

# APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY

(Tax Code, Chapter 313, Subchapter B or C)

Supplemented 8/3/09

School district name <b>WEBB CONSOLIDATED ISD</b>		Date application filed with district <i>(To be filled in by school district)</i> <b>May 14, 2009</b>	
Address <b>PO BOX 206, BRUNI, TX 78344-0206</b>		Phone (area code and number) <b>(351) 747-5415</b>	
<p>This form applies to property that meets the requirements of Tax Code Chapter 313. This completed application must be filed with the school district. If the governing body decides to consider this application, the school district must immediately forward three copies of the application to the Comptroller of Public Accounts and request that the Comptroller provide an economic impact evaluation of the application to the school district. 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 Texas Administrative Code Rule 9.1054, to provide information required by the application form that was unavailable prior to the filing date. The school district must forward the supplemental or amended information to the comptroller and the appraisal district. The school board shall approve or disapprove this application before the 121st day from the application filing date, unless an extension is granted.</p>			
<b>Step 1:</b> Applicant name and address	Only entities to which Tax Code Chapter 171 applies are eligible for appraised value limitations on qualified property.		
	Applicant name: <b>CEDRO HILL WIND LLC</b>		
	Mailing address: <b>TWO RIVERWAY, SUITE 1780</b>		
	Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits): <b>32,039,436,038</b>	City, State: <b>HOUSTON</b>	ZIP code + 4: <b>77056-2039</b>
	Name of person preparing this application: <b>J. WESTON JACKSON</b>	Title: <b>Property Tax Consultant</b>	
	Phone (area code and number): <b>(713) 266-4456</b>		
<b>Step 2:</b> Describe the property.	<p>(A) Attach the following items to this application:</p> <ol style="list-style-type: none"> <li>1. A specific description of all property for which you are requesting an appraised value limitation as defined by Tax Code §313.021(2). Include a description of the land, describe each proposed improvement, and each proposed item of personal property for which you are seeking a limitation. Include each existing appraisal district account number and the legal description of the land, attach a detailed map showing the actual or proposed location of the land and proposed improvements and showing the actual or proposed boundaries and size of the reinvestment zone or enterprise zone in which the property will be located. Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone (if applicable).</li> <li>2. A fully 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.</li> <li>3. A map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor.</li> </ol> <p>(B) Answer the following questions:</p> <ol style="list-style-type: none"> <li>1. What is the first tax year of your proposed qualifying time period (as defined by Tax Code §313.021(4))? ..... <u>2010</u></li> <li>2. What is the amount of qualified investment, as defined by Tax Code §313.021(1), that will be made during the 2-year qualifying time period? .... \$ <u>170,000,000</u></li> <li>3. What is the amount of appraised value limitation for which you are applying?. \$ <u>10,000,000</u></li> </ol> <p>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 rural, and the school district's property value. For assistance in determining these minimums, access the comptroller's Web site at <a href="http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html">http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html</a>.</p>		

**Step 3:**  
**Answer these questions about property and job qualifications.**

1. Do you propose to construct a new building or to erect or affix a new improvement after the date you submit this application?  Yes  No
2. Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the qualifying time period, and for the duration of the appraised value limitation?  Yes  No
3. Is the land on which you propose new construction or improvement 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
  - 3(a) If you answered "no" to the question above, are you seeking an agreement with a taxing unit that, prior to the first day of the qualifying time period, will result in a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvement?  Yes  No  
 Date of anticipated agreement? will request WCISD to create reinvestment zone
4. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category?  Yes  No
5. On the land and in connection with the new building or other improvement, do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts)?  Yes  No
6. Will at least 80 percent of all the new jobs created by the property owner be qualifying jobs as defined by Tax Code §313.021(3)?  Yes  No
  - 6(a) If you answered "yes" to the question above, attach documentation from the Texas Workforce Commission that the new qualifying jobs meet the requirements of Tax Code §313.021(3)(E) or 313.051(b).
7. Do you intend to request that the governing body waive the minimum jobs creation requirement, as provided under Tax Code §313.025(f-1)?  Yes  No
  - 7(a) If you answered "yes" to the question above, attach evidence documenting that the job creation requirement (5) above exceeds the number of employees necessary for the operation, according to industry standards.
8. Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time
  - a) in or on the new building or other new improvement for which you are applying for an appraised value limitation, or
  - b) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement, and is the personal property on the same parcel of land as the building for which you are applying for an appraised value limitation?  Yes  No  N/A  
 ["First placed in service" means the first use of the property by the taxpayer.]
9. The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities as defined by Tax Code §313.024(b):
  - manufacturing;  Yes  No
  - research and development  Yes  No
  - a clean coal project;  Yes  No
  - an advanced clean energy project  Yes  No
  - renewable energy electric generation;  Yes  No
  - electric power generation using integrated gasification combined cycle technology; or  Yes  No
  - nuclear electric power generation  Yes  No
10. Are you an entity to which Tax Code, Chapter 171 applies?  Yes  No

**Step 4:**  
Answer these questions about investment, property value and employment.

1. Will the investment in real or personal property you propose to be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period?  Yes  No
2. Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)?  Yes  No  N/A
3. If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property described above?  Yes  No  N/A
4. Will you own the property or lease the property under a capitalized lease? If leased, attach a copy of the lease agreement.  Yes  No
5. Are you including property that is owned by a person other than the applicant and that is pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?  Yes  No

**Step 5:**  
Economic Impact

Please answer the following questions.

1. Applicant's 6-digit North American Industry Classification System (NAICS) code: 221,119
2. Is Schedule A completed for all years and attached?  Yes  No
3. Is Schedule B completed for all years and attached?  Yes  No
4. Is Schedule C completed for all years and attached?  Yes  No
5. Total number of new jobs that will have been created when fully operational: 8
6. Total number of new jobs identified in (5) above that will have wages greater than 110 percent of the county average weekly wage for manufacturing jobs\*: 8  
*\*See Exhibit C*
7. Total number of new jobs identified in (5) above that will meet all the criteria for "qualifying jobs" as specified in Tax Code §313.021(3): 8
8. Describe each type of benefits to be offered to qualifying jobholders. Explain.  
In addition to the annual salary, each qualified position will receive medical (pays 100% of employee only coverage) and a 401K plan which matches 50% up to 6% of their annual salary, paid sick leave & personal time off, holidays, & vacations. The annual average salary for the eight permanently created positions resulting from this project is \$48,000.
- 8(a) Will the jobs created offer at least 80 percent of the premiums or other charges assessed for employee-only coverage under the group health benefit plan for qualifying jobholders?  Yes  No
9. Describe the ability of your company to locate or relocate in another state or another region of the state.  
Windfarms are currently being developed, built, and installed in numerous other states, including but not limited to Colorado, Kansas, New Mexico, Oklahoma, California, Minnesota, Within Texas, at least 20 other counties currently have wind farms proposed, under development under construction, or are currently operating with potential new sites growing yearly.
10. Describe the current economic condition of the region of the state where the property is located.  
The project will be wholly located within Webb County, its largest city being Laredo on the US Mexico border. Much of the county is rural and the majority hispanic population is currently & forecasted to grow faster than the statewide averages. Challenges exist in regard to income levels, education, & healthcare. (source US Census & other economic studies online)

\*Applicants to rural school districts that are not located in an SIA [see §313.051(a)(2)] must meet the regional wage standard described in 313.051(b).

**Step 6:**  
Applicant  
sign and date  
application.

By signing this application, you certify that this information is true and correct to the best of your knowledge and belief. Also by signing this application, you agree to respond promptly to all information requests made by the comptroller under Tax Code §313.032 and to send updated contact information to the comptroller throughout the agreement period.

**print here** → THOMAS E. WHITE EXECUTIVE OFFICER  
Name of authorized company officer Title

**sign here** → *Thomas E White* 5-11-09  
Signature of authorized company officer Date

On behalf of Cedro Hill Wind LLC  
Name of corporation/company

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 §37.10.

**Step 7:**  
School district  
official sign  
and date  
application.

By signing below, I affirm that I have been delegated the authority by the school district governing body to act on its behalf with regard to this application for a limitation on appraised value.

**print here** → DAVID JONES Superintendent of Schools  
Name of authorized school district official Title

**sign here** → *[Signature]* 5/14/09  
Signature of authorized school district official Date

On behalf of Webb Consolidated Independent School District  
Name of school district

# SCHEDULE A: INVESTMENT

<b>PROPERTY INVESTMENT AMOUNTS (\$)</b>						
(Estimated investment in each year. Do not put cumulative totals.)						
	Year	Column A: Tangible Personal Property: the amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B—Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
	pre-year 1*	-	25,000,000	-	-	25,000,000
	1	75,000	144,925,000	145,000,000	-	145,000,000
	2	-	-	-	-	-
	3	-	-	-	-	-
	4	-	-	-	-	-
	5	-	-	-	-	-
	6	-	-	-	-	-
	7	-	-	-	-	-
	8	-	-	-	-	-
	9	-	-	-	-	-
	10	-	-	-	-	-
	11	-	-	-	-	-
	12	-	-	-	-	-
	13	-	-	-	-	-
Tax Credit Period (with 50% cap on credit)	Value Limitation Period					
Credit Settle-Up Period	Continue to Maintain Viable Presence					

\*Pre-Year 1\* is the time period after the applicant has applied to the district and before January 1 of the first tax year of the qualifying time period. Qualifying Time Period is the first two tax years beginning after the date of the approval of the application (the agreement).

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment- as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property. Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E). For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or non-removable components of buildings.

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value. The most significant example for many projects would be land. Others may choose to include items such as professional services, etc. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

This schedule must be submitted with the original application, any agreement addendum, any reporting of replacement property, and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

**SCHEDULE B: ESTIMATED MARKET VALUE AND TAXABLE VALUE**

All figures here are to be cumulative

	Year	Qualified Property			Reductions from market value (exemptions, etc.)		Estimated Taxable Value	
		Column A: Estimated Market Value of Land	Column B: Estimated Total Market Value of new buildings or other new improvements	Column C: Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	D: Due to pollution control property (estimated or actual as appropriate)	E: Due to other exemptions	F: Estimated total taxable value for I&S: (A+B+C)-(D+E)	G: Estimated total taxable value for M&O: (Column F amount with the limitation value in years 3 - 10)
	pre-year 1'	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	1	\$ -	\$ 25,000,000.00	\$ -	\$ -	\$ -	\$ 25,000,000	\$ 25,000,000
	2	\$ -	\$ 169,952,000.00	\$ 75,000.00	\$ -	\$ -	\$ 170,027,000	\$ 170,027,000
	3	\$ -	\$ 161,357,500.00	\$ 71,250.00	\$ -	\$ -	\$ 161,428,750	\$ 10,000,000.00
	4	\$ -	\$ 153,221,938.00	\$ 67,688.00	\$ -	\$ -	\$ 153,289,626	\$ 10,000,000.00
	5	\$ -	\$ 145,496,538.00	\$ 64,303.00	\$ -	\$ -	\$ 145,560,841	\$ 10,000,000.00
	6	\$ -	\$ 138,160,623.00	\$ 61,088.00	\$ -	\$ -	\$ 138,221,711	\$ 10,000,000.00
	7	\$ -	\$ 131,194,558.00	\$ 58,034.00	\$ -	\$ -	\$ 131,252,592	\$ 10,000,000.00
	8	\$ -	\$ 124,579,698.00	\$ 55,132.00	\$ -	\$ -	\$ 124,634,830	\$ 10,000,000.00
	9	\$ -	\$ 118,293,338.00	\$ 52,375.00	\$ -	\$ -	\$ 118,345,713	\$ 10,000,000.00
	10	\$ -	\$ 112,333,665.00	\$ 49,757.00	\$ -	\$ -	\$ 112,383,422	\$ 10,000,000.00
	11	\$ -	\$ 106,669,713.00	\$ 47,269.00	\$ -	\$ -	\$ 106,716,982	\$ 10,000,000.00
	12	\$ -	\$ 101,292,322.00	\$ 44,905.00	\$ -	\$ -	\$ 101,337,227	\$ 101,337,227
	13	\$ -	\$ 96,184,096.00	\$ 42,660.00	\$ -	\$ -	\$ 96,226,756	\$ 96,226,756
Tax Credit Period (with 50% cap on credit)	Qualifying time period							
	Value Limitation Period							
Credit Settle-Up Period	Continue to Maintain Viable Presence							

This schedule must be submitted with the original application, any agreement addendum, any reporting of replacement property, and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

## SCHEDULE C: EMPLOYMENT INFORMATION

	Year	Construction		Permanent New Jobs		Qualifying Jobs		Existing Jobs
		Number of Construction FTE's or man-hours (specify below are FTE)	Average wage rates for construction workers	Total number of permanent full-time new jobs created by the applicant	Average wage rate for all permanent new jobs for each year	Total number of permanent new qualifying jobs with wages greater than 110% of the county average weekly manufacturing wages*	Total number of permanent qualifying jobs meeting all criteria of Sec. 313.021(3)	
	pre-year 1	200	Hourly	1	Annual	1	1	0
	1	200		8	48,000	8	8	0
	2	0		8	48,960	8	8	0
	3	0		8	49,939	8	8	0
	4	0		8	50,938	8	8	0
	5	0		8	51,957	8	8	0
	6	0		8	52,996	8	8	0
	7	0		8	54,056	8	8	0
	8	0		8	55,137	8	8	0
	9	0		8	56,240	8	8	0
	10	0		8	57,364	8	8	0
	11	0		8	58,512	8	8	0
	12	0		8	59,682	8	8	0
	13	0		8	60,876	8	8	0
Tax Credit Period (with 50% cap on credit)								
Credit Settle-Up Period								
Value Limitation Period								
Continue to Maintain Viable Presence								

This schedule must be submitted with the original application, any agreement addendum, any reporting of replacement property, and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual employment data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

\* Applicants to rural school districts that are not located in an SIA [see §313.051(a)(2)] must meet the regional wage standard described in 313.051(b).

## Attachment - Project Description

### Cedro Hill Wind LLC

**Step 2 (A)1** In accordance with the Sec 313.024(b)(5) Texas Property Code, Cedro Hill Wind LLC is requesting value limitation on their wind turbine generator project in the eastern portion of Webb County, Texas. The project will encompass approximately 25,000 acres entirely within the boundaries of Webb CISD, most of which is already under lease from the land owners for the purpose of operating the wind farm. A detailed listing of those parcel's legal descriptions are attached below as Exhibit A. We have attached a map of the project area as Exhibit B.

Value limitation is requested on all wind turbines, towers, foundations, roadways, buildings, and offices, related personal property, project transmission line(s) and interconnection(s), anemometer towers, cables, and electrical substations. The project will utilize the existing transmission line to the grid interconnection located in Webb County. The precise turbine locations are not spotted on the map attached (Exhibit B) due to ongoing wind studies, planning, discussions and negotiations with land owners, and the likelihood that locations may change before final configuration. Please see our attached letter to this affect.

**Legal Description(s) – Attached as Exhibit A**

**Map—Attached as Exhibit B**

Webb County has not, as of the date of this application, created the reinvestment zone. We do not know at the time of this application whether it is reasonable to expect the Webb County Commissioner's Court to create the zone and are therefore proceeding with plans to request Webb CISD to create the reinvestment zone.

**Step 2 (A)2** Cedro Hill Wind LLC and its affiliates propose to construct and operate a 150 MW wind turbine generator project in the east portion of Webb County, Texas. At the time of this application, there are anticipated to be approximately one hundred (100) 1.5 MW GE wind turbines for the total project. All of these turbines will be located in Webb CISD with the final number of turbines being ultimately determined by the timing of the project, ongoing leasing operations and wind testing, and availability of turbines from the manufacturer(s). The civil work construction phase is expected to begin in late 2009, but could vary from this estimate due to the previously mentioned economic factors. Once begun, the construction period will continue for approximately 10 months in a single phase, with completion forecasted in the second half of 2010.

**EXHIBIT -A-**  
**Cedro Hill Wind LLC - Webb CISD**

<u>ABST NUM</u>	<u>County</u>	<u>Acreage</u>	<u>Survey</u>	<u>Webb County GEOID</u>
1056	Webb	657.75	23	900-10562-001
2816	Webb	349.97	34	900-28162-001
2605	Webb	364.02	34	900-26052-001
1083	Webb	254.08	47	900-10832-001
1083	Webb	325.47	47	900-10832-002
1083	Webb	78.84	47	900-10832-003
2238	Webb	259.72	48	900-22382-003
2238	Webb	72.50	48	900-22382-001
2238	Webb	325.38	48	900-22382-002
2606	Webb	645.03	52	900-26062-001
1337	Webb	340.30	110	
1116	Webb	757.64	231	
1044	Webb	607.64	259	900-10442-001
1137	Webb	699.28	259	900-11372-001
2607	Webb	679.37	260	900-26072-001
2239	Webb	722.81	261	900-11402-001
2239	Webb	652.16	262	900-22392-001
1355	Webb	636.15	263	900-13562-001
3303	Webb	496.12	264	900-33022-001
1142	Webb	667.78	265	900-11422-001
2134	Webb	275.54	266	
1134	Webb	562.96	267	900-11342-001
2132	Webb	616.47	268	
1135	Webb	301.21	269	900-11352-001
2994	Webb	537.87	270	900-29942-001
1136	Webb	637.49	271	900-11362-001
3161	Webb	320.00	272	900-31612-001
1424	Webb	580.07	335	900-14242-002
1424	Webb	63.92	335	900-14242-001
2902	Webb	674.57	336	900-29022-002
2837	Webb	635.63	466	900-28372-001
1983	Webb	646.23	675	900-19832-001
2241	Webb	649.18	676	900-22412-001
899	Webb	667.41	677	900-08991-001
2939	Webb	676.70	678	900-29392-001
2245	Webb	626.73	680	900-22452-001
897	Webb	684.39	681	900-08972-001
2903	Webb	582.70	682	900-29032-001
2240	Webb	393.05	708	900-22402-002
2240	Webb	247.75	708	900-22402-001
2002	Webb	43.38	710	900-20022-022
2002	Webb	24.55	710	900-20022-019
2002	Webb	43.37	710	900-20022-008
2002	Webb	46.28	710	900-20022-014
2002	Webb	22.95	710	900-20022-010
1654	Webb	23.80	719	900-16542-010

1654	Webb	50.00	719	
1654	Webb	25.04	719	900-16542-011
2836	Webb	1366.83	768	900-28362-001
923	Webb	44.91	707	900-09232-001
923	Webb	54.88	707	900-09232-010
923	Webb	54.97	707	900-09232-013
923	Webb	11.51	707	900-09232-030
923	Webb	4.50	707	900-09232-015
923	Webb	11.49	707	900-09232-014
923	Webb	54.14	707	900-09232-012
923	Webb	39.60	707	900-09232-011
923	Webb	108.21	707	900-09232-005
923	Webb	46.58	707	900-09232-004
923	Webb	20.00	707	900-09232-007
1848	Webb	648.14	1011	900-18462-001
2499	Webb	644.64	1012	900-24892-001
2232	Webb	646.16	1100	900-22322-001
3232	Webb	525.51	1102	900-32322-002
1758	Webb	33.50	2257	900-17582-007
875	Webb	17.09	2257	900-08752-007
875	Webb	7.31	2257	
1760	Webb	74.64	2259	900-17601-001
2132	Webb	63.90		900-21322-002
2147	Webb	24.29		900-21472-001
2527	Webb	21.81		900-25272-001
2948	Webb	151.84		900-29482-001
2608	Webb	165.07		900-26082-001

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25,092.76

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Exhibit C

**Quarterly Employment and Wages (QCEW)**

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2008	1st Qtr	Webb County	Private	31	2	31-33	Manufacturing	\$449
2008	2nd Qtr	Webb County	Private	31	2	31-33	Manufacturing	\$460
2008	3rd Qtr	Webb County	Private	31	2	31-33	Manufacturing	\$441
2008	4th Qtr	Webb County	Private	31	2	31-33	Manufacturing	\$508

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Average Annual Wage for Webb County is 24,154. 110% of the wage is 26,569.40.  
 Applicant will be paying a salary much higher than 110% of the average wage.

## CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

May 8, 2009

Mr. Gary Price  
Texas Comptroller of Public Accounts  
Local Gov't Assist. & Economic Development  
LBJ Office Building  
111 East 17<sup>th</sup> St.  
Austin, TX 78744

Re: Wind Project Job Creation – Cedro Hill Wind LLC

Dear Mr. Price:

Our clients have been asked to provide background information on the creation of full-time jobs by a wind project. Wind projects create a large number of construction jobs but require a small number of highly skilled technicians to operate a wind project once commercial operations start.

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. Based upon a survey of our clients who are experienced developers and operators of large scale wind projects, we find that industry standard for permanent employment is approximately one full-time employee for every fifteen turbines. This number can and does vary depending upon the operator, turbine type, and the support and technical assistance (warranty) offered by the turbine manufacturer.

In addition to the onsite employees described above, there may be asset managers or technicians who supervise, monitor, and support wind project operations from offsite locations.

If you have questions, please contact me at 713-266-4456 X-2, or by email at [wjackson@cwlp.net](mailto:wjackson@cwlp.net).

Sincerely,



J. Weston Jackson  
Partner

## CUMMINGS WESTLAKE LLC

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12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

May 8, 2009

Mr. Gary Price  
Regional Fiscal Analysis  
Texas Comptroller of Public Accounts  
LBJ State Office Building, 3<sup>rd</sup> Floor  
111 E. 17<sup>th</sup> Street  
Austin, TX 78744

### **Re: Cedro Hill Wind LLC - Proposed Turbine Placement**

Dear Mr. Price:

Due to the nature and current developmental stage of the subject project, at this time, we are unable to precisely pinpoint the location of the 100 turbines listed on the Chapter 313 Application for Appraised Value Limitation on Qualified Property.

However, all the property for which Cedro Hill Wind, LLC is requesting an appraised value limitation as defined by Tax Code Section 313.021(2), is wholly within the boundaries of Webb Consolidated Independent School District. The project will consist of approximately 100 GE 1.5MW wind turbine generators, towers, transformers, transmission lines, meteorological equipment to measure and test wind speed and direction, and associated ancillary equipment necessary to safely operate, maintain and transmit power to the ERCOT grid. The facility will require a relatively insubstantial amount of personal property, and will be placed within a reinvestment zone which Cedro Hill Wind LLC is requesting in the application to be created by the Webb Consolidated ISD as stated in the Attachment- Project Description Step 2 (A)1 with our application. The project boundaries will be wholly within within the reinvestment zone boundaries.

The proposed project will consist of a facility designed to use wind power to generate electricity (commonly referred to as a windfarm). The applicant expects to build the proposed project within one year. The applicant expects to commence construction on or before October 1, 2009 and to complete construction prior to the end of 2010, and expects to meet the minimum qualified investment threshold referenced in Step 2, (B) Question 3 by the end of 2010 and in any event prior to the expiration of the Qualifying Period. All of the property for which the applicant is seeking a limitation on appraised value will be owned by the applicant.

Sincerely,

  
J. Weston Jackson

**Temporary Addendum to Application for Appraised Value Limitation on  
Qualified Property - July 2009**

The 81<sup>st</sup> Legislature passed HB 3676, which made changes to Texas Tax Code, Chapter 313<sup>1</sup>, including more information required to be analyzed in the Comptroller's economic impact evaluation (§313.026(a)). In order to facilitate completion of the evaluation, please provide the following, including temporary supplemental schedules A, B & C to collect information needed for HB 3676. The information on this addendum and additional schedules is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC § 9.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period. (Note: Should the applicant anticipate the need to keep any of the requested information in the application, addendum or supplemental schedules confidential, please read the attachment entitled 'Confidential Information submitted to the Comptroller' at the end of this addendum.)

Applicant name Cedro Hill Wind LLC

Please describe the general nature of the applicant's investment: CHW is proposing to construct, operate, and maintain a wind-powered electric generating wind farm facility on leased lands in eastern Webb County. The project is projected to be 150 MW of wind turbine generators, towers, transmission line, and substation.

Taxing entities that have jurisdiction for the property:

County Webb

Are you seeking property tax abatements or other favorable tax treatment from this entity? If so, please describe the request (typically the percentage abatement and the length of time the abatement would be in effect).

We have made application for tax abatement to Webb County seeking a 10 year abatement schedule as follows: 60% abatement per year for years one through five (1-5), and 40% abatement per year for years six through ten (6-10)

City Not Applicable

Are you seeking property tax abatements or other favorable tax treatment from this entity? If so, please describe the request (typically the percentage abatement and the length of time the abatement would be in effect).

n/a  
\_\_\_\_\_  
\_\_\_\_\_

<sup>1</sup> All §references are to Texas Tax Code, Chapter 313 as amended by HB 3676, 81<sup>st</sup> Legislature, unless otherwise noted.

Hospital District Not Applicable

Are you seeking property tax abatements or other favorable tax treatment from this entity? If so, please describe the request (typically the percentage abatement and the length of time the abatement would be in effect).

n/a  
\_\_\_\_\_  
\_\_\_\_\_

Other (describe) None

Other (describe) \_\_\_\_\_

Other (describe) \_\_\_\_\_

Are you seeking property tax abatements or other favorable tax treatment from any of these entities? If so, please describe the request (typically the percentage abatement and the length of time the abatement would be in effect).

n/a  
\_\_\_\_\_  
\_\_\_\_\_

Are you seeking any other state or local economic development incentives? Examples could include road or public infrastructure improvements, job training grants, loan guarantees, special financing, etc.) No If yes, please describe, attaching documentation as necessary.

The locally collected sales tax rate is: 7.25%

Will the land upon which the new building or new improvement be built be part of the qualified property described by §313.021(2)(A)? No If yes, please attach complete documentation: legal description, parcel ID, current taxable value, owner, etc.

Will the project be on leased land? Yes

If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation.

What is the anticipated date of application approval? August 30<sup>th</sup>, 2009

What is the anticipated date of beginning of the qualifying time period?  
September 10, 2009

What is the approximate date the proposed facility or new improvement is expected to be fully operational? December 2010

What is the minimum required annual wage for each qualified job in this school district? [See new §§313.021(5)(A) or 313.021(5)(B) or 313.021(3)(E)(ii), or 313.051(b).]

\$29,058 (used TWC average manufacturing wage base for Webb County by taking 4<sup>th</sup>/quarter wages of 508 X 4 = 26,416 annual mfg wage X 1.10=\$29,058 Please specify

method of computation and attach documentation from TWC web site. (Note that applicants to school districts subject to Subchapter C because of demographic characteristics must meet the regional wage standard described in §313.021(b).)

What is the minimum annual wage you will be paying for each qualified job in this school district? \$45,660

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? Eight (8) (Use Schedule C-3676, Column F to indicate number of qualifying jobs in specific years.)

By signing this addendum, you certify that this information is true and correct to the best of your knowledge and belief.

H. DAVID RAMM  
Name of authorized company officer  
[Signature]  
Signature of authorized company officer

EXECUTIVE OFFICER  
Title  
7-28-09  
Date

On behalf of Cedro Hill Wind LLC  
Name of corporation/company

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 §37.10.

School district official sign and date application.

By signing below, I affirm that I have been delegated the authority by the school district governing body to act on its behalf with regard to this application for a limitation on appraised value.

DAVID JONES  
Name of authorized school district officer  
[Signature]  
Signature of authorized school district official

Superintendent of Schools  
Title  
8/3/09  
Date

Name of school district Webb Consolidated ISD

## ATTACHMENT:

### Property Tax Limitation Agreement Applications Texas Government Code Chapter 313 Confidential Information submitted to the Comptroller

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act. There is an exception, outlined below, by which information will be withheld from disclosure:

The Comptroller's office will withhold information from public release if it 1) describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application; 2) the information has been segregated in the application from other information in the application; and 3) the party requesting confidentiality provides the Comptroller's office specific reasons, including any relevant legal authority, stating why the material is believed to be confidential. All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application or we are directed to do so by a ruling from the Attorney General. Other information in the custody of a school district or the comptroller in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information if the governing body of the school district agrees to consider the application.

All documents submitted to the Comptroller, as well as all information in the application once the school district acts thereon, are subject to public release unless specific parts of the application or documents submitted with the application are identified as confidential. Any person seeking to limit disclosure of such submitted records is advised to consult with their legal counsel regarding disclosure issues and also to take the appropriate precautions to safeguard copyrighted material, trade secrets, or any other proprietary information. The Comptroller assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by respondents. A person seeking to limit disclosure of information must submit in writing specific detailed reasons, including any relevant legal authority, stating why that person believes the material to be confidential.

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted

records appropriately identified as confidential. This office shall forward the request for records and a copy of the documents at issue to the Texas Attorney General's office for an opinion on whether such information may be withheld from disclosure under the Texas Public Information Act. The Comptroller will notify the person who submitted the application/documents when the information is forwarded to the Attorney General's office. Please be aware that this Office is obligated to comply with an Attorney General's decision, including release of information ruled public even if it was marked confidential.

**SCHEDULE A-3676 (Temporary - July 2009): INVESTMENT & TAXES**

PROPERTY INVESTMENT AMOUNTS (\$)										TAX INFORMATION			
(Estimated investment in each year. Do not put cumulative totals.)										Column E: Total Investment (A+B+D)	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax attributable to the applicant
Year	Tax Year (fill in actual tax year below)	Column A: Tangible Personal Property: the amount of new investment (original cost) placed in service during this year	Column B: Building or nonremovable component of building (annual amount only)	Column C: Sum of A and B—Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax attributable to the applicant				
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing application with district (neither qualified property nor eligible to become qualified investment)	0	0	0	0	0							
	Investment made after filing application with district, but before application approval (eligible to become qualified property)	0	0	0	0	0							
Tax Credit Period (with 50% cap on credit)	Investment made after application approval and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)	25,000,000	0	25,000,000	0	25,000,000	2,325,000	167,675,000	-				
	Complete tax years of qualifying time period	2010	144,800,000	200,000	145,000,000	0	145,000,000	8,000	-				
		2011	0	0	0	0	0	4,000	-				
		2012	0	0	0	0	0	3,000	250,000				
		2013	0	0	0	0	0	3,000	500,000				
		2014	0	0	0	0	0	3,000	500,000				
		2015	0	0	0	0	0	3,000	750,000				
		2016	0	0	0	0	0	3,000	750,000				
		2017	0	0	0	0	0	3,000	750,000				
		2018	0	0	0	0	0	3,000	750,000				
		2019	0	0	0	0	0	3,000	1,000,000				
		2020*	0	0	0	0	0	3,000	1,000,000				
		2021	0	0	0	0	0	3,000	1,000,000				
		2022	0	0	0	0	0	3,000	1,000,000				
		2023	0	0	0	0	0	3,000	1,000,000				
	2024	0	0	0	0	0	3,000	1,000,000					
Credit Settle-Up Period	Continue to Maintain Viable Presence												
Post-Settle-Up Period													
Post-Settle-Up Period													

Qualifying Time Period usually begins with the approval of the application and extends generally for the following two complete tax years.

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment, as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

Column B: For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property. Include estimates of investment for "replacement" property that is part of original agreement but scheduled for probable replacement during limitation period.

Column C: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E). For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value. The most significant example for many projects would be land. Other examples may be items such as professional services, etc.

Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

\* For planning, construction and operation of the facility.

Note: Information related to taxes in Columns F through H, for the year preceding the first complete year of the qualifying time period, need not be broken out by the time periods used for the requested investment information in Columns A through E.

Note: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.

The information on this schedule is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TACS § 1.057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period.

# 2009

All figures here are to be cumulative

	Year	Qualified Property			Reductions from market value (exemptions, etc)		Estimated Taxable Value											
		Column A: Estimated Market Value of Land	Column B: Estimated Total Market Value of new buildings or other new improvements	Column C: Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	D: Due to pollution control property (estimated or actual as appropriate)	E: Due to other exemptions	F: Estimated total taxable value for I&S: (A+B+C)-(D+E)	G: Estimated total taxable value for M&O: (Column F amount with the limitation value in years 3-10)										
Tax Year (fill in actual tax year)	pre- year 1	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Complete tax years of qualifying time period	1	0	25,000,000	-	0	0	0	0	0	0	0	0	0	0	0	0	0	25,000,000
	2	0	189,925,000	75,000	0	0	0	0	0	0	0	0	0	0	0	0	0	170,000,000
	3	0	161,357,500	71,250	0	0	0	0	0	0	0	0	0	0	0	0	0	161,428,750
	4	0	153,221,938	67,688	0	0	0	0	0	0	0	0	0	0	0	0	0	153,289,625
	5	0	145,496,588	64,303	0	0	0	0	0	0	0	0	0	0	0	0	0	145,560,841
	6	0	138,160,623	61,088	0	0	0	0	0	0	0	0	0	0	0	0	0	138,221,711
Value Limitation Period	7	0	131,194,558	58,084	0	0	0	0	0	0	0	0	0	0	0	0	0	131,252,592
	8	0	124,579,698	55,132	0	0	0	0	0	0	0	0	0	0	0	0	0	124,634,830
	9	0	118,298,338	52,375	0	0	0	0	0	0	0	0	0	0	0	0	0	118,350,713
	10	0	112,933,665	49,757	0	0	0	0	0	0	0	0	0	0	0	0	0	112,983,421
	11	0	106,669,713	47,269	0	0	0	0	0	0	0	0	0	0	0	0	0	106,716,981
	12	0	101,291,322	44,905	0	0	0	0	0	0	0	0	0	0	0	0	0	101,336,227
Continue to Maintain Viable Presence	13	0	96,184,096	42,660	0	0	0	0	0	0	0	0	0	0	0	0	0	96,226,756
	14	0	91,334,364	40,527	0	0	0	0	0	0	0	0	0	0	0	0	0	91,374,891
	15	0	86,729,145	38,501	0	0	0	0	0	0	0	0	0	0	0	0	0	86,767,646
Tax Credit Period (with 50% cap on credit)																		
Credit Settle-Up Period																		
Post-Settle-Up Period																		

The information on this schedule is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC § 9.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period.

**SCHEDULE C-3676 (Temporary - July 2009): EMPLOYMENT INFORMATION**

	Year	Tax Year (fill in actual tax year)	Existing Jobs		Construction		Permanent New Jobs		Qualifying Jobs	
			Column A: Number of permanent existing full time jobs prior to application	Column B: Number of Construction FTE's or man- hours (specify)	Column C: Average annual wage rates for construction workers	Column D: Total number of permanent full- time new jobs applicant commits to create	Column E: Average annual wage rate for all permanent new jobs for each year	Column F: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3)	Column G: Avg. annual wage of qualifying jobs	
	pre- year 1	2009	0	200	41,600	1	48,000	1	48,000	
	1	2010	0	200	41,600	8	48,000	8	48,000	
	2	2011	0	0	0	8	48,960	8	48,960	
	3	2012	0	0	0	8	49,939	8	49,939	
	4	2013	0	0	0	8	50,938	8	50,938	
	5	2014	0	0	0	8	51,957	8	51,957	
	6	2015	0	0	0	8	52,996	8	52,996	
	7	2016	0	0	0	8	54,056	8	54,056	
	8	2017	0	0	0	8	55,137	8	55,137	
	9	2018	0	0	0	8	56,240	8	56,240	
	10	2019	0	0	0	8	57,364	8	57,364	
	11	2020	0	0	0	8	58,512	8	58,512	
	12	2021	0	0	0	8	59,682	8	59,682	
	13	2022	0	0	0	8	60,876	8	60,876	
	14	2023	0	0	0	8	62,093	8	62,093	
	15	2024	0	0	0	8	63,335	8	63,335	
Tax Credit Period (with 50% cap on credit)										
Credit Settle-Up Period										
Post- Settle-Up Period										
Post- Settle-Up Period										

The information on this schedule is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC § 9.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period.

Note: Section 313.024(d) Tax Code requires that, to be eligible for a limitation, 80 percent of all new jobs must be qualifying jobs.