

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

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September 1, 2020

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

RE: Application to the Seymour Independent School District from Diversion Wind Energy LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Seymour Independent School District is notifying Diversion Wind Energy LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. Please prepare the Economic Impact Report.

The Applicant submitted the Application to the school district on August 24, 2020. The Board voted to accept the application on August 24, 2020. The application has been determined complete as of September 1, 2020. The Applicant has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered.

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

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Baylor County Appraisal District
Diversion Wind Energy LLC

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages of the application including the signature and certification page, signed and dated by Authorized School District Representative and Authorized Company Representative. Sections 1-16
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation (if applicable)
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property (if applicable)
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including 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 c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information (if applicable)
13	Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation
14	Schedules A1, A2, B, and C completed and signed Economic Impact (if applicable)
15	Economic Impact Analysis, other payments made in the state or other economic information (if applicable)
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)



Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

CHECKLIST ITEM #1

Application

See attached.

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/. 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

<u>August 24, 2020</u>		
Date Application Received by District		
<u>John</u>	<u>Anderson</u>	
First Name	Last Name	
<u>Superintendent</u>		
Title		
<u>Seymour ISD</u>		
School District Name		
<u>409 W Idaho</u>		
Street Address		
<u>409 W Idaho</u>		
Mailing Address		
<u>Seymour</u>	<u>TX</u>	<u>76380</u>
City	State	ZIP
<u>(940) 889-3525</u>	<u>N/A</u>	
Phone Number	Fax Number	
<u>N/A</u>	<u>john.anderson@seymour-isd.net</u>	
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)

<p><u>Mali</u> First Name</p> <p><u>Consultant</u> Title</p> <p><u>O'Hanlon, Demerath & Castillo</u> Firm Name</p> <p><u>(512) 494-9949</u> Phone Number</p> <p><u>N/A</u> Mobile Number (optional)</p>	<p><u>Hanley</u> Last Name</p> <p><u>(512) 494-9919</u> Fax Number</p> <p><u>mhanley@808west.com</u> Email Address</p>
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4. On what date did the district determine this application complete? September 1, 2020

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)

<p><u>James</u> First Name</p> <p><u>Vice President of Development</u> Title</p> <p><u>1401 17th Street, Suite 1100</u> Street Address</p> <p><u>1401 17th Street, Suite 1100</u> Mailing Address</p> <p><u>Denver</u> City</p> <p><u>(303) 557-4489</u> Phone Number</p> <p><u>N/A</u> Mobile Number (optional)</p>	<p><u>Williams</u> Last Name</p> <p><u>Invenergy LLC</u> Organization</p> <p><u>CO</u> State</p> <p><u>80202</u> ZIP</p> <p><u>N/A</u> Fax Number</p> <p><u>jwilliams@invenergyllc.com</u> Business Email Address</p>
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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.

<p><u>Bristi</u> First Name</p> <p><u>Director, Business Development</u> Title</p> <p><u>One South Wacker Drive, Suite 1800</u> Street Address</p> <p><u>One South Wacker Drive, Suite 1800</u> Mailing Address</p> <p><u>Chicago</u> City</p> <p><u>(303) 557-4489</u> Phone Number</p> <p><u>N/A</u> Mobile Number (optional)</p>	<p><u>Cure</u> Last Name</p> <p><u>Invenergy LLC</u> Organization</p> <p><u>IL</u> State</p> <p><u>60606</u> ZIP</p> <p><u>N/A</u> Fax Number</p> <p><u>bcure@invenergyllc.com</u> Business Email Address</p>
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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)

Troy	Reed
First Name	Last Name
Manager	
Title	
Ernst & Young LLP	
Firm Name	
(512) 542-7750	N/A
Phone Number	Fax Number
troy.t.reed@ey.com	
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.

\$75,000	ACH Wire Transfer
Payment Amount	Transaction Type
Invenergy LLC	Seymour ISD
Payor	Payee
August 25, 2020	
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? Diversion Wind Energy LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32061150804
3. Parent Company Name Invenergy Renewables LLC
4. Parent Company Tax ID 32066250690
5. List the NAICS code 221115
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) Limited Liability Corporation
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** 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
Invenergy Renewables LLC

2c. List the Reporting Entity Taxpayer Number
32066250690

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:
- Land has no existing improvements Land has existing improvements (complete Section 13)
 - Expansion of existing operation on the land (complete Section 13) Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

SECTION 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 December 7, 2020
- 2. Estimated commencement of construction December 31, 2021
- 3. Beginning of qualifying time period (MM/DD/YYYY) 07/15/2021
- 4. First year of limitation (MM/DD/YYYY) 01/01/2022
- 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 12/31/2021

SECTION 10: The Property

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

M&O (ISD): <u>Seymour ISD, .9700, 100%</u> (Name, tax rate and percent of project)	I&S (ISD): <u>Seymour ISD, .0800, 100%</u> (Name, tax rate and percent of project)
County: <u>Baylor County, .5960, 100%</u> (Name, tax rate and percent of project)	City: <u>N/A</u> (Name, tax rate and percent of project)
Hospital District: <u>Seymour Hospital, .18270, 100%</u> (Name, tax rate and percent of project)	Water District: <u>Rolling Plains Groundwater .02616, 100%</u> (Name, tax rate and percent of project)
Other (describe): <u>N/A</u> (Name, tax rate and percent of project)	Other (describe): <u>N/A</u> (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: Abatement, 60% 2022 to 2026, 40% 2027 to 2031
(Incentive type, percentage, start and end year)

City: N/A
(Incentive type, percentage, start and end year)

Hospital District: Abatement, 60% 2022 to 2026, 40% 2027 to 2031
(Incentive type, percentage, start and end year)

Water District: N/A
(Incentive type, percentage, start and end year)

Other (describe): N/A
(Incentive type, percentage, start and end year)

Other (describe): N/A
(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/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000
2. What is the amount of appraised value limitation for which you are applying? 30,000,000

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? 10/1/2020

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):\$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2):\$ 0.00

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

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? 7
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 0
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 675.00
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is 1,002.10
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is 896.82
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? \$52,109.20
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$52,110
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**.



Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

CHECKLIST ITEM #2

Proof of Payment of Application Fee

Proof of payment 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)*



Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

CHECKLIST ITEM #3

Documentation from Texas Comptroller's Franchise Tax Division to demonstrate Combined Group membership

Attached to this application is a copy of the most recently filed Form 05-165 for this combined group report.

**Response to Section 5 question 2a.,
documentation of combined group
membership, received by CPA**



CHECKLIST ITEM #4

Detailed Description of Project

Diversion Wind Energy LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 300 megawatts. The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed. Presently our plans are to install a variation of GE 2.82 megawatt turbines on the property within the reinvestment zone in Baylor County, Texas. Diversion Wind Energy LLC estimates that approximately 108 turbines are planned to be installed on 23,000 leased acres.

The exact capacity and specific technology components for the Diversion Wind Energy Project will be determined during the development and design process. The facility may include eligible ancillary and necessary equipment, including the following improvements;

- Wind Turbines
- Towers
- Foundations
- Roadways
- Operations and Maintenance Building
- Meteorological Towers
- Telephone and Internet Communication System
- Underground Electrical Collection Cables
- Electrical Substations
- Overhead Transmission Line

If granted an Appraised Value Limitation pursuant to Texas Tax Code 313, Diversion Wind Energy expects to issue a full notice to proceed for construction in Q4 of 2020 and expects to complete construction in Q4 2021.

The ERCOT screening study request for Diversion Wind Energy LLC was submitted on August 26, 2019 and has received the following IGNR number; 21INR0432. This project has been known by no other names in past media reports, investor presentations, or any other listings with any federal or state agency.



CHECKLIST ITEM #5

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

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

The Applicant for this Project has entered into a number of contracts related to the Project, including long-term lease option agreements with area landowners, contracts with environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. The Project was selected as a candidate for development based on the favorable wind data, nearby access to the electric grid, and favorable tax incentives under Texas Tax Code chapters 312 and 313. Obtaining a value limitation agreement is critical to the economic and competitive viability of this Project.

None of the current Project agreements firmly commit the Applicant to the development of the Project. A number of variables remain undetermined at this stage, including the approval of this application. The Applicant could still elect to devote resources to other projects that it has in development. Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will decrease.

7. Is the applicant evaluating other locations not in Texas for the proposed project?

Invenergy Renewables LLC., acting as parent company of Diversion Wind Energy, is a U.S. developer of wind projects, and has operations in several regions within the contiguous United States. Invenergy has the ability to locate wind farms anywhere in the U.S. and bases its decision to deploy capital on projects with the best return on investment. For these reasons, Invenrgy Renewables studies and compares the economic returns at various competing sites throughout the market areas where wind development is attractive. Without a Limitation on Appraised Value, the economics of the project become far less attractive and Invenrgy Renewable would allocate its financial resources to alternative sites outside the State of Texas with more favorable economic returns which would include:

Alternative Sites Outside Texas

- Colorado
- Nebraska
- Oklahoma
- New Mexico



Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

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?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of Diversion Wind Energy. The financial viability of the Diversion Wind Energy project is contingent on receiving the Chapter 313 Appraised Value Limitation, and the project cannot move forward without it.



Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

CHECKLIST ITEM #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).

19 miles of transmission line will be located in Harrold and Vernon ISD and represents 3.42% of the total cost of the project.



Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

CHECKLIST ITEM #7

Description of Qualified Investment

Diversion Wind Energy LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 300 megawatts. The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed. Presently our plans are to install a variation of GE 2.82 megawatt turbines on the property within the reinvestment zone in Baylor County, Texas. Diversion Wind Energy LLC estimates that approximately 108 turbines are planned to be installed on 23,000 leased acres and will be considered qualified investment for this application.

The exact capacity and specific technology components for the Diversion Wind Energy Project will be determined during the development and design process. The facility may include eligible ancillary and necessary equipment, including the following improvements;

- Wind Turbines
- Towers
- Foundations
- Roadways
- Operations and Maintenance Building
- Meteorological Towers
- Telephone and Internet Communication System
- Underground Electrical Collection Cables
- Electrical Substations
- Overhead Transmission Line



CHECKLIST ITEM #8

Description of Qualified Property

Diversion Wind Energy LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 300 megawatts. The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed. Presently our plans are to install a variation of GE 2.82 megawatt turbines on the property within the reinvestment zone in Baylor County, Texas. Diversion Wind Energy LLC estimates that approximately 108 turbines are planned to be installed on 23,000 leased acres located and will be considered qualified property for this application.

The exact capacity and specific technology components for the Diversion Wind Energy Project will be determined during the development and design process. The facility may include eligible ancillary and necessary equipment, including the following improvements;

- Wind Turbines
- Towers
- Foundations
- Roadways
- Operations and Maintenance Building
- Meteorological Towers
- Telephone and Internet Communication System
- Underground Electrical Collection Cables
- Electrical Substations
- Overhead Transmission Line



Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

CHECKLIST ITEM #9

Description of Land

Diversion Wind Energy LLC will lease approximately 23,000 acres of land within in Baylor County, Texas. The land will not be considered qualified property for the project.



Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

CHECKLIST ITEM #10

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

N/A

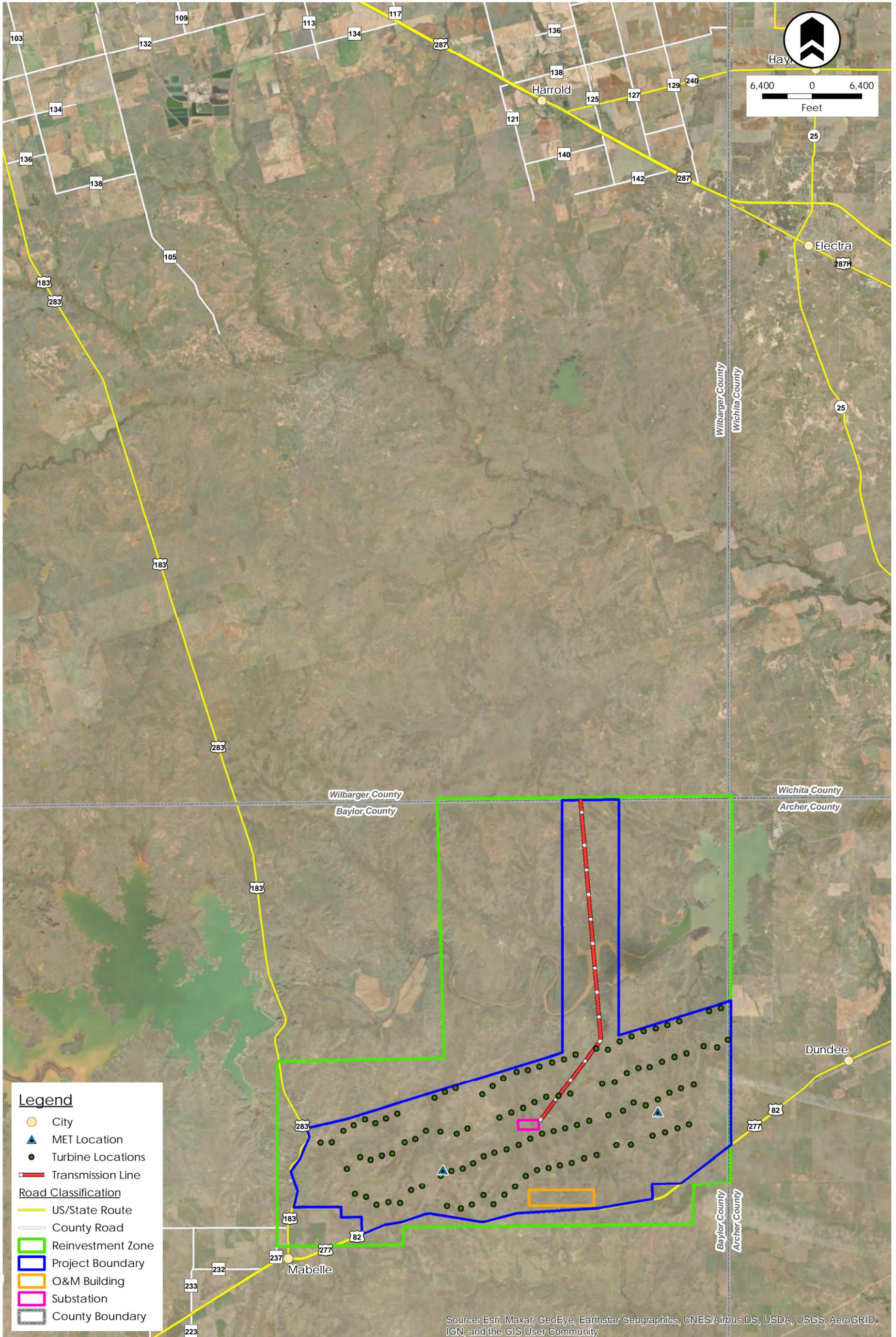


Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

CHECKLIST ITEM #11

Maps

- A. Project boundary and project vicinity, including county and school district boundaries – Attached
- B. Qualified investment including 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 – Attached
- C. Qualified property including location of new buildings or new improvements – Attached
- D. Any existing property within the project area – N/A
- E. Any facilities owned or operated by the applicant having interconnections to the proposed project – N/A
- F. Location of project, and related nearby projects within the vicinity map – N/A
- G. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size – Attached

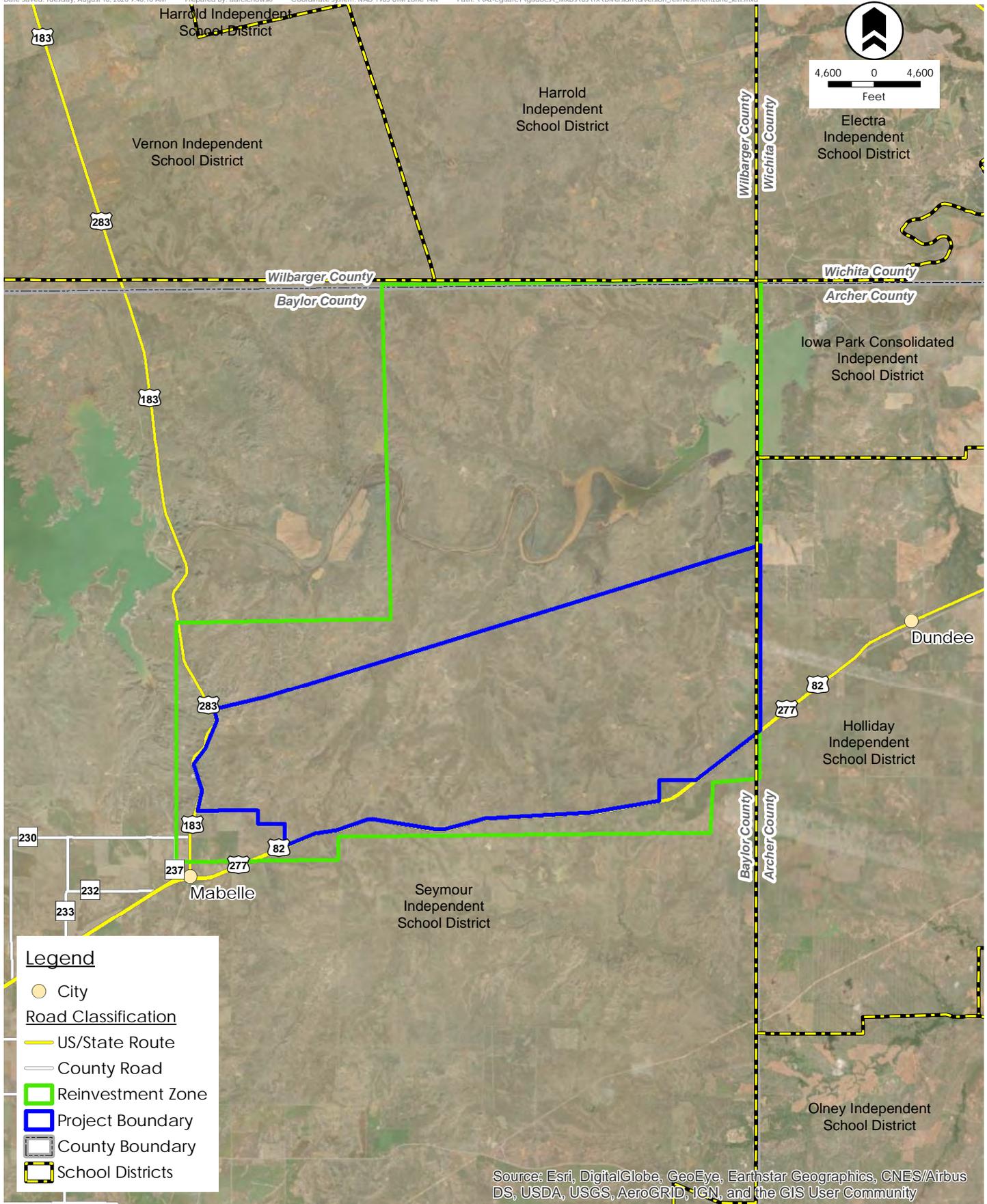


Site Layout - Diversion

Diversion Wind Energy Center | Baylor County, TX

Rev. 00
August 28, 2020



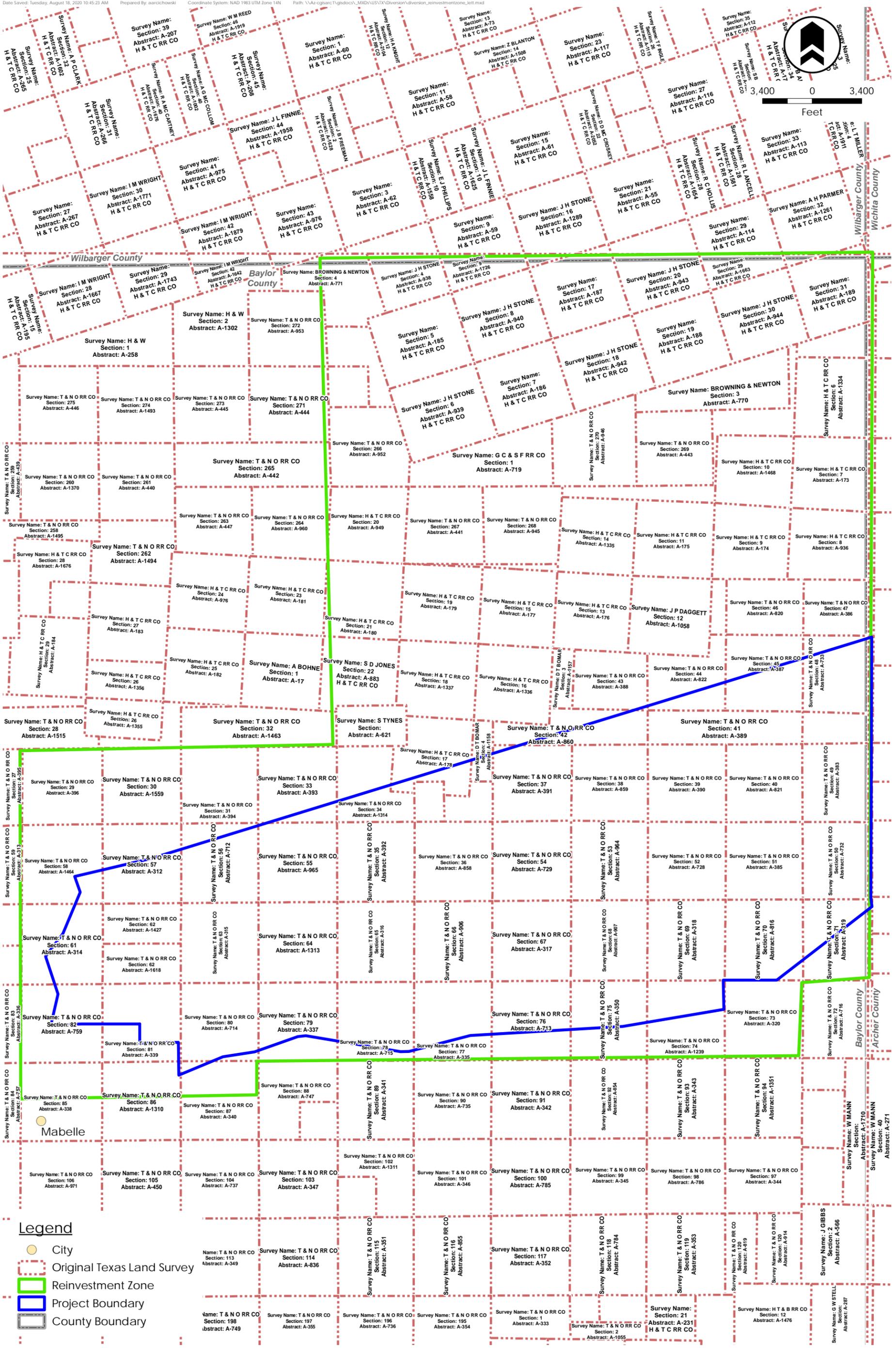
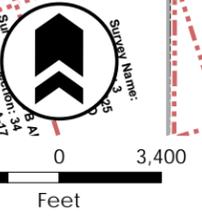


Project Area - Diversion

Diversion Wind Energy Center | Baylor County, TX

Rev. 00
August 18, 2020





- Legend**
- City
 - Original Texas Land Survey
 - Reinvestment Zone
 - Project Boundary
 - County Boundary

Project Area - Diversion

Diversion Wind Energy Center | Baylor County, TX

Rev. 00
August 18, 2020





Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

CHECKLIST ITEM #12

Request for Waiver of Job Creation Requirement and supporting information (if applicable).

See attached.



James Williams
Vice President of Development
Diversion Wind Energy LLC

1401 17th Street, Suite 1100
Denver, CO 80202

August 26, 2020

John Anderson
Seymour Independent School District
409 W Idaho
Seymour, TX 76380

Re: Chapter 313 Job Waiver Request

Dear Mr. Anderson:

Please consider this letter to be Diversion Wind Energy LLC's formal request to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-1).

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Wind energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based on our experience in the wind industry, we anticipate creating (1) job for every 43 MWs of installed capacity for a total of (7) jobs for the 300 MW facility. The newly created positions will be qualifying jobs as described in Section 313.021(3) of the Texas Tax Code.

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

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

Yours sincerely,

DocuSigned by:

CDEF36137BDB474...
James Williams
Vice President of Development
Diversion Wind Energy LLC



Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

CHECKLIST ITEM #13

Calculation of three possible wage requirements with TWC documentation.

See attached.

TAB 13

Wage Requirement Calculation

1. Average Weekly Wages for All Jobs (All Industries) in Baylor County, Q2 2019 - Q1 2020

Category	Area	Period	Avg. Weekly Wage
All Industries	Baylor County	Q2 2019	\$639
All Industries	Baylor County	Q3 2019	\$667
All Industries	Baylor County	Q4 2019	\$711
All Industries	Baylor County	Q1 2020	\$683
		AVERAGE	\$675.00

Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility

Reset

Export to Excel

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

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2019	01	Baylor	Total All	10	Total, All Industries	632
2019	02	Baylor	Total All	10	Total, All Industries	639
2019	03	Baylor	Total All	10	Total, All Industries	667
2019	04	Baylor	Total All	10	Total, All Industries	711
2020	01	Baylor	Total All	10	Total, All Industries	683

2. 110% of Average Weekly Wages for Manufacturing Jobs in Baylor County, Q2 2019 - Q1 2020

Category	Area	Period	Avg. Weekly Wage
Manufacturing	Baylor County	Q2 2019	\$846.00
Manufacturing	Baylor County	Q3 2019	\$939.00
Manufacturing	Baylor County	Q4 2019	\$938.00
Manufacturing	Baylor County	Q1 2020	\$921.00
		AVERAGE	\$911.00
		110% OF AVERAGE	\$1,002.10

Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility

Reset

Export to Excel

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

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2019	01	Baylor	Private	1013	Manufacturing	855
2019	02	Baylor	Private	1013	Manufacturing	846
2019	03	Baylor	Private	1013	Manufacturing	939
2019	04	Baylor	Private	1013	Manufacturing	938
2020	01	Baylor	Private	1013	Manufacturing	921

TAB 13

Wage Requirement Calculation

3. COG Region Wage Calculation

Year	Region	Annual Wage	Avg. Weekly Wage
2019	NORTEX Regional Planning Commission	\$ 42,395	\$815
		110% OF AVERAGE	\$896.82

2019 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	COG Number	Wages	
		Hourly	Annual
Panhandle Regional Planning Commission	1	\$22.31	\$46,399
South Plains Association of Governments	2	\$18.97	\$39,448
NORTEX Regional Planning Commission	3	\$20.38	\$42,395
North Central Texas Council of Governments	4	\$32.92	\$68,476
Ark-Tex Council of Governments	5	\$20.09	\$41,780
East Texas Council of Governments	6	\$28.95	\$60,211
West Central Texas Council of Governments	7	\$21.83	\$45,406
Rio Grande Council of Governments	8	\$18.15	\$37,749
Permian Basin Regional Planning Commission	9	\$21.87	\$45,499
Concho Valley Council of Governments	10	\$26.74	\$55,625
Heart of Texas Council of Governments	11	\$22.41	\$46,614
Capital Area Council of Governments	12	\$29.37	\$61,091
Brazos Valley Council of Governments	13	\$17.60	\$36,613
Deep East Texas Council of Governments	14	\$21.06	\$43,796
South East Texas Regional Planning Commission	15	\$25.52	\$53,079
Houston-Galveston Area Council	16	\$28.85	\$60,015
Golden Crescent Regional Planning Commission	17	\$21.43	\$44,565
Alamo Area Council of Governments	18	\$26.64	\$55,401
South Texas Development Council	19	\$18.70	\$38,889
Coastal Bend Council of Governments	20	\$34.94	\$72,668
Lower Rio Grande Valley Development Council	21	\$20.05	\$41,698
Texoma Council of Governments	22	\$18.40	\$38,280
Central Texas Council of Governments	23	\$21.07	\$43,821
Middle Rio Grande Development Council	24	\$22.74	\$47,296
Texas		\$27.25	\$56,673

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

Data published: August 2020.

Data published annually, next update will likely be July 31, 2021

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 implementing Chapter 313, Texas Tax Code.



Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

CHECKLIST ITEM #14

Schedules A1, A2, B, and C completed and signed Economic Impact (if applicable).

See attached.

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

Date **8/24/2020**
 Applicant Name **Diversion Wind LLC**
 ISD Name **Seymour 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 tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district				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	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2020	16,000,000	-	-	-	16,000,000
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period			2021	284,000,000	-	-	-	284,000,000
Complete tax years of qualifying time period	QTP1	2022-2023	2022	-	-	-	-	-
	QTP2	2023-2024	2023	-	-	-	-	-
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				300,000,000	-	-	-	300,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				284,000,000				

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.

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <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*	--	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				300,000,000	-	-	-	300,000,000
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2020-2021	2020	16,000,000	-	-	-	16,000,000
	0	2021-2022	2021	284,000,000	-	-	-	284,000,000
Value limitation period***	1	2022-2023	2022					
	2	2023-2024	2023					
	3	2024-2025	2024					
	4	2025-2026	2025					
	5	2026-2027	2026					
	6	2027-2028	2027					
	7	2028-2029	2028					
	8	2029-2030	2029					
	9	2030-2031	2030					
	10	2031-2032	2031					
Total investment made through limitation				300,000,000	-	-	-	300,000,000
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

*** 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

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 **8/24/2020**
 Applicant Name **Diversion Wind LLC**
 ISD Name **Seymour 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 <i>insert as many rows as necessary</i>	0	2020-2021	2020	-	-	-	-	-	-
	0	2021-2022	2021	-	-	8,000,000	8,000,000	8,000,000	8,000,000
Value Limitation Period	1	2022-2023	2022	-	-	270,000,000	270,000,000	270,000,000	30,000,000
	2	2023-2024	2023	-	-	240,300,000	240,300,000	240,300,000	30,000,000
	3	2024-2025	2024	-	-	213,867,000	213,867,000	213,867,000	30,000,000
	4	2025-2026	2025	-	-	190,341,630	190,341,630	190,341,630	30,000,000
	5	2026-2027	2026	-	-	169,404,051	169,404,051	169,404,051	30,000,000
	6	2027-2028	2027	-	-	150,769,605	150,769,605	150,769,605	30,000,000
	7	2028-2029	2028	-	-	134,184,949	134,184,949	134,184,949	30,000,000
	8	2029-2030	2029	-	-	119,424,604	119,424,604	119,424,604	30,000,000
	9	2030-2031	2030	-	-	106,287,898	106,287,898	106,287,898	30,000,000
	10	2031-2032	2031	-	-	94,596,229	94,596,229	94,596,229	30,000,000
Continue to maintain viable presence	11	2032-2033	2032	-	-	84,190,644	84,190,644	84,190,644	84,190,644
	12	2033-2034	2033	-	-	74,929,673	74,929,673	74,929,673	74,929,673
	13	2034-2035	2034	-	-	66,687,409	66,687,409	66,687,409	66,687,409
	14	2035-2036	2035	-	-	59,351,794	59,351,794	59,351,794	59,351,794
	15	2036-2037	2036	-	-	52,823,097	52,823,097	52,823,097	52,823,097
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037	-	-	47,012,556	47,012,556	47,012,556	47,012,556
	17	2038-2039	2038	-	-	41,841,175	41,841,175	41,841,175	41,841,175
	18	2039-2040	2039	-	-	37,238,646	37,238,646	37,238,646	37,238,646
	19	2040-2041	2040	-	-	33,142,395	33,142,395	33,142,395	33,142,395
	20	2041-2042	2041	-	-	29,496,731	29,496,731	29,496,731	29,496,731
	21	2042-2043	2042	-	-	26,252,091	26,252,091	26,252,091	26,252,091
	22	2043-2044	2043	-	-	23,364,361	23,364,361	23,364,361	23,364,361
	23	2044-2045	2044	-	-	20,794,281	20,794,281	20,794,281	20,794,281
	24	2045-2046	2045	-	-	18,506,910	18,506,910	18,506,910	18,506,910
	25	2046-2027	2046	-	-	16,471,150	16,471,150	16,471,150	16,471,150

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 **8/24/2020**
 Applicant Name **Diversion Wind LLC**
 ISD Name **Seymour 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	Column B	Column C	Column D	Column E
				Number of Construction FTE's	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	300 FTE	\$50,000	0	-	-
	0	2021-2022	2021	300 FTE	\$50,000	0	-	-
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022			0	7	\$ 52,110
	2	2023-2024	2023			0	7	\$ 52,110
	3	2024-2025	2024			0	7	\$ 52,110
	4	2025-2026	2025			0	7	\$ 52,110
	5	2026-2027	2026			0	7	\$ 52,110
	6	2027-2028	2027			0	7	\$ 52,110
	7	2028-2029	2028			0	7	\$ 52,110
	8	2029-2030	2029			0	7	\$ 52,110
	9	2030-2031	2030			0	7	\$ 52,110
	10	2031-2032	2031			0	7	\$ 52,110
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2046			0	7	\$ 52,110

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



Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

CHECKLIST ITEM #15

Economic Impact Analysis, other payments made in the state or other economic information (if applicable).

N/A



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CHECKLIST ITEM #16

Description of Reinvestment or Enterprise Zone.

1. Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office
2. Legal description of reinvestment zone
3. Order, resolution or ordinance establishing the reinvestment zone
4. Guidelines and criteria for creating the zone

TBD – Will be submitted once created by Baylor County

2019 TAX ABATEMENT GUIDELINES AND CRITERIA

BAYLOR COUNTY, TEXAS

May 13, 2019

PURPOSE

The purpose of this document is to establish guidelines and a uniform policy of Tax Abatement for owners or lessees of Eligible Facilities willing to execute Abatement Agreements designed to provide long-term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping and improving property except as otherwise provided. All contracts will be identical.

SECTION 1. GENERAL CRITERIA

A. In order to be eligible for designation as a Reinvestment Zone and receive Tax Abatement, the planned improvements:

1. Must be an Eligible Facility.
2. Must add at least \$150,000.00 to the tax roll of Eligible Property.
3. Must be reasonably expected to have an increase in positive net economic benefit to the County of at least \$250,000.00 over the life of any Tax Abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement; and
4. Must not be expected to solely or primarily have the effect of transferring employment from one part of the County to another.

B. Only the increase in the fair market value of the property directly resulting from the development, redevelopment and improvements specified in an Abatement Agreement will be eligible for Tax Abatement, and then only to the extent that such increase exceeds any reduction to the fair market value of the other property of the applicant located within the County.

C. It is the goal of the County to grant Tax Abatements on the same terms and conditions as the other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Commissioners Court to consider, adopt, modify or refine any Tax Abatement request.

D. The adoption of these guidelines and criteria by the Commissioners Court does not:

1. Limit the discretion of the Commissioners Court to decide whether to enter into an Abatement Agreement;

2. Shall not limit the ability of the Commissioners Court to waive any particular guideline or criteria, if, in the judgment of the Commissioners Court, such waiver is necessary to facilitate economic development, is required to effectively compete with other communities and is otherwise consistent with applicable law;

3. Limit the discretion of the Commissioners Court to delegate to its employees or any officer of the County the authority to determine whether or not the Commissioners Court should consider a particular application or request for Tax Abatement; or

4. Create any property, contract or other legal right in any person to have the Commissioners Court consider or grant a specific application or request for Tax Abatement.

SECTION 2. DEFINITIONS

As used in in these guidelines and criteria which is not specifically defined herein, shall have the meaning assigned to it in Chapter 312 of the Texas Tax Code or other provisions of the Texas Tax Code. The following terms shall have the respective meanings assigned to them below:

A. "Abatement Agreement" means a contractual agreement between a property owner and/or lessee and the County with respect to Tax Abatement.

B. "Base Year Value" means the assessed value on the Eligible Property as of January 1 preceding the execution of an Abatement Agreement.

C. "Commissioners Court" shall refer to the Commissioners Court of Baylor County, Texas.

D. "County" means Baylor County, Texas.

E. "Deferred Maintenance" means improvements necessary for continued operation which do not improve productivity or alter the process technology.

F. "Eligible Facilities" means new, Expanded, or Modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely, as a result of granting the Tax Abatement requested, to contribute to the retention or Expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of the County, but does not include Facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in the County, such as, but not limited to, restaurants and retail sales establishments. This definition shall be construed in its most broad sense to include any Facility for which Tax Abatement is permitted under applicable law but shall exclude from its definition any Facilities for which Tax Abatement is not permitted by applicable law.

G. "Eligible Property" means that property described in Section 3(D) below.

H. "Expansion" or "Expanded" means the addition of building structures, machinery, equipment, or payroll for purposes of increasing production capacity.

I. "Facility" or "Facilities" means property improvement(s) completed or in the process of construction which together comprise an interregional whole.

J. "Ineligible Property" means that property described in Section 3(E) below.

K. "Modernization" or "Modernized" means a complete or partial demolition of Facilities and the complete or partial reconstruction or installation of a Facility of similar or Expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment, or both.

L. "Productive Life" means the number of years property improvement(s) is/are expected to be in service in a Facility.

M. "Reinvestment Zone" means a particular area located in the County which meets the criteria specified in Chapter 312 of the Texas Tax Code for designation as a reinvestment zone and which has been designated by the Commissioners Court as a reinvestment zone.

N. "Tax Abatement" means the full or partial exemption from *ad valorem* taxes of certain property in a Reinvestment Zone designated by the County for economic development purposes in accordance with Chapter 312 of the Texas Tax Code.

SECTION 3. TAX ABATEMENT AUTHORIZED

A. Eligible Facilities. Upon application, Eligible Facilities shall be considered for Tax Abatement as hereinafter provided.

B. Creation of New Value. Tax Abatement may only be granted for the additional value of Eligible Property improvement(s) made subsequent to and specified in an Abatement Agreement between the County and the property owner or lessee, subject to such limitations as the County may require.

C. New and Existing Facilities. Tax Abatement may be granted for the additional value of Eligible Property improvement(s) made subsequent to and specified in an Abatement Agreement between the County and the property owner or lessee, subject to such limitations as the County may require.

D. Eligible Property. Tax Abatement may be extended to the value of new, Expanded, or Modernized buildings, structures, fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the Facility, and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code.

E. Ineligible Property. The following types of property shall be fully taxable and ineligible for Tax Abatement: land; animals; inventories, supplies; tools; furnishings; and other forms of moveable personal property; vehicles; vessels; aircraft; Deferred Maintenance investments; housing and property to be rented or leased, except as provided in Section 3(F) below; property owned or used by the State of Texas.

F. Owned/Leased Facilities. If a leased Facility is granted Tax Abatement, any Abatement Agreement with respect to such Facility shall be executed with the lessor and the lessee. If the land is leased, but the Facility constructed or installed thereon is owned by the lessee, the lessee shall execute the Abatement Agreement.

G. Economic Qualifications. In order to be eligible for designation as a reinvestment zone and receive Tax Abatement, the planned improvement must meet the general criteria for Tax Abatement set forth in Section 1(A) above.

H. Factors to be Considered in Determining Whether to Grant Tax Abatement. The following factors, among others, will be considered in determining whether to grant Tax Abatement:

- (1) Value of existing improvements, if any;
- (2) Type and value of proposed improvements;
- (3) Productive Life of proposed improvements;
- (4) Number of existing jobs to be retained by proposed improvements;
- (5) Number and type of new jobs to be created by proposed improvements;
- (6) Amount of local payroll to be created;
- (7) Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;
- (8) Amount by which property tax base valuation will be increased during and after the term of an Abatement Agreement, which shall include a definitive commitment that such increase in valuation shall not, in any case, be less than \$250,000.00;
- (9) The costs to be incurred, by the County to provide Facilities directly resulting from the new improvements;
- (10) The amount of *ad valorem* taxes to be paid to the County during the Tax Abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the Tax Abatement period, and (d) the value after expiration of the Tax Abatement period;

(11) The population growth of the County that occurs directly as a result of new improvements;

(12) The types and values of public improvements, if any, to be made by applicant seeking Tax Abatement;

(13) Whether the proposed improvements compete with existing businesses to the detriment of the local economy,

(14) The impact on the business opportunities of existing business;

(15) The attraction of other new businesses to the area;

(16) The overall compatibility with the zoning ordinances and comprehensive plan for the area;

(17) Whether the project obtains has the necessary permits from the applicable environmental agencies.

Each Eligible Facility shall be reviewed on its merits utilizing the factors provided above. After such review, Tax Abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation in the sole and absolute discretion of the Commissioners Court.

I. Denial of Tax Abatement. Neither the designation of a Reinvestment Zone nor the approval of an Abatement Agreement shall be authorized if it is determined, based upon information presented to the Commissioners Court, that:

(1) There would be substantial adverse effect on the provision of government services or tax base;

(2) The applicant has insufficient financial capacity;

(3) The activities of the applicant would be in violation of any applicable law or governmental regulations; or

(4) the designation of a Reinvestment Zone or the approval of an Abatement Agreement would not be in the best interests of the County or its citizens.

J. Taxability. From the beginning of a Tax Abatement period provided in an Abatement Agreement to the end of the Tax Abatement period, taxes shall be payable as follows:

(1) The value of Ineligible Property shall be fully taxable; and

(2) The Base Year Value of existing Eligible Property as determined each year shall be fully taxable; and

(3) The additional value of new Eligible Property shall be fully taxable at the end of the Tax Abatement period specified in the Abatement Agreement.

SECTION 4. APPLICATION PROCESS

A. Any present or potential owner of taxable property in the County may request the creation of a Reinvestment Zone and Tax Abatement by filing a written application with the County Judge of Baylor County.

B. The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the improvements for which Tax Abatement is requested; a list of the kind, number and location of all proposed improvements of a property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of Modernization, a statement of the assessed value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application. The completed application must be accompanied by the payment of a nonrefundable application fee for administrative costs associated with the processing of the Tax Abatement request. All checks in payment of the administrative fee shall be made payable to the County. For Tax Abatement requests for improvements with a planned value equal to or in excess of \$1,000,000.00, the fee shall be One Thousand and No/100 Dollars (\$1,000.00). For requests with a planned value of less than \$1,000,000.00, the fee shall be five hundred and no/100 Dollars (\$500.00).

C. If a city within the County designates a Reinvestment Zone within its corporate limits and enters into or proposes to enter into an Abatement Agreement with a present or potential owner of a taxable property, such present or potential owner of taxable property may request Tax Abatement by the County by following the same application process described in Section 4(A) hereof.

SECTION 5. AGREEMENT

A. The Commissioners Court shall memorialize the approval of any Abatement Agreement by the adoption of an order or resolution authorizing execution of the Abatement Agreement and making findings of fact and conclusions of law consistent with its action. The Abatement Agreement shall contain those provisions required by applicable law including the following:

- (1) A list of the kind, number and location of all proposed improvements to the property;
- (2) Provide access to and authorize inspection of the property by the taxing unit to insure compliance with the Abatement Agreement;
- (3) Limit the use of the property consistent with the taxing unit's development goals;

(4) Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the Abatement Agreement;

(5) Include each term that was agreed upon with the property owner and. require the owner to annually certify compliance with the terms of the Abatement Agreement to each taxing unit;

(6) Allow the taxing unit to cancel or modify the Abatement Agreement at any time if the property owner fails to comply with the terms of the Abatement Agreement; and

(7) All other terms and conditions not inconsistent with applicable law which are, in the judgment of the Commissioners Court, necessary or prudent.

SECTION 6. RECAPTURE

A. In the event that the applicant or its assignee (1) allows its ad valorem taxes owed the County to become delinquent and fails to timely and property follow the legal procedures for their protest and/or contest; or (2) violates any of the terms and conditions of the Abatement Agreement and fails to cure within any applicable cure period, the Abatement Agreement then maybe terminated and all taxes previously abated by virtue of the Abatement Agreement will be recaptured and paid within thirty (30) days of the termination.

B. Should the County determine that the applicant or its assignee is in default according to the terms and conditions of its Abatement Agreement, the County shall notify the company or individual in writing at the address stated in the Abatement Agreement, and if such is not cured within the time set forth in such notice (the "Cure Period"), then the Abatement Agreement may be terminated.

C. In the event all or any portion of a Facility for which Tax Abatement has been granted under an Abatement Agreement is assigned to a non-taxable entity, the County shall be entitled to recapture all property abated under that Abatement Agreement unless the Commissioners Court and the applicant have agreed to some compromised provision with respect to the recapture of taxes abated under these circumstances.

SECTION 7. ADMINISTRATION

A. The Chief Appraiser of the Baylor County Appraisal District will annually determine an assessment of the real and personal property comprising the Reinvestment Zone. Each year, the company or individual receiving Tax Abatement shall furnish the appraiser with such information as may be necessary to administer the Tax Abatement pursuant to applicable law. Once value has been established. the Chief Appraiser will notify the Commissioners Court of the amount of the assessment.

B. The County may execute a contract with any other jurisdiction(s) to inspect the Facility to determine if the terms and conditions of the Abatement Agreement are being met. The Abatement Agreement shall stipulate that employees and/or designated representatives of the

County will have access to the Facilities which are the subject of an Abatement Agreement during the term of the Abatement Agreement to inspect the Facilities to determine if the terms and conditions of the Abatement Agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the Facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

SECTION 8. ASSIGNMENT

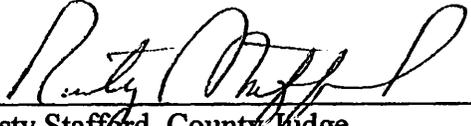
An Abatement Agreement may be transferred and assigned by the holder to a new owner or lessee of the same Facility either upon the approval by resolution of the Commissioners Court, or in accordance with the terms of an existing Abatement Agreement.

SECTION 9. SUNSET PROVISION

These Guidelines and Criteria are effective upon the date of their adoption and shall supersede and replace any and all prior guidelines and criteria for Reinvestment Zones in the County, and hereafter these Guidelines and Criteria shall apply to Reinvestment Zones created in the County after the date of their adoption. These Guidelines and Criteria shall remain in force for two (2) years, unless amended within that two year period by three quarters vote of the Commissioners Court, at which time all Reinvestment Zones and any Abatement Agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on such review, the Guidelines and Criteria will be modified, renewed or eliminated; provided, however, no modification or elimination of the Guidelines and Criteria shall affect any existing Abatement Agreements that have been previously approved until the parties thereto shall agree to amend such Abatement Agreements.

ADOPTED AND APPROVED on May 13, 2019.

APPROVED:



Rusty Stafford, County Judge

ATTEST:



Chris Jakubicek, County Clerk



Diversion Wind Energy LLC
Chapter 313 Application to Seymour ISD

CHECKLIST ITEM # 17

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

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

John Anderson
Print Name (Authorized School District Representative)

Superintendent
Title

sign here

[Handwritten Signature]
Signature (Authorized School District Representative)

8-25-20
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here

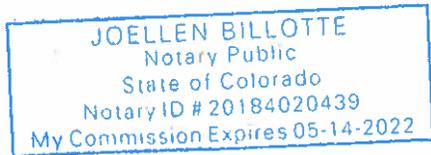
James Williams
Print Name (Authorized Company Representative (Applicant))

Vice President of Development
Title

sign here

[Handwritten Signature]
Signature (Authorized Company Representative (Applicant))

8/17/2020
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

17 day of August, 2020

[Handwritten Signature]
Notary Public in and for the State of Texas, CO

My Commission expires: 5.14.22

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.