additional improvements constituting Qualified Investment in Edroy ISD will include:

- Roadwork, sloped for drainage, with turnouts from public roads
- Fencing to control livestock and to protect substations and other equipment as needed for safety and security.
- 38 wind turbine generator foundations, with anchor bolt embeds and template rings
- Wind turbine obstruction lighting per FAA requirements
- Telephone system
- Underground power cables from, and various cable accessories, with grounding.
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables
- Eligible ancillary and necessary equipment

**Please Note: It is our request that this application covers all qualified property located within the proposed reinvestment zone within the boundary of Odem-Edroy ISD.**

**El Algodon Alto Wind Farm, LLC**  
**Application for Appraised Value Limitation on Qualified Property**  
**Tab 8**

**Description of Qualified Property**

The portion of the project located in Odem-Edroy ISD is proposed to consist of approximately 38 wind turbine generators, with a capacity of 2.2 megawatts per generator, for an approximate generating capacity of 84 MW. The Project layout is not finalized at this time, but the preceding is the base case scenario.

All of the property, equipment, and improvements owned by Applicant and located in a reinvestment zone within the boundary of Odem-Edroy ISD will be Qualified Property under this application.

Additional improvements constituting Qualified Investment in Odem-Edroy ISD will include:

- Roadwork, sloped for drainage, with turnouts from public roads
- Fencing to control livestock and to protect substations and other equipment as needed for safety and security.
- 38 wind turbine generator foundations, with anchor bolt embeds and template rings
- Wind turbine obstruction lighting per FAA requirements
- Telephone system
- Underground power cables from, and various cable accessories, with grounding.
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables
- Eligible ancillary and necessary equipment

**Please Note: It is our request that this application covers all qualified property located within the proposed reinvestment zone within the boundary of Odem-Edroy ISD.**

**El Algodon Alto Wind Farm, LLC  
Application for Appraised Value Limitation on Qualified Property  
Tab 9**

**Description of Land**

Not applicable.

**El Algodon Alto Wind Farm, LLC  
Application for Appraised Value Limitation on Qualified Property  
Tab 10**

**Description of Property Not Eligible to Become Qualified Property**

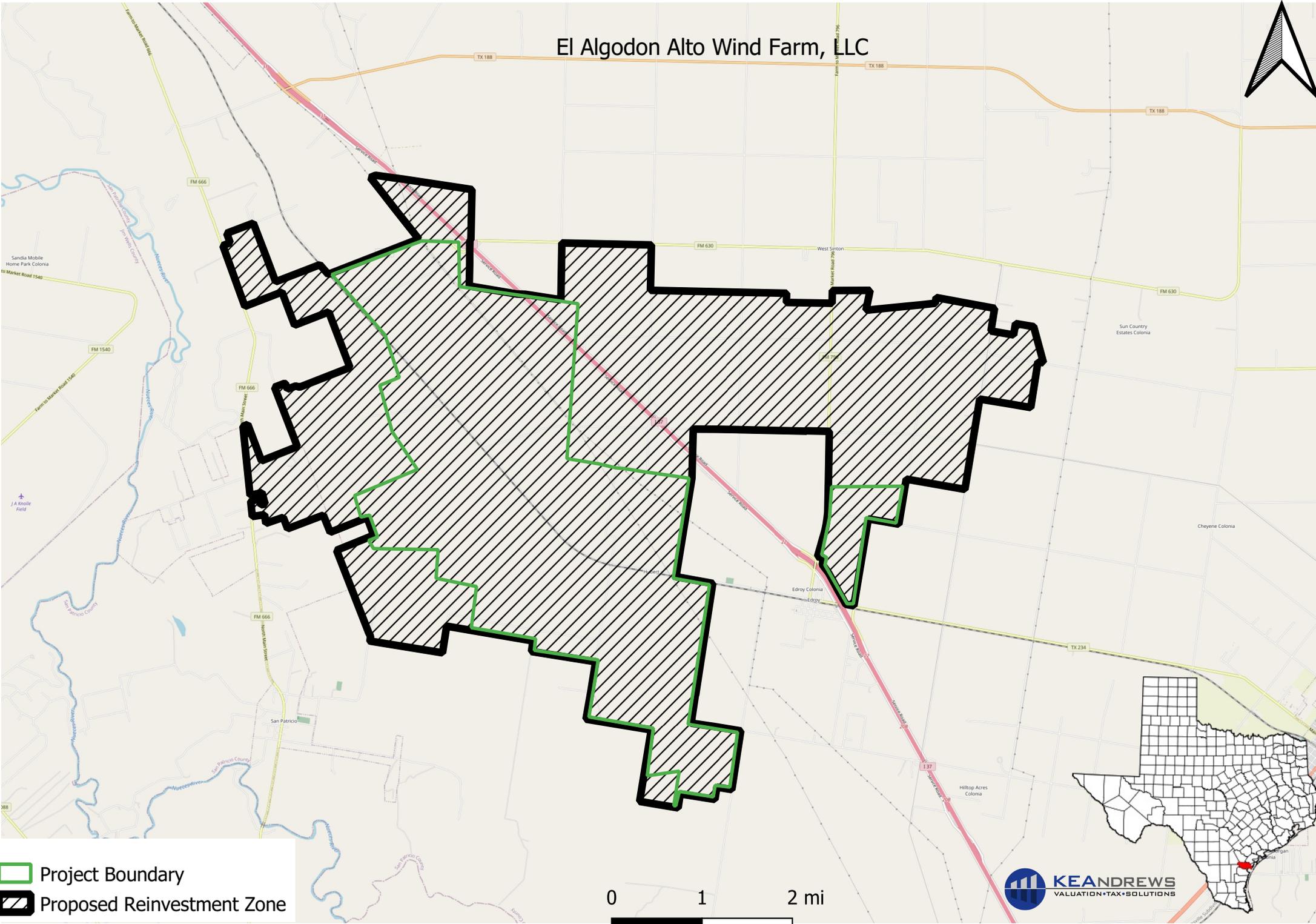
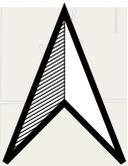
Not applicable.



*Tab 11: Maps*

Please See Attached.

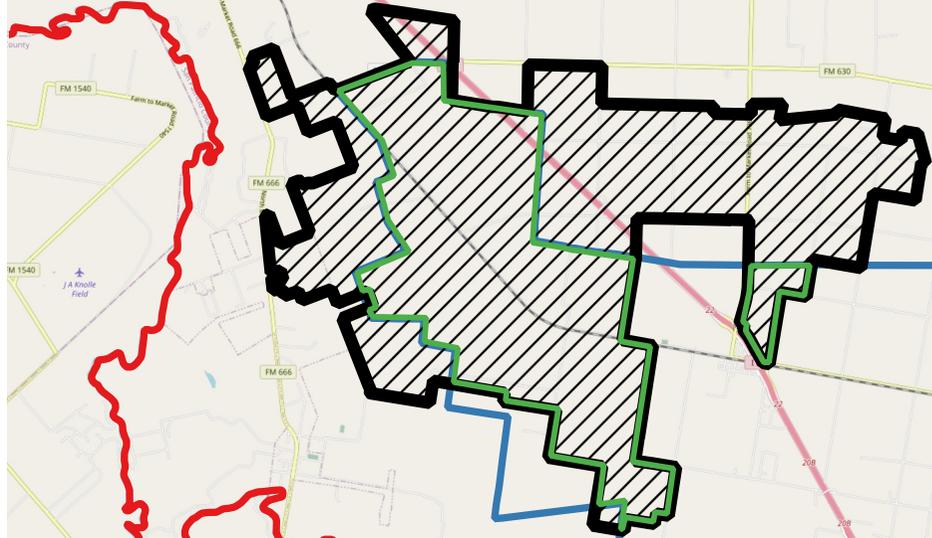
# El Algodon Alto Wind Farm, LLC



-  Project Boundary
-  Proposed Reinvestment Zone

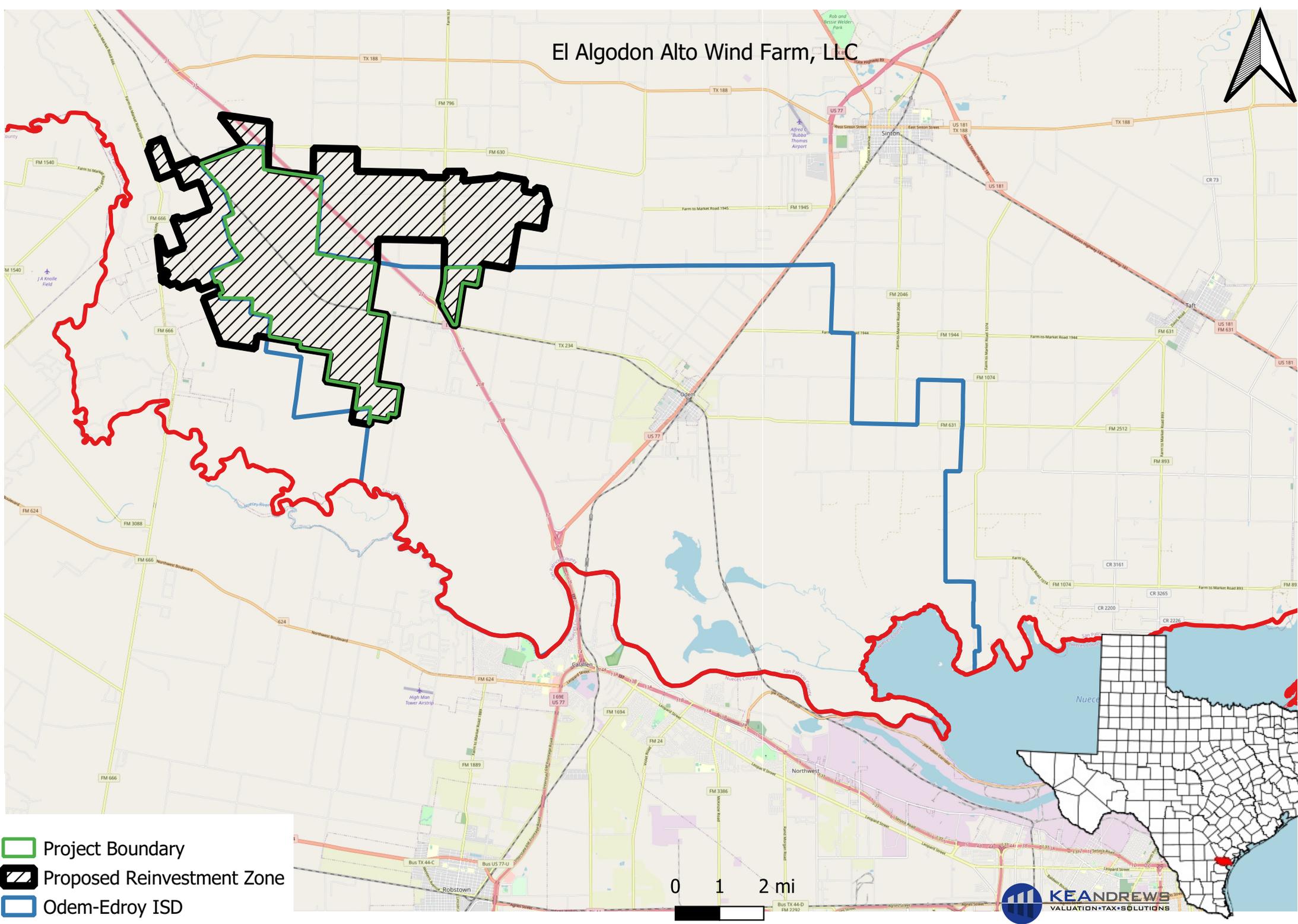


# El Algodon Alto Wind Farm, LLC

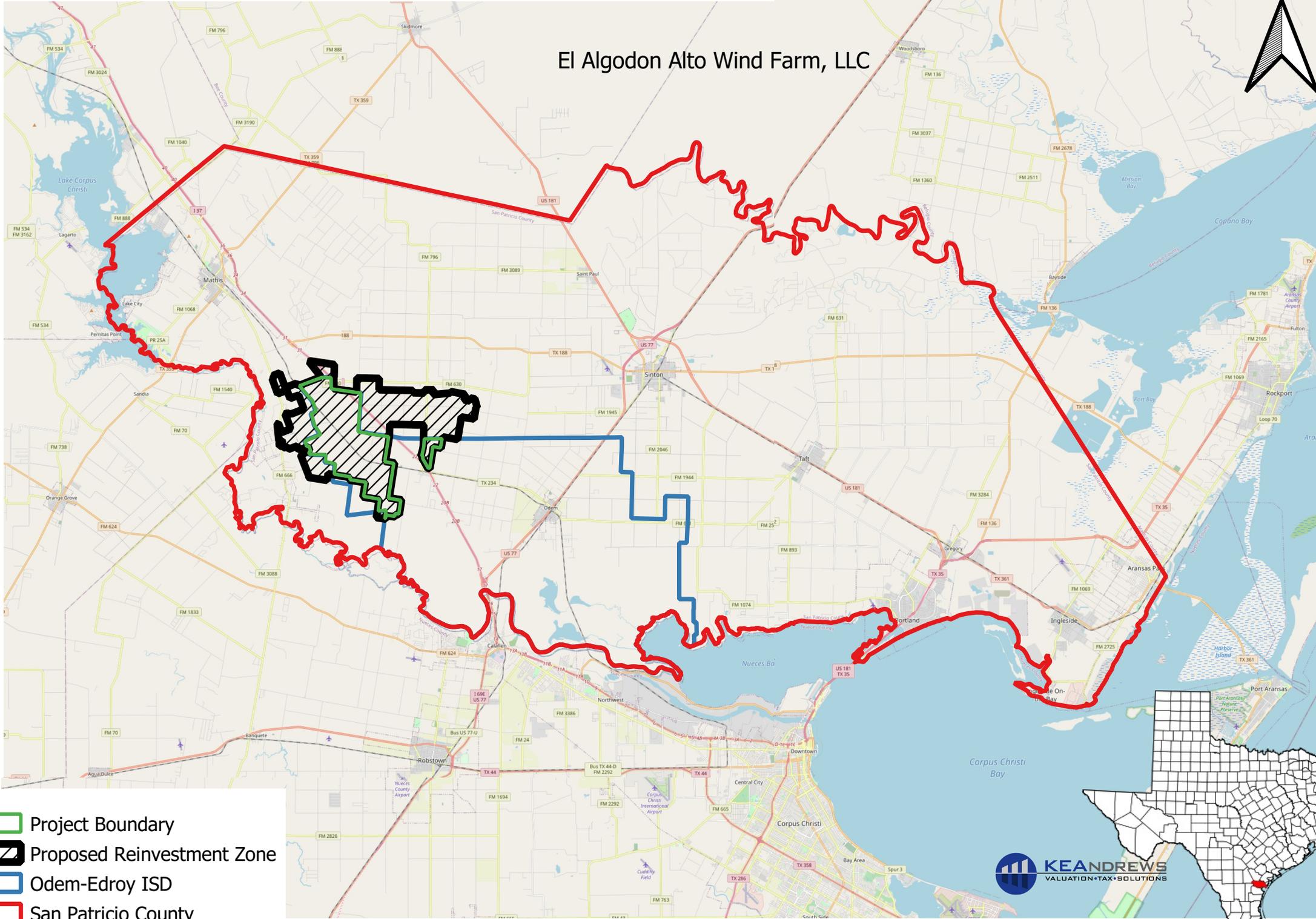


-  Project Boundary
-  Proposed Reinvestment Zone
-  Odem-Edroy ISD

0 1 2 mi



# El Algodon Alto Wind Farm, LLC



- Project Boundary
- Proposed Reinvestment Zone
- Odem-Edroy ISD
- San Patricio County

**El Algodon Alto Wind Farm, LLC  
Application for Appraised Value Limitation on Qualified Property  
Tab 12**

**Request for Job Waiver**

See attached.



Our energy for a sustainable life

701 Brazos Street  
Suite 1400  
Austin, TX 78701

May 11, 2020

Mrs. Yolanda L. Carr  
Superintendent  
Odem-Edroy Independent School District  
One Owl Square  
Odem, TX 78370

Re: Chapter 313 Job Waiver Request

Dear Mrs. Yolanda Carr,

El Algodon Alto Wind Farm, LLC requests that the Odem-Edroy Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility attic property owner that is described in the application.

El Algodon Alto Wind Farm, LLC requests that the Odem-Edroy Independent School District make such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, El Algodon Alto Wind Farm, LLC has committed to create two jobs dedicated to Odem-Edroy ISD.

Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The industry standard for employment is typically one full-time employee for approximately every 15-20 turbines. This number may fluctuate depending on the operations and maintenance requirements of the turbine selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition, to the onsite employees, there may be managers or technicians who support the project from offsite locations.

With kind regards,

A handwritten signature in blue ink, appearing to read "Sean Logsdon", is written over a light blue horizontal line.

Sean Logsdon  
Sr. Vice President, Development

**EI Algodon Alto Wind Farm, LLC  
Application for Appraised Value Limitation on Qualified Property  
Tab 13**

**Calculation of Wage Requirements**

**TOTAL REGION MANUFACTURING WAGES Average (2018)**

Council of Government	COG#	HOURLY	WEEKLY	ANNUAL
Coastal Bend Council	20	\$28.52	\$1,140.80	\$59,318

$\$1,140.80 \times 1.1 = \mathbf{\$1254.88}$

$\$59,318 \times 1.1 = \mathbf{\$65,249.80}$

**TOTAL – MANUFACTURING – San Patricio County**

Year	Quarter	Average Weekly	Annualized
2019	Q1	\$2586	\$134,472
2019	Q2	\$1642	\$85,384
2019	Q3	\$1862	\$96,824
2019	Q4	\$1681	\$87,412
		\$1942.75	\$101,023

X     110% of County Average Weekly Wage for All Jobs  
**\$2,137.03                      \$111,125.56**

**TOTAL – ALL INDUSTRIES – San Patricio County**

Year	Quarter	Average Weekly
2019	Q1	\$956
2019	Q2	\$896
2019	Q3	\$933
2019	Q4	\$968
		<b>\$938.25</b>

Total All industries

### Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

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

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2019	01	San Patricio	Total All	Total, All Industries	956
2019	02	San Patricio	Total All	Total, All Industries	896
2019	03	San Patricio	Total All	Total, All Industries	933
2019	04	San Patricio	Total All	Total, All Industries	968

Manufacturing

### Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

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

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2019	01	San Patricio	Private	Manufacturing	2,586
2019	02	San Patricio	Private	Manufacturing	1,642
2019	03	San Patricio	Private	Manufacturing	1,862
2019	04	San Patricio	Private	Manufacturing	1,681

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

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

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: July 2019

Data published annually, next update will be July 31, 2020

Annual wage figure assumes a 40-hour work week.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas Occupational Employment Statistics (OES) data, and is not to be compared to BLS estimates.

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

**El Algodon Alto Wind Farm, LLC  
Application for Appraised Value Limitation on Qualified Property  
Tab 14**

**Schedules A1, A2, B, C, and D**

See attached.

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

Date **3/30/2020**  
 Applicant Name **El Algodon Alto Wind Farm, LLC**  
 ISD Name **Odem-Edroy ISD**

**Form 50-296A**

*Revised February 2020*

PROPERTY INVESTMENT AMOUNTS									
(Estimated Investment in each year. Do not put cumulative totals.)									
				Column A	Column B	Column C	Column D	Column E	
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in <b>tangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	<b>Total Investment</b> (Sum of Columns A+B+C+D)	
Investment made before filing complete application with district	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2021-2022	2021 (STUB YEAR)	Not eligible to become Qualified Property				[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application				\$ 88,631,868.00				\$ 88,631,868.00	
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period									
Complete tax years of qualifying time period	QTP1	2022-2023	2022						
	QTP2	2023-2024	2023						
<b>Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]</b>				\$ 88,631,868.00				\$ 88,631,868.00	
				<b>Enter amounts from TOTAL row above in Schedule A2</b>					
<b>Total Qualified Investment (sum of green cells)</b>				\$ 88,631,868.00					

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

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

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

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

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

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

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

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

Date **3/30/2020**  
 Applicant Name **EI Algodon Alto Wind Farm, LLC**  
 ISD Name **Odem-Edroy ISD**

**Form 50-296A**  
 Revised February 2020

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in <b>tangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	<b>TOTALS FROM SCHEDULE A1</b>		\$ 88,631,868.00				\$ 88,631,868.00
Each year prior to start of value limitation period	0	2020-2021	2020					
Each year prior to start of value limitation period	0	2021-2022	2021	\$ 88,631,868.00				\$ 88,631,868.00
Value limitation period***	1	2022-2023	2022					
	2	2023-2024	2023					
	3	2024-2025	2024					
	4	2025-2026	2025					
	5	2026-2027	2026					
	6	2027-2028	2027					
	7	2028-2029	2028					
	8	2029-2030	2029					
	9	2030-2031	2030					
	10	2031-2032	2031					
<b>Total Investment made through limitation</b>				\$ 88,631,868.00				\$ 88,631,868.00
Continue to maintain viable presence	11	2032-2033	2032					
	12	2033-2034	2033					
	13	2034-2035	2034					
	14	2035-2036	2035					
	15	2036-2037	2036					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037					
	17	2038-2039	2038					
	18	2039-2040	2039					
	19	2040-2041	2040					
	20	2041-2042	2041					
	21	2042-2043	2042					
	22	2043-2044	2043					
	23	2044-2045	2044					
	24	2045-2046	2045					
	25	2046-2047	2046					

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

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

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

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

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

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

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

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

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

Date 3/30/2020  
 Applicant Name El Algodon Alto Wind Farm, LLC  
 ISD Name Odem-Edroy ISD

**Form 50-296A**

*Revised February 2020*

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period	0	2020-2021	2020						
Each year prior to start of Value Limitation Period	0	2021-2022	2021						
Value Limitation Period	1	2022-2023	2022			\$ 88,631,868.00	\$ 88,631,868.00	\$ 88,631,868.00	\$ 20,000,000.00
	2	2023-2024	2023			\$ 81,984,477.90	\$ 81,984,477.90	\$ 81,984,477.90	\$ 20,000,000.00
	3	2024-2025	2024			\$ 75,833,426.26	\$ 75,833,426.26	\$ 75,833,426.26	\$ 20,000,000.00
	4	2025-2026	2025			\$ 70,152,123.52	\$ 70,152,123.52	\$ 70,152,123.52	\$ 20,000,000.00
	5	2026-2027	2026			\$ 64,887,390.56	\$ 64,887,390.56	\$ 64,887,390.56	\$ 20,000,000.00
	6	2027-2028	2027			\$ 60,021,501.01	\$ 60,021,501.01	\$ 60,021,501.01	\$ 20,000,000.00
	7	2028-2029	2028			\$ 55,519,002.12	\$ 55,519,002.12	\$ 55,519,002.12	\$ 20,000,000.00
	8	2029-2030	2029			\$ 51,353,304.32	\$ 51,353,304.32	\$ 51,353,304.32	\$ 20,000,000.00
	9	2030-2031	2030			\$ 47,506,681.25	\$ 47,506,681.25	\$ 47,506,681.25	\$ 20,000,000.00
	10	2031-2032	2031			\$ 43,943,680.15	\$ 43,943,680.15	\$ 43,943,680.15	\$ 20,000,000.00
Continue to maintain viable presence	11	2032-2033	2032			\$ 40,646,574.66	\$ 40,646,574.66	\$ 40,646,574.66	\$ 40,646,574.66
	12	2033-2034	2033			\$ 37,597,638.41	\$ 37,597,638.41	\$ 37,597,638.41	\$ 37,597,638.41
	13	2034-2035	2034			\$ 34,779,145.00	\$ 34,779,145.00	\$ 34,779,145.00	\$ 34,779,145.00
	14	2035-2036	2035			\$ 32,164,504.90	\$ 32,164,504.90	\$ 32,164,504.90	\$ 32,164,504.90
	15	2036-2037	2036			\$ 29,753,718.09	\$ 29,753,718.09	\$ 29,753,718.09	\$ 29,753,718.09
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037			\$ 27,520,195.01	\$ 27,520,195.01	\$ 27,520,195.01	\$ 27,520,195.01
	17	2038-2039	2038			\$ 25,463,935.68	\$ 25,463,935.68	\$ 25,463,935.68	\$ 25,463,935.68
	18	2039-2040	2039			\$ 23,549,487.33	\$ 23,549,487.33	\$ 23,549,487.33	\$ 23,549,487.33
	19	2040-2041	2040			\$ 21,785,713.15	\$ 21,785,713.15	\$ 21,785,713.15	\$ 21,785,713.15
	20	2041-2042	2041			\$ 20,146,023.60	\$ 20,146,023.60	\$ 20,146,023.60	\$ 20,146,023.60
	21	2042-2043	2042			\$ 18,639,281.84	\$ 18,639,281.84	\$ 18,639,281.84	\$ 18,639,281.84
	22	2043-2044	2043			\$ 17,726,373.60	\$ 17,726,373.60	\$ 17,726,373.60	\$ 17,726,373.60
	23	2044-2045	2044			\$ 17,726,373.60	\$ 17,726,373.60	\$ 17,726,373.60	\$ 17,726,373.60
	24	2045-2046	2045			\$ 17,726,373.60	\$ 17,726,373.60	\$ 17,726,373.60	\$ 17,726,373.60
	25	2046-2047	2046			\$ 17,726,373.60	\$ 17,726,373.60	\$ 17,726,373.60	\$ 17,726,373.60

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

**Schedule C: Employment Information**

Date 3/30/2020  
 Applicant Name El Algodon Alto Wind Farm, LLC  
 ISD Name Odem-Edroy ISD

**Form 50-296A**  
 Revised February 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period	0	2020-2021	2020					
Each year prior to start of Value Limitation Period	0	2021-2022	2021	150-200 FTE	\$ 65,249.80			
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022				2	\$ 65,249.80
	2	2023-2024	2023				2	\$ 65,249.80
	3	2024-2025	2024				2	\$ 65,249.80
	4	2025-2026	2025				2	\$ 65,249.80
	5	2026-2027	2026				2	\$ 65,249.80
	6	2027-2028	2027				2	\$ 65,249.80
	7	2028-2029	2028				2	\$ 65,249.80
	8	2029-2030	2029				2	\$ 65,249.80
	9	2030-2031	2030				2	\$ 65,249.80
	10	2031-2032	2031				2	\$ 65,249.80
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2047				2	\$ 65,249.80

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

**El Algodon Alto Wind Farm, LLC  
Application for Appraised Value Limitation on Qualified Property  
Tab 15**

**Economic Impact Analysis**

Not available.

**El Algodon Alto Wind Farm, LLC  
Application for Appraised Value Limitation on Qualified Property  
Tab 16**

**Description of Reinvestment Zone**

Currently, it is anticipated that San Patricio County will designate the proposed reinvestment zone sometime within the 2nd or 3rd fiscal quarter of 2020. Upon creation of the zone, the order designating the proposed reinvestment zone will be submitted to the Texas Comptroller of Public Accounts. Please find attached the guidelines and criteria for granting a tax abatement and establishing a reinvestment zone in San Patricio County.

Please note: in the event that San Patricio County cannot create the proposed reinvestment zone prior to the execution of the anticipated agreement for El Algodon Alto Wind Farm, LLC it will be requested that Odem-Edroy Independent School District creates the zone.

## **GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT**

**WHEREAS**, the creation, retention and diversification of job opportunities that bring new wealth are among the highest civic priorities of the Commissioners Court; and

**WHEREAS**, the purpose of tax abatement is to provide an incentive and is offered by the tax-payers of San Patricio County via the County Commissioners Court, to attract investments, that lead to better quality of place and better services. The wealth created by these enterprises leads to more service and retail businesses, which in addition to improving quality of place, increases the tax base. In summary, by giving incentive in terms of tax abatement, the citizens agree to give up short term tax benefits, for long term benefits; and

**WHEREAS**, diverse new jobs, investment and industrial will benefit the economy of the Coastal Bend, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services; and

**WHEREAS**, the San Patricio County and the communities therein must compete with other localities across the nation currently offering tax inducements to attract new plant and modernization projects, studies have shown that a favorable local tax climate and start-up tax concessions rank high on the list of priorities for new plant installations or expansions; and

**WHEREAS**, the abatement of property taxes, when offered to attract new capital investment and permanent primary jobs in industries which bring in money from outside a community compared to recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area of economy; and

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

**WHEREAS**, Texas law requires any eligible taxing jurisdiction to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting of any future tax abatement, and said Guidelines and Criteria to be unchanged for a two-year period unless amended by a three-quarters vote; and

**NOW, THEREFORE, BE IT RESOLVED** by the County of San Patricio, Texas that these Guidelines and Criteria for granting tax abatement be adopted:

### **Section 1. Definitions.**

- (a) "Abatement" means the temporary, full or partial exemption from ad valorem taxes on certain property in a reinvestment zone designated by San Patricio County for economic development purposes pursuant to the Act; provided, however, that any such

exemption shall not apply for purposes of (i) any such ad valorem taxes collected for the County Special Road and Bridge Tax Fund, and (ii) the Interest and Sinking Fund portion of each ad valorem tax imposed by the County with respect to current and future outstanding bonds, if any, of the County.

- (b) "Added Value" means the increase in the Appraised Value of an Eligible Property over the Base Year Value as a result of "Expansion" or "Modernization" of an existing facility or construction of a "New Facility." It does not mean or include "Deferred Maintenance."
- (c) "Appraised Value" means the appraised value for property tax purposes as determined by the San Patricio County Appraisal District, subject to the appeal procedures set forth in the Texas Tax Code.
- (d) "Agreement" means a contractual agreement between a property owner and/or lessee in an Eligible Jurisdiction for the purposes of tax abatement. Any Agreement shall be in conformity with these Guidelines and Criteria, including any variance granted under Section 3(f) set out herein. Upon the adoption of a resolution authorizing an Agreement and the execution of same by the parties, the Agreement shall be deemed to embody all of the terms of the Abatement, and no provision of these Guidelines and Criteria shall be deemed to supersede any terms of the Agreement.
- (e) "Base Year Value" means the Appraised Value of Eligible Property as of the date specified in the Agreement.
- (f) "Basic Manufacturing or Service Facility" means buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which derive a majority of revenue from points beyond a 50-mile radius of San Patricio County.
- (g) "Construction Phase" means the period during which a material and substantial improvement of the property occurs which represents a separate and distinct construction operation undertaken for the purpose of erecting the improvements. The Construction Phase ends upon the earliest to occur of the following events:
  - (1) when a certificate of occupancy is issued for the Facility (if it is located within a city),
  - (2) when commercial production of a product or provision of a service is achieved at the Facility,
  - (3) when the architect or engineer supervising construction issues a certificate of substantial completion, or some similar instrument, or
  - (4) at the end of the third (3<sup>rd</sup>) year from the effective date of the Abatement.

The above determination shall be made by the Eligible Jurisdiction offering the Abatement, in its sole and absolute discretion, based upon the above criteria and such other factors as the Eligible Jurisdiction may deem relevant. The determination of the completion of the Construction Phase shall be conclusive, and any judicial review of such determination shall be governed by the substantial evidence rule.

- (h) "Deferred Maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (i) "Economic Life" means the number of years a property improvement is expected to be in service in a Facility.
- (j) "Eligible Jurisdiction" means San Patricio County and any municipality or district, the majority of which is located in San Patricio County, that levies ad valorem taxes upon and provides services to property located within the proposed or existing zone designated pursuant to the Act.
- (k) "Eligible Property" Abatement may be extended to the value of the improvements to real property, including buildings, structures, fixed machinery and equipment, and site improvements, plus that office space and related fixed improvements necessary to the operation and administration of the Facility.
- (l) "Expansion" means the addition of buildings, structures, fixed machinery or equipment for the purposes of increasing capacity.
- (m) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole comprising the project as described in the agreement for temporary tax abatement.
- (n) "Force Majeure" means circumstances beyond the control of Owner which shall include casualty losses, national economic factors, shutdowns due to governmental regulations, strikes, acts of war, and the like.
- (o) "Ineligible Property" The following types of property shall be fully taxable and ineligible for Abatement: land; inventories; supplies; tools; furnishings and other forms of movable personal property; vehicles; vessels; aircraft; housing; hotel accommodations; Deferred Maintenance investments; property to be rented or leased except as provided in Section 1(k); improvements for the transmission of electrical energy not wholly consumed by a New Facility or Expansion; any improvements, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the Facility; improvements to real property which have an economic life of less than 15 years; 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; unless specifically authorized by the Eligible

Jurisdiction.

- (p) "Modernization" means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facilities. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing or completion of Deferred Maintenance.
- (q) "New Capital Investment" means the total value of expenditures capitalized for the Facility on the Owner's books, prior to depreciation, whether relating to exempt or non-exempt property, including all buildings, structures, site improvements, fixed equipment, intangibles, and pollution control equipment.
- (r) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with an Expansion or Modernization.
- (s) "Owner" means the owner of a Facility subject to Abatement. If the Facility is constructed on a leased property, the owner shall be the party which owns the Eligible Property subject to Abatement. The other party to the lease shall join in the execution of Agreement but shall not be obligated to assure performance of the party receiving Abatement.
- (t) "Petrochemical Facility" means buildings and structures, including fixed machinery and equipment, the primary purpose of which is or will be the manufacture or processing of petrochemicals or fuels by physical or chemical change.
- (u) "Regional Distribution Center Facility" means buildings and structures, including fixed 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 beyond a 50-mile radius of San Patricio County.
- (v) "Regional Telecommunications/Data Processing Center Facility" means buildings and structures used or to be used primarily for the provision of telecommunication or data processing services by the Facility operator where a majority of the services are provided to points beyond a 50-mile radius of San Patricio County.

## Section 2. **Abatement Authorized.**

- (a) Authorized Facilities. A Facility may be eligible for Abatement if it is a Basic Manufacturing or Service Facility, Regional Distribution Center Facility, Regional Telecommunications/Data Processing Center Facility, or Petrochemical Facility. Abatement may be granted for New Facilities and improvements to an existing facility for the purpose of Modernization or Expansion.

- (b) Creation of New Value. Abatement may only be granted for the Added Value of Eligible Property improvements made subject to and listed in an Agreement between the Eligible Jurisdiction and the property owner and lessee (if required), subject to such limitations as said jurisdiction may require. The economic life of the improvements must exceed the term of the Agreement.
- (c) Period of Abatement. Abatement shall be granted effective with the January 1 valuation date specified in the Agreement. Abatement shall be allowed for a period of up to seven years following the completion of Construction Phase; provided that, in no event shall the period of Abatement, inclusive of the Construction Phase exceed ten (10) years.
- (d) Abatement Percentage.
  - (1) For a Basic Manufacturing or Service Facility which provides at least \$150 million in New Capital Investment, and at not less than 10 new permanent full-time jobs, the percentage of tax abated shall be in accordance with the following schedule:

<u>Year</u>	<u>Percentage of Abatement</u>
Construction Phase (not to exceed 3 years)	100%
Year 1	50%
Year 2	40%
Year 3	30%
Year 4	20%
Year 5	10%

- (2) For a Basic Manufacturing or Service Facility which provides at least \$500 million in New Capital Investment, and at not less than 20 new permanent full-time jobs, the percentage of tax abated shall be in accordance with the following schedule:

<u>Year</u>	<u>Percentage of Abatement</u>
Construction Phase (not to exceed 3 years)	100%
Year 1	70%
Year 2	60%
Year 3	50%
Year 4	40%
Year 5	30%

- (3) For a Facility which provides at least 500 new permanent full-time jobs, the percentage of tax abatement shall be in accordance with the following schedule:

<u>Year</u>	<u>Percentage of Abatement</u>
Construction Phase (not to exceed 3 years)	100%
Year 1	70%
Year 2	70%
Year 3	60%
Year 4	50%
Year 5	40%
Year 6	30%
Year 7	20%

In the event the Added Value caused by the Facility is less than \$2.0 million, no Abatement shall be granted.

New permanent full-time job. In order for a job to be counted as a new permanent full-time job under these Guidelines, the job must be a full-time position providing regular work schedules of at least 35 hours per week and employee must have the opportunity to participate in employer sponsored health insurance, employer-sponsored training and education that is offered on an equal and non-discriminatory basis to all employees. The percentage of Abatement provided each year under the Agreement shall be based upon the employment information as of January 1 of such year. As a result, the actual amount of Abatement may vary from year to year based upon employment levels and property valuations.

- (e) Estimated Added Value (“AV”) Requirement. At the time of execution of the Agreement, the Owner shall reasonably estimate the Added Value upon completion of construction of any improvements to real property in connection with the Facility. This "Estimated Added Value" shall be stated in the Agreement. In the event that upon completion of construction of the improvements, the Added Value, as determined by the San Patricio County Appraisal District, shall at any time thereafter during the term of the Agreement be less than eight-five percent (85%) of the Estimated Added Value, not due to a Force Majeure condition, the Owner agrees to pay an amount equal to the then current tax rate of each Eligible Jurisdiction providing Abatement applied to the difference between the actual Added Value from eighty-five percent (85%) of the Estimated Added Value, multiplied by 100% minus the net percentage of Abatement provided under the Agreement. The formula for calculating such additional tax is outlined as follows:

$$[\text{Tax Rate}] \times [(85\% \text{ of Est. Added Value} - \text{Actual AV}) \times (100\% - \text{Abatement}\%)] = \text{Additional Tax}$$

- (f) Properties in Industrial Districts. For Eligible Property to be constructed in an area which is covered by an executed industrial district agreement with the San Patricio County, the method of calculating payments in lieu of property taxes for such Eligible Property shall be as set forth in the industrial district agreement. As an alternative to an industrial district agreement, an Eligible Property may be covered by a tax abatement agreement, but such shall constitute an election by the Owner that the land and improvements shall not be included within any type of industrial district arrangement following the expiration of the tax abatement agreement.
- (g) Economic Qualification. In order to be eligible for Abatement, the planned improvement:
  - (1) must create no later than the January 1 following the completion of construction and maintain throughout the remainder of the term of the Agreement the minimum required number of permanent jobs in San Patricio County;
  - (2) must not adversely affect competition in the local market with established local businesses as determined by the governing body of the Eligible Jurisdiction.
- (h) Taxability. From the commencement of the Abatement period to the end of the Abatement period, taxes shall be payable as follows:
  - (1) The value of Ineligible Property as provided in Section 1(o) shall be fully taxable;
  - (2) The Base Year Value of existing Eligible Property as determined each year shall be fully taxable; and
  - (3) The Added Value of new Eligible Property shall be taxable in the manner described in Section 2(d) above.
- (i) Environmental and Worker Safety Qualifications. In determining whether to grant a Abatement, consideration will be given to compliance with all state and federal laws designed to protect human health, welfare and the environment (“environmental laws”) that are applicable to all facilities in the State of Texas owned or operated by the owner of the Facility or lessee, its parent, subsidiaries and, if a joint venture or partnership, every member of the joint venture or partnership (“applicants”). Consideration may also be given to compliance with environmental and worker safety laws by applicants at other facilities within the United States.

### Section 3. **Application.**

- (a) Written Application. Any present or potential owner of taxable property may request Abatement by filing a written application with: (i) the City Manager of the City, if such

property is within the city limits, or (ii) the County Judge of San Patricio County, if such property is in the unincorporated areas of San Patricio County.

- (b) Application Fee. Pursuant to Sec. 312.002 (e), San Patricio County requires a non-refundable application fee of \$1,000.00 to be submitted at the time of the application.
- (c) Contents of Application. The application shall consist of a completed application form accompanied by: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which Abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of a Modernization or Expansion Project, a statement of the Appraised 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 may require such financial and other information as the County or other Eligible Jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.
- (d) Written Notification to Governing Bodies. Upon receipt of a completed application, the City Manager or County Judge, as the case may be, shall forward a copy of the application to the presiding officer of the governing body of each Eligible Jurisdiction having jurisdiction of the property covered by the application.
- (e) Feasibility. After receipt of an application for Abatement, the City or the County, as applicable, shall consider the feasibility and the impact of the proposed Abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the Eligible Jurisdiction and the property to be covered by such Abatement.
- (f) No Abatement if Construction has Commenced. No Agreement shall be approved if the application for the Abatement was filed after the commencement of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.
- (g) Variance. Requests for variance from the provisions of Section 2 must be made in written form; provided, however, that no variance may extend the term of Abatement beyond five years after completion of the Construction Phase. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4ths) vote of the governing body of each Eligible Jurisdiction providing Abatement.

#### **Section 4. Public Hearing and Approval.**

- (a) Designation of Zone. A resolution designating a zone for Abatement under the Act may

not be adopted by the City or the County until a public hearing has been held at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be provided to each Eligible Jurisdiction and to the public in the manner required by the Act.

- (b) Required Findings. In order to enter into an Agreement, the County, the City and any district must find that the terms of the proposed Agreement meet these Guidelines and Criteria.
- (c) Reservation of Rights. Nothing herein shall be construed to limit the authority of the City, the County or any other jurisdiction to examine each application for Abatement before it on a case-by-case basis and determine in its sole and absolute discretion whether or not the proposed Facility should be granted Abatement and whether or not it complies with these Guidelines and Criteria, is feasible, and whether or not the proposed Abatement of taxes will inure to the long-term benefit of such Eligible Jurisdiction.

#### Section 5. **Agreement.**

- (a) Contents of Tax Abatement Agreement. The Agreement with the Owner shall include:
  - (1) the estimated value to be subject to Abatement and the Base Year Value;
  - (2) the percentage of value to be abated each year as provided in Section 2(d);
  - (3) the commencement date and termination date of Abatement;
  - (4) a provision that the term of the Agreement shall extend until five (5) years after the expiration of the period of tax Abatement;
  - (5) the proposed use of the Facility, time schedule, map, property description and improvements list as provided in the application as required;
  - (6) the contractual obligations in the event of default, delinquent taxes, recapture, administration and assignment as provided in these Guidelines or other provisions that may be required for uniformity or by state law;
  - (7) the amount of Added Value and required number of permanent jobs;
  - (8) a requirement that owner shall certify to the governing body of the Eligible Jurisdiction on or before April 1 each year that the owner is in compliance with each applicable term of the agreement;
  - (9) a requirement that the owner or lessee will (a) obtain and maintain all required permits and other authorizations from the United States Environmental

Protection Agency and the TCEQ for the construction and operation of the Facility and for the storage, transport and disposal of solid waste; and (b) seek a permit from the TCEQ for all grandfathered units on the site of the Facility by filing with the TCEQ, within three years of receiving the Abatement, a technically complete application for such a permit;

- (10) a limitation that the uses of the property must be consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
  - (11) provision of access to and authorization to inspect the property by employees or authorized agents of the County to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement; and
  - (12) a provision that the governing body of the County may cancel or modify the Agreement if the Owner fails to comply with the Agreement.
- (b) Time of Execution. The Agreement shall normally be executed within 60 days after the applicant has provided all necessary information and documentation.
- (c) Attorney's Fees. In the event any attorney's fees are incurred by the Eligible Jurisdiction in the preparation of an Agreement, said fees shall be paid by the applicant upon execution of the Agreement.

#### Section 6. **Recapture.**

- (a) Failure to Commence Operation During Term of Agreement. In the event that the Facility is not completed and does not begin operation with the minimum required number of permanent jobs by the January 1 following the actual (not deemed) completion of construction, no Abatement shall be given for that tax year, and the full amount of taxes assessed against the property shall be due and payable for that tax year. In the event that the Owner of such a Facility fails to begin operation with the minimum required number of permanent jobs by the next January 1, then the Agreement shall be subject to termination and all abated taxes during the period of construction shall be recaptured and paid within 60 days of such termination. Notwithstanding the foregoing, in the event that the above defaults are due to a Force Majeure condition, the County may grant extensions if the Owner is diligently proceeding to cure such defaults.
- (b) Discontinuance of Operations During Term of Agreement. In the event the Facility is completed and begins operation with the minimum required number of permanent jobs but subsequently discontinues operations and the minimum required number of permanent jobs is not maintained during any four (4) consecutive weeks during the term of the Agreement, for any reason except on a temporary basis due to a Force Majeure condition, the Agreement may be terminated by the Eligible Jurisdiction

providing Abatement, and all taxes previously abated by virtue of the Agreement during the preceding four years shall be recaptured and paid within 60 days of such termination.

- (c) Delinquent Taxes. In the event that the Owner allows its ad valorem taxes to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, the Agreement shall be subject to termination and so shall the Abatement of the taxes for the tax year of the delinquency. The total taxes assessed without Abatement, for that tax year shall be paid within 60 days from the date of termination.
- (d) Notice of Default. Should the Eligible Jurisdiction providing Abatement determine that the Owner is in default according to the terms and conditions of its Agreement, it shall notify the Owner in writing at the address stated in the Agreement that if such is not cured within 60 days from the date of such notice (the "Cure Period"), then the Agreement may be terminated. In the event the Owner fails to cure said default during the Cure Period and the Agreement is terminated, the taxes abated by virtue of the Agreement will be recaptured and paid as provided herein.
- (e) Actual Capital Investment. Should the Eligible Jurisdiction providing Abatement determine that the total level of New Capital Investment is lower than provided in the Agreement, the difference between the tax abated and the tax which should have been abated based upon the actual New Capital Investment as determined shall be paid to the taxing agencies within 60 days of notification to the Owner of such determination.
- (f) Reduction in Rollback Tax Rate. If during any year of the period of Abatement with respect to any property any portion of the abated value for the Eligible Property which is added to the current total value of the Eligible Jurisdiction but is not treated as "new property value" (as defined in Section 26.012(17) of the Texas Tax Code) for the purpose of establishing the "effective maintenance and operations rate" (as defined in Section 26.012(9) of the Texas Tax Code) in calculating the "rollback tax rate" in accord with Section 26.04(c)(2) of the Texas Tax Code and if the Eligible Jurisdiction's budget calculations indicate that a tax rate in excess of the "rollback tax rate" is required to fund the operations of the Eligible Jurisdiction for the succeeding year, then the Eligible Jurisdiction shall recapture from the taxpayer a tax in an amount equal to the lesser of the following:
  - (1) The amount of the taxes abated for that year by the Eligible Jurisdiction with respect to such property.
  - (2) The amount obtained by subtracting the rollback tax rate computed without the abated property value being treated as new property value from the rollback tax rate computed with the abated property value being treated as new property value and multiplying the difference by the total Appraised Value of the Eligible Jurisdiction.

If the Eligible Jurisdiction has granted an Abatement of taxes to more than one taxpayer, then the amount of the recapture calculated in accord with subparagraph (2) above shall be prorated on the basis of the amount of the Abatement with respect to each taxpayer.

All recaptured taxes must be paid within thirty (30) days after notice thereof has been given to the affected taxpayer. Penalty and interest shall not begin to accrue upon such sum until the first day of the month following such thirty (30) day notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.

- (g) Statutory Tax Lien. The amount of tax abated each year under the terms of these Guidelines and the Agreement shall continue to be secured by the statutory tax lien pursuant to Section 32.01 of the Texas Tax Code which shall continue in existence from year to year throughout the entire term of the Agreement or until all taxes, whether assessed or recaptured, are paid in full.
- (h) Automatic Termination. The Agreement shall automatically terminate on and as of the date any of the following events occur: the filing of a petition in bankruptcy by the Owner; or the making by the Owner of an assignment for the benefit of creditors; or if any involuntary petition in bankruptcy or petition for an arrangement pursuant to the federal bankruptcy code is filed against the Owner; or if a receiver is appointed for the business of the Owner. In the event of automatic termination for any of the above reasons, the prior notice of default provisions in subsection (d) above shall not apply.

#### Section 7. **Administration.**

- (a) Annual Assessment. The San Patricio County Appraisal District shall annually determine the Appraised Value of the real and personal property subject to an Agreement. Each year, the Owner shall furnish the Appraisal District with such information as may be necessary for the Abatement. Once value has been established, the Appraisal District shall notify the affected jurisdictions which levy taxes of the amount of the Appraised Value and the Abatement.
- (b) Access to Facility. The Agreement shall stipulate that employees and/or designated representatives of the Eligible Jurisdiction will have access to the Facility during the term of the Agreement to inspect the Facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after giving 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 Owner and in accordance with all applicable safety standards.
- (c) Annual Evaluation. Upon completion of construction, the Eligible Jurisdiction individually or in conjunction with other affected jurisdictions, shall annually evaluate each Facility receiving Abatement to ensure compliance with the Agreement and report

possible violations of the Agreement.

- (d) Annual Reports. Owner shall certify to the governing body of the Eligible Jurisdiction on or before April 1 each year that Owner is in compliance with each applicable term of the Agreement. Additionally, during the initial four years of the term of Abatement, the Owner shall provide to the Eligible Jurisdiction approving the Abatement an annual report covering those items listed on Schedule 1 in order to document its efforts to acquire goods and services on a local basis. Such annual report shall be prepared on a calendar year basis and shall be submitted to the Eligible Jurisdiction no later than ninety (90) days following the end of each such calendar year. The annual report shall be accompanied by an audit letter prepared by an independent accounting firm which has reviewed the report.
- (e) "Buy Local" Provision. Each recipient of Abatement shall additionally agree to give preference and priority to local manufacturers, suppliers, contractors and labor for the materials and labor described on Schedule 1, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency. In any such exception cases involving purchases over \$10,000 (or \$200,000 for any Facility with a New Capital Investment of at least \$500,000,000) a justification for such purchase shall be included in the annual report. Each such recipient shall further acknowledge that it is a legal and moral obligation of persons receiving Abatement to favor local manufacturers, suppliers, contractors and labor, all other factors being equal. For the purposes of this provision, the terms "materials" and "labor" shall have the meaning set out in Schedule 1. For the purposes of this provision, the term "local" as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either San Patricio County, Aransas County or Nueces County. In the event of a breach of the buy-local provision, the percentage of Abatement shall be proportionately reduced equal to the amount the disqualified contract bears to the total construction cost (materials and labor) for the Facility. In the event that Owner contracts the supply and construction of the Facility to an affiliate or other non-local contractor, Owner shall ensure compliance with this Section by including in such contract a flow-through provision requiring such compliance.
- (f) Transition Rule. For any Facility which obtained an Agreement within the twelve months prior to adoption of these Guidelines, such Facility may, upon the agreement of the Owner and the Eligible Jurisdiction, obtain an amendment to its Agreement to incorporate the terms and conditions of these Guidelines.
- (g) Right to Modify or Cancel. Notwithstanding anything herein or in any agreement to the contrary, the County may cancel or modify the agreement if the Owner fails to comply with the Agreement.

## SCHEDULE 1

### "Buy Local" Annual Reports

The following information shall be reported to the Governmental Unit on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials\* (local).
2. Dollar amount spent for materials\* (total).
3. Dollar amount spent for labor\*\* (local).
4. Dollar amount spent for labor\*\* (total).
5. Number of jobs created in the construction of the Facility (local).
6. Number of jobs created in the construction of the Facility (total).
7. Number of jobs created on a permanent basis (local).
8. Number of jobs created on a permanent basis (total).

\* The term "materials" is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

\*\* The term "labor" is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the design of the Facility.

The term "local" as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either San Patricio County, Aransas or Nueces County.

**El Algodon Alto Wind Farm, LLC  
Application for Appraised Value Limitation on Qualified Property  
Tab 17**

**Signature Page**

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.

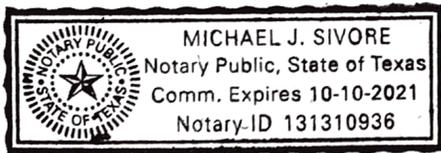
print here [Signature: Yolanda L. Carr] Superintendent Title
sign here [Signature: Yolanda L. Carr] 5/11/2020 Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here [Signature: Sean Logsdon] SR VP Development Title
sign here [Signature: Sean Logsdon] 5/7/2020 Date



(Notary Seal)

GIVEN under my hand and seal of office this, the 7 day of May, 2020
Michael J Sivore
Notary Public in and for the State of Texas
My Commission expires: 10-10-2021

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.