

Amended



# Chapter 313 Annual Eligibility Report Form

Economic Development and Analysis

**Form 50-772-A**

## SECTION 1: Applicant and District Information

1. Tax year covered by this report: 2014

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

2. Application number: 202

NOTE: You can find your application number and all agreement documents and reports on the website [www.texasahead.org/tax\\_programs/chapter313/applicants](http://www.texasahead.org/tax_programs/chapter313/applicants)

3. Name of school district: Rio Hondo Independent School District

4. Name of project on original application (or short description of facility): Wind Farm

5. Name of applicant on original application: DEGS Wind 1, LLC

6. Name the company entering into original agreement with district: DEGS Wind 1, LLC

7. Amount of limitation at time of application approval: \$10,000,000

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

[Empty box for listing other applicants]

## SECTION 2: Current Agreement Information

1. Name of current agreement holder(s) Los Vientos Windpower IA, LLC

2. Complete mailing address of current agreement holder Duke Energy, 550 South Tryon St. (DEC41B), Charlotte, NC 28202

3. Company contact person for agreement holder:

Shawn Pittman

Name

704-382-1119

Phone

Property Tax Manager

Title

shawn.pittman@duke-energy.com

Email

4. Texas franchise tax ID number of current agreement holder: 32043517013

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

Name

Tax ID

6. If the authorized company representative (same as signatory for this form) is different from the contact person listed above, complete the following:

Name

Title

Complete Mailing Address

Phone

Email

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

The original applicant DEGS Wind 1, LLC transferred 100% of the agreement to Los Vientos Windpower IA, LLC. DEGS Wind 1, LLC is the developer of wind farm projects.

**SECTION 3: Applicant Eligibility Information**

1. Does the business entity have the right to transact business with respect to Tax Code, Chapter 171? (Attach printout from Comptroller Web site: <http://www.window.state.tx.us/taxinfo/coasintr.html>) .....  Yes  No
  2. Is the business entity current on all taxes due to the State of Texas? .....  Yes  No
  3. Is the business activity of the project an eligible business activity under Section 313.024(b)? .....  Yes  No
- 3a. Please identify business activity: renewable energy electric generation (Wind Farm)

**SECTION 4: Qualified Property Information**

1. Market value for reporting year: ..... \$ 72,683,960.00
2. I&S taxable value for reporting year: ..... \$ 72,683,960.00
3. M&O taxable value for reporting year: ..... \$ 10,000,000.00

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

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

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

1. How many new jobs were based on the qualified property in the year covered by this report? (See note above) ..... 5
2. What is the number of new jobs required for a project in this school district according to §313.021(2)(A)(iv)(b), §313.051(b), as appropriate? ..... 5
3. Did the applicant request that the governing body waive the minimum job requirement, as provided under Tax Code §313.025(f-1)? .....  Yes  No
  - 3a. If yes, how many new jobs must the approved applicant create under the waiver? ..... \_\_\_\_\_
4. Calculate 80 percent of new jobs (0.80 x number of new jobs based on the qualified property in the year covered by this report.) ..... 4
5. What is the minimum required annual wage for each qualifying job in the year covered by the report? ..... \$ 45,019.00
6. Identify which of the four Tax Code sections is used to determine the wage standard required by the agreement:
   
 §313.021(5)(A) or  §313.021(5)(B) or  §313.021(3)(E)(ii) or  §313.051(b)
  - 6a. Attach calculations and cite exact Texas Workforce Commission data source as defined in TAC §9.1051.
7. Does the agreement require the applicant to provide a specified number of jobs at a specified wage? .....  Yes  No
  - 7a. If yes, how many qualifying jobs did the approved applicant commit to create in the year covered by the report? ..... 5
  - 7b. If yes, what annual wage did the approved applicant commit to pay in the year covered by the report? ..... \$ 64,401.00
  - 7c. If yes, how many qualifying jobs were created at the specified wage in the year covered by the report? ..... 5
8. How many qualifying jobs (employees of this entity and employees of a contractor with this entity) were based on the qualified property in the year covered by the report? ..... 5
  - 8a. Of the qualifying job-holders last year, how many were employees of the approved applicant? ..... 2
  - 8b. Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant? ..... 3
  - 8c. If any qualifying job-holders were employees of an entity contracting with the applicant, does the approved applicant or assignee have documentation from the contractor supporting the conclusion that those jobs are qualifying jobs? .....  Yes  No  N/A

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

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

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

**QUALIFYING JOBS**

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

**NON-QUALIFYING JOBS**

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

**MISCELLANEOUS**

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

**SECTION 6: Qualified Investment During Qualified Time Period**

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

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

**SECTION 7: Partial Interest**

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

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

**SECTION 8: Approval**

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

**print here** → Shawn Pittman  
Print Name (Authorized Company Representative)

Property Tax Manager  
Title

**sign here** →   
Signature (Authorized Company Representative)

5-29-14  
Date

**print here** → \_\_\_\_\_  
Print Name of Preparer (Person Who Completed the Form)

\_\_\_\_\_  
Phone



## Franchise Tax Account Status

As of: 05/22/2014 06:35:27 AM

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

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<b>LOS VIENTOS WINDPOWER IA, LLC</b>	
Texas Taxpayer Number	32043517013
Mailing Address	550 S TRYON ST # DEC41A CHARLOTTE, NC 28202-4200
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	01/31/2011
Texas SOS File Number	0801377793
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201



June 9, 2014

Rio Hondo Independent School District  
Mr. Ismael Garcia  
215 West Colorado  
Rio Hondo, TX 79583

**RE: Agreement for Limitation of Appraised Value of Property for School District Maintenance and Operation Taxes by and between DEGS Wind I, LLC and Rio Hondo Independent School District dated December 12, 2011 (known as Rio Hondo ISD Agreement)**

Dear Mr. Garcia

Pursuant to Section 8.4 of the Rio Hondo ISD Agreement, this letter shall serve as written notice that DEGS Wind I, LLC, as the original applicant under the Rio Hondo ISD Agreement, has fully assigned the Rio Hondo ISD Agreement to Los Vientos Windpower IA, LLC.

The Assignment fully assigns the Rio Hondo ISD Agreement to Los Vientos Windpower IA, LLC to the fullest extent necessary to allow Los Vientos Windpower IA, LLC to utilize the full limitation on appraised value and tax limitation amount granted under the Rio Hondo ISD Agreement on the qualified investment and qualified property constructed in the reinvestment zone owned by Los Vientos Windpower IA, LLC. With the assignment Los Vientos Windpower IA, LLC has retained all rights, titles and interests in the Rio Hondo ISD Agreement to allow Los Vientos Windpower IA, LLC utilize the full limitation on appraised value and tax limitation amount granted under the Rio Hondo ISD Agreement. The allocable share of the Rio Hondo ISD Agreement limitation on appraised value and tax limitation amount shall be 100% to Los Vientos Windpower IA, LLC of the \$10 million in years 3 through 10.

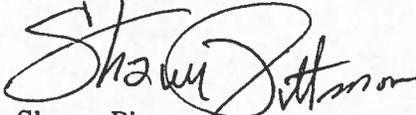
As part of the assignment, Los Vientos Windpower IA, LLC has accepted the full assignment of the qualified property and assumed all of the conditions and obligations as the original applicant, DEGS Wind I, LLC, under the Rio Hondo ISD Agreement.

This letter shall also serve as a notice stating the company name, tax identification number and contact information. The following information should be used for Los Vientos Windpower IA, LLC;

Name: Los Vientos Windpower IA, LLC  
Texas Taxpayer #: 32043517013  
Address: Property Tax Department  
550 South Tryon St. (DEC41B)  
Charlotte, NC 28202

Please contact me by phone with any questions at (704) 382-1119 or at the mailing address previously given.

Thanks,



Shawn Pittman

Checklist Item 14

ATTACHMENT

**CALCULATION OF WAGE REQUIREMENTS-CAMERON COUNTY**

110% of County Average Weekly Wage for all Jobs

2011	1Q	480
2010	2Q	493
2010	3Q	496
2010	4Q	546

$$\begin{aligned} 2015/4 = & \quad \$503.75 \text{ average weekly salary} \\ & \quad \underline{\times 1.1 (110\%)} \\ & \quad \$554.13 \text{ 110\% of County Average Weekly Wage for all Jobs} \end{aligned}$$

110% of County Average Weekly Wage for Manufacturing Jobs In County

2011	1Q	716
2010	2Q	698
2010	3Q	709
2010	4Q	830

$$\begin{aligned} 2953/4 = & \quad \$738.25 \text{ average weekly salary} \\ & \quad \underline{\times 1.1 (110\%)} \\ & \quad \$812.08 \text{ 110\% of County Average Weekly Wage for Manufacturing Jobs} \end{aligned}$$

110 % of County Average Weekly Wage for Manufacturing Jobs in Region  
(Lower Rio Grande Valley)

\$14.35 per hour  
X 40 hr per week  
\$ 574.00 average weekly salary

\$574 average weekly salary  
X 1.10 (110%)  
\$631.40

\$759.88  
X 52 weeks  
\$32,832.80 110% of County Average Weekly Wage for all Jobs in Region

**2010 Manufacturing Wages by Council of Government Region**  
**Wages for All Occupations**

COG	Wages	
	Hourly	Annual
<b>Texas</b>		
1. <a href="#">Panhandle Regional Planning Commission</a>	\$18.60	\$38,683
2. <a href="#">South Plains Association of Governments</a>	\$16.21	\$33,717
3. <a href="#">NORTEX Regional Planning Commission</a>	\$18.34	\$38,153
4. <a href="#">North Central Texas Council of Governments</a>	\$23.45	\$48,777
5. <a href="#">Ark-Tex Council of Governments</a>	\$15.49	\$32,224
6. <a href="#">East Texas Council of Governments</a>	\$17.63	\$36,672
7. <a href="#">West Central Texas Council of Governments</a>	\$17.48	\$36,352
8. <a href="#">Rio Grande Council of Governments</a>	\$15.71	\$32,683
9. <a href="#">Permian Basin Regional Planning Commission</a>	\$19.90	\$41,398
10. <a href="#">Concho Valley Council of Governments</a>	\$15.33	\$31,891
11. <a href="#">Heart of Texas Council of Governments</a>	\$17.91	\$37,257
12. <a href="#">Capital Area Council of Governments</a>	\$25.37	\$52,778
13. <a href="#">Brazos Valley Council of Governments</a>	\$15.24	\$31,705
14. <a href="#">Deep East Texas Council of Governments</a>	\$15.71	\$32,682
15. <a href="#">South East Texas Regional Planning Commission</a>	\$27.56	\$57,333
16. <a href="#">Houston-Galveston Area Council</a>	\$24.52	\$51,002
17. <a href="#">Golden Crescent Regional Planning Commission</a>	\$20.07	\$41,738
18. <a href="#">Alamo Area Council of Governments</a>	\$17.28	\$35,952
19. <a href="#">South Texas Development Council</a>	\$13.27	\$27,601
20. <a href="#">Coastal Bend Council of Governments</a>	\$21.55	\$44,822
* 21. <a href="#">Lower Rio Grande Valley Development Council</a>	\$14.35	\$29,846
22. <a href="#">Texoma Council of Governments</a>	\$18.10	\$37,651
23. <a href="#">Central Texas Council of Governments</a>	\$17.21	\$35,788
24. <a href="#">Middle Rio Grande Development Council</a>	\$13.21	\$27,471

Source: Texas Occupational Employment and Wages

Data published: June 2011

Data published annually, next update will be June 2012.

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

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

## Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2010	2nd Qtr	Cameron County	Private	00	0	10	Total, All Industries	\$493
2010	3rd Qtr	Cameron County	Private	00	0	10	Total, All Industries	\$496
2010	4th Qtr	Cameron County	Private	00	0	10	Total, All Industries	\$545
2011	1st Qtr	Cameron County	Private	00	0	10	Total, All Industries	\$479
2011	1st Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$716
2010	4th Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$830
2010	3rd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$709
2010	2nd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$698