

**FINDINGS**  
**of the**  
***NORMANGEE INDEPENDENT***  
***SCHOOL DISTRICT***  
***BOARD OF TRUSTEES***

**Under Chapter 313 of the**  
**Texas Tax Code**

**ON THE APPLICATION FOR**  
**APPRAISED VALUE LIMITATION**  
**ON QUALIFIED PROPERTY**

**SUBMITTED BY**

***SAVANNAH OAKS SOLAR PROJECT, LLC***

***Comptroller Application Number 2008***

**December 19, 2022**



**RESOLUTION AND FINDINGS OF FACT**  
**of the**  
***NORMANGEE INDEPENDENT SCHOOL DISTRICT***  
***BOARD OF TRUSTEES***  
**UNDER CHAPTER 313 OF THE TEXAS TAX CODE**  
**ON THE APPLICATION FOR APPRAISED VALUE LIMITATION**  
**ON QUALIFIED PROPERTY**  
**SUBMITTED BY SAVANNAH OAKS SOLAR PROJECT, LLC**

STATE OF TEXAS	§
COUNTY OF LEON	§
NORMANGEE INDEPENDENT SCHOOL DISTRICT	§

**PREAMBLE**

On the 19th day of December, 2022, a public meeting of the Board of Trustees of the Normangee Independent School District (the “Board”) was held to solicit input from interested parties on the application by Savannah Oaks Solar Project, LLC (“Savannah Oaks” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board considered the application by Savannah Oaks for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller’s Economic Impact Analysis under Texas Tax Code §313.026, the Board, in accordance with Texas Tax Code §313.025(e) and (f) and 34 T.A.C. §9.1054, makes the following Findings regarding the Application:

On or about the 23<sup>rd</sup> day of May, 2022, the Board received an Application for Appraised Value Limitation on Qualified Property from Savannah Oaks, pursuant to Chapter 313 of the Texas Tax Code. The Application was later assigned Comptroller Application No. 2008 (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for a renewable energy electric generation project; specifically, a 200 MW proposed solar power electric generating facility and 200 MW of battery storage in Normangee ISD (the “Property”). *See* Application (Attachment A, §6.2(5) of Tab 1 and Tabs 4 ,7 and 8); *see also* Attachment D. The Board agreed to consider such Application and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District on May 23, 2022. The Application was delivered to the Texas Comptroller of Public Accounts (“Comptroller”) immediately upon the District’s determination that the Application was complete, and the Comptroller acknowledged receipt of the Application on or about May 27, 2022. Thereafter, the Applicant submitted: Amendment #1, dated July 29, 2022 (§§ 2 and 14 of Tab 1, Tab 13, and Schedule C for Tab 14); and, Supplement #1, dated August 5, 2022 (Tabs 7, 8 and 11). The District then submitted Supplement #2, dated August 19, 2022 (reinvestment zone resolution for Tab 16). The Comptroller issued its notice of completeness and determined the Application complete as of August 25, 2022, the Application Review Start Date. The Application, Amendment #1, and Supplements #1 and #2 are hereafter collectively referred to as the “Application.” A copy of the Application and Comptroller’s completeness letter of August 25, 2022 are attached hereto as Attachment A.



The Texas Taxpayer Identification number for Savannah Oaks Solar Project, LLC is 32083235005. Savannah Oaks is an entity subject to Chapter 171 of the Texas Tax Code and is active and has the right to transact business in Texas, as represented by the Texas Comptroller of Public Accounts and as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

The Board acknowledged receipt of the Application and necessary application fee, which was reasonable and did not exceed the estimated cost to the District for processing and acting on the Application, as established by §§313.025(a)(1) and 313.031(b) of the Texas Tax Code, 34 T.A.C. §9.1054(a), and Local District Policy. *See* Attachment A (at Tab 2).

The Application was delivered to the Texas Comptroller's Office for review pursuant to §313.025(b) of the Texas Tax Code.

A copy of the Application was delivered to the Madison County Appraisal District<sup>1</sup> for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.024, 313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an Economic Impact Analysis to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value dated November 10, 2022 (the "Certificate Decision"). *See* Attachment C. The Board has carefully considered such Economic Impact Analysis and Certificate Decision. Copies of the Certificate Decision and Economic Impact Analysis are attached to these Findings as Attachments C and D, respectively.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Normangee Independent School District. A copy of the Financial Impact Study prepared by Culwell Consulting and dated October 14, 2022, is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of property applicable to Savannah Oaks' Application in the Normangee Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, fell within a rural school district, Category 4 of §313.054 of the Texas Tax Code at the time the Certificate Decision was issued. *See* the 2021 Property Value Study Report, "2021 ISD Summary Worksheet" attached hereto as Attachment G; *see also* Attachment D.

After receipt of the completed Application, the District entered into negotiations with Savannah Oaks regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the "Agreement") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District pursuant to §48.256(d) of the Texas Education Code. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. As required by the Comptroller's Office, the parties changed only the

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<sup>1</sup> While the District's administrative offices are located in Leon County, the entire project is located within Madison County.



provisions of the template that the Comptroller permitted (Form 50-826, revised October 2020). The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement (as defined by 34 Tex. Admin. Code §9.1051 and adopted by §9.1052(a)(6)) was submitted to and approved by the Comptroller, as required by 34 Tex. Admin. Code §9.1055(e)(1). See copy of December 9, 2022, Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller's Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of Savannah Oaks' Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

### **Board Finding Number 1.**

***Based on the Application and the Comptroller's Certificate Decision, the Property meets the requirements of Texas Tax Code §313.024 for eligibility for a limitation on appraised value under Texas Tax Code §313.024(b)(5) as a renewable energy electric generation project.***

In support of Finding Number 1, the Comptroller's Certificate Decision states:

#### **Determination required by 313.025(h)**

\* \* \*

Sec. 313.024(b)      Applicant is proposing to use the property for an eligible project.

\* \* \*

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

See Attachment C. See also Attachment A (Tab 1, §6.2(5) and Tab 4) and Attachment D.

### **Board Finding Number 2.**

***The project proposed by Applicant is reasonably likely to generate sufficient tax revenue to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25<sup>th</sup> anniversary of the beginning of the limitation period.***

In support of Finding Number 2, the Certificate Decision states:

#### **Certification decision required by 313.025(d)**

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the



agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B [to the Certificate Decision].

See Attachment C.

Also in support of Finding Number 2, the Comptroller's Economic Impact Analysis states:

### Attachment B - Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This [table] represents the Comptroller's determination that Savannah Oaks Solar Project, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2026	\$0	\$0	\$0	\$0
	2027	\$0	\$0	\$0	\$0
	2028	\$722,550	\$722,550	\$0	\$0
Limitation Period (10 Years)	2029	\$144,510	\$867,060	\$1,849,940	\$1,849,940
	2030	\$144,510	\$1,011,570	\$1,598,585	\$3,448,525
	2031	\$144,510	\$1,156,080	\$1,434,863	\$4,883,389
	2032	\$144,510	\$1,300,590	\$1,257,927	\$6,141,316
	2033	\$144,510	\$1,445,100	\$1,066,963	\$7,208,279
	2034	\$144,510	\$1,589,610	\$860,751	\$8,069,030
	2035	\$144,510	\$1,734,120	\$638,070	\$8,707,100
	2036	\$144,510	\$1,878,630	\$397,497	\$9,104,597
	2037	\$144,510	\$2,023,140	\$263,671	\$9,368,268
	2038	\$144,510	\$2,167,650	\$263,632	\$9,631,901
Maintain Viable Presence (5 Years)	2039	\$408,105	\$2,575,755	\$0	\$9,631,901
	2040	\$408,068	\$2,983,823	\$0	\$9,631,901
	2041	\$408,033	\$3,391,856	\$0	\$9,631,901
	2042	\$407,998	\$3,799,854	\$0	\$9,631,901
	2043	\$407,964	\$4,207,818	\$0	\$9,631,901
Additional Years as Required by 313.026(c)(1) (10 Years)	2044	\$407,931	\$4,615,750	\$0	\$9,631,901
	2045	\$407,900	\$5,023,649	\$0	\$9,631,901
	2046	\$407,869	\$5,431,518	\$0	\$9,631,901
	2047	\$407,838	\$5,839,356	\$0	\$9,631,901
	2048	\$407,808	\$6,247,164	\$0	\$9,631,901
	2049	\$407,779	\$6,654,944	\$0	\$9,631,901
	2050	\$407,751	\$7,062,695	\$0	\$9,631,901
	2051	\$407,723	\$7,470,418	\$0	\$9,631,901
	2052	\$407,696	\$7,878,115	\$0	\$9,631,901
	2053	\$407,670	\$8,285,785	\$0	\$9,631,901
		\$8,285,785	is less than	\$9,631,901	
<b>Analysis Summary</b>					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					No

Source: CPA, Savannah Oaks Solar Project, LLC



Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2027	225	201	426	\$13,500,000	\$22,500,000	\$36,000,000	1400000	-800000	\$2,200,000
2028	225	211	436	\$13,500,000	\$27,500,000	\$41,000,000	1500000	-500000	\$2,000,000
2029	1	19	20	\$140	\$6,999,860	\$7,000,000	200000	600000	-\$400,000
2030	1	(1)	0	\$145	\$3,999,855	\$4,000,000	100000	600000	-\$500,000
2031	1	(17)	-16	\$150	\$1,999,850	\$2,000,000	-100000	500000	-\$600,000
2032	1	(19)	-18	\$155	-\$1,000,155	-\$1,000,000	-100000	500000	-\$600,000
2033	1	(19)	-18	\$160	-\$1,000,160	-\$1,000,000	-100000	300000	-\$400,000
2034	1	(22)	-21	\$166	-\$1,000,166	-\$1,000,000	-100000	300000	-\$400,000
2035	1	(19)	-18	\$171	-\$1,000,171	-\$1,000,000	-100000	200000	-\$300,000
2036	1	(13)	-12	\$177	-\$2,000,177	-\$2,000,000	-200000	100000	-\$300,000
2037	1	(11)	-10	\$183	-\$2,000,183	-\$2,000,000	-200000	0	-\$200,000
2038	1	(13)	-12	\$189	-\$2,000,189	-\$2,000,000	-200000	0	-\$200,000
2039	1	(7)	-6	\$195	-\$1,000,195	-\$1,000,000	-200000	-100000	-\$100,000
2040	1	(7)	-6	\$202	-\$1,000,202	-\$1,000,000	-200000	-200000	\$0
2041	1	(9)	-8	\$209	-\$1,000,209	-\$1,000,000	-200000	-200000	\$0
2042	1	(5)	-4	\$216	-\$1,000,216	-\$1,000,000	-300000	-200000	-\$100,000
2043	1	(11)	-10	\$223	-\$1,000,223	-\$1,000,000	-300000	-300000	\$0
2044	1	(9)	-8	\$231	-\$1,000,231	-\$1,000,000	-300000	-300000	\$0
2045	1	(11)	-10	\$239	-\$2,000,239	-\$2,000,000	-300000	-300000	\$0
2046	1	(11)	-10	\$247	-\$2,000,247	-\$2,000,000	-200000	-300000	\$100,000
2047	1	(3)	-2	\$256	-\$1,000,256	-\$1,000,000	-200000	-300000	\$100,000
2048	1	(3)	-2	\$265	-\$265	\$0	-200000	-400000	\$200,000
2049	1	(5)	-4	\$274	-\$1,000,274	-\$1,000,000	-200000	-400000	\$200,000
2050	1	(9)	-8	\$283	-\$1,000,283	-\$1,000,000	-200000	-500000	\$300,000
2051	1	(7)	-6	\$292	-\$1,000,292	-\$1,000,000	-200000	-500000	\$300,000
2052	1	(11)	-10	\$302	-\$2,000,302	-\$2,000,000	-300000	-500000	\$200,000
2053	1	(17)	-16	\$312	-\$4,000,312	-\$4,000,000	-300000	-600000	\$300,000
2054	1	(15)	-14	\$322	-\$4,000,322	-\$4,000,000	-300000	-600000	\$300,000
						<b>Total</b>	<b>-\$1,800,000</b>	<b>-\$3,900,000</b>	<b>\$2,100,000</b>
							\$10,385,785	is greater than	\$9,631,901
<b>Analysis Summary</b>									
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?									Yes

See Attachment D (at Attachment B thereof).

### Board Finding Number 3.

***The new qualifying jobs creation requirement under § 313.051(b) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Applicant's facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to § 313.025(f-1).***

In support of this Finding, Applicant submitted as Tab 12 to its Application, information regarding the industry standard for the number of jobs for a project with qualified property of this size and type. The Applicant states that the solar energy industry standard for committed jobs is one job per 350MW. Applicant further reports solar projects create many full and part-time, but temporary jobs during the construction phase of the project. However, they require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences. The number of jobs committed to in this application is in line with the industry standards for a project this size. Therefore, in line with industry standards for solar project job requirements, the Applicant has committed to creating one qualified job for this 200MW project. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J. See also Attachments A (at Tabs 4, 7 and 8), and D (at Attachment C thereto).



#### **Board Finding Number 4.**

*The Applicant will create one (1) new qualifying job, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; (3) pay an annual wage of \$46,242 (\$889 per week)<sup>2</sup>, an amount equal to at least 110% of the average weekly wage for manufacturing jobs in the County as defined under §313.021(5)(B); (4) is not created to replace a previous employee; and (5) is not transferred from another area of Texas to the project described in the Application.*

See Attachments A, D and J.

#### **Board Finding Number 5.**

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

In its Application, Applicant indicates that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least \$844.25<sup>3</sup> per week, which exceeds the county average wage for all jobs in the County, in accordance with the provisions of Texas Tax Code §313.024(d). See Attachments A and D.

#### **Board Finding Number 6.**

*Applicant reports that it is keen to develop and build the proposed project, but since it is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. The Applicant is active in states throughout the US, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to Applicant's customers and making the investment more viable and marketable. The Applicant is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics, and currently has ongoing project developments in many states, including but not limited to, Wisconsin, Virginia, Ohio, Michigan, Kentucky and Colorado. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a Power Purchase Agreement (PPA). Therefore, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas and Normangee ISD.*

See Attachment A (at Tab 5) and Attachment D (at Attachment C thereto).

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<sup>2</sup> The weekly wages stated in the Comptroller's Economic Impact Analysis are rounded down; the Application notes required weekly wages of \$889.27.

<sup>3</sup> The weekly wage stated in the Comptroller's Economic Impact Analysis is increased by \$1; the Application notes a weekly minimum wage for non-qualified jobs of \$843.25.



In support of Finding Number 6, the Comptroller's Certificate Decision states, "[t]he Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C."

The Economic Impact Analysis further states:

**Determination**

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

- Per Savannah Oaks Solar Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. "Savannah LLC is keen to develop and build the proposed Savannah Oaks Solar Project as per this application, but this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. Savion LLC is active in states throughout the US, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. Savion LLC is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Savio [sic] Energy currently has ongoing project developments in many states, including but not limited to, Wisconsin, Virginia, Ohio, Michigan, Kentucky and Colorado."
  - B. "Due to the extremely competitive power market in ERCOT most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a Power Purchase (PPA). A signed PPA in the Texas mark is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited."

*See Attachment D (at Attachment C thereto).*



### **Board Finding Number 7.**

***The proposed limitation on appraised value for the qualified property is \$15,000,000.***

The Comptroller's Minimum School District Limitation Values Report, effective as of January 1, 2022, provides that the District is a Subchapter C, Category 4 District under Texas Tax Code §313.054, with a minimum limitation of \$15,000,000. *See* Attachments A and D.

### **Board Finding Number 8.**

***The revenue gains that will be realized by the District if the Application is approved and the project is built and operational, will be significant in the long term, with specific reference to revenues used for supporting District debt.***

In support of this Finding, the analysis prepared by Culwell Consulting indicates that the project would add an estimated \$207,022,040 to the tax base for debt service purposes at the peak investment level for the 2029-30 school year (tax year 2029). *See* Table 3, Attachment E. The project remains fully taxable for debt services taxes. As a result, local taxpayers should see some benefit from the addition of the project to the local I&S tax roll. *See* Attachment E at pp. 7-8. In addition, the estimated potential revenue gains from Supplemental Payments as provided for in the proposed Agreement are estimated to be \$873,600<sup>4</sup>. *See* Table of Estimated Effects of the Ch. 313 Application, Column 12, dated December 7, 2022 ("Estimated Effects Table"), at the last page of Attachment E, and Attachment H (Article VI).

### **Board Finding Number 9.**

***Applicant's project, based on the District's enrollment and the potential number of new jobs reported by Applicant, is not expected to have a significant impact on the District's instructional facility needs. Normangee ISD can accommodate the student growth anticipated from Applicant's project with its existing facilities.***

*See* TEA's Facilities Impact Review Letter at Attachment F.

### **Board Finding Number 10.**

***The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does receive a limitation on appraised value, based on the estimated depreciation of value provided by Applicant, is shown the Estimated Effects Table at last page of Attachment E (Column No. 8, labeled "M&O Taxes Paid After Limitation"), and the total amount of M&O taxes that would be imposed on the***

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<sup>4</sup> The amount of the Supplemental Payments are an estimated calculation based on the average daily attendance for the 2020-21 school year. Actual amounts may differ each year when calculated based upon the District's average daily attendance for the previous school year.



*qualified property with the limitation on appraised value is estimated to be \$3,797,257. Id.*

**Board Finding Number 11.**

*The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does not receive a limitation on appraised value, based on the estimated depreciation of value provided by Applicant, is shown in the Estimated Effects Table at last page of Attachment E (Column No. 7, labeled “M&O Taxes Paid Before Limitation”), and the total amount of M&O taxes that would be imposed on the qualified property without the limitation on appraised value is estimated to be \$12,489,362. Id.*

**Board Finding Number 12.**

*Based upon the Applicant’s certification that the Application is true and correct, the Comptroller’s Economic Impact Analysis, the Comptroller’s Certificate Decision, and the consultants’ review of these and other documents, the Board has determined that the information provided by the Applicant in its Application was true and correct when submitted.*

Upon acceptance of the Application, the District requested the Comptroller to undertake an economic impact evaluation and retained certain consultants to help the Board determine: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant’s representations concerning the economic incentives available are a determining factor; and, (5) the proposed project meets eligibility requirements for an Agreement under Tax Code Chapter 313.

As a part of its review process, the Board notes that the Application was submitted by Applicant under oath. A Chapter 313 application is a governmental record under Texas Penal Code §37.01(2)(A), and all representations contained therein are statements of fact within the meaning of Texas Penal Code §37.01(3). Since Board action upon the adoption of these Findings and the approval of the Agreement (Attachment H) is an “official proceeding,” a false statement in the Application would constitute perjury under Texas Penal Code §37.03, and a material breach of the Agreement.

The Board finds that sworn statements are routinely relied upon by fact finders in official governmental proceedings. The Board further finds that reliance upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified, is reasonable and within the intent of Chapter 313, Texas Tax Code. See Attachments A, B, C and D.



**Board Finding Number 13.**

*The Applicant (Taxpayer Id. 32083235005) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on the Comptroller's acknowledgment that Applicant's right to transact business in Texas is active as a franchise-tax paying entity subject to taxes imposed by Chapter 171 of the Texas Tax Code.*

See Attachments A, B and C.

**Board Finding Number 14.**

*The project will be located within an area that is currently designated as a reinvestment zone by the District, pursuant to Chapter 312 and as permitted by Chapter 313 of the Texas Tax Code. Should it be required and to the extent permitted by law, the District will cooperate with the Applicant's efforts to ensure that the area remains designated as a reinvestment zone.*

See Attachment A (Tab 16).

**Board Finding Number 15.**

*Per Applicant's certified Application, the Land has no existing improvements, and no construction of Qualified Property has begun. Construction is scheduled to begin in September, 2027.*

See Attachment A (§§7.2 and 9.2 of Tab 1).

**Board Finding Number 16.**

*The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, meets all the requirements set out in Texas Tax Code §313.027, including adequate and appropriate revenue protection provisions for the District.*

In support of this Finding, and based on the information provided and certified by Applicant in its Application, the District's Financial Impact Study demonstrates that, pursuant to current school finance law (including Texas Education Code §48.256(d)), the District is projected to receive a revenue protection payment in tax year 2029 (school year 2029-30) in the estimated amount of \$1,824,834. See Attachment E at Table 3 and Estimated Effects Table (Column 10) at last page of Attachment E. Therefore, any potential negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District as set out in the Agreement. See proposed Agreement, Article IV, at Attachment H, and Estimated Effects Table at last page of Attachment E.



### **Board Finding Number 17.**

***The Board finds that there are no conflicts of interest at the time of its consideration of the Agreement.***

In support of this Finding, the Board finds that it has taken appropriate action to ensure that all District Trustees and the Superintendent have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

The Board further finds that it is unaware that any conflict exists as to the Application for which these Findings are being made, as of the time of action on these Findings.

### **Board Finding Number 18.**

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

See Attachments D and H.

### **Board Finding Number 19.**

***The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, is in the mandated form of the template Texas Economic Development Act Agreement adopted by the Comptroller, as of October, 2020, and the Comptroller has verified that the Agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 T.A.C. Chapter 9, Subchapter F.***

See Attachment I.

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Normangee Independent School District Board of Trustees, and the Board has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and (f) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the new qualified jobs requirement pursuant to § 313.051(b) is hereby WAIVED; and,

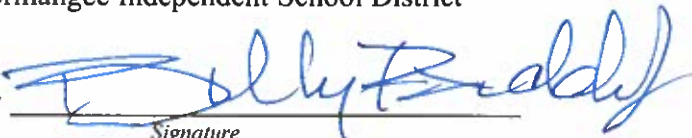


IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED contemporaneously with these Findings and is hereby authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Normangee Independent School District, along with a copy of these Findings, which shall be binding upon the parties upon receipt of a lawfully executed Agreement from Applicant; and,

IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Normangee Independent School District Board of Trustees.

Dated this 19th day of December, 2022.

Normangee Independent School District

By   
*Signature*  
BILL BIDDLE  
*Printed Name and Title*

Attest:

By   
*Signature*  
Charlotte Hemphill  
*Printed Name and Title*



## LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Applicant's Franchise Tax Account Status
C	Comptroller's Certificate Decision Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's "2021 ISD Summary Worksheet" – 2021 Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's Agreement Review Letter
J	Job Waiver Request





**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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P.O.Box 13528 • Austin, TX 78711-3528

August 25, 2022

Mark Ruffin  
Superintendent  
Normangee Independent School District  
P. O. Box 219  
Normangee, TX 77871

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Normangee Independent School District and Savannah Oaks Solar Project, LLC, Application 2008

Dear Superintendent Ruffin:

On May 27, 2022, the Comptroller's office received Savannah Oaks Solar Project, LLC's (applicant) application for a limitation on appraised value (Application 2008) from Normangee Independent School District (school district).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on August 25, 2022.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the Comptroller's decision to not issue a certificate no later than the 90<sup>th</sup> day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the school district and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Annette Holmes with our office. She can be reached by email at [annette.holmes@cpa.texas.gov](mailto:annette.holmes@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 5-3792 or at 512-475-3792.

Sincerely,

DocuSigned by:

A blue ink signature of Will Counihan is visible within a DocuSign signature box.

8FDFC70F5753487...

Will Counihan

Director

Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.  
Travis Narum, Savion LLC  
Chris Barry, Savion LLC  
Sam Gregson, Cummings Westlake LLC



# **SAVANNAH OAKS SOLAR PROJECT, LLC**

**Chapter 313 Application to Normangee ISD**

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TAB 1

Pages 1 through 9 of application



## Application for Appraised Value Limitation on Qualified Property

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

**INSTRUCTIONS:** This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Texas 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 completed application to the Comptroller, separating each section of the documents. 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's 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 and issue a certificate for a limitation on appraised value to the school board regarding the application 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 by the Comptroller), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

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

## SECTION 1: School District Information

## 1. Authorized School District Representative

May 23, 2022

Date Application Received by District

Mark

First Name

Ruffin

Last Name

Superintendent

Title

Normangee Independent School District

School District Name

116 FM Road Spur 3

Street Address

P.O. Box 219

Mailing Address

Normangee

City

936-396-3111

Phone Number

N/A

Mobile Number (optional)

TX

State

77871

ZIP

N/A

Fax Number

mruffin@normangeeisd.org

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application? .....



Yes



No



Texas Comptroller of Public Accounts

Data Analysis and  
Transparency  
Form 50-296-A

SECTION 1: School District Information *(continued)*

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

Fred	Stormer
First Name	Last Name
Shareholder	
Title	
Underwood Law Firm, PC	
Firm Name	
806-379-0306	N/A
Phone Number	Fax Number
N/A	Fred.Stormer@uwlaw.com
Mobile Number <i>(optional)</i>	Email Address

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

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

Travis	Narum	
First Name	Last Name	
Authorized Person	Savion LLC	
Title	Organization	
422 Admiral Boulevard		
Street Address		
422 Admiral Boulevard		
Mailing Address		
Kansas City	MO	64106
City	State	ZIP
312-560-3388	N/A	
Phone Number	Fax Number	
N/A	tnarum@savionenergy.com	
Mobile Number <i>(optional)</i>	Business Email Address	

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

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

Chris	Barry	
First Name	Last Name	
Development Manager	Savion LLC	
Title	Organization	
8305 State Hwy 71, #205		
Street Address		
8305 State Hwy 71, #205		
Mailing Address		
Austin	TX	78735
City	State	ZIP
214-908-1535	N/A	
Phone Number	Fax Number	
N/A	cbarry@savionenergy.com	
Mobile Number <i>(optional)</i>	Business Email Address	

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



SECTION 2: Applicant Information (*continued*)4. Authorized Company Consultant (*If Applicable*)

Sam

First Name

Gregson

Last Name

Senior Consultant

Title

Cummings Westlake LLC

Firm Name

713-266-4456

Phone Number

N/A

Fax Number

sgregson@cwlp.net

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 the same time 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.

\$80,000

Payment Amount

Check

Transaction Type

Savion LLC

Normangee ISD

Payor

Payee

May 13, 2022

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? Savannah Oaks Solar Project, LLC
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32083235005
3. Parent Company Name N/A
4. Parent Company Tax ID N/A
5. NAICS code 221114
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

Application #1733 has been filed with the Comptroller's office and is under review

## SECTION 5: Applicant Business Structure

1. Business Organization of Applicant (*corporation, limited liability corporation, etc*) Limited Liability Company
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☐ Yes ☒ No
- 2a. If yes, attach in **Tab 3** a copy of the most recently submitted 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. Texas Franchise Tax Reporting Entity Taxpayer Name

Savannah Oaks Solar Project, LLC

2c. Reporting Entity Taxpayer Number

32083235005

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

## SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

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

## SECTION 7: Project Description

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



## SECTION 8: Limitation as Determining Factor

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

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

## SECTION 9: Projected Timeline

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

1. Estimated school board ratification of final agreement September 2022
  2. Estimated commencement of construction September 2027
  3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2026
  4. First year of limitation (YYYY) January 1, 2029
- 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 December 2028

## SECTION 10: The Property

1. County or counties in which the proposed project will be located Madison County
2. Central Appraisal District (CAD) that will be responsible for appraising the property Madison 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>Normangee ISD; 100%; \$0.9634</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Normangee ISD; 100%; \$0.3800</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Madison County; 100%; \$0.5500</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>



**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: N/A  
(Incentive type, percentage, start and end year)City: N/A  
(Incentive type, percentage, start and end year)Hospital District: N/A  
(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/](http://comptroller.texas.gov/economy/local/ch313/).

1. At the time of application, what is the estimated minimum qualified investment required for this school district? . . . . . \$5,000,000
2. What is the amount of appraised value limitation for which you are applying? . . . . . \$15,000,000
- 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 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**);
  - 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
  - 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:
- 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**);
  - 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**);
  - 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 reinvestment zone boundaries (**Tab 11**); and
  - 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:
- legal description of the land (**Tab 9**);
  - 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**);
  - owner (**Tab 9**);
  - the current taxable value of the land, attach estimate if land is part of larger parcel (**Tab 9**); and
  - 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:
- evidence that the area qualifies as an enterprise zone as defined by the Governor's Office (**Tab 16**);
  - legal description of reinvestment zone (**Tab 16**);
  - order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
  - guidelines and criteria for creating the zone (**Tab 16**); and
  - 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? June 2022

## 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 (statement 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 statements 1 and 2 of this section, provide the following supporting information in **Tab 10**:
- maps and/or detailed site plan;
  - surveys;
  - appraisal district values and parcel numbers;
  - inventory lists;
  - existing and proposed property lists;
  - model and serial numbers of existing property; or
  - 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 statement 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 statement 2): ..... \$ 0.00

**Note:** Investment for the property listed in statement 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.



Texas Comptroller of Public Accounts

Data Analysis and  
Transparency  
Form 50-296-A

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? ..... 1
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)? ..... ☒ 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 Texas Workforce Commission 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 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 ..... \$ 843.25
  - b. Qualifying job wage minimum option §313.021(5)(A)
    - 110% of the average weekly wage for manufacturing jobs in the county is ..... \$ 1,490.23
  - c. Qualifying job wage minimum option §313.021(5)(B)
    - 110% of the average weekly wage for manufacturing jobs in the region is ..... \$ 889.27
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? ..... \$ 46,241.80
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... \$ 46,242.00
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 13** 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 an entity 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**.



## APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

ATTACHMENT	
1	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 <i>(if applicable)</i>
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 <i>(if applicable)</i>
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 <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> <li>a) Project boundary and project vicinity, including county and school district boundaries</li> <li>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</li> <li>c) Qualified property including location of new buildings or new improvements</li> <li>d) Any existing property within the project area</li> <li>e) Any facilities owned or operated by the applicant having interconnections to the proposed project</li> <li>f) Location of project, and related nearby projects within vicinity map</li> <li>g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size</li> </ul> <p><b>Note:</b> Maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
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 <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> <li>a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office</li> <li>b) legal description of reinvestment zone</li> <li>c) order, resolution or ordinance establishing the reinvestment zone</li> <li>d) guidelines and criteria for creating the zone</li> </ul>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>





TAB 2

*Proof of Payment of Application Fee*

Please find on the attached page, copy of the check for the \$80,000 application fee to Normangee Independent School District.



Savion LLC

Page 1 of 1

Account	Name	Check	Date	Discount	Total
NORMANGEE	NORMANGEE INDEPENDENT SCHOOL DISTRICT	5927	05/13/2022	0.00	\$80,000.00
Project	Invoice	Date	Gross Amount	Cash Discount	Payment Amount
sav4	145-906-02 Capter 313 App Fee	05/13/2022	80,000.00	0.00	80,000.00

For questions regarding this payment please contact [accounting@savionenergy.com](mailto:accounting@savionenergy.com)

WARNING: THIS DOCUMENT CONTAINS SEVERAL DOCUMENT SECURITY FEATURES - DO NOT CASH IF THE WORD VOID IS VISIBLE - SEE REVERSE SIDE FOR LIST OF SECURITY FEATURES

<b>Savion LLC</b> 422 Admiral Blvd. Kansas City, MO 64106		CrossFirst Bank 11440 Tomahawk Creek Pkwy Leawood, KS 66211 83-1528/1010	<b>5927</b>
DATE 05/13/2022		AMOUNT <b>\$80,000.00</b>	
Eighty Thousand And 0/100 Dollars		US Dollar	
PAY TO THE ORDER OF <b>NORMANGEE INDEPENDENT SCHOOL DISTRICT</b> 116 SPUR # 3 PO BOX 219 NORMANGEE, TX 77871-0219		TWO SIGNATURES REQUIRED FOR AMOUNTS OVER \$10K VOID AFTER 180 DAYS   AUTHORIZED SIGNATURE	

SIGNATURE HAS A BLUE-GREEN BACKGROUND - BORDER CONTAINS MICROPRINTING MP

005927 1010152820201324474

App. 2008 FOF 014





TAB 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation (if applicable)

See Attached





## Franchise Tax Account Status

As of : 03/01/2022 09:47:40

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

SAVANNAH OAKS SOLAR PROJECT, LLC	
Texas Taxpayer Number	32083235005
Mailing Address	211 E 7TH ST STE 620 AUSTIN, TX 78701-3218
<b>?</b> Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	02/14/2022
Texas SOS File Number	0804452819
Registered Agent Name	CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701





## TAB 4

Detailed Description of the Project

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

Savannah Oaks Solar Project, LLC is requesting an Appraised Value Limitation from Normangee Independent School District for the Savannah Oaks Solar Project (the "Project"), a proposed solar powered electric generation and battery storage facility in Madison County. The battery storage will be used solely to store power generated by the Qualified Property. The proposed Normangee ISD Project (this Application) would be constructed within a Reinvestment Zone that will be created by Normangee ISD prior to execution of a Value Limitation Agreement. A map showing the location of the project is included in Tab 11. The project has applied for and is awaiting assignment of ERCOT IGNR Number. The project is not known by any other names.

This application covers all qualified property in the reinvestment zone and project boundary within Normangee ISD necessary for commercial operations.

The proposed Project is anticipated to have a total capacity of 200MW all of which will be located in Normangee ISD. Solar equipment and battery equipment selection is ongoing at this time and has not been finalized. The exact number of PV panels and their capacity will depend upon the panels and inverters selected, manufacturers availability and prices, ongoing engineering design optimization and the final megawatt generating capacity of the Project when completed. Current plans are to install approximately 600,000 PV panels and 72 inverters within Normangee ISD. The Applicant requests a Value Limitation for all materials and equipment installed for the Project including

- underground collection systems (cabling to collect power from panels and move it to a central collection point)
- transmission lines
- electrical interconnections
- roads
- control systems necessary for commercial generation of electricity
- solar modules/panels





- racking and mounting structures
- inverters boxes
- combiner boxes
- battery storage equipment
- meteorological equipment
- maintenance & operations building
- paving
- fencing,
- electrical substations,
- generation transmission tie line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in September of 2027 with completion by December 31, 2028





## TAB 5

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

Founded in 2019, Savion LLC is one of the country's largest and most technologically advanced utility scale solar and energy storage project development companies in the U.S. The company is headquartered in Kansas City, MO and has a current portfolio of projects in various phases across 27 states. In 2022 the company will become part of Shell New Energies US LLC (a subsidiary of Royal Dutch Shell plc).

Savion LLC is keen to develop and build the proposed Savannah Oaks Solar Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. Savion LLC is active in states throughout the US, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. Savion LLC is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Savion Energy currently has ongoing project developments in many states, including but not limited to, Wisconsin, Virginia, Ohio, Michigan, Kentucky and Colorado.

Due to the extremely competitive power market in ERCOT most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a Power Purchase Agreement (PPA). A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.





TAB 6

Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)

		<u>Tax Rate</u>
Madison County	- 100%	\$0.55000
Normangee ISD	- 100%	\$1.34340





CUMMINGS WESTLAKE

SAVANNAH OAKS SOLAR PROJECT, LLC

Chapter 313 Application Normangee ISD

TAB 7

Description of Qualified Investment

This application covers all qualified investment in the reinvestment zone and project boundary within Normangee ISD necessary for commercial operations.

The proposed Project is anticipated to have a total capacity of 200 MW generation capacity and 200MW battery storage all of which will be located in Normangee ISD. . The battery storage will be used solely to store power generated by the Qualified Property. Solar and battery storage equipment selection is ongoing at this time and has not been finalized. The exact number of PV panels and their capacity will depend upon the panels and inverters selected, manufacturers availability and prices, ongoing engineering design optimization and the final megawatt generating capacity of the Project when completed. Current plans are to install approximately 600,000 PV panels and 72 inverters within Normangee ISD. The Applicant requests a Value Limitation for all materials and equipment installed for the Project including

- underground collection systems (cabling to collect power from panels and move it to a central collection point)
- transmission lines
- electrical interconnections
- roads
- control systems necessary for commercial generation of electricity
- solar modules/panels
- racking and mounting structures
- inverters boxes
- combiner boxes
- battery storage equipment
- meteorological equipment
- maintenance & operations building
- paving
- fencing,
- electrical substations,
- generation transmission tie line and associated towers, and interconnection facilities.

*NOTE-* The map in TAB 11 shows the proposed project area with the preliminary panel and inverter locations. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.

ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY BY  
SAVANNAH OAKS SOLAR PROJECT, LLC TO NORMANGEE ISD





CUMMINGS WESTLAKE

SAVANNAH OAKS SOLAR PROJECT, LLC

Chapter 313 Application Normangee ISD

TAB 8

Description of Qualified Property

This application covers all qualified property in the reinvestment zone and project boundary within Normangee ISD necessary for commercial operations.

The proposed Project is anticipated to have a total capacity of 200 MW generation capacity and 200MW battery storage all of which will be located in Normangee ISD. The battery storage will be used solely to store power generated by the Qualified Property. Solar and battery storage equipment selection is ongoing at this time and has not been finalized. The exact number of PV panels and their capacity will depend upon the panels and inverters selected, manufacturers availability and prices, ongoing engineering design optimization and the final megawatt generating capacity of the Project when completed. Current plans are to install approximately 600,000 PV panels and 72 inverters within Normangee ISD. The Applicant requests a Value Limitation for all materials and equipment installed for the Project including

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*NOTE-* The map in TAB 11 shows the proposed project area with the preliminary panel and inverter locations. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.

ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY BY  
SAVANNAH OAKS SOLAR PROJECT, LLC TO NORMANGEE ISD





TAB 9

Description of Land

Not applicable. The land on which the new buildings and new improvements will be built, is not being claimed as part of the qualified property described by §313.021(2)(A).





TAB 10

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

None





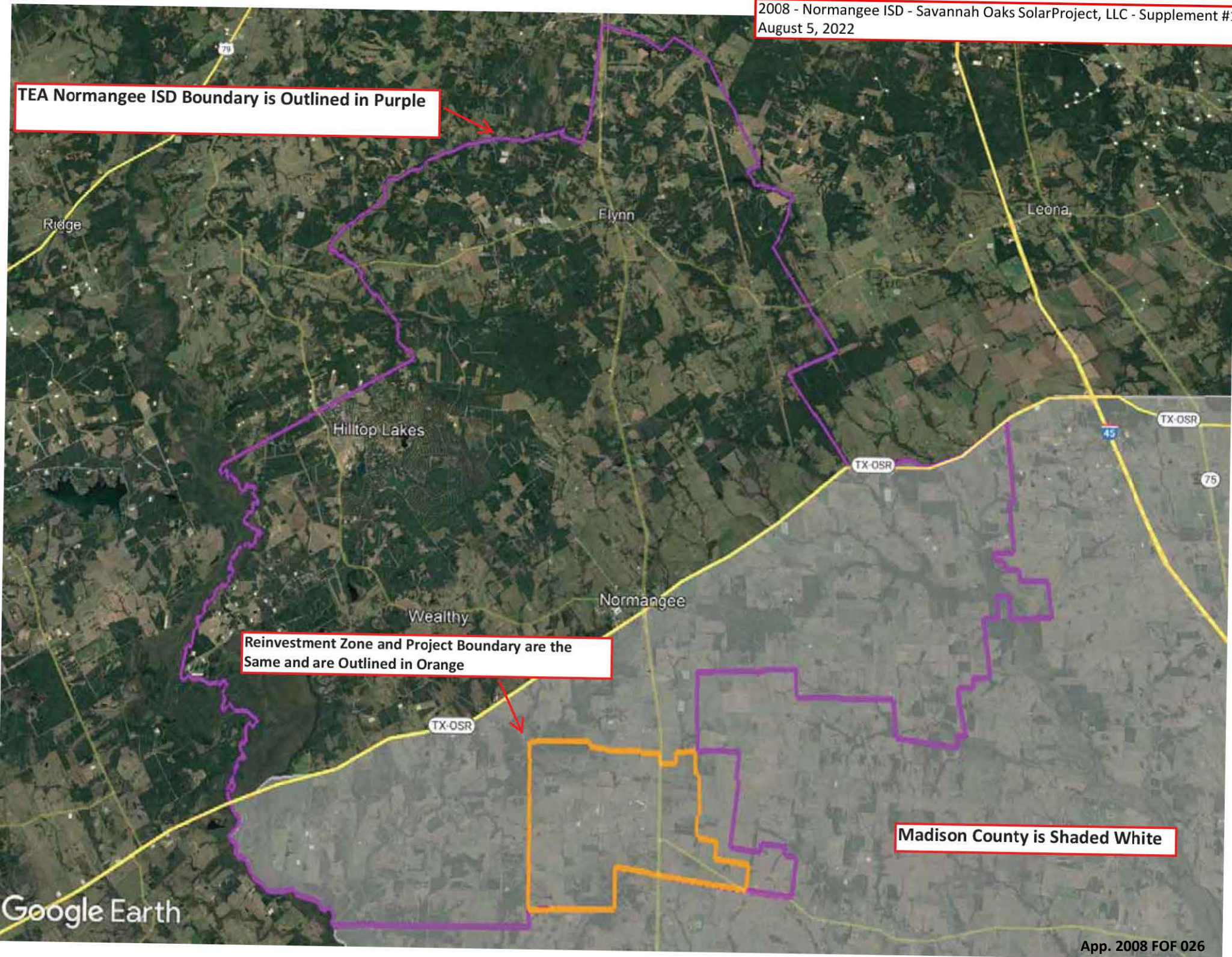
TAB 11

Maps that clearly show:

- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size



TEA Normangee ISD Boundary is Outlined in Purple

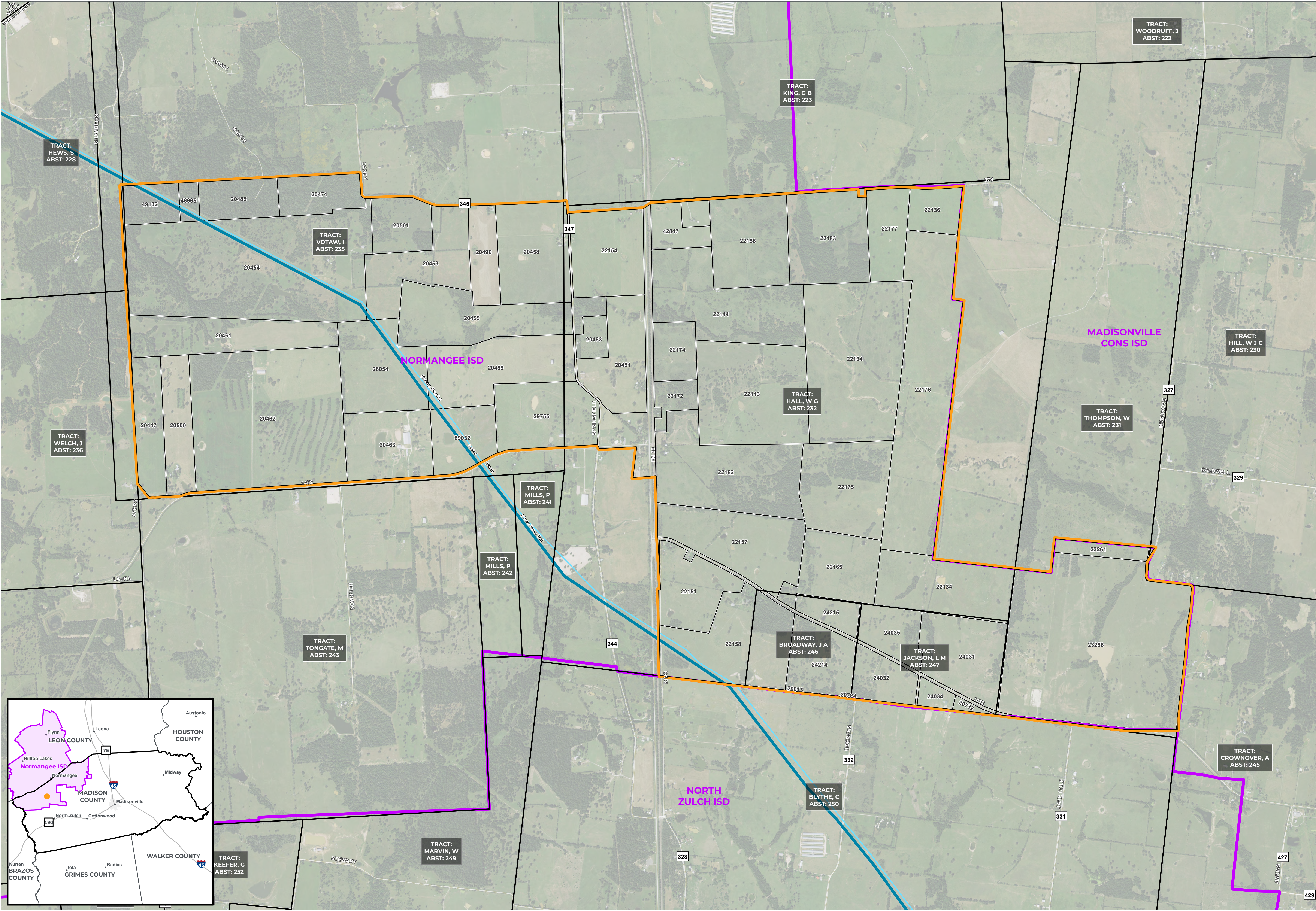


Reinvestment Zone and Project Boundary are the Same and are Outlined in Orange

Madison County is Shaded White



SAVANNAH OAKS SOLAR PROJECT



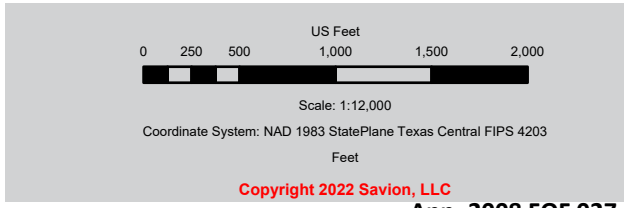
- Project Boundary (4,525 Acres)
- School Districts
- Texas Land Survey
- Tax Parcels
- Transmission Lines
  - Voltage kV
    - 138
    - 345

SAVANNAH OAKS  
MADISON COUNTY, TX

Date: 5/10/2022 Analyst: ehunsicker

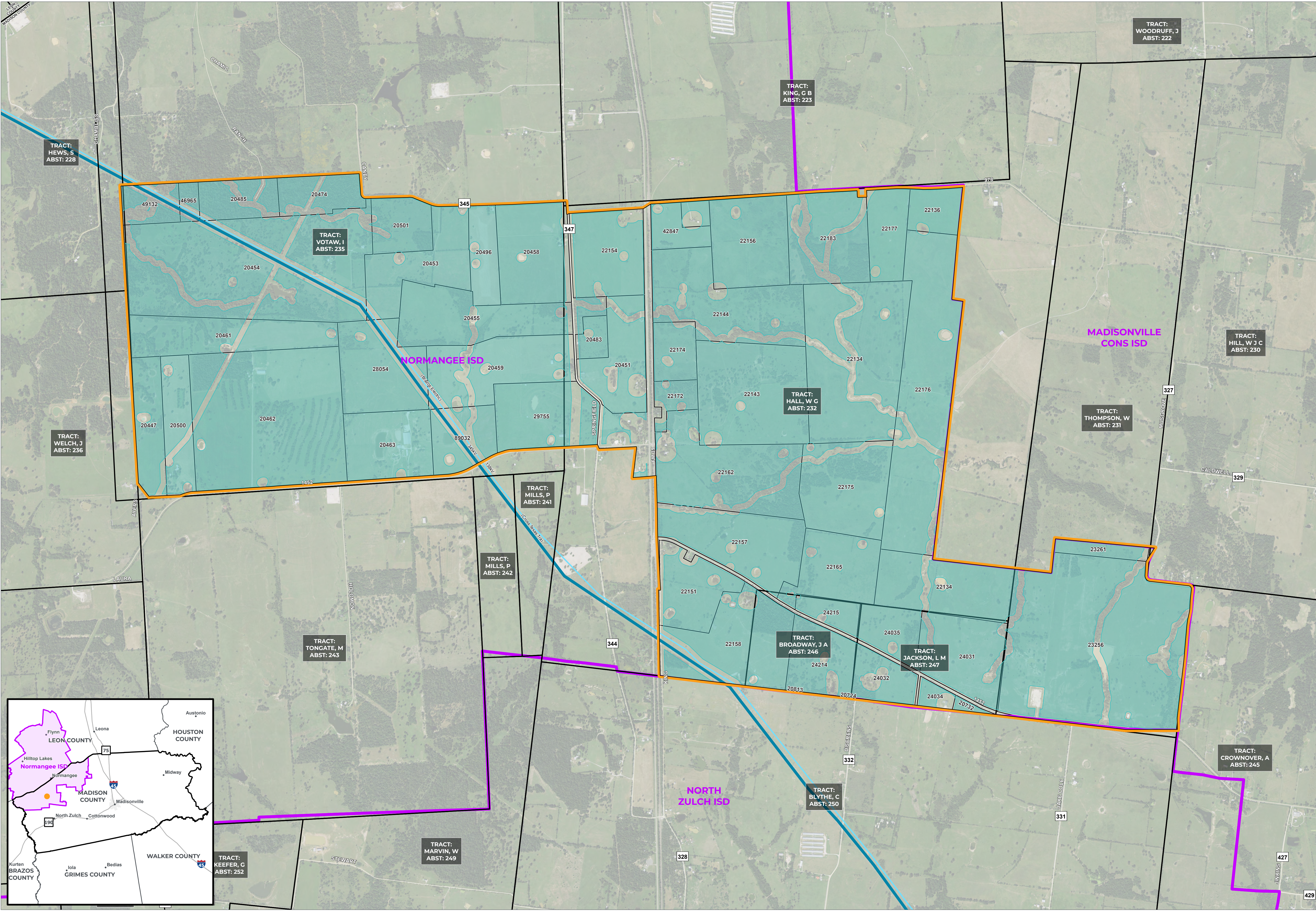
The following companies and organizations provided data that contributed to the production of this map.

- CoreLogic, Inc.
- Environmental Systems Research Institute (ESRI)
- U.S. Department of Agriculture (USDA)
- U.S. Federal Aviation Administration (FAA)
- U.S. Geological Survey (USGS)
- WhiteStar Corporation
- Ventix, Inc., An ABB Company

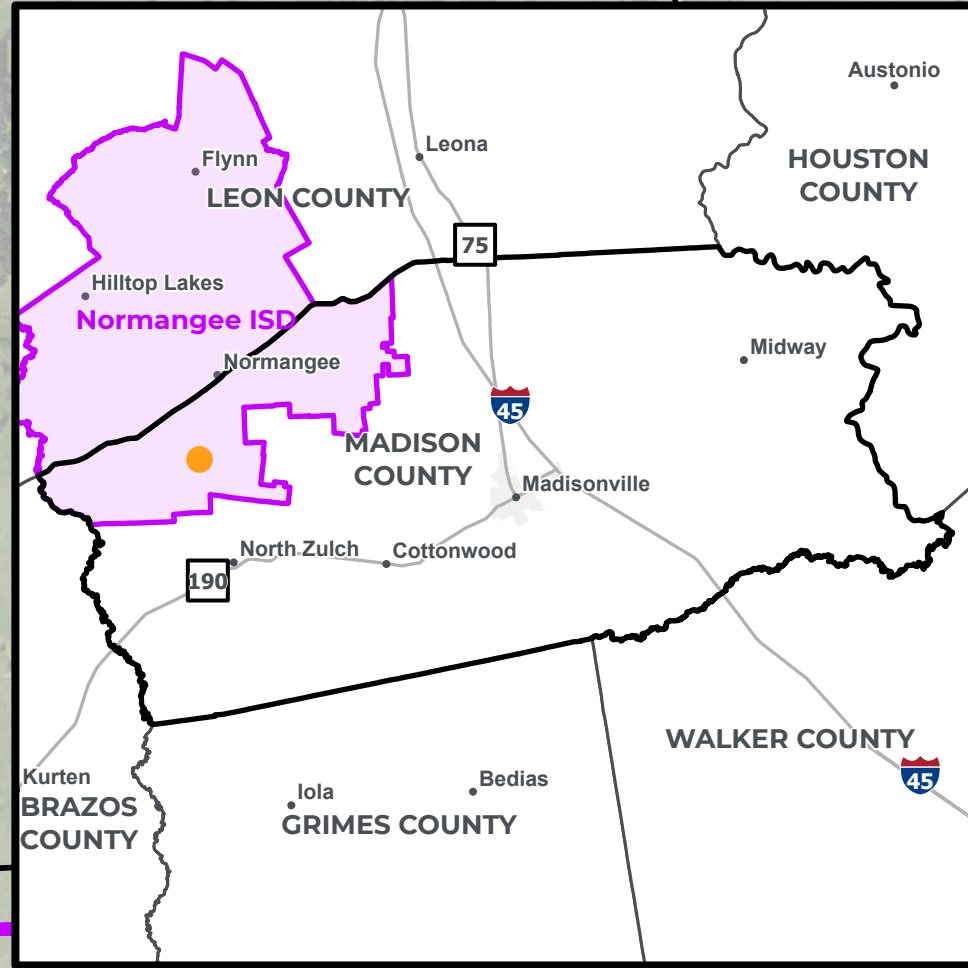




SAVANNAH OAKS SOLAR PROJECT



- Project Boundary (4,525 Acres)
- School Districts
- Texas Land Survey
- Tax Parcels
- Proposed Improvements
  - Solar Array & Facilities (Panels & Inverters)
- Transmission Lines
  - Voltage kV
    - 138
    - 345



SAVANNAH OAKS  
MADISON COUNTY, TX

Date: 5/10/2022 Analyst: ehunsicker

The following companies and organizations provided data that contributed to the production of this map.

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U.S. Geological Survey (USGS)  
WhiteStar Corporation  
Ventix, Inc., An ABB Company

Scale: 1:12,000  
US Feet  
0 250 500 1,000 1,500 2,000  
Coordinate System: NAD 1983 StatePlane Texas Central FIPS 4203 Feet  
Copyright 2022 Savion, LLC  
App. 2008 FOF 028





TAB 12

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

See Attached





**CUMMINGS WESTLAKE**  
PROPERTY TAX ADVISORS

May 23, 2022

Mark Ruffin  
Superintendent  
Normangee Independent School District  
P.O. Box 219  
Normangee, TX 77871

**Re: Chapter 313 Jobs Waiver Request**

Dear Superintendent Ruffin,

Savannah Oaks Solar Project, LLC requests that the Normangee Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Savannah Oaks Solar Project, LLC requests that the Board of Trustees make such a finding and waive the job creation requirement for 10 permanent jobs. The solar energy industry standard for committed jobs is one job per 350MW. In line with these industry standards for solar project's job requirements, Savannah Oaks Solar Project, LLC as a 200MW project, has committed to create one qualified job.

Solar projects create many full and part-time, but temporary jobs during the construction phase of the project. However, they require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences. The number of jobs committed to in this application is in line with the industry standards for a project this size. This is evidenced by previously filed limitation agreement applications by solar developers and by documentation related to the development and operation of solar electric generation facilities.

Sincerely,

Sam A. Gregson  
Senior Tax Consultant  
Cumings Westlake LLC

16410 N Eldridge Pkwy | Tomball, Texas 77377  
P: 713.266.4456 W: cwlp.net





TAB 13

Calculation of three possible wage requirements with TWC documentation

- 1) Madison County average weekly wage for all jobs (all industries)
- 2) Madison County average weekly wage for all jobs (manufacturing)
- 3) See attached Council of Governments Regional Wage Calculation and Documentation



**SAVANNAH OAKS SOLAR PROJECT, LLC**  
**TAB 13 TO CHAPTER 313 APPLICATION**

**MADISON COUNTY**  
**CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2021	\$ 782	\$ 40,664
SECOND	2021	\$ 838	\$ 43,576
THIRD	2021	\$ 847	\$ 44,044
FOURTH	2021	\$ 906	\$ 47,112
AVERAGE		\$ 843.25	\$ 43,849.00

**MADISON COUNTY**  
**CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2021	\$ 1,194	\$ 62,088
SECOND	2021	\$ 1,394	\$ 72,488
THIRD	2021	\$ 1,398	\$ 72,696
FOURTH	2021	\$ 1,433	\$ 74,516
AVERAGE		\$ 1,354.75	\$ 70,447.00
X		110%	110%
		\$ 1,490.23	\$ 77,491.70

**CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE**

YEAR	AVG WEEKLY WAGES*	ANNUALIZED
2021	\$ 808	\$ 42,038
X	110%	110%
	\$ 889.27	\$ 46,241.80

\* SEE ATTACHED TWC DOCUMENTATION



Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2021	01	Madison	Total All	10	Total, All Industries	0	782
2021	02	Madison	Total All	10	Total, All Industries	0	838
2021	03	Madison	Total All	10	Total, All Industries	0	847
2021	04	Madison	Total All	10	Total, All Industries	0	906



Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2021	01	Madison	Private	31-33	Manufacturing	2	1,194
2021	02	Madison	Private	31-33	Manufacturing	2	1,394
2021	03	Madison	Private	31-33	Manufacturing	2	1,398
2021	04	Madison	Private	31-33	Manufacturing	2	1,433



**2021 Manufacturing Average Wages by Council of Government Region  
Wages for All Occupations**

COG	COG Number	Wages	
		Hourly	Annual
<a href="#">Panhandle Regional Planning Commission</a>	1	\$24.32	\$50,587
<a href="#">South Plains Association of Governments</a>	2	\$22.03	\$45,816
<a href="#">NORTEX Regional Planning Commission</a>	3	\$20.95	\$43,566
<a href="#">North Central Texas Council of Governments</a>	4	\$34.32	\$71,384
<a href="#">Ark-Tex Council of Governments</a>	5	\$21.58	\$44,877
<a href="#">East Texas Council of Governments</a>	6	\$32.27	\$67,113
<a href="#">West Central Texas Council of Governments</a>	7	\$20.59	\$42,826
<a href="#">Rio Grande Council of Governments</a>	8	\$22.10	\$45,974
<a href="#">Permian Basin Regional Planning Commission</a>	9	\$23.37	\$48,620
<a href="#">Concho Valley Council of Governments</a>	10	\$29.52	\$61,399
<a href="#">Heart of Texas Council of Governments</a>	11	\$24.29	\$50,533
<a href="#">Capital Area Council of Governments</a>	12	\$31.10	\$64,698
<a href="#">Brazos Valley Council of Governments</a>	13	\$20.21	\$42,038
<a href="#">Deep East Texas Council of Governments</a>	14	\$18.22	\$37,906
<a href="#">South East Texas Regional Planning Commission</a>	15	\$22.03	\$45,824
<a href="#">Houston-Galveston Area Council</a>	16	\$29.40	\$61,144
<a href="#">Golden Crescent Regional Planning Commission</a>	17	\$24.06	\$50,039
<a href="#">Alamo Area Council of Governments</a>	18	\$27.82	\$57,874
<a href="#">South Texas Development Council</a>	19	\$20.68	\$43,021
<a href="#">Coastal Bend Council of Governments</a>	20	\$34.62	\$72,003
<a href="#">Lower Rio Grande Valley Development Council</a>	21	\$21.88	\$45,517
<a href="#">Texoma Council of Governments</a>	22	\$18.21	\$37,880
<a href="#">Central Texas Council of Governments</a>	23	\$22.73	\$47,288
<a href="#">Middle Rio Grande Development Council</a>	24	\$22.44	\$46,673
<b>Texas</b>		\$28.48	\$59,228

110% X \$42,038 = \$46,241.80

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

Data published: July 2022.

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 and Wage Statistics (OEWS) data, and is not to be compared to BLS estimates.

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





TAB 14

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

See attached Schedules A1, A2, B, and C



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

Date 5/10/2022  
 Applicant Name SAVANNAH OAKS SOLAR PROJECT, LLC  
 ISD Name NORMANGEE ISD

Form 50-296A  
 Revised October 2020

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in <b>tangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	<b>Total Investment</b> (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)		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				0	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0		0	0	0
	QTP1	2026-2027	2026	0	0	0	0	0
	QTP2	2027-2028	2027	150,000,000	0	0	0	150,000,000
<b>Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]</b>				150,000,000	0	0	0	150,000,000
				Enter amounts from TOTAL row above in Schedule A2				
<b>Total Qualified Investment (sum of green cells)</b>				150,000,000				

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.



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

Date 5/10/2022  
Applicant Name SAVANNAH OAKS SOLAR PROJECT, LLC  
ISD Name NORMANGEE ISD

Form 50-296A  
Revised October 2020

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in <b>tangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		150,000,000	0	0	0	150,000,000
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2026-2027	2026					
	0	2027-2028	2027					
		2028-2029	2028	150,000,000	200,000	0	0	150,000,000
Value limitation period***	1	2029-2030	2029					
	2	2030-2031	2030					
	3	2031-2032	2031					
	4	2032-2033	2032					
	5	2033-2034	2033					
	6	2034-2035	2034					
	7	2035-2036	2035					
	8	2036-2037	2036					
	9	2037-2038	2037					
	10	2038-2039	2038					
Total Investment made through limitation				300,000,000	0	0	0	300,000,000
Continue to maintain viable presence	11	2039-2040	2039					
	12	2040-2041	2040					
	13	2041-2042	2041					
	14	2042-2043	2042					
	15	2043-2044	2043					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2044-2045	2044					
	17	2045-2046	2045					
	18	2046-2047	2046					
	19	2047-2048	2047					
	20	2048-2049	2048					
	21	2049-2050	2049					
	22	2050-2051	2050					
	23	2051-2052	2051					
	24	2052-2053	2052					
	25	2053-2054	2053					

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

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

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

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

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

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

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

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



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

Date **5/10/2022**  
 Applicant Name **SAVANNAH OAKS SOLAR PROJECT, LLC**  
 ISD Name **NORMANGEE ISD**

**Form 50-296A**

*Revised October 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
		2027-2028	2027						
		2028-2029	2028			75,000,000	75,000,000	75,000,000	75,000,000
Value Limitation Period	1	2029-2030	2029	0	195,000	\$206,827,040	\$207,022,040	\$207,022,040	\$15,000,000
	2	2030-2031	2030	0	190,100	\$180,741,507	\$180,931,607	\$180,931,607	\$15,000,000
	3	2031-2032	2031	0	185,300	\$163,752,143	\$163,937,443	\$163,937,443	\$15,000,000
	4	2032-2033	2032	0	180,700	\$145,390,967	\$145,571,667	\$145,571,667	\$15,000,000
	5	2033-2034	2033	0	176,200	\$125,573,560	\$125,749,760	\$125,749,760	\$15,000,000
	6	2034-2035	2034	0	171,800	\$104,173,293	\$104,345,093	\$104,345,093	\$15,000,000
	7	2035-2036	2035	0	167,500	\$81,063,537	\$81,231,037	\$81,231,037	\$15,000,000
	8	2036-2037	2036	0	163,300	\$56,096,558	\$56,259,858	\$56,259,858	\$15,000,000
	9	2037-2038	2037	0	159,200	\$42,209,600	\$42,368,800	\$42,368,800	\$15,000,000
	10	2038-2039	2038	0	155,200	\$42,209,600	\$42,364,800	\$42,364,800	\$15,000,000
Continue to maintain viable presence	11	2039-2040	2039	0	151,300	\$42,209,600	\$42,360,900	\$42,360,900	42,360,900
	12	2040-2041	2040	0	147,500	\$42,209,600	\$42,357,100	\$42,357,100	42,357,100
	13	2041-2042	2041	0	143,800	\$42,209,600	\$42,353,400	\$42,353,400	42,353,400
	14	2042-2043	2042	0	140,200	\$42,209,600	\$42,349,800	\$42,349,800	42,349,800
	15	2043-2044	2043	0	136,700	\$42,209,600	\$42,346,300	\$42,346,300	42,346,300
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2044-2045	2044	0	133,300	\$42,209,600	\$42,342,900	\$42,342,900	42,342,900
	17	2045-2046	2045	0	130,000	\$42,209,600	\$42,339,600	\$42,339,600	42,339,600
	18	2046-2047	2046	0	126,800	\$42,209,600	\$42,336,400	\$42,336,400	42,336,400
	19	2047-2048	2047	0	123,600	\$42,209,600	\$42,333,200	\$42,333,200	42,333,200
	20	2048-2049	2048	0	120,500	\$42,209,600	\$42,330,100	\$42,330,100	42,330,100
	21	2049-2050	2049	0	117,500	\$42,209,600	\$42,327,100	\$42,327,100	42,327,100
	22	2050-2051	2050	0	114,600	\$42,209,600	\$42,324,200	\$42,324,200	42,324,200
	23	2051-2052	2051	0	111,700	\$42,209,600	\$42,321,300	\$42,321,300	42,321,300
	24	2052-2053	2052	0	108,900	\$42,209,600	\$42,318,500	\$42,318,500	42,318,500
	25	2053-2054	2053	0	106,200	\$42,209,600	\$42,315,800	\$42,315,800	42,315,800

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 5/10/2022  
Applicant Name SAVANNAH OAKS SOLAR PROJECT, LLC  
ISD Name NORMANGEE ISD

Form 50-296A  
Revised October 2020

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	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	2027-2028	2027	225 FTE	60,000	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2028-2029	2028	225 FTE	60,000	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2029-2030	2029	N/A	N/A	0	1	46,242
	2	2030-2031	2030	N/A	N/A	0	1	46,242
	3	2031-2032	2031	N/A	N/A	0	1	46,242
	4	2032-2033	2032	N/A	N/A	0	1	46,242
	5	2033-2034	2033	N/A	N/A	0	1	46,242
	6	2034-2035	2034	N/A	N/A	0	1	46,242
	7	2035-2036	2035	N/A	N/A	0	1	46,242
	8	2036-2037	2036	N/A	N/A	0	1	46,242
	9	2037-2038	2037	N/A	N/A	0	1	46,242
	10	2038-2039	2038	N/A	N/A	0	1	46,242
Years Following Value Limitation Period	11 through 25	2035-2054	2039-2053	N/A	N/A	0	1	46,242

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





TAB 15

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

None





TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as an enterprise zone as defined by the Governor's office
- b) Legal description of reinvestment zone\*
- c) Order, resolution, or ordinance established the reinvestment zone\*
- d) Guidelines and criteria for creating the zone\*

- a) Not applicable
- b) Will be submitted once Normangee ISD creates the Reinvestment Zone
- c) Will be submitted once Normangee ISD creates the Reinvestment Zone
- d) Not Applicable



## RESOLUTION

**A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR TEXAS TAX CODE CHAPTER 313 APPRAISED VALUE LIMITATION IN THE NORMANGEE INDEPENDENT SCHOOL DISTRICT, IN MADISON COUNTY, TEXAS, TO BE KNOWN AS THE SAVANNAH OAKS SOLAR REINVESTMENT ZONE; ESTABLISHING THE BOUNDARIES THEREOF; AND PROVIDING FOR AN EFFECTIVE DATE.**

*WHEREAS*, the Board of Trustees of the Normangee Independent School District desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (V.T.C.A. Texas Tax Code § 312.0025), for the purpose of authorizing an *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*, as authorized by Chapter 313 of the Texas Tax Code; and

*WHEREAS*, on August 8, 2022, a hearing before the Board of Trustees of the Normangee Independent School District was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing, and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

*WHEREAS*, the Board of Trustees of Normangee Independent School District at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone, and whether all or part of the territory described should be included in the proposed reinvestment zone; and

*WHEREAS*, the proponents of the reinvestment zone offered evidence in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

***BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE NORMANGEE INDEPENDENT SCHOOL DISTRICT:***

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

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

- (a) That the public hearing on adoption of the *Savannah Oaks Solar Reinvestment Zone* has been properly called, held and conducted and that notices of such hearing have been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and



- (b) That the boundaries of the *Savannah Oaks Solar Reinvestment Zone* be and, by the adoption of this Resolution, is declared and certified to be, the area as described in the legal description attached hereto as “**EXHIBIT A**”; and,
- (c) That the map attached hereto as “**EXHIBIT B**” is declared to be and, by the adoption of this Resolution is certified to accurately depict and show the boundaries of the *Savannah Oaks Solar Reinvestment Zone* which is normatively described in **EXHIBIT A**; and
- (d) That creation of the *Savannah Oaks Solar Reinvestment Zone* with boundaries as described in **EXHIBIT A** and **EXHIBIT B** will result in benefits to the Normangee Independent School District and to land included in the reinvestment zone, and that the improvements sought are feasible and practical; and
- (e) The *Savannah Oaks Solar Reinvestment Zone* described in **EXHIBIT A** and **EXHIBIT B** meets the criteria set forth in Texas Tax Code § 312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or (i) will attract major investment in the zone that will be a benefit to the property and Normangee Independent School District, and (ii) would contribute to economic development within the Normangee Independent School District, and that the entire tract of land is located entirely within the Normangee Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Normangee Independent School District hereby creates a reinvestment zone under the provisions of Texas Tax Code § 312.0025, encompassing the area described by **EXHIBIT A** and **EXHIBIT B**, and such reinvestment zone is hereby designated and shall hereafter be referred to as the *Savannah Oaks Solar Reinvestment Zone*.

SECTION 4. That the *Savannah Oaks Solar Reinvestment Zone* shall take effect upon adoption by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation and may be renewed for periods not to exceed five (5) years.

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

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject, of the meeting of the Normangee Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the

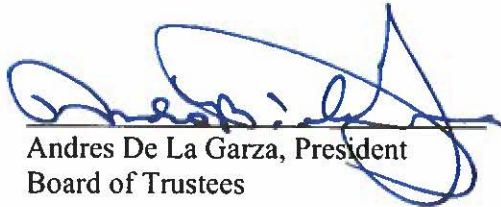


designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation in Normangee Independent School District and Madison County, Texas, and furthermore, such notice was in fact, delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 8th day of August, 2022.

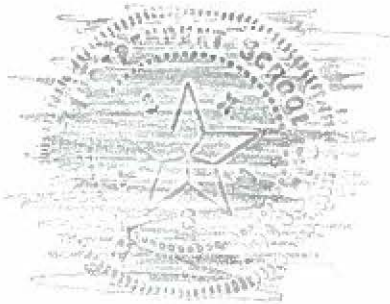
**NORMANGEE INDEPENDENT SCHOOL DISTRICT**

By:

  
Andres De La Garza, President  
Board of Trustees

**ATTEST:**

By:

  
Waylan Martin, Secretary  
Board of Trustees



# EXHIBIT A

## DESCRIPTION OF REINVESTMENT ZONE

The Savannah Oaks Solar Reinvestment Zone includes the property described below. A map of the Savannah Oaks Solar Reinvestment Zone is also attached as Exhibit B. In the event of a discrepancy between this Exhibit A and the attached map on Exhibit B, Exhibit B shall control.

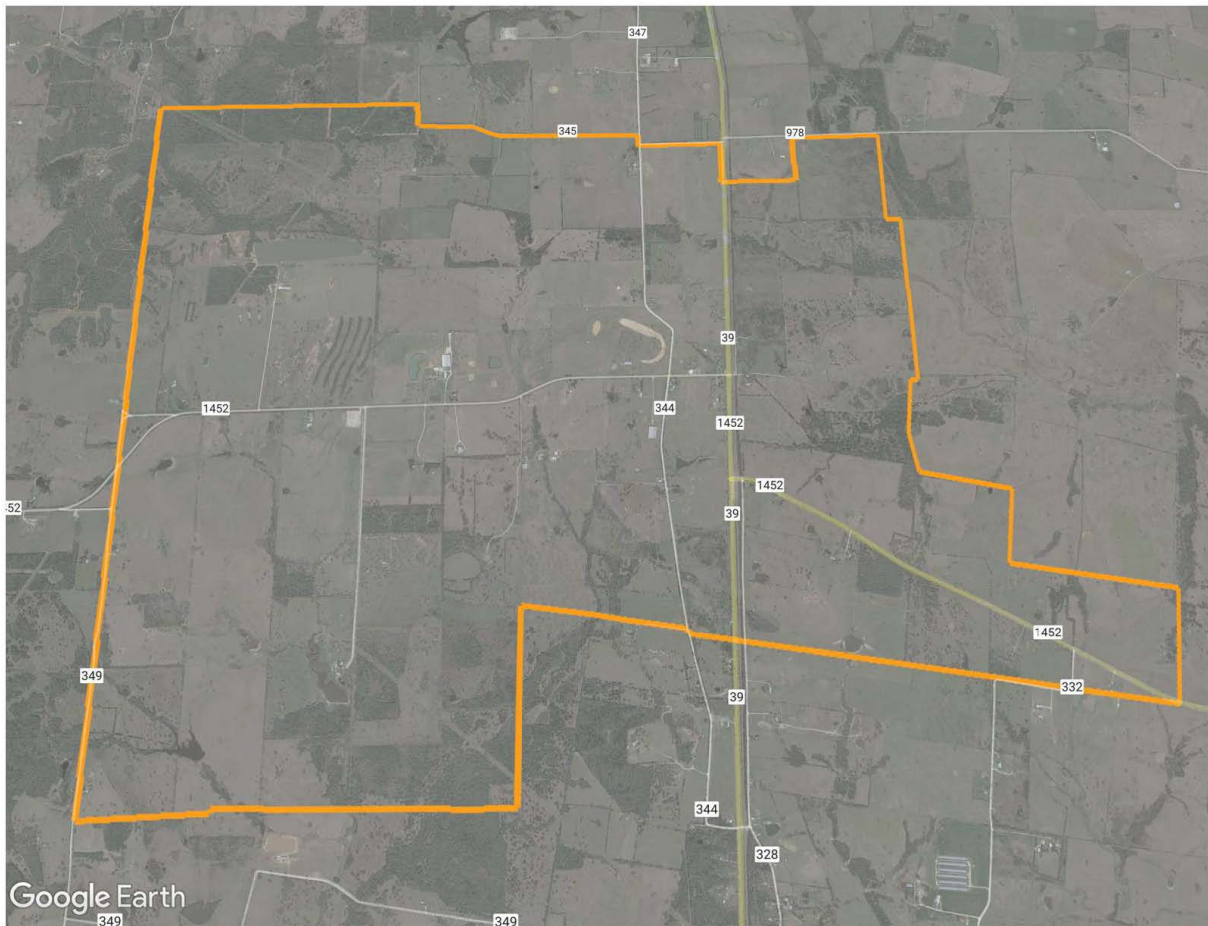
Tracts being situated in the Normangee Independent School District and Madison County, Texas, and identified by Appraisal District Parcel and Legal Description as follows:

CAD PARCEL	LEGAL	ACRES
49132	A0033 ISAAC VOTAW TRACT 23 31.31 ACRES	31.31
46965	A0033 ISAAC VOTAW TRACT 23-2 10.43 ACRES	10.43
20485	A0033 ISAAC VOTAW TRACT 33 13.91 ACRES	13.91
20474	A0033 ISAAC VOTAW TRACT 23-4 41.74 ACRES	41.74
20454	A0033 ISAAC VOTAW TRACT 8 329.186 ACRES	329.19
20501	A0033 ISAAC VOTAW TRACT 48 48.41 ACRES	48.41
20453	A0033 ISAAC VOTAW TRACT 6 85.764 ACRES	85.76
20496	A0033 ISAAC VOTAW TRACT 43 1.11 ACRES	1.11
20458	A0033 ISAAC VOTAW TRACT 14 96.92 ACRES	96.92
22154	A0115 WM G HALL TRACT 15 0.74 ACRES	0.74
20483	A0115 WM G HALL TRACT 36 18.0 ACRES	18.00
20451	A0115 WM G HALL TRACT 5 75.50 ACRES	75.50
20455	A0033 ISAAC VOTAW TRACT 11 103.69 ACRES	103.69
20459	A0033 ISAAC VOTAW TRACT 15 107.13 ACRES	107.13
28054	A0033 ISAAC VOTAW TRACT 15-1 98.5 ACRES	98.50
20447	A0033 ISAAC VOTAW TRACT 1-1 54.55 ACRES	54.55
20500	A0033 ISAAC VOTAW TRACT 47 55.2 ACRES	55.20
20462	A0033 ISAAC VOTAW TRACT 18 380.6069 ACRES	380.61
20463	A0033 ISAAC VOTAW TRACT 20 80.78 ACRES	80.78
89032	A0033 ISAAC VOTAW TRACT 20-7 53.58 ACRES	53.58
29755	A0033 ISAAC VOTAW TRACT 15-2 87.72 ACRES A0115 W G HALL	87.72
22156	A0115 WM G HALL TRACT 16 95.32 ACRES	95.32
22144	A0115 WM G HALL TRACT 9 139.813 ACRES	139.81
22174	A0115 WM G HALL TRACT 27-1 30.0 ACRES	30.00
22172	A0115 WM G HALL TRACT 26 19.5 ACRES	19.35
22162	A0115 WM G HALL TRACT 20 157.5 ACRES	157.50
22157	A0115 WM G HALL TRACT 17 101.11 ACRES	101.11
22158	A0115 WM G HALL TRACT 18 118.23 ACRES	118.23
22151	A0115 WM G HALL TRACT 14 69. ACRES	14.69
22165	A0115 WM G HALL TRACT 22 70.822 ACRES	70.82
24215	A0276 JOHN A BROADWAY TRACT 2 24.3 ACRES	24.30
36566	A0276 JOHN A BROADWAY TRACT 1 59.5 ACRES	59.50
24035	A0258 L H JACKSON TRACT 4 40. ACRES	40.00
36565	A0258 L H JACKSON TRACT 3 39.5 ACRES	39.50
24034	A0258 L H JACKSON TRACT 2 20.0 ACRES	20.00
24031	A0258 L H JACKSON TRACT 1 80.05 ACRES	80.05
20732	A0043 CHAMPION BLYTHE TRACT 6-1 195.046 ACRES	195.05



## EXHIBIT B

### MAP OF THE SAVANNAH OAKS SOLAR REINVESTMENT ZONE







TAB 17

Signature and Certification Page; signed and dated by Authorized School District Representative  
and Authorized Company Representative (applicant)

See Attached



## SECTION 16: Authorized Signatures and Applicant Certification

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

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

**1. Authorized School District Representative Signature**

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

**print  
here**

Mark Ruffin

Print Name (Authorized School District Representative)

Superintendent

Title

**sign  
here**

Signature (Authorized School District Representative)

5/23/22

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**

Scott Zeimet

Print Name (Authorized Company Representative (Applicant))

Chief Development Officer

Title

**sign  
here**

Signature (Authorized Company Representative (Applicant))

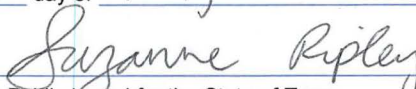
5/13/2022

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

13<sup>th</sup> day of May, 2022

Notary Public in and for the State of Texas Missouri

My Commission expires: 10/07/2023

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.



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

Mark Ruffin

Print Name (Authorized School District Representative)

Superintendent

Title

sign  
here



Signature (Authorized School District Representative)

8/2/2022

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


Travis Narum

Print Name (Authorized Company Representative (Applicant))

Authorized Person

Title

sign  
here



Signature (Authorized Company Representative (Applicant))

Date

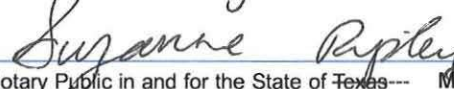
8/11/2022



(Notary Seal)

GIVEN under my hand and seal of office this, the

15<sup>th</sup> day of August, 2022

  
Notary Public in and for the State of Texas --- Missouri

My Commission expires: 10/07/2023

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.





## Franchise Tax Account Status

As of : 12/07/2022 13:26:13

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

SAVANNAH OAKS SOLAR PROJECT, LLC	
Texas Taxpayer Number	32083235005
Mailing Address	211 E 7TH ST STE 620 AUSTIN, TX 78701-3218
<b>?</b> Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	02/14/2022
Texas SOS File Number	0804452819
Registered Agent Name	CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701





**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

---

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

November 10, 2022

Mark Ruffin  
Superintendent  
Normangee Independent School District  
P. O. Box 219  
Normangee, TX 77871

Re: Certificate for Limitation on Appraised Value of Property for School District  
Maintenance and Operations taxes by and between Normangee Independent School  
District and Savannah Oaks Solar Project, LLC, Application 2008

Dear Superintendent Ruffin:

On August 25, 2022, the Comptroller issued written notice that Savannah Oaks Solar Project, LLC (applicant) submitted a completed application (Application 2008) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on May 23, 2022, to the Normangee Independent School District (school district) by the applicant.

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

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

**Determination required by 313.025(h)**

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

---

<sup>1</sup> All Statutory references are to the Texas Tax Code, unless otherwise noted.



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

Sec. 313.024(d-2) Not applicable to Application 2008.

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

### **Certificate decision required by 313.025(d)**

Determination required by 313.026(c)(1)

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

Determination required by 313.026(c)(2)

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

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

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


This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by **December 31, 2022**.

Note that any building or improvement existing as of the application review start date of August 25, 2022, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.



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

Sincerely,

DocuSigned by:  
  
11EA6DEF0EC441E...

Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan



## Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Savannah Oaks Solar Project, LLC (project) applying to Normangee Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

**Table 1** is a summary of investment, employment and tax impact of Savannah Oaks Solar Project, LLC.

Applicant	Savannah Oaks Solar Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Normangee ISD
2020-20121 Average Daily Attendance	546
County	Madison
Proposed Total Investment in District	\$300,000,000
Proposed Qualified Investment	\$150,000,000
Limitation Amount	\$15,000,000
Qualifying Time Period (Full Years)	2026-2027
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$889
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$889
Minimum annual wage committed to by applicant for qualified jobs	\$46,242
Minimum weekly wage required for non-qualifying jobs	\$844.25
Minimum annual wage required for non-qualifying jobs	\$43,901
Investment per Qualifying Job	\$300,000,000
Estimated M&O levy without any limit (15 years)	\$13,839,719
Estimated M&O levy with Limitation (15 years)	\$4,207,818
Estimated gross M&O tax benefit (15 years)	\$9,631,901

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



**Table 2** is the estimated statewide economic impact of Savannah Oaks Solar Project, LLC (modeled).

Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2027	225	201	426	\$13,500,000	\$22,500,000	\$36,000,000
2028	225	211	436	\$13,500,000	\$27,500,000	\$41,000,000
2029	1	19	20	\$140	\$6,999,860	\$7,000,000
2030	1	(1)	0	\$145	\$3,999,855	\$4,000,000
2031	1	(17)	-16	\$150	\$1,999,850	\$2,000,000
2032	1	(19)	-18	\$155	-\$1,000,155	-\$1,000,000
2033	1	(19)	-18	\$160	-\$1,000,160	-\$1,000,000
2034	1	(22)	-21	\$166	-\$1,000,166	-\$1,000,000
2035	1	(19)	-18	\$171	-\$1,000,171	-\$1,000,000
2036	1	(13)	-12	\$177	-\$2,000,177	-\$2,000,000
2037	1	(11)	-10	\$183	-\$2,000,183	-\$2,000,000
2038	1	(13)	-12	\$189	-\$2,000,189	-\$2,000,000
2039	1	(7)	-6	\$195	-\$1,000,195	-\$1,000,000
2040	1	(7)	-6	\$202	-\$1,000,202	-\$1,000,000
2041	1	(9)	-8	\$209	-\$1,000,209	-\$1,000,000
2042	1	(5)	-4	\$216	-\$1,000,216	-\$1,000,000

Source: CPA REMI, Savannah Oaks Solar Project, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Normangee ISD I&S Tax Levy	Normangee ISD M&O Tax Levy	Normangee ISD M&O and I&S Tax Levies	Madison County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3800	0.9634		0.5488	
2028	\$75,000,000	\$75,000,000		\$285,000	\$722,550	\$1,007,550	\$411,600	\$1,419,150
2029	\$207,022,040	\$207,022,040		\$786,684	\$1,994,450	\$2,781,134	\$1,136,137	\$3,917,271
2030	\$180,931,607	\$180,931,607		\$687,540	\$1,743,095	\$2,430,635	\$992,953	\$3,423,588
2031	\$163,937,443	\$163,937,443		\$622,962	\$1,579,373	\$2,202,336	\$899,689	\$3,102,024
2032	\$145,571,667	\$145,571,667		\$553,172	\$1,402,437	\$1,955,610	\$798,897	\$2,754,507
2033	\$125,749,760	\$125,749,760		\$477,849	\$1,211,473	\$1,689,322	\$690,115	\$2,379,437
2034	\$104,345,093	\$104,345,093		\$396,511	\$1,005,261	\$1,401,772	\$572,646	\$1,974,418
2035	\$81,231,037	\$81,231,037		\$308,678	\$782,580	\$1,091,258	\$445,796	\$1,537,054
2036	\$56,259,858	\$56,259,858		\$213,787	\$542,007	\$755,795	\$308,754	\$1,064,549
2037	\$42,368,800	\$42,368,800		\$161,001	\$408,181	\$569,182	\$232,520	\$801,702
2038	\$42,364,800	\$42,364,800		\$160,986	\$408,142	\$569,129	\$232,498	\$801,627
2039	\$42,360,900	\$42,360,900		\$160,971	\$408,105	\$569,076	\$232,477	\$801,553
2040	\$42,357,100	\$42,357,100		\$160,957	\$408,068	\$569,025	\$232,456	\$801,481
2041	\$42,353,400	\$42,353,400		\$160,943	\$408,033	\$568,976	\$232,435	\$801,411
2042	\$42,349,800	\$42,349,800		\$160,929	\$407,998	\$568,927	\$232,416	\$801,343
2043	\$42,346,300	\$42,346,300		\$160,916	\$407,964	\$568,880	\$232,396	\$801,277
			<b>Total</b>	<b>\$5,458,889</b>	<b>\$13,839,719</b>	<b>\$19,298,607</b>	<b>\$7,883,784</b>	<b>\$27,182,392</b>

Source: CPA, Savannah Oaks Solar Project, LLC

\*Tax Rate per \$100 Valuation



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

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Normangee ISD I&S Tax Levy	Normangee ISD M&O Tax Levy	Normangee ISD M&O and I&S Tax Levies	Madison County Tax Levy	Estimated Total Property Taxes
			<b>Tax Rate*</b>	<b>0.3800</b>	<b>0.9634</b>		<b>0.5488</b>	
2028	\$75,000,000	\$75,000,000		\$285,000	\$722,550	\$1,007,550	\$411,600	\$1,419,150
2029	\$207,022,040	\$15,000,000		\$786,684	\$144,510	\$931,194	\$1,136,137	\$2,067,331
2030	\$180,931,607	\$15,000,000		\$687,540	\$144,510	\$832,050	\$992,953	\$1,825,003
2031	\$163,937,443	\$15,000,000		\$622,962	\$144,510	\$767,472	\$899,689	\$1,667,161
2032	\$145,571,667	\$15,000,000		\$553,172	\$144,510	\$697,682	\$798,897	\$1,496,580
2033	\$125,749,760	\$15,000,000		\$477,849	\$144,510	\$622,359	\$690,115	\$1,312,474
2034	\$104,345,093	\$15,000,000		\$396,511	\$144,510	\$541,021	\$572,646	\$1,113,667
2035	\$81,231,037	\$15,000,000		\$308,678	\$144,510	\$453,188	\$445,796	\$898,984
2036	\$56,259,858	\$15,000,000		\$213,787	\$144,510	\$358,297	\$308,754	\$667,052
2037	\$42,368,800	\$15,000,000		\$161,001	\$144,510	\$305,511	\$232,520	\$538,031
2038	\$42,364,800	\$15,000,000		\$160,986	\$144,510	\$305,496	\$232,498	\$537,994
2039	\$42,360,900	\$42,360,900		\$160,971	\$408,105	\$569,076	\$232,477	\$801,553
2040	\$42,357,100	\$42,357,100		\$160,957	\$408,068	\$569,025	\$232,456	\$801,481
2041	\$42,353,400	\$42,353,400		\$160,943	\$408,033	\$568,976	\$232,435	\$801,411
2042	\$42,349,800	\$42,349,800		\$160,929	\$407,998	\$568,927	\$232,416	\$801,343
2043	\$42,346,300	\$42,346,300		\$160,916	\$407,964	\$568,880	\$232,396	\$801,277
			<b>Total</b>	<b>\$5,458,889</b>	<b>\$4,207,818</b>	<b>\$9,666,707</b>	<b>\$7,883,784</b>	<b>\$17,550,491</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$9,631,901</b>	<b>\$9,631,901</b>	<b>\$0</b>	<b>\$9,631,901</b>
Assumes School Value Limitation.								

Source: CPA, Savannah Oaks Solar Project, LLC

\*Tax Rate per \$100 Valuation

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



## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller's determination that Savannah Oaks Solar Project, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2026	\$0	\$0	\$0	\$0
	2027	\$0	\$0	\$0	\$0
	2028	\$722,550	\$722,550	\$0	\$0
<b>Limitation Period (10 Years)</b>	2029	\$144,510	\$867,060	\$1,849,940	\$1,849,940
	2030	\$144,510	\$1,011,570	\$1,598,585	\$3,448,525
	2031	\$144,510	\$1,156,080	\$1,434,863	\$4,883,389
	2032	\$144,510	\$1,300,590	\$1,257,927	\$6,141,316
	2033	\$144,510	\$1,445,100	\$1,066,963	\$7,208,279
	2034	\$144,510	\$1,589,610	\$860,751	\$8,069,030
	2035	\$144,510	\$1,734,120	\$638,070	\$8,707,100
	2036	\$144,510	\$1,878,630	\$397,497	\$9,104,597
	2037	\$144,510	\$2,023,140	\$263,671	\$9,368,268
	2038	\$144,510	\$2,167,650	\$263,632	\$9,631,901
<b>Maintain Viable Presence (5 Years)</b>	2039	\$408,105	\$2,575,755	\$0	\$9,631,901
	2040	\$408,068	\$2,983,823	\$0	\$9,631,901
	2041	\$408,033	\$3,391,856	\$0	\$9,631,901
	2042	\$407,998	\$3,799,854	\$0	\$9,631,901
	2043	\$407,964	\$4,207,818	\$0	\$9,631,901
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2044	\$407,931	\$4,615,750	\$0	\$9,631,901
	2045	\$407,900	\$5,023,649	\$0	\$9,631,901
	2046	\$407,869	\$5,431,518	\$0	\$9,631,901
	2047	\$407,838	\$5,839,356	\$0	\$9,631,901
	2048	\$407,808	\$6,247,164	\$0	\$9,631,901
	2049	\$407,779	\$6,654,944	\$0	\$9,631,901
	2050	\$407,751	\$7,062,695	\$0	\$9,631,901
	2051	\$407,723	\$7,470,418	\$0	\$9,631,901
	2052	\$407,696	\$7,878,115	\$0	\$9,631,901
	2053	\$407,670	\$8,285,785	\$0	\$9,631,901
		<b>\$8,285,785</b>	is less than	<b>\$9,631,901</b>	
<b>Analysis Summary</b>					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					No

Source: CPA, Savannah Oaks Solar Project, LLC



Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2027	225	201	426	\$13,500,000	\$22,500,000	\$36,000,000	1400000	-800000	\$2,200,000
2028	225	211	436	\$13,500,000	\$27,500,000	\$41,000,000	1500000	-500000	\$2,000,000
2029	1	19	20	\$140	\$6,999,860	\$7,000,000	200000	600000	-\$400,000
2030	1	(1)	0	\$145	\$3,999,855	\$4,000,000	100000	600000	-\$500,000
2031	1	(17)	-16	\$150	\$1,999,850	\$2,000,000	-100000	500000	-\$600,000
2032	1	(19)	-18	\$155	-\$1,000,155	-\$1,000,000	-100000	500000	-\$600,000
2033	1	(19)	-18	\$160	-\$1,000,160	-\$1,000,000	-100000	300000	-\$400,000
2034	1	(22)	-21	\$166	-\$1,000,166	-\$1,000,000	-100000	300000	-\$400,000
2035	1	(19)	-18	\$171	-\$1,000,171	-\$1,000,000	-100000	200000	-\$300,000
2036	1	(13)	-12	\$177	-\$2,000,177	-\$2,000,000	-200000	100000	-\$300,000
2037	1	(11)	-10	\$183	-\$2,000,183	-\$2,000,000	-200000	0	-\$200,000
2038	1	(13)	-12	\$189	-\$2,000,189	-\$2,000,000	-200000	0	-\$200,000
2039	1	(7)	-6	\$195	-\$1,000,195	-\$1,000,000	-200000	-100000	-\$100,000
2040	1	(7)	-6	\$202	-\$1,000,202	-\$1,000,000	-200000	-200000	\$0
2041	1	(9)	-8	\$209	-\$1,000,209	-\$1,000,000	-200000	-200000	\$0
2042	1	(5)	-4	\$216	-\$1,000,216	-\$1,000,000	-300000	-200000	-\$100,000
2043	1	(11)	-10	\$223	-\$1,000,223	-\$1,000,000	-300000	-300000	\$0
2044	1	(9)	-8	\$231	-\$1,000,231	-\$1,000,000	-300000	-300000	\$0
2045	1	(11)	-10	\$239	-\$2,000,239	-\$2,000,000	-300000	-300000	\$0
2046	1	(11)	-10	\$247	-\$2,000,247	-\$2,000,000	-200000	-300000	\$100,000
2047	1	(3)	-2	\$256	-\$1,000,256	-\$1,000,000	-200000	-300000	\$100,000
2048	1	(3)	-2	\$265	-\$265	\$0	-200000	-400000	\$200,000
2049	1	(5)	-4	\$274	-\$1,000,274	-\$1,000,000	-200000	-400000	\$200,000
2050	1	(9)	-8	\$283	-\$1,000,283	-\$1,000,000	-200000	-500000	\$300,000
2051	1	(7)	-6	\$292	-\$1,000,292	-\$1,000,000	-200000	-500000	\$300,000
2052	1	(11)	-10	\$302	-\$2,000,302	-\$2,000,000	-300000	-500000	\$200,000
2053	1	(17)	-16	\$312	-\$4,000,312	-\$4,000,000	-300000	-600000	\$300,000
2054	1	(15)	-14	\$322	-\$4,000,322	-\$4,000,000	-300000	-600000	\$300,000
					<b>Total</b>		<b>-\$1,800,000</b>	<b>-\$3,900,000</b>	<b>\$2,100,000</b>
							<b>\$10,385,785</b>	is greater than	<b>\$9,631,901</b>
<b>Analysis Summary</b>									
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?									Yes

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



## Attachment C – Limitation as a Determining Factor

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

### Methodology

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

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

### Determination

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

- Per Savannah Oaks Solar Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “Savannah LLC is keen to develop and build the proposed Savannah Oaks Solar Project as per this application, but this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. Savion LLC is active in states throughout the US, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. Savion LLC is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Savio Energy currently has ongoing project developments in many states, including but not limited to, Wisconsin, Virginia, Ohio, Michigan, Kentucky and Colorado.”
  - B. “Due to the extremely competitive power market in ERCOT most if not all PPA’s economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today’s contracted power rates under a Power Purchase (PPA). A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.”

### Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value



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

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



# **Supporting Information**

## **Section 8 of the Application for a Limitation on Appraised Value**



## 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 September 2022
2. Estimated commencement of construction September 2027
3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2026
4. First year of limitation (YYYY) January 1, 2029

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 December 2028

## SECTION 10: The Property

1. County or counties in which the proposed project will be located Madison County
2. Central Appraisal District (CAD) that will be responsible for appraising the property Madison 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>Normangee ISD; 100%; \$0.9634</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Normangee ISD; 100%; \$0.3800</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Madison County; 100%; \$0.5500</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>



# **Supporting Information**

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





## TAB 5

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

Founded in 2019, Savion LLC is one of the country's largest and most technologically advanced utility scale solar and energy storage project development companies in the U.S. The company is headquartered in Kansas City, MO and has a current portfolio of projects in various phases across 27 states. In 2022 the company will become part of Shell New Energies US LLC (a subsidiary of Royal Dutch Shell plc).

Savion LLC is keen to develop and build the proposed Savannah Oaks Solar Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. Savion LLC is active in states throughout the US, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. Savion LLC is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Savion Energy currently has ongoing project developments in many states, including but not limited to, Wisconsin, Virginia, Ohio, Michigan, Kentucky and Colorado.

Due to the extremely competitive power market in ERCOT most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a Power Purchase Agreement (PPA). A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.



# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller



COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)  
Normangee ISD–Savannah Oaks Solar Project, LLC App. #2008

Comptroller Questions (Tab 4 of Application and Via email on August 2, 2022):

1. *Is Savannah Oaks Solar Project, LLC currently known by any other project names?*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.*
3. *Please also list any other names by which this project may have been known in the past-in media reports, investor presentations, or any listings with any federal or state agency.*
4. *Please advise if you will be sharing qualified property with other applicants pending or active Chapter 313 agreement.*

Applicant Response (Tab 4 of Application and Via email on August 4, 2022):

1. *The project is not known by any other names.*
2. *The project has applied for and is awaiting assignment of ERCOT IGNR Number.*
3. *In the last sentence in Paragraph 1 of Tab 4 we clearly state that this project is not known by any northern names. For further clarification, this project is not known by any other names in the past in media reports, investor presentations, or any listings with any federal agency.*
4. *The Qualified Property and Qualified Investment that are the subject of this application is part of a project that will also be located in neighboring North Zulch ISD. The North Zulch portion has submitted separate 313 Application 1733 for that portion that will be sited in that school district.*



## Chapter 313 Financial Impact Study

*A financial analysis of the potential Chapter 313 Agreement  
between Savannah Oaks Solar Project LLC and the Normangee  
Independent School District*



Prepared October 14, 2022



## Overview

On May 23, 2022, Savannah Oaks Solar Project LLC (Applicant) submitted an application for appraised value limitation on qualified property to the Normangee Independent School District (NISD). The Applicant is seeking to construct a renewable energy electric generation solar project and is requesting NISD agree to limit the maintenance and operations (M&O) taxable value of the project to \$15,000,000 for a ten-year period. As put forth in the application, the first year of the value limitation period would be the 2029 tax year.

Culwell Consulting was engaged by NISD to analyze the impact of the potential value limitation agreement upon the overall M&O revenue of NISD. A value limitation agreement entered into by the parties provides NISD protection against any loss in M&O revenue due to the granting of the \$15 million value limitation. This report provides the programmatic details, pertinent aspects of the Texas school finance system, and in-depth analysis needed to understand the long-term impact of such an agreement upon the NISD M&O general fund.

This analysis concludes a value limitation agreement would result in NISD foregoing \$1,824,834 in M&O revenue in the first year of the value limitation period, the 2029-2030 school year. After payout of these losses, the Applicant's tax savings are estimated to be \$6,867,272. This estimate of the Applicant's tax savings does not account for any supplemental payments made to NISD. Any potential Ch. 313 agreement will not affect the Applicant's taxable value for Interest and Sinking (I&S) tax rate purposes.

## Background

In 2001, the 77th Texas Legislature passed HB 1200 enacting the Texas Economic Development Act with the intent to attract qualified economic development to Texas by limiting the M&O taxes paid by the company. Established under Ch. 313 of the Texas Tax Code, the program has become more commonly referred to as Ch. 313.

The Ch. 313 program enables school districts to limit the M&O taxable value of qualified economic development projects for a ten-year period. The State of Texas Comptroller sets the value limitation amount for each school district. At the time the application was deemed complete by the Texas Comptroller, NISD is permitted to grant a value limitation of \$15 million.

Several types of projects are eligible to receive value limitations under Chapter 313 of the Tax Code. Behind Tab 4 of the Application, it states, "Savannah Oaks Solar LLC is requesting an Appraised Value Limitation from Normangee Independent School District for the Savannah Oaks Solar Project (the "Project"), a proposed solar powered electric generation and battery storage facility in Madison County." This type of project qualifies under Texas Tax Code 313.024(b)(5).



## Savannah Oaks Solar Project LLC Application

The application from Savannah Oaks Solar Project LLC (Applicant) was presented to and accepted by the NISD School Board on May 23, 2022. In their application, the Applicant requested a \$15 million value limitation be applied to their renewable energy electric generation solar project beginning in the 2029 tax year. Within the Application, Schedule B behind Tab 14 outlines the estimated taxable value schedule of the project for a 25-year period.

Texas Tax Code 313.027(f)(3) requires an agreement holder to maintain a viable presence within the school district for five years after the value limitation expires; therefore, this analysis concludes after the last year of this viable presence period, the 2043-2044 school year. Below is a modified version of Schedule B displaying the estimated taxable values of the project beginning with each year prior to limitation period and concluding five years after the value limitation expires.

### Savannah Oaks Solar Project LLC Taxable Values, Schedule B of Application

	Year	School Year (YYYY-YYYY)	Tax Year YYYY	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Qualifying Time Period Qualifying Time Period	1	2026-2027	2026	\$0	\$0
	2	2027-2028	2027	\$0	\$0
	0	2028-2029	2028	\$75,000,000	\$75,000,000
Value Limitation Period	1	2029-2030	2029	\$207,022,040	\$15,000,000
	2	2030-2031	2030	\$180,931,607	\$15,000,000
	3	2031-2032	2031	\$163,937,443	\$15,000,000
	4	2032-2033	2032	\$145,571,667	\$15,000,000
	5	2033-2034	2033	\$125,749,760	\$15,000,000
	6	2034-2035	2034	\$104,345,093	\$15,000,000
	7	2035-2036	2035	\$81,231,037	\$15,000,000
	8	2036-2037	2036	\$56,259,858	\$15,000,000
	9	2037-2038	2037	\$42,368,800	\$15,000,000
	10	2038-2039	2038	\$42,364,800	\$15,000,000
Continue to maintain viable presence	11	2039-2040	2039	\$42,360,900	\$42,360,900
	12	2040-2041	2040	\$42,357,100	\$42,357,100
	13	2041-2042	2041	\$42,353,400	\$42,353,400
	14	2042-2043	2042	\$42,349,800	\$42,349,800
	15	2043-2044	2043	\$42,346,300	\$42,346,300

As a result of such limitation being granted, the project will receive two taxable values beginning in the 2029 tax year: one, a valuation of \$15 million for M&O tax purposes, and the second, a full taxable valuation assessed by the local appraisal district for NISD's I&S tax purposes. This duality will continue for the ten-year limitation period after which, starting with the 2039-2040 school year, the project will receive a single taxable value for M&O and I&S tax purposes. Any taxable value



of the project outside the ten-year limitation period is fully taxable for M&O tax purposes.

## Calculation of Revenue Loss

The Ch. 313 Agreement (Agreement) prepared by the Underwood Law Firm P.C. ensures that NISD is protected against any loss in revenue incurred by the district's M&O general fund. During each year of the limitation period, the Agreement calls for the annual calculation of loss in M&O revenue. If and when a revenue loss occurs, the Agreement requires the Applicant to hold the school district harmless and pay the school district this calculated amount.

To identify a loss in revenue, two school finance models are established and the outputs compared. One model serves as the control utilizing the full M&O taxable value of the project; the second model substitutes the limited value of \$15 million for the full taxable value. Any revenue loss is accounted for by deducting the resulting M&O revenue of the control model from that of the limited value model.

## Note on School Finance

To fund the maintenance and operation of Texas public schools, the state's school finance system relies on local tax collections and state aid. The method of determining state aid is a complex system that further breaks funding into two major components referred to as Tier I and Tier II. Tier I funding is based on the M&O taxes at the compressed rate, program allotments, and ADA and special student populations. Tier II is the enrichment tier based on the tax effort above the school district's compressed rate. State aid works to fill the gap between local revenue and the total funding the school district is entitled to through the state finance system.

In the Spring of 2019, the 86<sup>th</sup> Texas Legislature passed House Bill 3 which made significant changes to the school finance system in Texas. In passing HB 3, the Legislature sought to equalize funding across school districts, increase teacher compensation, improve learning outcomes, and reduce property taxes.

Of particular note to this analysis, HB 3 now requires the use of current-year local taxable values as opposed to prior-year taxable values when determining state aid. The 2019-20 school year, the first in which this method of calculating state aid was used, differs from the prior school finance system under which state aid was based on the prior year's Comptroller certified property values. However, in specifically addressing the Ch. 313 program, HB 3 states that calculations determining the school districts' revenue loss must continue to use the prior year local taxable values when determining the state aid allotted to the school district.

Due in part to this reliance on prior year values when determining state aid, the first year of the limitation period often results in a loss in revenue for the school district. Under the terms of the agreement, the Applicant is required to hold the district harmless from any such losses. Estimates of revenue losses are based on the current school finance system and the taxable values provided by the Applicant. **Any future**



changes in the school finances system or in the project's taxable value as compared to those put forth in the application, may result in different levels of revenue loss than described in this report.

## Data

The project's taxable values are accessed from Schedule B, behind Tab 14 of the Application. School district level data was obtained from the Texas Education Agency in September of 2022 and includes the NISD adopted 2022-2023 M&O tax rate of \$0.8694. In developing the comparison scenarios, all variables and funding factors were held constant as of the 2022-2023 school year with the exception of the project's taxable value and the district's resulting tax collections.

**Future calculations will utilize the concurrent statewide school funding system, school district data and tax rates, as well as the appraised value of the Applicant's project as determined by the County Appraisal District.**

## Results

Table 1 displays NISD total M&O revenue after including the full taxable value of the project. Table 2 shows the total M&O revenue after substituting the \$15 million limitation value. The highlighted rows outline the ten-year value limitation period.

**Table 1 – M&O Revenue at Full Project Taxable Value**

	School Year	M&O Revenue from Local Taxes	M&O Revenue from State	Total Recapture	Total M&O General Fund
Qualifying Time Period	2026-2027	\$0	\$0	\$0	\$0
Qualifying Time Period	2027-2028	\$0	\$0	\$0	\$0
	2028-2029	\$0	\$0	\$0	\$0
Value Limitation Period	2029-2030	\$5,159,757	\$2,561,781	\$0	\$7,721,538
	2030-2031	\$4,932,927	\$1,193,686	\$0	\$6,126,613
	2031-2032	\$4,785,180	\$1,431,398	\$0	\$6,216,578
	2032-2033	\$4,625,508	\$1,580,058	\$0	\$6,205,566
	2033-2034	\$4,453,176	\$1,688,372	\$0	\$6,141,548
	2034-2035	\$4,267,084	\$1,802,857	\$0	\$6,069,941
	2035-2036	\$4,066,130	\$1,987,186	\$0	\$6,053,316
	2036-2037	\$3,849,031	\$2,186,204	\$0	\$6,035,235
	2037-2038	\$3,728,262	\$2,407,969	\$0	\$6,136,231
	2038-2039	\$3,728,227	\$2,536,504	\$0	\$6,264,731
	2039-2040	\$0	\$0	\$0	\$0
Maintain Viable Presence	2040-2041	\$0	\$0	\$0	\$0
	2041-2042	\$0	\$0	\$0	\$0
	2042-2043	\$0	\$0	\$0	\$0
	2043-2044	\$0	\$0	\$0	\$0



**Table 2 – M&O Revenue at Limited Project Taxable Value**

	School Year	M&O Revenue from Local Taxes	M&O Revenue from State	Total Recapture	Total M&O General Fund
Qualifying Time Period	2026-2027	\$0	\$0	\$0	\$0
	2027-2028	\$0	\$0	\$0	\$0
	2028-2029	\$0	\$0	\$0	\$0
Value Limitation Period	2029-2030	\$3,490,318	\$2,406,386	\$0	\$5,896,704
	2030-2031	\$3,490,318	\$2,809,534	\$0	\$6,299,852
	2031-2032	\$3,490,318	\$2,809,534	\$0	\$6,299,852
	2032-2033	\$3,490,318	\$2,809,534	\$0	\$6,299,852
	2033-2034	\$3,490,318	\$2,809,534	\$0	\$6,299,852
	2034-2035	\$3,490,318	\$2,809,534	\$0	\$6,299,852
	2035-2036	\$3,490,318	\$2,809,534	\$0	\$6,299,852
	2036-2037	\$3,490,318	\$2,809,534	\$0	\$6,299,852
	2037-2038	\$3,490,318	\$2,809,534	\$0	\$6,299,852
	2038-2039	\$3,490,318	\$2,809,534	\$0	\$6,299,852
Maintain Viable Presence	2039-2040	\$0	\$0	\$0	\$0
	2040-2041	\$0	\$0	\$0	\$0
	2041-2042	\$0	\$0	\$0	\$0
	2042-2043	\$0	\$0	\$0	\$0
	2043-2044	\$0	\$0	\$0	\$0

Table 3 displays the outcome of comparing the M&O general fund totals within these two models. The column entitled, “School District Revenue Loss,” displays instances in which the projected M&O revenue in Table 2 is less than in Table 1. In doing so, Table 3 captures each instance in which NISD’s M&O general fund is negatively impacted by NISD having granted a value limitation agreement. As shown below, it is estimated that NISD will forego \$1,824,834 in M&O revenue during the 2029-2030 school year.

The project is estimated to reach a peak taxable value of \$207 million during the 2029-2030 school year, the first year of the limitation period, followed by steady depreciation in value. Any change in the project’s taxable value schedule, school district data or tax rates, or legislative changes to the school finance system may result in additional revenue losses. Of note, it is typically the case that any appreciation of taxable value within the limitation period will result in additional revenue losses for the school district.

The final column, “Company Tax Savings,” displays the tax savings in each year of the limitation with the Applicant’s total savings over the ten-year period totaling \$6,867,272.



**Table 3 - Projected School District Revenue Loss & Company Tax Savings**

School Year	Project Full Taxable Value (I&S Value)	Project Limited Tax Value (M&O Value)	M&O Tax Rate	M&O Taxes Paid Before Limitation	M&O Taxes Paid After Limitation	Tax Savings Before District Calculations	School District Revenue Loss	Company Tax Savings Before Supplemental Payment
2026-2027	\$0	\$0	\$0.8694	\$0	\$0	\$0	\$0	\$0
2027-2028	\$0	\$0	\$0.8694	\$0	\$0	\$0	\$0	\$0
2028-2029	\$75,000,000	\$75,000,000	\$0.8694	\$652,050	\$652,050	\$0	\$0	\$0
2029-2030	\$207,022,040	\$15,000,000	\$0.8694	\$1,799,850	\$130,410	\$1,669,440	-\$1,824,834	-\$155,394
2030-2031	\$180,931,607	\$15,000,000	\$0.8694	\$1,573,019	\$130,410	\$1,442,609	\$0	\$1,442,609
2031-2032	\$163,937,443	\$15,000,000	\$0.8694	\$1,425,272	\$130,410	\$1,294,862	\$0	\$1,294,862
2032-2033	\$145,571,667	\$15,000,000	\$0.8694	\$1,265,600	\$130,410	\$1,135,190	\$0	\$1,135,190
2033-2034	\$125,749,760	\$15,000,000	\$0.8694	\$1,093,268	\$130,410	\$962,858	\$0	\$962,858
2034-2035	\$104,345,093	\$15,000,000	\$0.8694	\$907,176	\$130,410	\$776,766	\$0	\$776,766
2035-2036	\$81,231,037	\$15,000,000	\$0.8694	\$706,223	\$130,410	\$575,813	\$0	\$575,813
2036-2037	\$56,259,858	\$15,000,000	\$0.8694	\$489,123	\$130,410	\$358,713	\$0	\$358,713
2037-2038	\$42,368,800	\$15,000,000	\$0.8694	\$368,354	\$130,410	\$237,944	\$0	\$237,944
2038-2039	\$42,364,800	\$15,000,000	\$0.8694	\$368,320	\$130,410	\$237,910	\$0	\$237,910
2039-2040	\$42,360,900	\$42,360,900	\$0.8694	\$368,286	\$368,286	\$0	\$0	\$0
2040-2041	\$42,357,100	\$42,357,100	\$0.8694	\$368,253	\$368,253	\$0	\$0	\$0
2041-2042	\$42,353,400	\$42,353,400	\$0.8694	\$368,220	\$368,220	\$0	\$0	\$0
2042-2043	\$42,349,800	\$42,349,800	\$0.8694	\$368,189	\$368,189	\$0	\$0	\$0
2043-2044	\$42,346,300	\$42,346,300	\$0.8694	\$368,159	\$368,159	\$0	\$0	\$0
<b>Totals</b>				<b>\$12,489,362</b>	<b>\$3,797,257</b>	<b>\$8,692,106</b>	<b>-\$1,824,834</b>	<b>\$6,867,272</b>

## Supplemental Payment

The two parties are able to negotiate a supplemental payment, which allows for a partial sharing of the Applicant's tax savings with the school district. Under Texas Tax Code 313.027(i), these payments may not exceed \$100 per average daily attendance (ADA) and may only occur from the first year of the qualifying time period through the third year after the value limitation expires. In the case of school districts with an ADA below 500, the tax code allows for a maximum annual payment of \$50,000. The exact terms of the supplemental payment are set in the final Ch. 313 Agreement.

## Facilities Impact

The project remains fully taxable for I&S tax purposes over the course of the taxable life of the project and should have significant positive impact on NISD's debt service. The Applicant intends to invest a total of \$207 million resulting in an estimated peak taxable value of \$207 million in the 2029-2030 school year. If applied to NISD's 2021 I&S tax base, this taxable value would increase the district's I&S tax base by roughly 52%.



The project's taxable value is assumed to depreciate quickly, with an average annual reduction in value of \$20 million until reaching a floor of \$42 million in the 2037-2038 school year. However, unlike most commercial property, the project is assumed to hold this roughly \$42 million valuation through at least the 2053-2054 school year. This addition of long-term value combined with the overall increase to the tax base should provide NISD the ability to service existing debt through a reduced I&S tax rate and offer a more diverse tax base for future debt issuances.

## **Conclusion**

The total estimated NISD revenue losses of \$1,834,834 and Applicant tax savings of \$6,867,272 are based on the assumptions used in this report. The terms of these calculations are set in the Ch. 313 Agreement and will require the use of the concurrent year's school finance system, assessed taxable value of the project, school district level taxable values and tax rates, and school district student population data. Changes to any of these factors may result in revenue losses and company tax savings in different amounts than estimated in this report.

The Ch. 313 Agreement prepared by the Underwood Law Firm P.C. ensures that NISD is protected against any loss in revenue and defines the supplemental payment allowing the district to share in the applicant's long-term tax savings. With the Ch. 313 Agreement in place, the proposed project is financially beneficial for both the Normangee Independent School District and the applicant Savannah Oaks Solar Project LLC.



## Estimated Effects of the Ch. 313 Application from Savannah Oaks Solar Project LLC Project upon the Finances of the Normangee Independent School District

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
			Project Full Taxable Value (I&S Value)*	Project Limited Tax Value (M&O Value)	M&O Tax Rate#	M&O Taxes Paid Before Limitation	M&O Taxes Paid After Limitation	Tax Savings Before District Calculations	Estimate of Revenue Protection Payment	Company Tax Savings Before Supplemental Payment	Supplemental Payment\$	Total Company Tax Savings
Qualifying Time Period	2026-2027	2026	\$0	\$0	\$0.8694	\$0	\$0	\$0	\$0	\$0	\$54,600	-\$54,600
Qualifying Time Period	2027-2028	2027	\$0	\$0	\$0.8694	\$0	\$0	\$0	\$0	\$0	\$54,600	-\$54,600
	2028-2029	2028	\$75,000,000	\$75,000,000	\$0.8694	\$652,050	\$652,050	\$0	\$0	\$0	\$54,600	-\$54,600
Value Limitation Period	2029-2030	2029	\$207,022,040	\$15,000,000	\$0.8694	\$1,799,850	\$130,410	\$1,669,440	-\$1,824,834	-\$155,394	\$54,600	-\$209,994
	2030-2031	2030	\$180,931,607	\$15,000,000	\$0.8694	\$1,573,019	\$130,410	\$1,442,609	\$0	\$1,442,609	\$54,600	\$1,388,009
	2031-2032	2031	\$163,937,443	\$15,000,000	\$0.8694	\$1,425,272	\$130,410	\$1,294,862	\$0	\$1,294,862	\$54,600	\$1,240,262
	2032-2033	2032	\$145,571,667	\$15,000,000	\$0.8694	\$1,265,600	\$130,410	\$1,135,190	\$0	\$1,135,190	\$54,600	\$1,080,590
	2033-2034	2033	\$125,749,760	\$15,000,000	\$0.8694	\$1,093,268	\$130,410	\$962,858	\$0	\$962,858	\$54,600	\$908,258
	2034-2035	2034	\$104,345,093	\$15,000,000	\$0.8694	\$907,176	\$130,410	\$776,766	\$0	\$776,766	\$54,600	\$722,166
	2035-2036	2035	\$81,231,037	\$15,000,000	\$0.8694	\$706,223	\$130,410	\$575,813	\$0	\$575,813	\$54,600	\$521,213
	2036-2037	2036	\$56,259,858	\$15,000,000	\$0.8694	\$489,123	\$130,410	\$358,713	\$0	\$358,713	\$54,600	\$304,113
	2037-2038	2037	\$42,368,800	\$15,000,000	\$0.8694	\$368,354	\$130,410	\$237,944	\$0	\$237,944	\$54,600	\$183,344
	2038-2039	2038	\$42,364,800	\$15,000,000	\$0.8694	\$368,320	\$130,410	\$237,910	\$0	\$237,910	\$54,600	\$183,310
Maintain Viable Presence	2039-2040	2039	\$42,360,900	\$42,360,900	\$0.8694	\$368,286	\$368,286	\$0	\$0	\$0	\$54,600	-\$54,600
	2040-2041	2040	\$42,357,100	\$42,357,100	\$0.8694	\$368,253	\$368,253	\$0	\$0	\$0	\$54,600	-\$54,600
	2041-2042	2041	\$42,353,400	\$42,353,400	\$0.8694	\$368,220	\$368,220	\$0	\$0	\$0	\$54,600	-\$54,600
	2042-2043	2042	\$42,349,800	\$42,349,800	\$0.8694	\$368,189	\$368,189	\$0	\$0	\$0	\$0	\$0
	2043-2044	2043	\$42,346,300	\$42,346,300	\$0.8694	\$368,159	\$368,159	\$0	\$0	\$0	\$0	\$0
<b>Totals</b>						<b>\$12,489,362</b>	<b>\$3,797,257</b>	<b>\$8,692,106</b>	<b>-\$1,824,834</b>	<b>\$6,867,272</b>	<b>\$873,600</b>	<b>\$5,993,672</b>

### Summary of Estimated Ch. 313 Payments to Normangee ISD

<b>Total M&amp;O Taxes</b> \$3,797,257	<b>Total Revenue Protection Payment</b> \$1,824,834	<b>Total Supplemental Payment</b> \$873,600
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**NOTE:** The terms of these calculations are set in the Ch. 313 Agreement; however, each year's calculation during the limitation period requires the use of the concurrent year's school finance system, assessed taxable value of the project, school district level taxable values and tax rates, and school district student population data. These calculations are based upon the current school finance system as of the date of preparation below. Changes to any of these factors may result in revenue losses and company tax savings in different amounts than estimated in this document.

\*The project taxable values utilized here are based on those provided in the application submitted by the Company. Calculations made for active agreements during the value limitation period will be based upon the assessed value as determined by the county central appraisal district.

#The M&O tax rate used is based on the district's adopted 2022-2023 M&O tax rate. All future calculations will use the corresponding year's adopted M&O tax rate.

\$The supplemental payment shown represents the statutory maximum of \$100 per average daily attendance (ADA). The average daily attendance data of 546 is obtained from the TEA 2020-21 Summary of Finances - Final rounded to the nearest whole number. In each year, the ADA used will be based on the ADA from the prior school year. Article VI of the Agreement defines the terms of this calculation.





Texas Education Agency

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [tea.texas.gov](http://tea.texas.gov)

**IMPORTANT:** You must provide a copy of this letter to the law firm working on the value limitation agreement. Please keep this letter with your district's records.

September 13, 2022

Mr. Andres de la Garza, President  
Board of Trustees  
Normangee Independent School District  
P. O. Box 219  
Normangee, TX 77871-0219

Dear President de la Garza:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Savannah Oaks Solar Project, LLC project #2008 on the number and size of school facilities in Normangee Independent School District (NISD). Based on an examination of NISD enrollment and the number of potential new jobs, the TEA has determined that the Savannah Oaks Solar Project, LLC project should not have a significant impact on the number or size of school facilities in NISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at [sara.kohn@tea.texas.gov](mailto:sara.kohn@tea.texas.gov) if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Sara Kohn". The signature is written in a cursive, flowing style.

Sara Kohn  
Interim Director of State Funding

Cc: Mark Ruffin, Superintendent





Glenn Hegar  
Texas Comptroller of Public Accounts



Property Tax Assistance

## 2021 ISD Summary Worksheet

### 093-Grimes /Grimes County

#### 154-901/Madisonville CISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	52,382,673	N/A	52,382,673	52,382,673
B - MULTIFAMILY	0	N/A	0	0
C1 - VACANT LOTS	5,271,310	N/A	5,271,310	5,271,310
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	3,656,664	N/A	3,656,664	3,656,664
D2 - FARM & RANCH IMP	4,068,721	N/A	4,068,721	4,068,721
E - NON-AG LAND AND IMPROVEMENTS	69,718,711	N/A	69,718,711	69,718,711
F1 - COMMERCIAL REAL	4,884,938	N/A	4,884,938	4,884,938
F2 - INDUSTRIAL REAL	310,890	N/A	310,890	310,890
G - ALL MINERALS	914,622	N/A	914,622	914,622
J - ALL UTILITIES	45,507,685	N/A	45,507,685	45,507,685
L1 - COMMERCIAL PERSONAL	2,093,828	N/A	2,093,828	2,093,828
L2 - INDUSTRIAL PERSONAL	52,000	N/A	52,000	52,000
M1 - MOBILE HOMES	6,429,800	N/A	6,429,800	6,429,800



<b>N - INTANGIBLE PERSONAL PROPERTY</b>	0	N/A	0	0
<b>O - RESIDENTIAL INVENTORY</b>	0	N/A	0	0
<b>S - SPECIAL INVENTORY</b>	0	N/A	0	0
<b>Subtotal</b>	195,291,842	0	195,291,842	195,291,842
<b>Less Total Deductions</b>	29,534,533	0	29,534,533	29,534,533
<b>Total Taxable Value</b>	165,757,309	0	165,757,309	165,757,309

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

### Value Taxable For M & O Purposes

<b>T1</b>	<b>T2</b>	<b>T3</b>	<b>T4</b>
169,785,299	165,757,309	169,785,299	165,757,309

<b>Loss To the Additional \$10,000 Homestead Exemption</b>	<b>50% of the loss to the Local Optional Percentage Homestead Exemption</b>
4,027,990	0

T1 = School district taxable value for M & O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction



T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

## Value Taxable For I & S Purposes

T7	T8	T9	T10
169,785,299	165,757,309	169,785,299	165,757,309

T7 = School district taxable value for I & S purposes before the loss to the additional \$10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

## 154-Madison /Madison County

### 154-901/Madisonville CISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	187,163,555	0.8800	212,685,858	187,163,555
B - MULTIFAMILY	4,806,720	N/A	4,806,720	4,806,720
C1 - VACANT LOTS	13,221,890	N/A	13,221,890	13,221,890
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	12,373,122	1.1281	10,968,108	12,373,122
D2 - FARM & RANCH IMP	17,763,939	N/A	17,763,939	17,763,939



<b>E - NON-AG LAND AND IMPROVEMENTS</b>	281,168,118	0.8874	316,844,848	281,168,118
<b>F1 - COMMERCIAL REAL</b>	90,693,810	0.9083	99,850,061	90,693,810
<b>F2 - INDUSTRIAL REAL</b>	21,185,690	N/A	21,185,690	21,185,690
<b>G - ALL MINERALS</b>	19,928,846	N/A	19,928,846	19,928,846
<b>J - ALL UTILITIES</b>	145,318,870	0.9235	157,356,654	145,318,870
<b>L1 - COMMERCIAL PERSONAL</b>	22,953,350	N/A	22,953,350	22,953,350
<b>L2 - INDUSTRIAL PERSONAL</b>	48,439,790	N/A	48,439,790	48,439,790
<b>M1 - MOBILE HOMES</b>	15,246,750	N/A	15,246,750	15,246,750
<b>N - INTANGIBLE PERSONAL PROPERTY</b>	0	N/A	0	0
<b>O - RESIDENTIAL INVENTORY</b>	0	N/A	0	0
<b>S - SPECIAL INVENTORY</b>	8,038,140	N/A	8,038,140	8,038,140
<b>Subtotal</b>	888,302,590	0	969,290,644	888,302,590
<b>Less Total Deductions</b>	120,960,269	0	139,268,288	120,960,269
<b>Total Taxable Value</b>	767,342,321	0	830,022,356	767,342,321

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

### Value Taxable For M & O Purposes

<b>T1</b>	<b>T2</b>	<b>T3</b>	<b>T4</b>
784,809,426	767,342,321	784,809,426	767,342,321



<b>Loss To the Additional \$10,000 Homestead Exemption</b>	<b>50% of the loss to the Local Optional Percentage Homestead Exemption</b>
17,467,105	0

T1 = School district taxable value for M & O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

### **Value Taxable For I & S Purposes**

<b>T7</b>	<b>T8</b>	<b>T9</b>	<b>T10</b>
784,809,426	767,342,321	784,809,426	767,342,321

T7 = School district taxable value for I & S purposes before the loss to the additional \$10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE INVALID, BUT LOCAL VALUE WAS CERTIFIED BECAUSE YOUR SCHOOL DISTRICT IS IN YEAR TWO OF THE GRACE PERIOD

### **154-901-02/Madisonville CISD**



Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
<b>A - SINGLE-FAMILY</b>	239,546,228	0.9037	265,068,531	239,546,228
<b>B - MULTIFAMILY</b>	4,806,720	N/A	4,806,720	4,806,720
<b>C1 - VACANT LOTS</b>	18,493,200	N/A	18,493,200	18,493,200
<b>C2 - COLONIA LOTS</b>	0	N/A	0	0
<b>D1 ACRES - QUALIFIED OPEN-SPACE LAND</b>	16,029,786	1.0961	14,624,772	16,029,786
<b>D2 - FARM &amp; RANCH IMP</b>	21,832,660	N/A	21,832,660	21,832,660
<b>E - NON-AG LAND AND IMPROVEMENTS</b>	350,886,829	0.9077	386,563,559	350,886,829
<b>F1 - COMMERCIAL REAL</b>	95,578,748	0.9126	104,734,999	95,578,748
<b>F2 - INDUSTRIAL REAL</b>	21,496,580	N/A	21,496,580	21,496,580
<b>G - ALL MINERALS</b>	20,843,468	N/A	20,843,468	20,843,468
<b>J - ALL UTILITIES</b>	190,826,555	0.9407	202,864,339	190,826,555
<b>L1 - COMMERCIAL PERSONAL</b>	25,047,178	N/A	25,047,178	25,047,178
<b>L2 - INDUSTRIAL PERSONAL</b>	48,491,790	N/A	48,491,790	48,491,790
<b>M1 - MOBILE HOMES</b>	21,676,550	N/A	21,676,550	21,676,550
<b>N - INTANGIBLE PERSONAL PROPERTY</b>	0	N/A	0	0
<b>O - RESIDENTIAL INVENTORY</b>	0	N/A	0	0
<b>S - SPECIAL INVENTORY</b>	8,038,140	N/A	8,038,140	8,038,140
<b>Subtotal</b>	1,083,594,432		1,164,582,486	1,083,594,432
<b>Less Total Deductions</b>	150,494,802		168,802,821	150,494,802
<b>Total Taxable Value</b>	933,099,630		995,779,665	933,099,630



The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

### Value Taxable For M & O Purposes

T1	T2	T3	T4
954,594,725	933,099,630	954,594,725	933,099,630

Loss To the Additional \$10,000 Homestead Exemption	50 % of the loss to the Local Optional Percentage Homestead Exemption
21,495,095	0

T1 = School district taxable value for M & O purposes before the loss to the additional \$10, 000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50 % of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50 % of the loss to the local optional percentage homestead exemption

### Value Taxable For I & S Purposes

T7	T8	T9	T10
954,594,725	933,099,630	954,594,725	933,099,630

T7 = School district taxable value for I & S purposes before the loss to the additional \$10, 000 homestead exemption



T8 = School district taxable value for I & S purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption



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

---

by and between

**NORMANGEE INDEPENDENT SCHOOL DISTRICT**

and

**SAVANNAH OAKS SOLAR PROJECT, LLC**

*(Texas Taxpayer ID #32083235005)*

Comptroller Application #2008

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Dated

December 19, 2022







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

**WHEREAS**, on December 19, 2022, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

**WHEREAS**, on December 19, 2022, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

**WHEREAS**, on December 19, 2022, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

**WHEREAS**, on December 9, 2022, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

**WHEREAS**, on December 19, 2022, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

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

## **ARTICLE I** **DEFINITIONS**

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

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



“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means SAVANNAH OAKS SOLAR PROJECT, LLC, (Texas Taxpayer ID #32083235005), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in EXHIBIT 3 of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in EXHIBIT 4 of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on May 23, 2022. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

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

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

“Appraisal District” means the Madison County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Normangee Independent School District.

“Commercial Operation” means, solely for purposes of this Agreement, the date on which a material portion of Qualified Property has been installed or constructed on the Land and is capable of generating electricity.

“Comptroller” means the Texas Comptroller of Public Accounts, or the designated



representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

“Comptroller’s Rules” means the applicable rules and regulations of the Comptroller set forth in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Madison County, Texas.

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

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

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

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

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

“Market Value” shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

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

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



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

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

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

“State” means the State of Texas.

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

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

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

“Tax Year” shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

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

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

“Additional Loss” shall have the same meaning as assigned to such term in Section 4.4 of this Agreement.

“Applicable School Finance Law” means Chapters 48 and 49 of the TEXAS EDUCATION CODE, and other applicable provisions of the TEXAS EDUCATION CODE, the Texas Economic



Development Act (Chapter 313 of the TEXAS TAX CODE); Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to the District; and, the Constitution and general laws of the State applicable to the school districts of the State, including specifically, the applicable rules, regulations, and interpretations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State; and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future which impact or alter the calculation of the Applicant's ad valorem tax obligation or the M&O Amount in Section 4.2 of this Agreement to the District, either with or without the limitation of property values made pursuant to this Agreement.

"M&O Amount" means the revenue protection payment required as part of this Agreement as set out in TEXAS EDUCATION CODE Section 48.256(d) and shall have the meaning assigned to such term in Section 4.2 of this Agreement.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE, or other lawful authority, and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under the applicable provisions of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable, less (iii) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 49 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable.

"New M&O Revenue" shall have the same meaning as assigned to such term in Section 4.2.A.ii of this Agreement.

"Original M&O Revenue" shall have the same meaning as assigned to such term in Section 4.2.A.i of this Agreement.

"Project" means a proposed project anticipated to have a total capacity of 200 MW solar generation capacity and 200MW battery storage, all of which will be located in Normangee ISD, as described in this Agreement and constituting the Qualified Investment and Qualified Property.

"Third Party Consultant" shall have the same meaning as assigned to such term in Section 4.5 of this Agreement.

## **ARTICLE II**

### **AUTHORITY, PURPOSE AND LIMITATION AMOUNTS**

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



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

**Section 2.3. TERM OF THE AGREEMENT.**

A. The Application Review Start Date for this Agreement is August 25, 2022, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is December 19, 2022.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 1, 2026, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the TEXAS TAX CODE; and
- ii. Ends on December 31, 2027, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2029, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and,
- ii. Ends on December 31, 2038.

E. The Final Termination Date for this Agreement is December 31, 2043.

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

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

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

B. Fifteen Million Dollars (\$15,000,000).



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

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

A. have completed the Applicant's Qualified Investment in the amount of \$5,000,000 during the Qualifying Time Period;

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

C. pay an average weekly wage of at least \$844.25 for all New Non-Qualifying Jobs created by the Applicant.

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

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

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

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

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

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

### **ARTICLE III**

### **QUALIFIED PROPERTY**

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

**Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT.** The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is



described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

**Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY.** The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

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

**Section 3.5. QUALIFYING USE.** The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE as renewable energy electric generation.

#### **ARTICLE IV**

#### **PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES**

**Section 4.1. INTENT OF THE PARTIES.** Subject to the limitations contained in this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE and Section 48.256(d) of the TEXAS EDUCATION CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue resulting, substantially in part, because or on account of entering into this Agreement and application of the Tax Limitation set out in Section 2.4 to Applicant's Qualified Property. Payments for such loss shall be independent of, and in addition to such other payments as set forth in Articles V and VI in this Agreement. Subject to the limitations contained in this Agreement, IT IS THE INTENT OF THE PARTIES THAT THE RISK OF ANY NEGATIVE FINANCIAL CONSEQUENCES TO DISTRICT IN MAKING THE DECISION TO ENTER INTO THIS AGREEMENT WILL BE BORNE SOLELY BY APPLICANT AND NOT BY DISTRICT. Applicant recognizes and acknowledges the calculations relating to the District's loss of Maintenance and Operations Revenue under this Agreement will be affected by changes to the timing of construction of the Project and any change to the Qualified Property. As such, Applicant acknowledges that it will bear any and all losses of Maintenance and Operations Revenue suffered



by the District as a result of this Agreement, including without limitation any increase in the M&O Amount calculated under Section 4.2 to be paid to the District for losses in Maintenance and Operations Revenue resulting from any change in the timing of construction and/or any change to the Qualified Property.

The Parties expressly understand and agree that, for all Tax Years to which the Tax Limitation amount set out in Section 2.4 is applied to Applicant's Qualified Property that is the subject of this Agreement, the calculation of negative financial consequences will be defined for each applicable Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may periodically change in accordance with changes in Applicable School Finance Law. The Parties further agree that printouts and projections produced during the negotiations and approval of this Agreement are: (i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party; (ii) based upon current Applicable School Finance Law which is subject to change by statute, by administrative regulation (or interpretation thereof), or by judicial decision at any time; and (iii) may change in future years to reflect changes in Applicable School Finance Law.

**Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT.** The amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Approval Date and ending on the Final Termination Date (as set out in **EXHIBIT 5**), the "M&O Amount" shall be determined in compliance with Applicable School Finance Law in effect for such year and according to the following formula:

A. The M&O Amount owed by Applicant to District (also known as the revenue protection payment as set out in TEXAS EDUCATION CODE Section 48.256(d)) means the Original M&O Revenue *minus* the New M&O Revenue; based on the following definitions:

- i. "Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that the District would have received for such school year, calculated in accordance with TEXAS EDUCATION CODE Section 48.256(d), had this Agreement not been entered into by the Parties and the Applicant's Qualified Property had been subject to the District's ad valorem maintenance and operations tax without any limitation on value at the rate applicable for such Tax Year. For purposes of this calculation, the Third Party Consultant (as defined in Section 4.5) will base its calculations upon (1) the total Taxable Values for each applicable Tax Year as certified by the Appraisal District for all taxable accounts in the District for the District's maintenance and operations ad valorem tax purposes, save and except for the Applicant's Qualified Property subject to this Agreement, plus (2) the total Taxable Values for such applicable Tax Year as certified by the Appraisal District for the Applicant's Qualified Property subject to this Agreement for the District's debt service (interest and sinking fund) ad valorem tax purposes (which total Taxable Values for the Applicant's Qualified Property subject to this Agreement shall be used in lieu of the total Taxable Values for such applicable Tax Year as certified by the Appraisal District for the Applicant's Qualified Property subject to



this Agreement for the District's maintenance and operations ad valorem tax purposes).

- ii. "New M&O Revenue" means the total State and local Maintenance and Operations Revenue that the District would have received for such school year, calculated in accordance with TEXAS EDUCATION CODE Section 48.256(d), with the Limitation Amount specified in Section 2.4 applied to Applicant's Qualified Property.

B. In making the calculations for the M&O Amount required by this Section 4.2 of this Agreement:

- i. The Taxable Value of property for each school year will be determined under Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 4.2 results in a negative number, the negative number will be considered to be zero.
- iv. For all calculations made for any year during the Tax Limitation Period under this Section 4.2, the New M&O Revenue will reflect the Tax Limitation Amount stated in Section 2.4 for such year.
- v. As applicable, the methodology for the calculations made under this Section 4.2 shall include the limited values as set forth in other existing limitation agreements, if any.

**Section 4.3. STATUTORY CHANGES AFFECTING M&O REVENUE.** Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 6.5 of this Agreement and in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State or another school district, pursuant to Chapter 49 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable, because of the District's participation in this Agreement, Applicant shall make payments to District, up to the M&O Amount set forth in this Agreement that are necessary to offset any negative impact on the District as a result of its participation in this Agreement.

**Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES.** To the extent not included in the amounts calculated pursuant to Section 4.2 above, Applicant shall also pay to or on behalf of the District on an annual basis all M&O Revenue losses, and other costs as they are incurred by the District that arise from entering this Agreement (the "Additional Loss"), including without limitation: (a) any loss incurred by the District resulting from a judicial challenge to this Agreement; (b) any reasonable attorneys' fees or other costs incurred by the District due to any amendment, audit, legal defense, or enforcement of this Agreement brought by or against either Party or person or entity, irrespective of whether or not this Agreement or any interpretation thereof by the District is ultimately determined to be valid; and (c) any non-reimbursed reasonable costs



or fees incurred by the District and related to this Agreement, either directly or indirectly, including without limitation costs paid to the Appraisal District based on the values of the Qualified Property used for the District's debt service (interest and sinking fund) that exceed the Tax Limitation Amount provided in Section 2.4 herein. Notwithstanding anything to the contrary in Section 4.8, payment for such Additional Loss shall be made by Applicant no later than thirty (30) days following written notice that such Additional Loss is due and owing.

**Section 4.5. CALCULATIONS TO BE MADE BY THIRD PARTY CONSULTANT.** All calculations under this Agreement shall be made annually by an independent third party consultant (the "Third Party Consultant") selected and appointed each year by the District, subject to approval by Applicant, which approval shall not be unreasonably withheld, conditioned, or delayed. All calculations shall initially be based upon good-faith estimates using all available information and shall be adjusted to reflect "near final" or "actual" data for the applicable year as the data becomes available.

**Section 4.6. DATA FOR CALCULATIONS.** The calculations for payments under this Agreement shall be initially based upon the valuations placed upon all taxable property in the District, including the Applicant's Qualified Property by the Appraisal District in its annual certified appraisal roll submitted to the District pursuant to TEXAS TAX CODE § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party Consultant selected under Section 4.5. The certified appraisal roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party Consultant to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party Consultant shall be adjusted from time-to-time by the Third Party Consultant to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified appraisal roll, or any other changes in student counts, tax collections, or other applicable data.

**Section 4.7. DELIVERY OF CALCULATIONS.** On or before November 1 of each year for which this Agreement is effective, the Third Party Consultant appointed pursuant to Section 4.5 shall forward to the Parties a certification containing the calculations required under Articles IV, V and VI of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party Consultant shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party Consultant's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party Consultant shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party Consultant shall preserve all documents pertaining to the calculation and fee for a period of four (4) years after payment. The Applicant shall not be liable for any of Third Party Consultant's costs resulting from a review or audit of the Third Party Consultant's books, records, correspondence, or work papers pertaining to the calculations



contemplated by this Agreement or the fee paid by the Applicant to the Third Party Consultant pursuant to Section 4.8, if such fee is timely paid.

**Section 4.8. PAYMENT BY APPLICANT.** The Applicant shall pay any amount determined by the Third Party Consultant to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective, however, such payment does not limit Applicant's rights to dispute such calculations pursuant to Section 4.9 below. By such date, the Applicant shall also pay any amount billed by the Third Party Consultant for all calculations under this Agreement under Section 4.7, above, plus any unpaid amount due and owing under Section 4.4, or incurred by the District to its attorneys, auditors or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement application filed with or sent to the State of Texas which are, or may be, required under the terms or because of the execution of this Agreement. Notwithstanding the foregoing, for no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses to the Third Party Consultant under this Section 4.8 and Section 4.7 above, in excess of Fifteen Thousand Dollars (\$15,000.00) for any Tax Year, except that, for any Tax Year outside of the Tax Limitation Period and for which the Comptroller's Biennial Report is not required, Applicant shall not be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.8 which exceeds Seven Thousand Five Hundred Dollars (\$7,500.00). Payment for all amounts due and owing not made on or before the January 31 due date or any amount invoiced by or on behalf of the District and not paid within 30 days from the due date shall be considered delinquent. For delinquent payments, the Applicant shall be subject to penalty and interest in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code. Penalties on said amounts shall be calculated in accordance with Section 33.01(a) of the Texas Tax Code, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the Texas Tax Code, or its successor statute.

**Section 4.9. RESOLUTION OF DISPUTES.** Should the Applicant disagree with the certification containing the calculations prepared and delivered pursuant to Section 4.7, the Applicant may appeal the certification, in writing, to the Third Party Consultant within fifteen (15) District business days following the receipt of the certification, except that, if within fifteen (15) District business days following the receipt of the certification Applicant requests access to the books, records, and other information in accordance with Section 4.7 for purposes of auditing or reviewing the information in connection with the certification, then Applicant's deadline to appeal the certification to the Third Party Consultant shall automatically be extended to the date that is fifteen (15) District business days following the date that Applicant is granted access to such books, records and other information. Within fifteen (15) District business days of receipt of the Applicant's appeal, the Third Party Consultant will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees. Any such appeal by the Applicant of the final determination of the Third Party Consultant may be made, in writing, to the District's Board of Trustees within fifteen (15) District business days of the Applicant's receipt of the Third Party Consultant's final determination of the certification containing the calculations in accordance with District Policy GF (LOCAL). Applicant shall timely



make all payments as required by this Agreement. Applicant's obligation under Section 4.8 to make any payments to the District pursuant to Consultant's final determination shall not abate during any appeal of Consultant's final determination under this Section 4.9.

**Section 4.10. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.** If at the time the Third Party Consultant selected and appointed under Section 4.5 makes its calculations under this Agreement, the Applicant has appealed to the Appraisal Review Board any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved, the Third Party Consultant shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District. If as a result of an appeal or for any other reason the Taxable Value of the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party Consultant who shall issue new calculations required by this Agreement for the applicable year or years using the new Taxable Value. Upon completion of the new calculations, the Third Party Consultant shall transmit the new calculations to the Parties. In the event the new calculations result in a change of any amount paid or payable by the Applicant under this Agreement, the Party owing funds to the other Party shall pay any amounts owed within thirty (30) days of receipt of the new calculations from the Third Party Consultant.

**Section 4.11. ANTI-CORRUPTION.** For the purposes of this Section 4.11 only, "Anti-Corruption Laws" shall mean, only to the extent applicable to United States governmental entities and federal, state, and local political subdivisions and agencies thereof, including the District (a) the United States Foreign Corrupt Practices Act of 1977; and (b) all applicable national, regional, provincial, state, municipal or local Laws that prohibit tax evasion, money laundering or otherwise dealing in the proceeds of crime or the bribery of, or the providing of unlawful gratuities, facilitation payments, or other benefits to, any government official or any other person. Each Party represents, warrants, and covenants that in connection with this Agreement and the business resulting therefrom: (i) it is aware of and will comply with Anti-Corruption Laws applicable to it; (ii) whether directly or indirectly, it has not made, offered, authorized, or accepted and will not make, offer, authorize, or accept any payment, gift, promise, or other advantage, to or for the use or benefit of any government official or any other person where that payment, gift, promise, or other advantage would comprise a facilitation payment or otherwise violate the Anti-Corruption Laws; (iii) it has maintained and will maintain reasonable policies and procedures to comply with Anti-Corruption Laws applicable to it; (iv) it has maintained and will maintain adequate internal controls, including but not limited to using reasonable efforts to ensure that all transactions are accurately recorded and reported in its books and records to reflect truly the activities to which they pertain, such as the purpose of each transaction, with whom it was entered into, for whom it was undertaken, or what was exchanged; (v) it will, to its knowledge, retain such books and records for the period required by applicable Law or a Party's own retention policies, whichever is longer; (vi) in the event a Party becomes aware it has breached an obligation in this paragraph that is reasonably anticipated to impact the other Party, it will promptly notify the other Party, subject to the preservation of legal privilege; (vii) it has used and will use reasonable efforts to require any subcontractors, agents, or any other third parties to also comply with the foregoing requirements in this paragraph; and (viii) only a Party (and not its Affiliates or a third party) shall make payments to the other Party, except with that other Party's prior written consent. Subject to the preservation



of legal privilege, for a period equal to the lesser of (A) seven (7) years following the termination date, or (B) the required record retention policies applicable to the District, and on reasonable notice, each Party shall have a right, at its expense, and the other Party shall take reasonable steps to enable this right, to audit the other Party's relevant books and records with respect to compliance with this paragraph. Nothing in this Agreement shall require a Party to perform any part of this Agreement or take any actions if, by doing so, the Party would not comply with the Anti-Corruption Laws. Without limiting the record retention duration and audit rights in the foregoing sentence, the obligations in this Section 4.11 shall survive the termination of this Agreement for a period of four (4) years.

## **ARTICLE V**

### **PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES**

**Section 5.1. EXTRAORDINARY EXPENSES.** In addition to the amounts determined pursuant to Article IV or Article VI of this Agreement, Applicant on an annual basis shall also indemnify and reimburse District for the following:

All non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project proposed by the Applicant that are not directly funded in state aid formulas, including without limitation expenses for the purchase or lease of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the Project. The Applicant shall have the right to contest the findings of the District's external auditor in accordance with the procedures set forth in Section 4.9.

**Section 5.2. PAYMENTS.** Payments of amounts due under this Article shall be made as set forth in Section 4.8 above.

## **ARTICLE VI**

### **SUPPLEMENTAL PAYMENTS**

**Section 6.1. SUPPLEMENTAL PAYMENTS.** Applicant shall make annual Supplemental Payments in an amount equal to, but not to exceed, the limit of the annual Supplemental Payment as set out Section 6.2 below, starting with the first complete or partial year of the Qualifying Time Period and accruing on January 1 of each year thereafter, and continuing through the third year following the end of the Tax Limitation Period.

**Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.** Notwithstanding the foregoing:

A. the total of the Supplemental Payments made pursuant to this Article shall not exceed, for any calendar year of this Agreement, an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 48.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in



Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application.

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

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

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 48.005 of the TEXAS EDUCATION CODE, based upon the District's Average Daily Attendance for the previous school year.

### **Section 6.3. INTENTIONALLY DELETED.**

**Section 6.4. PAYMENT BY APPLICANT.** Payment of amounts due under this Article shall be made as set forth in Section 4.8 of this Agreement.

**Section 6.5. ANNUAL LIMITATION.** Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning with the second Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then such excess amount of payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be deferred and carried forward from year to year until paid in full.

**Section 6.6. OPTION TO TERMINATE AGREEMENT.** In the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment during the Qualifying Time Period, the Applicant shall have the option, prior to the commencement of the Tax Limitation Period, to terminate this Agreement pursuant to Section 7.1 by notifying the District in writing of its exercise of such option. Applicant shall pay any payments accrued and not yet paid as of termination under Articles IV, V, or Supplemental Payments payable under Article VI for the year of termination, within thirty (30) days after Applicant delivers its termination election. Any termination of this Agreement under this provision shall be effective immediately. This option shall expire upon commencement of the Tax Limitation Period.



**ARTICLE VII**  
**ANNUAL LIMITATION OF PAYMENTS BY APPLICANT**

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

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

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

**ARTICLE VIII**  
**ADDITIONAL OBLIGATIONS OF APPLICANT**

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

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

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

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



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

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

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

**Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.** By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

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

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

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non-Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and



other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

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

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

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

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

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

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

## **ARTICLE IX**

### **MATERIAL BREACH OR EARLY TERMINATION**

**Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT.** The Applicant shall



be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a “Material Breach”):

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

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

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

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

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

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

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

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

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

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

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

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor’s Office to have access to the Applicant’s Qualified



Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

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

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

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

## **Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.**

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

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

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and,

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.



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

### **Section 9.3. DISPUTE RESOLUTION.**

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

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

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

### **Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.**



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

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

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

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

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

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



**Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.** Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$5,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

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

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

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

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

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



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

## **ARTICLE X.**

### **MISCELLANEOUS PROVISIONS**

#### **Section 10.1. INFORMATION AND NOTICES.**

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

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

**To the District:**

Normangee Independent School District  
Attn: Mark Ruffin, Superintendent  
(or the successor Superintendent)  
116 FM Spur 3  
Normangee, TX 77871  
Phone #: (936) 396-3111  
Email: [mruffin@normangeeisd.org](mailto:mruffin@normangeeisd.org)

**With a copy to:**

Underwood Law Firm, P.C.  
Attn: Fred Stormer  
500 South Taylor, LB 233, Suite 1200  
Amarillo, TX 79101  
Phone #: (806) 379-0306  
Fax #: (806) 379-0316  
Email: [fred.stormer@uwlaw.com](mailto:fred.stormer@uwlaw.com)

**And:**

Culwell Consulting, LLC  
Attn: Chris Grammer  
1303 Darter Lane  
Austin, Texas 78746  
Phone #: (512) 914-1328  
Email: [chris@culwellconsulting.com](mailto:chris@culwellconsulting.com)

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



To Applicant:

Savannah Oaks Solar Project, LLC  
Attn: Travis Narum, Authorized Person  
Savion LLC  
422 Admiral Boulevard  
Kansas City, MO 64106  
Phone: (312) 560-3388  
Email: tnarum@savionenergy.com

Savannah Oaks Solar Project, LLC  
Attn: Chris Barry, Development Manager  
Savion LLC  
8305 State Hwy 71, #205  
Austin, TX 78735  
Phone: (214) 908-1535  
Email: cbarry@savionenergy.com

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

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

## **Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.**

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

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

- i. The Applicant shall submit to the District and the Comptroller:
  - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
  - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
  - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
- ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and
- iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.



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

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

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

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

F. The Applicant shall amend the Application and this Agreement to identify the changes in the information that was provided in the Application and was approved by the District and as considered by the Comptroller no earlier than 180 days and no later than 90 days prior to the start of the Qualifying Time Period as identified in Section 2.3.C.i of this Agreement.

- i. The Applicant shall comply with written requests from the District or the Comptroller to provide additional information necessary to prepare a Comptroller certificate for a limitation for the conditions prior to the start of the Qualifying Time Period; and
- ii. If the Comptroller provides its certificate for a limitation with conditions different from the existing agreement, the District shall hold a meeting and determine whether to amend this Agreement to include the conditions required by the Comptroller or terminate this Agreement; or
- iii. If the Comptroller withdraws its certificate for a limitation based on the revised Application, the District shall terminate this Agreement.

### **Section 10.3. ASSIGNMENT.**

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

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



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

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

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

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

**Section 10.7. SEVERABILITY.** If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

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



## **Section 10.9. INTERPRETATION.**

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

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

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

- i. The Act;
- ii. The Comptroller’s Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

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

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

A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller’s Internet website;

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

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

**Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS.** The Applicant shall immediately notify the District and Comptroller’s office in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or



proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

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

**Section 10.14. CONFLICTS OF INTEREST.**

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

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

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

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

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and



D. all disputes in controversy have been resolved.

**Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.**

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

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic “read receipt” does not constitute acknowledgment of an e-mail for delivery purposes).

*[signatures follow on next page]*



IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**SAVANNAH OAKS SOLAR PROJECT, LLC**

**NORMANGEE INDEPENDENT SCHOOL  
DISTRICT**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

**SAVANNAH OAKS SOLAR PROJECT, LLC**

**ATTEST:**

By: \_\_\_\_\_

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_



## EXHIBIT 1

### DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

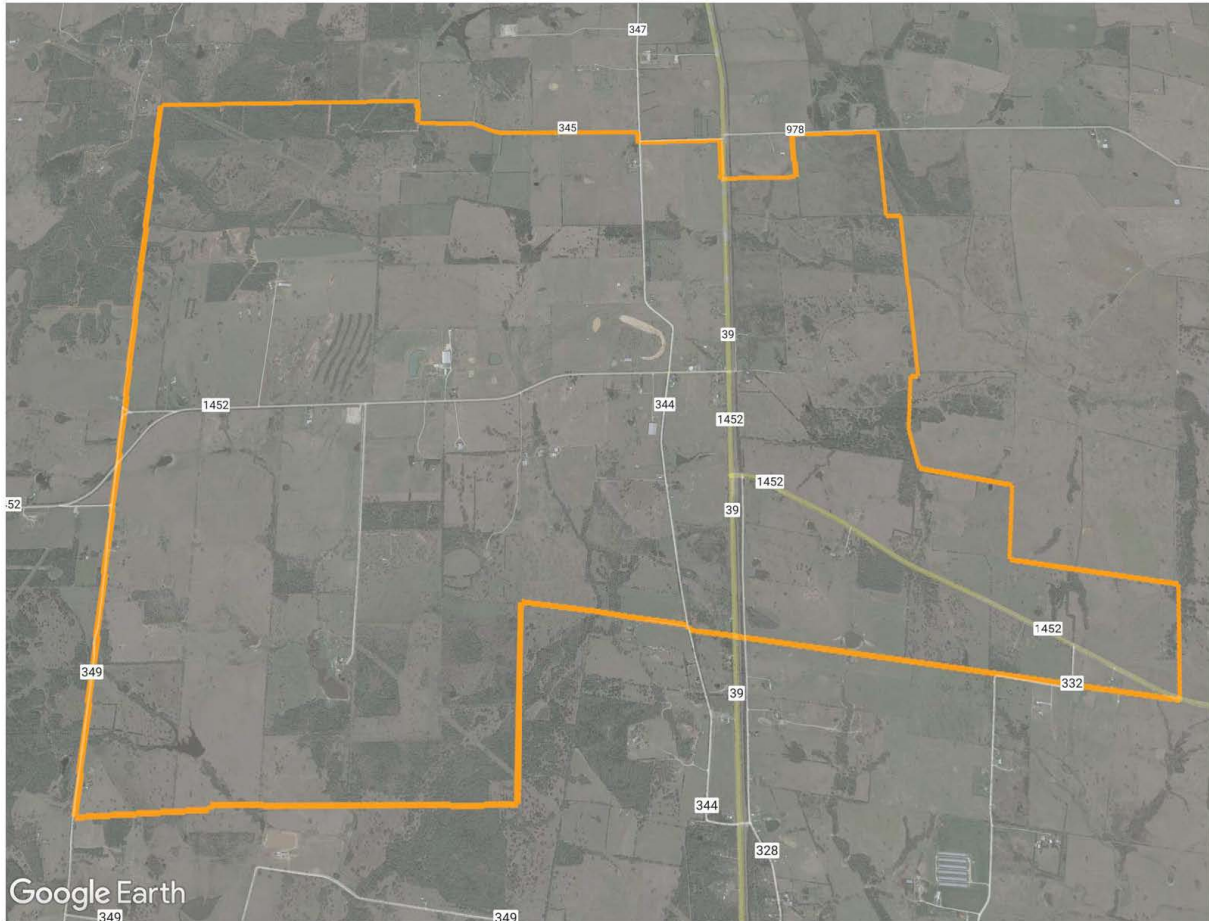
Normangee Independent School District created the Savannah Oaks Solar Reinvestment Zone by Resolution dated August 8, 2022, which is more particularly described and depicted as follows (the “Reinvestment Zone”):

Tracts being situated in the Normangee Independent School District and Madison County, Texas, and identified by Appraisal District Parcel and Legal Description as follows:

CAD PARCEL	LEGAL	ACRES
49132	A0033 ISAAC VOTAW TRACT 23 31.31 ACRES	31.31
46965	A0033 ISAAC VOTAW TRACT 23-2 10.43 ACRES	10.43
20485	A0033 ISAAC VOTAW TRACT 33 13.91 ACRES	13.91
20474	A0033 ISAAC VOTAW TRACT 23-4 41.74 ACRES	41.74
20454	A0033 ISAAC VOTAW TRACT 8 329.186 ACRES	329.19
20501	A0033 ISAAC VOTAW TRACT 48 48.41 ACRES	48.41
20453	A0033 ISAAC VOTAW TRACT 6 85.764 ACRES	85.76
20496	A0033 ISAAC VOTAW TRACT 43 1.11 ACRES	1.11
20458	A0033 ISAAC VOTAW TRACT 14 96.92 ACRES	96.92
22154	A0115 WM G HALL TRACT 15 0.74 ACRES	0.74
20483	A0115 WM G HALL TRACT 36 18.0 ACRES	18.00
20451	A0115 WM G HALL TRACT 5 75.50 ACRES	75.50
20455	A0033 ISAAC VOTAW TRACT 11 103.69 ACRES	103.69
20459	A0033 ISAAC VOTAW TRACT 15 107.13 ACRES	107.13
28054	A0033 ISAAC VOTAW TRACT 15-1 98.5 ACRES	98.50
20447	A0033 ISAAC VOTAW TRACT 1-1 54.55 ACRES	54.55
20500	A0033 ISAAC VOTAW TRACT 47 55.2 ACRES	55.20
20462	A0033 ISAAC VOTAW TRACT 18 380.6069 ACRES	380.61
20463	A0033 ISAAC VOTAW TRACT 20 80.78 ACRES	80.78
89032	A0033 ISAAC VOTAW TRACT 20-7 53.58 ACRES	53.58
29755	A0033 ISAAC VOTAW TRACT 15-2 87.72 ACRES A0115 W G HALL	87.72
22156	A0115 WM G HALL TRACT 16 95.32 ACRES	95.32
22144	A0115 WM G HALL TRACT 9 139.813 ACRES	139.81
22174	A0115 WM G HALL TRACT 27-1 30.0 ACRES	30.00
22172	A0115 WM G HALL TRACT 26 19.5 ACRES	19.35
22162	A0115 WM G HALL TRACT 20 157.5 ACRES	157.50
22157	A0115 WM G HALL TRACT 17 101.11 ACRES	101.11
22158	A0115 WM G HALL TRACT 18 118.23 ACRES	118.23
22151	A0115 WM G HALL TRACT 14 69. ACRES	14.69
22165	A0115 WM G HALL TRACT 22 70.822 ACRES	70.82
24215	A0276 JOHN A BROADWAY TRACT 2 24.3 ACRES	24.30
36566	A0276 JOHN A BROADWAY TRACT 1 59.5 ACRES	59.50
24035	A0258 L H JACKSON TRACT 4 40. ACRES	40.00
36565	A0258 L H JACKSON TRACT 3 39.5 ACRES	39.50
24034	A0258 L H JACKSON TRACT 2 20.0 ACRES	20.00
24031	A0258 L H JACKSON TRACT 1 80.05 ACRES	80.05
20732	A0043 CHAMPION BLYTHE TRACT 6-1 195.046 ACRES	195.05



## Map of Reinvestment Zone



**Agreement for Limitation on Appraised Value**  
Between Normangee ISD and Savannah Oaks Solar Project, LLC  
(App. No. 2008), December 19, 2022  
Exhibit 1

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

**EXHIBIT 1**



## **EXHIBIT 2**

### **DESCRIPTION AND LOCATION OF LAND**

All Qualified Property owned by the Applicant is located within the boundaries of the project area, Normangee Independent School District, Madison County and the Reinvestment Zone, as depicted on the maps attached to **EXHIBITS 1, 3 and 4.**

Draft



### EXHIBIT 3

#### APPLICANT'S QUALIFIED INVESTMENT

This application covers all qualified investment in the reinvestment zone and project boundary within Normangee ISD necessary for commercial operations.

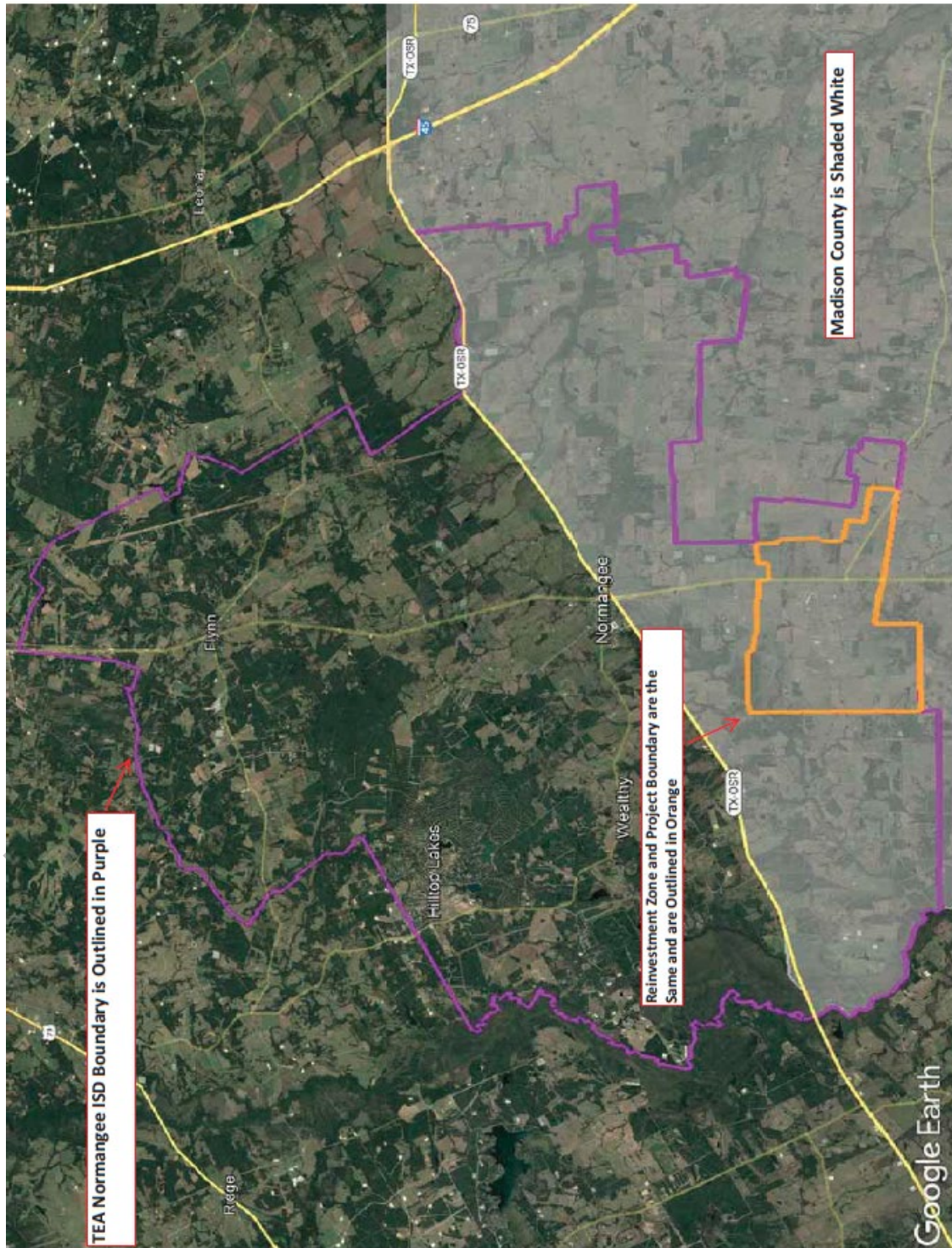
The proposed Project is anticipated to have a total capacity of 200 MW generation capacity and 200MW battery storage all of which will be located in Normangee ISD. The battery storage will be used solely to store power generated by the Qualified Property. Solar and battery storage equipment selection is ongoing at this time and has not been finalized. The exact number of PV panels and their capacity will depend upon the panels and inverters selected, manufacturers availability and prices, ongoing engineering design optimization and the final megawatt generating capacity of the Project when completed. Current plans are to install approximately 600,000 PV panels and 72 inverters within Normangee ISD. The Applicant requests a Value Limitation for all materials and equipment installed for the Project including

- underground collection systems (cabling to collect power from panels and move it to a central collection point)
- transmission lines
- electrical interconnections
- roads
- control systems necessary for commercial generation of electricity
- solar modules/panels
- racking and mounting structures
- inverters boxes
- combiner boxes
- battery storage equipment
- meteorological equipment
- maintenance & operations building
- paving
- fencing,
- electrical substations,
- generation transmission tie line and associated towers, and interconnection facilities.

NOTE- The attached map shows the proposed project area with the preliminary panel and inverter locations. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.



## MAP OF QUALIFIED INVESTMENT



**Agreement for Limitation on Appraised Value**  
Between Normangee ISD and Savannah Oaks Solar Project, LLC  
(App. No. 2008), December 19, 2022  
Exhibit 3

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



## EXHIBIT 4

### DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This application covers all qualified investment in the reinvestment zone and project boundary within Normangee ISD necessary for commercial operations.

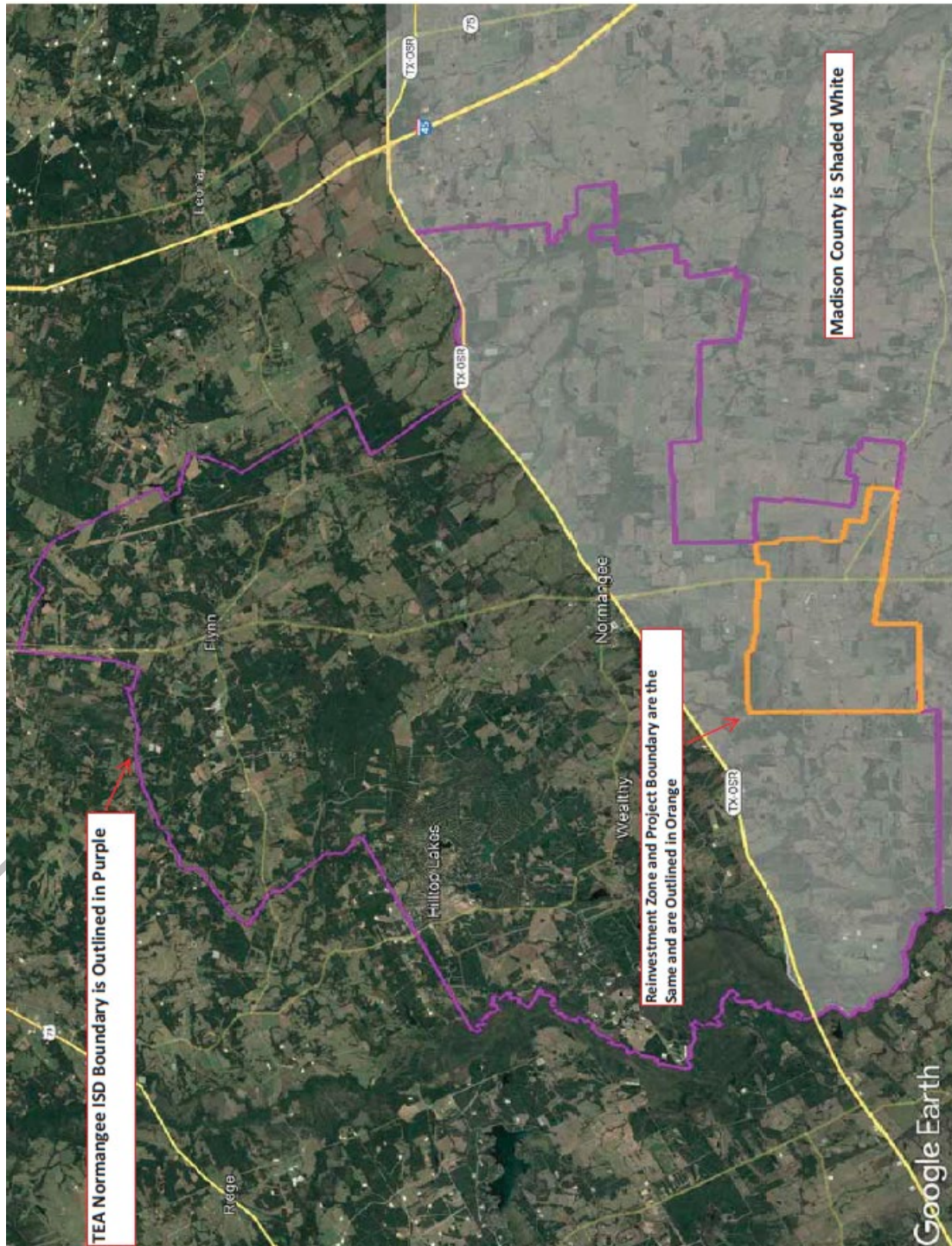
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- battery storage equipment
- meteorological equipment
- maintenance & operations building
- paving
- fencing,
- electrical substations,
- generation transmission tie line and associated towers, and interconnection facilities.

NOTE- The attached map shows the proposed project area with the preliminary panel and inverter locations. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.



## MAP OF QUALIFIED PROPERTY



**Agreement for Limitation on Appraised Value**  
Between Normangee ISD and Savannah Oaks Solar Project, LLC  
(App. No. 2008), December 19, 2022  
Exhibit 4

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



**EXHIBIT 5**  
**AGREEMENT SCHEDULE**

	<u>Year of Agreement</u>	<u>Date of Appraisal</u>	<u>School Year</u>	<u>Tax Year</u>	<u>Summary Description</u>
Limitation Pre-Years	0	January 1, 2022 – January 1, 2025	2022-26	2022-25	QTP Pre Years
	QTP 1	January 1, 2026	2026-27	2026	QTP year 1, begins January 1, 2026
	QTP 2	January 1, 2027	2027-28	2027	QTP year 2, ends December 31, 2027
	Gap Year	January 1, 2028	2028-29	2028	Gap Year
Limitation Period (10 Years)	1	January 1, 2029	2029-30	2029	\$15 million appraisal limitation
	2	January 1, 2030	2030-31	2030	\$15 million appraisal limitation
	3	January 1, 2031	2031-32	2031	\$15 million appraisal limitation
	4	January 1, 2032	2032-33	2032	\$15 million appraisal limitation
	5	January 1, 2033	2033-34	2033	\$15 million appraisal limitation
	6	January 1, 2034	2034-35	2034	\$15 million appraisal limitation
	7	January 1, 2035	2035-36	2035	\$15 million appraisal limitation
	8	January 1, 2036	2036-37	2036	\$15 million appraisal limitation
	9	January 1, 2037	2037-38	2037	\$15 million appraisal limitation
	10	January 1, 2038	2038-39	2038	\$15 million appraisal limitation
Maintain a Viable Presence (5 Years)	11	January 1, 2039	2039-40	2039	No appraisal limitation; must maintain a viable presence
	12	January 1, 2040	2040-41	2040	No appraisal limitation; must maintain a viable presence
	13	January 1, 2041	2041-42	2041	No appraisal limitation; must maintain a viable presence
	14	January 1, 2042	2042-43	2042	No appraisal limitation; must maintain a viable presence
	15	January 1, 2043	2043-44	2043	No appraisal limitation; must maintain a viable presence

**Agreement for Limitation on Appraised Value**  
Between Normangee ISD and Savannah Oaks Solar Project, LLC  
(App. No. 2008), December 19, 2022  
Exhibit 5

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





**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 9, 2022

Mark Ruffin  
Superintendent  
Normangee Independent School District  
P. O. Box 219  
Normangee, TX 77871

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Normangee Independent School District and Savannah Oaks Solar Project, LLC, Application 2008


Dear Superintendent Ruffin:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Normangee Independent School District and Savannah Oaks Solar Project, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the Agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Annette Holmes with our office. She can be reached by email at [annette.holmes@cpa.texas.gov](mailto:annette.holmes@cpa.texas.gov) or by phone at 1-800-531-5441, ext. 5-3792, or at 512-475-3792.

Sincerely,

DocuSigned by:  
  
8FDFC70F5753487...  
Will Counihan

Director  
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.  
Travis Narum, Savion LLC  
Chris Barry, Savion LLC  
Sam Gregson, Cummings Westlake LLC





**CUMMINGS WESTLAKE**  
PROPERTY TAX ADVISORS

May 23, 2022

Mark Ruffin  
Superintendent  
Normangee Independent School District  
P.O. Box 219  
Normangee, TX 77871

**Re: Chapter 313 Jobs Waiver Request**

Dear Superintendent Ruffin,

Savannah Oaks Solar Project, LLC requests that the Normangee Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Savannah Oaks Solar Project, LLC requests that the Board of Trustees make such a finding and waive the job creation requirement for 10 permanent jobs. The solar energy industry standard for committed jobs is one job per 350MW. In line with these industry standards for solar project's job requirements, Savannah Oaks Solar Project, LLC as a 200MW project, has committed to create one qualified job.

Solar projects create many full and part-time, but temporary jobs during the construction phase of the project. However, they require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences. The number of jobs committed to in this application is in line with the industry standards for a project this size. This is evidenced by previously filed limitation agreement applications by solar developers and by documentation related to the development and operation of solar electric generation facilities.

Sincerely,

Sam A. Gregson  
Senior Tax Consultant  
Cumings Westlake LLC

16410 N Eldridge Pkwy | Tomball, Texas 77377  
P: 713.266.4456 W: cwlp.net