Chapter 313 Annual Eligibility Report Form

Economic Development and Analysis

Form 50-772-A

SECTION 1: Applicant and District Information

1. Tax year covered by this report: 2014

   NOTE: This report must be completed and submitted to the school district by May 15 of every year using information from the previous tax (calendar) year.

2. Application number: #163

   NOTE: You can find your application number and all agreement documents and reports on the website www.texasahead.org/tax_programs/chapter313/applicants

3. Name of school district: Brackett ISD

4. Name of project on original application *(or short description of facility)*: Anacacho Wind - Renewable Energy Electric Generation

5. Name of applicant on original application: EC&R Development, LLC

6. Name the company entering into original agreement with distrct: EC&R Development, LLC

7. Amount of limitation at time of application approval: 1 million

8. If you are one of two or more companies originally applying for a limitation, list all other applicants here and describe their relationships. *(Use attachments if necessary.)*

SECTION 2: Current Agreement Information

1. Name of current agreement holder(s) EC&R Development, LLC

2. Complete mailing address of current agreement holder 701 Brazos Street Suite 1400 Austin, Texas 78701

3. Company contact person for agreement holder *(same as signatory for this form)*:

   Name: Robert Greskowiak
   Title: Manager - Performance Management
   Phone: 312-245-5959
   Email: Robert.Greskowiak@eon.com

4. Texas franchise tax ID number of current agreement holder: 32039451532

5. If the current agreement holder does not report under the franchise tax law, please include name and tax ID of reporting entity:

   Name: EC&R Development, LLC
   Tax ID: 32039451532

6. If the authorized company representative is different from the contact person listed above, complete the following:

   Name: same as above
   Title: same as above
   Complete Mailing Address: same as above
   Phone: same as above
   Email: same as above

7. If you are a current agreement holder who was not an original applicant, please list all other current agreement holders. Please describe the chain of ownership from the original applicant to the new entities. *(Use attachments if necessary.)*

SECTION 3: Applicant Eligibility Information

1. Does the business entity have the right to transact business with respect to Tax Code, Chapter 171? *(Attach printout from Comptroller Web site: http://www.window.state.tx.us/taxinfo/coasintr.html)* ☑ Yes ☐ No
2. Is the business entity current on all taxes due to the State of Texas? ☑ Yes ☐ No
3. Is the business activity of the project an eligible business activity under Section 313.024(b)? ☑ Yes ☐ No

   3a. Please identify business activity: Renewable Wind Energy Generation

SECTION 4: Qualified Property Information

1. Market value from previous tax year: $ 126,900,000.00
2. I&S taxable value from previous tax year: $ 126,900,000.00
3. M&O taxable value from previous tax year: $ 1,000,000.00

SECTION 5A: Wage and Employment Information for Applications Prior to Jan. 1, 2014 (#1 Through 999)

ONLY COMPLETE THE WAGE SECTION (5A or 5B) THAT APPLIES TO YOUR APPLICATION. You can find your application number on the website at www.texasahead.org/tax_programs/chapter313/applicants.

NOTE: All statutory references in Section 5A are for statute as it existed prior to Jan. 1, 2014. For job definitions see TAC §9.1051(14) and Tax Code, §313.021(3). If the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), then please provide the definition "new job" as used in the agreement. Notwithstanding any waiver by the district of the requirement for the creation of a minimum number of new jobs, or any other job commitment in the agreement, Tax Code §313.024(d) requires that 80 percent of all new jobs be qualifying jobs.

1. How many new jobs were based on the qualified property in the year covered by this report? *(See note above)* 11
2. What is the number of new jobs required for a project in this school district according to §313.021(2)(A)(iv)(b), §313.051(b), as appropriate? 10
3. Did the applicant request that the governing body waive the minimum job requirement, as provided under Tax Code §313.025(f-1)? ☑ Yes ☐ No

   3a. If yes, how many new jobs must the approved applicant create under the waiver? 6
4. Calculate 80 percent of new jobs (0.80 x number of new jobs based on the qualified property in the year covered by this report.) 8
5. What is the minimum required annual wage for each qualifying job in the year covered by the report? $ 26,852.80
6. Identify which of the four Tax Code sections is used to determine the wage standard required by the agreement:
   ☐ §313.021(5)(A) or ☐ §313.021(5)(B) or ☐ §313.021(3)(E)(ii) or ☑ §313.051(b)

   6a. Attach calculations and cite exact Texas Workforce Commission data source as defined in TAC §9.1051.
7. Does the agreement require the applicant to provide a specified number of jobs at a specified wage? ☐ Yes ☑ No

   7a. If yes, how many qualifying jobs did the approved applicant commit to create in the year covered by the report? 0

   7b. If yes, what annual wage did the approved applicant commit to pay in the year covered by the report? $ 0.00

   7c. If yes, how many qualifying jobs were created at the specified wage in the year covered by the report? 0
8. How many qualifying jobs (employees of this entity and employees of a contractor with this entity) were based on the qualified property in the year covered by the report? 11

   8a. Of the qualifying job-holders last year, how many were employees of the approved applicant? 4

   8b. Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant? 7

   8c. If any qualifying job-holders were employees of an entity contracting with the applicant, does the approved applicant or assignee have documentation from the contractor supporting the conclusion that those jobs are qualifying jobs? ☐ Yes ☑ No ☐ N/A

SECTION 5B: Wage and Employment Information for Applications After Jan. 1, 2014 (#1000 and Above)

ONLY COMPLETE THE WAGE SECTION (5A or 5B) THAT APPLIES TO YOUR APPLICATION. You can find your application number on the website at www.texasahead.org/tax_programs/chapter313/applicants.

NOTE: For job definitions see TAC §9.1051(14) and Tax Code, §313.021(3).

QUALIFYING JOBS

1. What is the number of new qualifying jobs the applicant committed to create in the year covered by this report? ..... _____
2. Did the applicant request that the governing body waive the minimum qualifying job requirement, as provided under Tax Code §313.025(f-1)? ..... ☐ Yes ☑ No
   - 2a. If yes, how many new qualifying jobs must the approved applicant create under the waiver? ..... _____
3. Which Tax Code section are you using to determine the wage standard required for this project? .... ☐ §313.021(5)(A) or ☐ §313.021(5)(B)
   - 3a. Attach calculations and cite exact Texas Workforce Commission data sources as defined in TAC §9.1051.
4. What is the minimum required annual wage for each qualifying job in the year covered by this report? ..... $ _____
5. What is the annual wage the applicant committed to pay for each of the qualifying jobs in the year covered by this report? ..... $ _____
6. Do the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ..... ☐ Yes ☐ No

NON-QUALIFYING JOBS

7. What is the number of non-qualifying jobs the applicant had on Dec. 31 of the year covered by this report? ..... _____
8. What was the average wage you were paying for non-qualifying jobs on Dec. 31 of the year covered by this report? .. $ _____
9. What is the county average weekly wage for non-qualifying jobs, as defined in TAC §9.1051? ..... $ _____

MISCELLANEOUS

10. Did the applicant rely on a determination by the Texas Workforce Commission under the provisions §313.024(3)(F) in meeting the qualifying job requirements? ..... ☐ Yes ☐ No
    - 10a. If yes, attach supporting documentation to evidence that the requirements of §313.021(3)(F) were met.
11. Are you part of a Single Unified Project (SUP) and relying on the provisions in Tax Code §313.024(d-2) to meet the qualifying job requirements? ..... ☐ Yes ☐ No
    - 11a. If yes, attach supporting documentation from the Texas Economic Development and Tourism Office including a list of the other school district(s) and the qualifying jobs located in each.

SECTION 6: Qualified Investment During Qualified Time Period

ENTITIES ARE NOT REQUIRED TO COMPLETE THIS SECTION IF THE YEAR COVERED BY THE REPORT IS AFTER THE QUALIFYING TIME PERIOD OF THEIR AGREEMENT.

1. What is the qualified investment expended by this entity from the beginning of the qualifying time period through the end of the year covered by this report? ..... $ 135,000,000.00
2. Was any of the land classified as qualified investment? ..... ☐ Yes ☑ No
3. Was any of the qualified Investment leased under a capitalized lease? ..... ☐ Yes ☑ No
4. Was any of the qualified Investment leased under an operating lease? ..... ☐ Yes ☑ No
5. Was any property not owned by the applicant part of the qualified investment? ..... ☐ Yes ☑ No

SECTION 7: Partial Interest

THE FOLLOWING QUESTIONS MUST BE ANSWERED BY ENTITIES HAVING A PARTIAL INTEREST IN AN AGREEMENT. For limitation agreements where there are multiple company entities that receive a part of the limitation provided by the agreement: 1) each business entity not having a full interest in the agreement should complete a separate form for their proportionate share of required employment and investment information; and, 2) separately, the school district is required to complete an Annual Eligibility Report that provides for each question in this form a sum of the individual answers from reports submitted by each entity so that there is a cumulative Annual Eligibility Report reflecting the entire agreement.

1. What was your limitation amount (or portion of original limitation amount) during the year covered by this report? 1,000,000
2. Please describe your interest in the agreement and identify all the documents creating that interest.

SECTION 8: Approval

"I am the authorized representative for the Company submitting this Annual Eligibility Report. I understand that this Report is a government record as defined in Chapter 37 of the Texas Penal Code. The information I am providing on this Report is true and correct to the best of my knowledge and belief."

print here ROB GRESKOWIAK
Print Name *(Authorized Company Representative)*

MANAGER
Title

sign here
Signature *(Authorized Company Representative)*

5/13/15
Date

print here Mike Fry
Print Name of Preparer *(Person Who Completed the Form)*

Exhibit C-2
Average Weekly Wage Data

Brackett ISD is a rural district pursuant to the State Comptroller School District Economic Development Categories. Therefore, the average project wage must exceed 110% of the county average manufacturing wage figures found at the Texas Workforce Commission's ("TWC") "Tracer" website at http://www.tracer2.com/cgi/dataanalysis/AreaSelection.asp?tableName=Industry. Based on the information provided by the TWC, EON estimates the Kinney County average weekly wage for construction jobs to be $364.25.

Note that these figures are for "construction" jobs. The "manufacturing" jobs designation is not listed as a searchable category for Kinney County on this website.

	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2008	1st Qtr	Kinney County	Total All	23	2	23	Construction	$363
2008	2nd Qtr	Kinney County	Total All	23	2	23	Construction	$375
2008	3rd Qtr	Kinney County	Total All	23	2	23	Construction	$389
2008	4th Qtr	Kinney County	Total All	23	2	23	Construction	$330

Based on these statistics, EON calculates the average weekly wage for the 4 quarters of 2008 to be $364.25. Based on the statistics from Texas Data Center and Office of the State Demographer (see Exhibit C-3) the average weekly wage for counties that are members of the Middle Rio Grande Development Council is $516.40. The average wage to be paid on the project is $568.04, 110% of the manufacturing wages for counties that are members of the Middle Rio Grande Development Council.

Exhibit C-3
Average Weekly Wage Data

Based on an average 40-hour work week and an average hourly rate of $12.91, EON estimates that the Kinney County average weekly wage for manufacturing jobs to be $516.40. This figure is calculated using information published by the agencies listed below.

The Texas Data Center and Office of the State Demographer has provided the following county cross-reference information:

- Kinney County is associated with the Middle Rio Grande Valley Council of Governments;
- Council of Government Code:
- Economic Region Code: 08
- Economic Region: South Texas
- This regional data is available at: http://www.txsdc.utsa.edu/reference/georef/county_master.php

The 2007 regional wage information for the Middle Rio Grande Valley Council of Governments is shown on the following list, available at: http://www.tracer2.com/admin/uploadedPublications/COGwages.pdf

2007 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Hourly	Annual
Texas	$19.80	$41,184
1. Panhandle Regional Planning Commission	$17.49	$36,379
2. South Plains Association of Governments	$14.48	$30,118
3. NORTEX Regional Planning Commission	$16.97	$35,298
4. North Central Texas Council of Governments	$21.72	$45,178
5. Ark-Tex Council of Governments	$15.05	$31,304
6. East Texas Council of Governments	$15.40	$32,032
7. West Central Texas Council of Governments	$15.35	$31,928
8. Rio Grande Council of Governments	$14.41	$29,973
9. Permian Basin Regional Planning Commission	$16.36	$34,029
10. Concho Valley Council of Governments	$13.49	$28,059
11. Heart of Texas Council of Governments	$15.65	$32,552
12. Capital Area Council of Governments	$23.66	$49,213
13. Brazos Valley Council of Governments	$14.86	$30,909
14. Deep East Texas Council of Governments	$14.86	$30,909
15. South East Texas Regional Planning Commission	$22.73	$47,278
16. Houston-Galveston Area Council	$21.06	$43,805
17. Golden Crescent Regional Planning Commission	$17.91	$37,253
18. Alamo Area Council of Governments	$16.09	$33,467
19. South Texas Development Council	$12.37	$25,730
20. Coastal Bend Council of Governments	$21.78	$45,302
21. Lower Rio Grande Valley Development Council	$12.66	$26,333
22. Texoma Council of Governments	$18.23	$37,918
23. Central Texas Council of Governments	$15.94	$33,155
24. Middle Rio Grande Development Council	$12.91	$26,853

2008 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Wages Hourly	Wages Annual
Texas	**$20.61**	**$42,872**
1. Panhandle Regional Planning Commission	$18.23	$37,916
2. South Plains Association of Governments	$14.81	$30,799
3. NORTEX Regional Planning Commission	$17.78	$36,982
4. North Central Texas Council of Governments	$22.60	$47,011
5. Ark-Tex Council of Governments	$15.50	$32,239
6. East Texas Council of Governments	$16.07	$33,431
7. West Central Texas Council of Governments	$16.30	$33,904
8. Rio Grande Council of Governments	$14.93	$31,048
9. Permian Basin Regional Planning Commission	$17.51	$36,422
10. Concho Valley Council of Governments	$14.07	$29,274
11. Heart of Texas Council of Governments	$17.19	$35,749
12. Capital Area Council of Governments	$24.50	$50,969
13. Brazos Valley Council of Governments	$14.93	$31,052
14. Deep East Texas Council of Governments	$15.42	$32,066
15. South East Texas Regional Planning Commission	$24.60	$51,161
16. Houston-Galveston Area Council	$21.80	$45,353
17. Golden Crescent Regional Planning Commission	$18.72	$38,932
18. Alamo Area Council of Governments	$16.50	$34,330
19. South Texas Development Council	$13.76	$28,631
20. Coastal Bend Council of Governments	$22.61	$47,037
21. Lower Rio Grande Valley Development Council	$13.05	$27,145
22. Texoma Council of Governments	$17.99	$37,415
23. Central Texas Council of Governments	$16.47	$34,255
24. Middle Rio Grande Development Council	$13.85	$28,810

Source: Texas Occupational Employment and Wages
Data published: 9 June 2009
Data published annually, next update will be June 2010.

28,810*1.1= 31,691

Note: Data is not supported by the Bureau of Labor Statistics (BLS).
Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.
Data intended for TAC 313 purposes only.

Franchise Tax Account Status

As of: 05/13/2015 04:23:53 PM

This Page is Not Sufficient for Filings with the Secretary of State

EC&R DEVELOPMENT, LLC	
Texas Taxpayer Number	32039451532
Mailing Address	353 N CLARK ST STE 3000 CHICAGO, IL 60654-3456
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	05/05/2009
Texas SOS File Number	0801119008
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201