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July 26, 2013

Jenny Hicks  
Michelle Luera  
Economic Development and Analysis Division  
Texas Comptroller of Public Accounts  
111 E. 17th St.  
Austin, TX 78774

*Via Email and Federal Express*

Re: 313 Application – Palo Duro Wind Energy, LLC

Dear Jenny and Michelle:

Enclosed please find an application for appraised value limitation on qualified property submitted to Spearman ISD by Palo Duro Wind Energy, LLC on July 25, 2013. A CD containing these documents is also enclosed.

The Spearman ISD Board elected to accept the application on July 25, 2013. The application was determined to be complete on July 25, 2013. We ask that the Comptroller's Office prepare the economic impact report for this development.

A copy of the application will also be submitted to the Hansford County Appraisal District accordance with 34 Tex. Admin. Code §9.1054. Please feel free to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink that reads "Audie Sciumbato".

Audie Sciumbato, PhD

Enclosures

HA6JZHFU0D66GY

cc: Chief Appraiser, Hansford County Appraisal District  
Wes Jackson, Cummings Westlake, LLC

**PALO DURO WIND ENERGY, LLC**

**CHAPTER 313 APPLICATION  
FOR APPRAISED VALUE LIMITATION  
TO SPEARMAN ISD**



# Application for Appraised Value Limitation on Qualified Property

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

**Form 50-296**  
(Revised May 2010)

**INSTRUCTIONS:** This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application.  
This notice must include:
  - the date on which the school district received the application;
  - the date the school district determined that the application was complete;
  - the date the school board decided to consider the application; and
  - a request that the comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original completed application to the Comptroller in a three-ring binder with tabs separating each section of the documents, in addition to an electronic copy on CD. 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, the Comptroller will publish all submitted application materials on its Web site. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

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. 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, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to complete the recommendation, economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's Web site to find out more about the program at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

<b>Authorized School District Representative</b>		Date application received by district <b>July 25, 2013</b>
First Name <b>Clay</b>	Last Name <b>Montgomery</b>	
Title <b>Superintendent</b>		
School District Name <b>Spearman ISD</b>		
Street Address <b>403 East 11th Ave.</b>		
Mailing Address <b>same</b>		
City <b>Spearman</b>	State <b>TX</b>	ZIP <b>79081</b>
Phone Number <b>(806) 659-3233</b>	Fax Number	
Mobile Number (optional)	E-mail Address <b>clay.montgomery@region16.net</b>	

I authorize the consultant to provide and obtain information related to this application.....  Yes  No

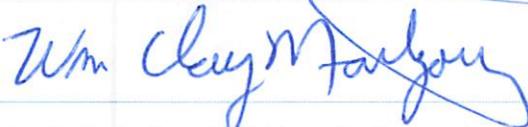
Will consultant be primary contact? .....  Yes  No

**SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)**

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

First Name <b>Audie</b>		Last Name <b>Sciumbato</b>	
Title <b>Attorney</b>			
Firm Name <b>Underwood Law Firm, P.C.</b>			
Street Address <b>500 S. Taylor, Suite 1200</b>			
Mailing Address <b>PO Box 9158</b>			
City <b>Amarillo</b>		State <b>TX</b>	ZIP <b>79105</b>
Phone Number <b>(806) 379-0326</b>		Fax Number <b>(806) 379-0316</b>	
Mobile Number (Optional)		E-mail Address <b>audie.sciumbato@ulaw.com</b>	

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.

Signature (Authorized School District Representative) 	Date <b>7-25-13</b>
--	------------------------

Has the district determined this application complete? .....  Yes  No

If yes, date determined complete. 7-25-13

Have you completed the school finance documents required by TAC 9.1054(c)(3)? .....  Yes  No

**SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS**

	Checklist	Page X of 16	Check Completed
1	Date application received by the ISD	1 of 16	✓
2	Certification page signed and dated by authorized school district representative	2 of 16	✓
3	Date application deemed complete by ISD	2 of 16	✓
4	Certification pages signed and dated by applicant or authorized business representative of applicant	4 of 16	✓
5	Completed company checklist	12 of 16	✓
6	School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application)	2 of 16	<span style="border: 1px solid red; padding: 2px;">will submit</span>



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name <b>Samuel</b>		Last Name <b>Enfield</b>	
Title <b>Manager</b>			
Organization <b>Palo Duro Wind Energy, LLC</b>			
Street Address <b>3000 El Camino Real, 5 Palo Alto Square, Suite 700</b>			
Mailing Address <b>same</b>			
City <b>Palo Alto</b>		State <b>CA</b>	ZIP <b>94306</b>
Phone Number <b>(301) 922-5032</b>		Fax Number <b>(650) 324-9098</b>	
Mobile Number (optional)		Business e-mail Address <b>Senfield@maproyalty.com</b>	

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

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

First Name		Last Name	
Title			
Organization			
Street Address			
Mailing Address			
City		State	ZIP
Phone Number		Fax Number	
Mobile Number (optional)		E-mail Address	

I authorize the consultant to provide and obtain information related to this application..  Yes  No

Will consultant be primary contact?  Yes  No

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name: Wes; Last Name: Jackson

Title: Partner

Firm Name: Cummings Westlake LLC

Street Address: 12837 Louetta Road, Suite 201

Mailing Address: same

City: Cypress; State: TX; ZIP: 77429-5611

Phone Number: 713-266-4456 X-2; Fax Number: 713-266-2333

Business email Address: wjackson@cwlp.net

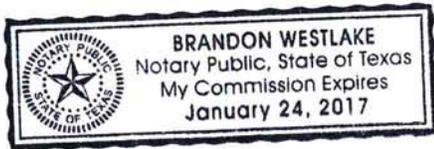
I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application is true and correct to the best of my knowledge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

Signature (Authorized Business Representative (Applicant)): [Handwritten Signature]; Date: July 19, 2013

GIVEN under my hand and seal of office this 19th day of July, 2013

[Handwritten Signature]; Notary Public, State of TEXAS



(Notary Seal)

My commission expires JANUARY 24, 2017



FEES AND PAYMENTS

Enclosed is proof of application fee paid to the school district.

For the purpose of this question, "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.

Please answer only either A OR B:

A. 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)?

B. 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)?

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Palo Duro Wind Energy, LLC

Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits)

32051279290

NAICS code

221119

Is the applicant a party to any other Chapter 313 agreements?

If yes, please list name of school district and year of agreement.

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State?

Identify business organization of applicant (corporation, limited liability corporation, etc.)

Limited Liability Company

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)?

2. Is the applicant current on all tax payments due to the State of Texas?

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas?

If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)



ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

- Are you an entity to which Tax Code, Chapter 171 applies?
The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:
(1) manufacturing
(2) research and development.
(3) a clean coal project, as defined by Section 5.001, Water Code
(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology.
(7) nuclear electric power generation
(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)
Are you requesting that any of the land be classified as qualified investment?
Will any of the proposed qualified investment be leased under a capitalized lease?
Will any of the proposed qualified investment be leased under an operating lease?
Are you including property that is owned by a person other than the applicant?
Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?

PROJECT DESCRIPTION

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. (Use attachments as necessary)

See attached project description - Attachment 4

Describe the ability of your company to locate or relocate in another state or another region of the state.

See attached project description - Attachment 4A

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

- New Jobs, Construct New Facility, New Business / Start-up, Expand Existing Facility, Relocation from Out-of-State, Expansion, Purchase Machinery & Equipment, Consolidation, Relocation within Texas

PROJECTED TIMELINE

Begin Construction Q4 - 2013, Begin Hiring New Employees Q3 - 2014, Construction Complete Q4 - 2014, Fully Operational Q4 - 2014, Purchase Machinery & Equipment Q4 - 2013

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)?

When do you anticipate the new buildings or improvements will be placed in service? Q4 - 2014



**ECONOMIC INCENTIVES**

Identify state programs the project will apply for:

State Source	Amount
none	
Total	

Will other incentives be offered by local units of government?  Yes  No

Please use the following box for additional details regarding incentives. (Use attachments if necessary.)

Applicant will apply for and anticipates entering into local Chapter 312 tax abatement with Ochiltree and Hansford Counties; Ochiltree and Hansford Hospital Districts; Frank Phillips College District and the Palo Duro River WD.

**THE PROPERTY**

Identify county or counties in which the proposed project will be located Ochiltree 82% & Hansford 18%

Central Appraisal District (CAD) that will be responsible for appraising the property Ochiltree CAD 82% & Hansford CAD 18%

Will this CAD be acting on behalf of another CAD to appraise this property?  Yes  No

List all taxing entities that have jurisdiction for the property and the portion of project within each entity

County: Ochiltree (82%) & Hansford (18%) City: \_\_\_\_\_  
(Name and percent of project) (Name and percent of project)

Hospital District: Ochiltree Hosp. District (82%) & Hansford Hosp. District (18%) Water District: North Plains Underground Water Conservation District (100%)  
(Name and percent of project) (Name and percent of project)

Other (describe): Palo Duro River WD (18%) Other (describe): Frank Phillips College District (82%)  
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD?  Yes  No

If not, please provide additional information on the project scope and size to assist in the economic analysis.

Of the total Palo Duro Wind Project 82% will be located in Ochiltree County and Perryton ISD; the remaining 18% will be in Hansford County and Spearman ISD.



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 rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.

At the time of application, what is the estimated minimum qualified investment required for this school district? \$10,000,000

What is the amount of appraised value limitation for which you are applying? \$10,000,000

What is your total estimated qualified investment? \$66,300,000

NOTE: See 313.021(1) for full definition. Generally, Qualified Investment is the sum of the investment in tangible personal property and buildings and new improvements made between beginning of the qualifying time period (date of application final approval by the school district) and the end of the second complete tax year.

What is the anticipated date of application approval? December 17, 2013

What is the anticipated date of the beginning of the qualifying time period? December 17, 2013

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? \$66,300,000

Describe the qualified investment.[See 313.021(1).]

Attach the following items to this application:

- (1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment and
(3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? [X] Yes [ ] No

Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time:

- (1) in or on the new building or other new improvement for which you are applying? [X] Yes [ ] No
(2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? [X] Yes [ ] No
(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? [X] Yes [ ] No

("First placed in service" means the first use of the property by the taxpayer.)

Will the investment in real or personal property you propose be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? [X] Yes [ ] No

Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? [X] Yes [ ] No

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? [X] Yes [ ] No

QUALIFIED PROPERTY

Describe the qualified property. [See 313.021(2)] (If qualified investment describes qualified property exactly you may skip items (1), (2) and (3) below.)

Attach the following items to this application:

- (1) 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,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and
(3) a map of the qualified property showing location of new buildings or new improvements – with vicinity map.

Land

Is the land on which you propose new construction or 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 [X] No

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? September 30, 2013

Will the applicant own the land by the date of agreement execution? [ ] Yes [X] No

Will the project be on leased land? [X] Yes [ ] No



QUALIFIED PROPERTY (CONTINUED)

If the land upon which the new building or new improvement is to be built is part of the qualified property described by §313.021(2)(A), please attach complete documentation, including:

- 1. Legal description of the land
2. Each existing appraisal parcel number of the land on which the improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property
3. Owner
4. The current taxable value of the land. Attach estimate if land is part of larger parcel.
5. A detailed map (with a vicinity map) showing the location of the land

Attach a map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. (With vicinity map)

Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone, if applicable.

Miscellaneous

Is the proposed project a building or new improvement to an existing facility? ... [ ] Yes [x] No

Attach a description of any existing improvements and include existing appraisal district account numbers.

List current market value of existing property at site as of most recent tax year. N/A (Market Value) N/A (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313? ... [ ] Yes [x] No

Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the limitation? ... [x] Yes [ ] No

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

The last complete calendar quarter before application review start date is the:

[ ] First Quarter [x] Second Quarter [ ] Third Quarter [ ] Fourth Quarter of 2013 (year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC? 0

Note: For job definitions see TAC §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAC §9.1051(14)(C), then please provide the definition of "new job" as used in this application. N/A

10 total new permanent jobs will be created (8 in Perryton ISD and 2 Spearman ISD)

Total number of new jobs that will have been created when fully operational 8 in Perryton ISD

Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection with the new building or other improvement? ... [ ] Yes [x] No

Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)? ... [x] Yes [ ] No

If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. Note: Even if a minimum new job waiver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(d).

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 2 in Spearman ISD

If this project creates more than 1,000 new jobs, the minimum required wage for this project is 110% of the average county weekly wage for all jobs as described by 313.021(3)(E)(ii).

If this project creates less than 1,000 new jobs, does this district have territory in a county that meets the demographic characteristics of 313.051(2)? (see table of information showing this district characteristic at http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html)

If yes, the applicant must meet wage standard described in 313.051(b) (110% of the regional average weekly wage for manufacturing)

If no, the applicant shall designate one of the wage standards set out in §§313.021(5)(A) or 313.021(5)(B).



WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

For the following three wage calculations please include on an attachment the four most recent quarters of data for each wage calculation. Show the average and the 110% calculation. Include documentation from TWC Web site. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(7).

110% of the county average weekly wage for all jobs (all industries) in the county is \$1,099

110% of the county average weekly wage for manufacturing jobs in the county is \$968

110% of the county average weekly wage for manufacturing jobs in the region is \$850.30

Please identify which Tax Code section you are using to estimate the wage standard required for this project:

§313.021(5)(A) or §313.021(5)(B) or §313.021(3)(E)(ii), or §313.051(b)?

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? \$44,216

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$ 44,216

Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)? Yes No

Will each qualifying job require at least 1,600 of work a year? Yes No

Will any of the qualifying jobs be jobs transferred from one area of the state to another? Yes No

Will any of the qualifying jobs be retained jobs? Yes No

Will any of the qualifying jobs be created to replace a previous employee? Yes No

Will any required qualifying jobs be filled by employees of contractors? Yes No

If yes, what percent? estimated 75%

Does the applicant or contractor of the applicant offer to pay at least 80% of the employee's health insurance premium for each qualifying job? Yes No

Describe each type of benefits to be offered to qualifying jobholders. (Use attachments as necessary.)

Medical Insurance. company pays at least 80% of medical premiums for employee only coverage. Paid holidays and vacation, Retirement Savings Plan

ECONOMIC IMPACT

Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? Yes No

Is Schedule A completed and signed for all years and attached? Yes No

Is Schedule B completed and signed for all years and attached? Yes No

Is Schedule C (Application) completed and signed for all years and attached? Yes No

Is Schedule D completed and signed for all years and attached? Yes No

Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

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

**CONFIDENTIALITY NOTICE**

**Property Tax Limitation Agreement Applications**  
**Texas Government Code Chapter 313**  
**Confidential Information Submitted to the Comptroller**

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act.

There is an exception, outlined below, by which information will be withheld from disclosure.

The Comptroller's office will withhold information from public release if:

- 1) it describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application;
- 2) the information has been segregated in the application from other information in the application; and
- 3) the party requesting confidentiality provides the Comptroller's office a list of the documents for which confidentiality is sought and for each document lists the specific reasons, including any relevant legal authority, stating why the material is believed to be confidential.

All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information and will be posted on the internet.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application, or we are directed to do so by a ruling from the Attorney General.

Other information in the custody of a school district or the comptroller submitted in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as

the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information and will be posted on the internet.

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

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted records appropriately identified as confidential.

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



## COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Certification pages signed and dated by Authorized Business Representative (applicant)	4 of 16	✓
2	Proof of Payment of Application Fee (Attachment)	5 of 16	✓
3	For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (if Applicable) (Attachment)	5 of 16	✓
4	Detailed description of the project	6 of 16	✓
5	If project is located in more than one district, name other districts and list percentage in each district (Attachment)	7 of 16	✓
6	Description of Qualified Investment (Attachment)	8 of 16	✓
7	Map of qualified investment showing location of new buildings or new improvements with vicinity map.	8 of 16	✓
8	Description of Qualified Property (Attachment)	8 of 16	✓
9	Map of qualified property showing location of new buildings or new improvements with vicinity map	8 of 16	✓
10	Description of Land (Attachment)	9 of 16	✓
11	A detailed map showing location of the land with vicinity map.	9 of 16	✓
12	A description of all existing (if any) improvements (Attachment)	9 of 16	✓
13	Request for Waiver of Job Creation Requirement (if applicable) (Attachment)	9 of 16	✓
14	Calculation of three possible wage requirements with TWC documentation. (Attachment)	10 of 16	✓
15	Description of Benefits	10 of 16	✓
16	Economic Impact (if applicable)	10 of 16	✓
17	Schedule A completed and signed	13 of 16	✓
18	Schedule B completed and signed	14 of 16	✓
19	Schedule C (Application) completed and signed	15 of 16	✓
20	Schedule D completed and signed	16 of 16	✓
21	Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)*	9 of 16	✓
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	✓
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	✓
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	✓

\*To be submitted with application or before date of final application approval by school board.

**ATTACHMENT 1**

See executed application attached.

**ATTACHMENT 2**

Proof of Payment of Application Fee

Please find on the attached page, copy of the payment of the \$75,000 application fee to Spearman Independent School District.

Proof of payment of filing fee received by the  
Comptroller of Public Accounts per TAC Rule  
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of Public  
Accounts)*

**ATTACHMENT 3**

Not Applicable

**ATTACHMENT 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.*

Palo Duro Wind Energy, LLC (Palo Duro Wind) is requesting an appraised value limitation from Spearman Independent School District (ISD) for the Palo Duro Wind Project (the "Project"), a proposed wind powered electric generating facility in Ochiltree and Hansford Counties. The proposed Spearman ISD portion of the Project (this application) will be constructed within a reinvestment zone to be established by Hansford County. A map showing the location of the project is included as Attachment 7.

The proposed Project is anticipated to have a total capacity of 250 MW, with approximately 44 MW located in Spearman ISD. Turbine selection is ongoing at this time and has not been finalized. The exact number of wind turbines and size of each turbine will vary depending upon the wind turbines selected, manufacturer's availability and prices, ongoing wind studies and the final megawatt generating capacity of the Project when completed. Current plans are to install 1.7 MW GE turbines with an estimated 26 turbines located in Spearman ISD. The remaining turbines will be located in Perryton ISD. A separate Chapter 313 application is being submitted to Perryton ISD for their respective portion of the project. The Applicant requests a value limitation for all materials and equipment installed for the Project, including but not limited to; wind turbines, turbine transformers (pad-mounts), towers, foundations, roadways, buildings and offices, anemometer towers, collection system, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in the fourth quarter of 2013 with completion by December 31, 2014.

**ATTACHMENT 4A**

*Describe the ability of your company to locate or relocate in another state or another region of the state.*

An investment fund managed by MAP Royalty, Inc (“MAP”) provided the capital necessary for the development of Webb County’s 150 MW Cedro Hill Wind Project, and the adjacent located 92MW Whitetail Wind Energy project; the construction of the facility resulted in a \$450 million investment in Webb county. Another MAP investment fund has continued to support local wind energy development and local economic growth through its interests in Bordas Wind Energy, LLC. The multi-year development process includes significant land option payments to local landowners, as well as environmental studies, surveys, wind resource assessment, and substantial transmission interconnection payments. Multiple MAP funds have invested approximately \$4,500,000,000 in wind entities and successfully developed multiple wind farms in different states around the United States of America totally over 3000 MW of wind generating projects. Depending on the ability to generate cost-effective electricity for regional consumers, these companies ultimately have the ability to locate or relocate in another state, another region of Texas, or another region of the world. Palo Duro Wind Energy believes, however, that the proposed site in Ochiltree and Hansford Counties is a desirable business location and can provide electricity at a price that is competitive with other regions of Texas. Electric utilities are focused on providing low-cost energy supply to their customers, and contracting for the sale of electricity is currently highly competitive, particularly because of the large number of potential wind energy facilities that can be built in West Texas given the newly constructed transmission capacity. Receiving the Appraised Value Limitation from the school district is vital to obtaining long-term financing and to maintaining the economic competitiveness of the project with other projects currently being developed in Texas by MAP and by others.

**ATTACHMENT 5**

List of districts and percentages where the project is located

The Spearman ISD portion of the project is wholly located in Hansford County. The jurisdiction percentages of the total project are as follows:

Ochiltree County	<b>82%</b>
Perryton Independent School District	<b>82%</b>
Ochiltree Hospital District	<b>82%</b>
Frank Phillips College District	<b>82%</b>
Hansford County	<b>18%</b>
Spearman Independent School District	<b>18%</b>
Palo Duro River Water District	<b>18%</b>
Hansford Hospital District	<b>18%</b>
North Plains Underground Water Conservation District	<b>100%</b>

**ATTACHMENT 6**

Description of Qualified Investment

- 1) *a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code 313.021*
- 2) *a description of any new buildings, proposed improvement or personal property which you intend to include as part of your minimum qualified investment and*
- 3) *a map of the qualified investment showing location of new buildings or new improvements with vicinity map (Please see Attachment 7)*

Palo Duro Wind Energy, LLC plans to construct a 250 MW wind farm in Ochiltree and Hansford Counties. Approximately twenty six (26) wind turbines will be located in Hansford County, all of which will be located in Spearman ISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application, the project anticipates using 1.7 MW turbines manufactured by GE, although final turbine selection may change.

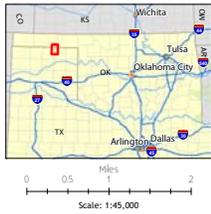
This application covers all qualified property within Spearman ISD necessary for the commercial operations of the wind farm. Qualified Investment and qualified property includes, but is not limited to, turbines, turbine transformers (pad-mounts), towers, foundations, underground collection systems, electrical substation(s), generation transmission tie lines, electrical interconnections, met towers, roads, operations & maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

The map in Attachment 7 shows the proposed project area with the proposed improvement locations. The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final location of turbines, transmission lines, and supporting structures will be determined before construction begins.

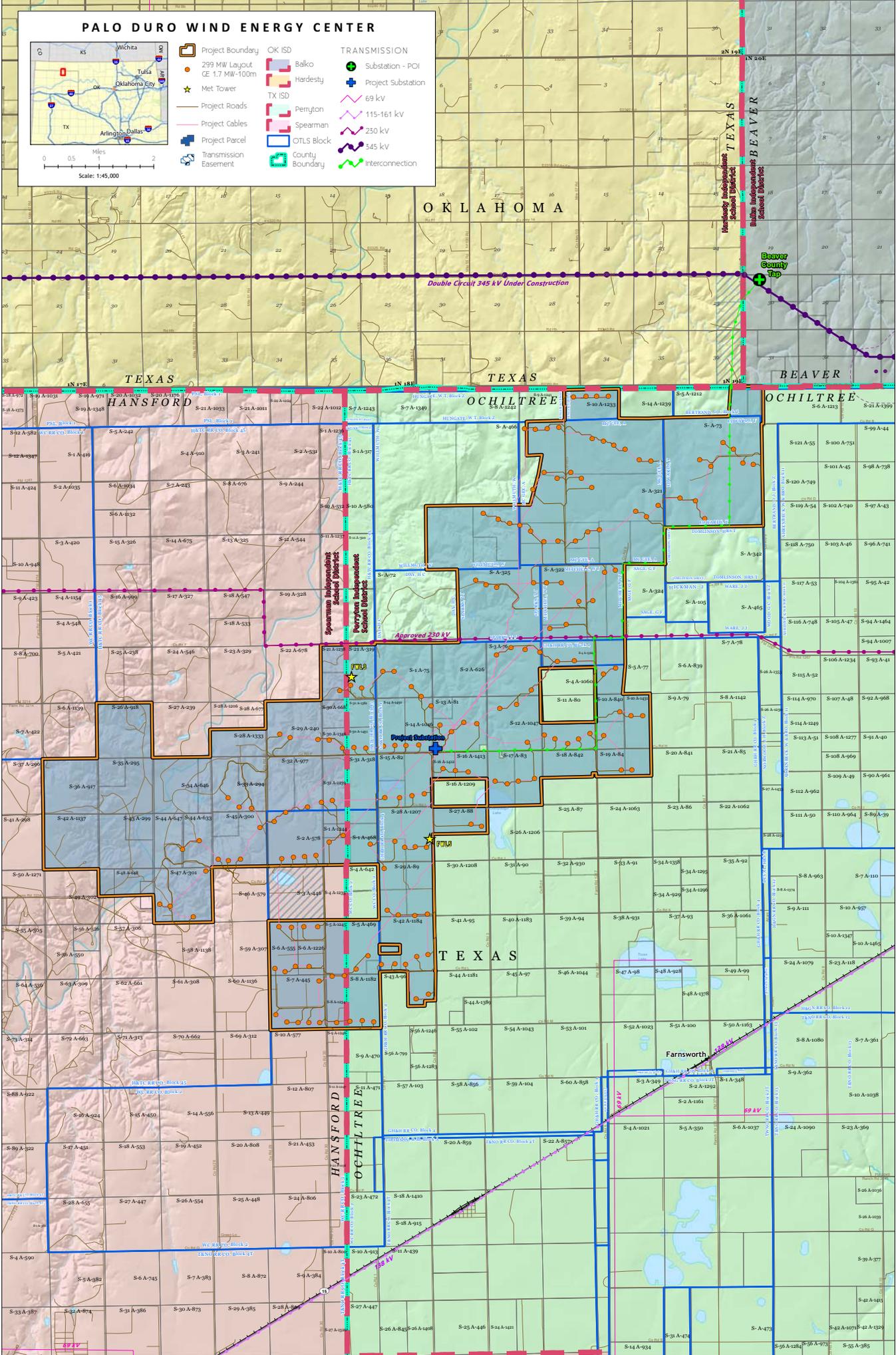
**ATTACHMENT 7**

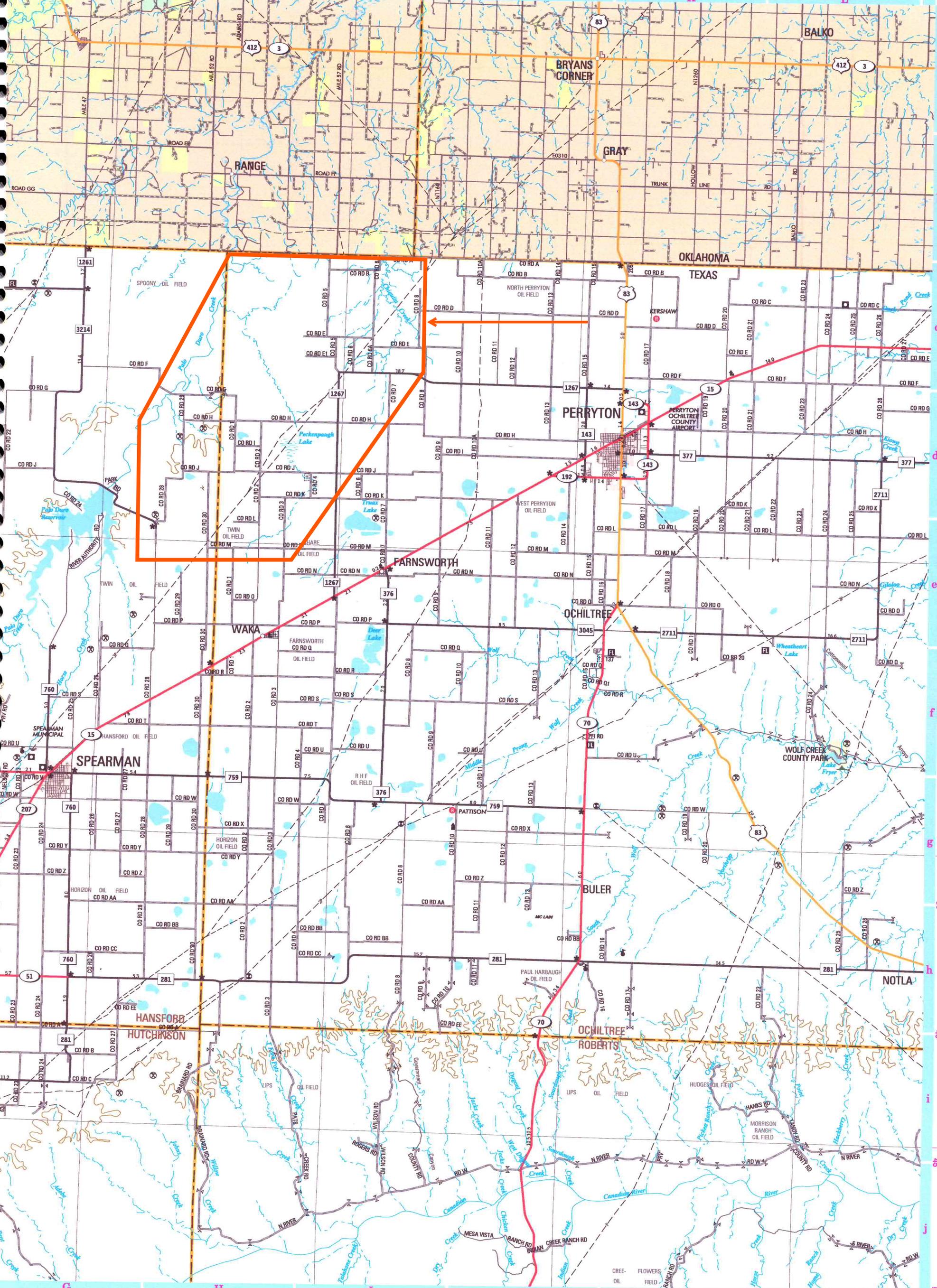
Map of qualified investment showing location of improvements with vicinity map

# PALO DURO WIND ENERGY CENTER



- Project Boundary
- 299 MW Layout GE 1.7 MW-100m
- Met Tower
- Project Roads
- Project Cables
- Project Parcel
- Transmission Easement
- OK ISD
- Hardesty
- TX ISD
- Spearman
- OTLS Block
- County Boundary
- Substation - POI
- Project Substation
- 69 kV
- 115-161 kV
- 230 kV
- 345 kV
- Interconnection





5 miles

10

15

20

25

30

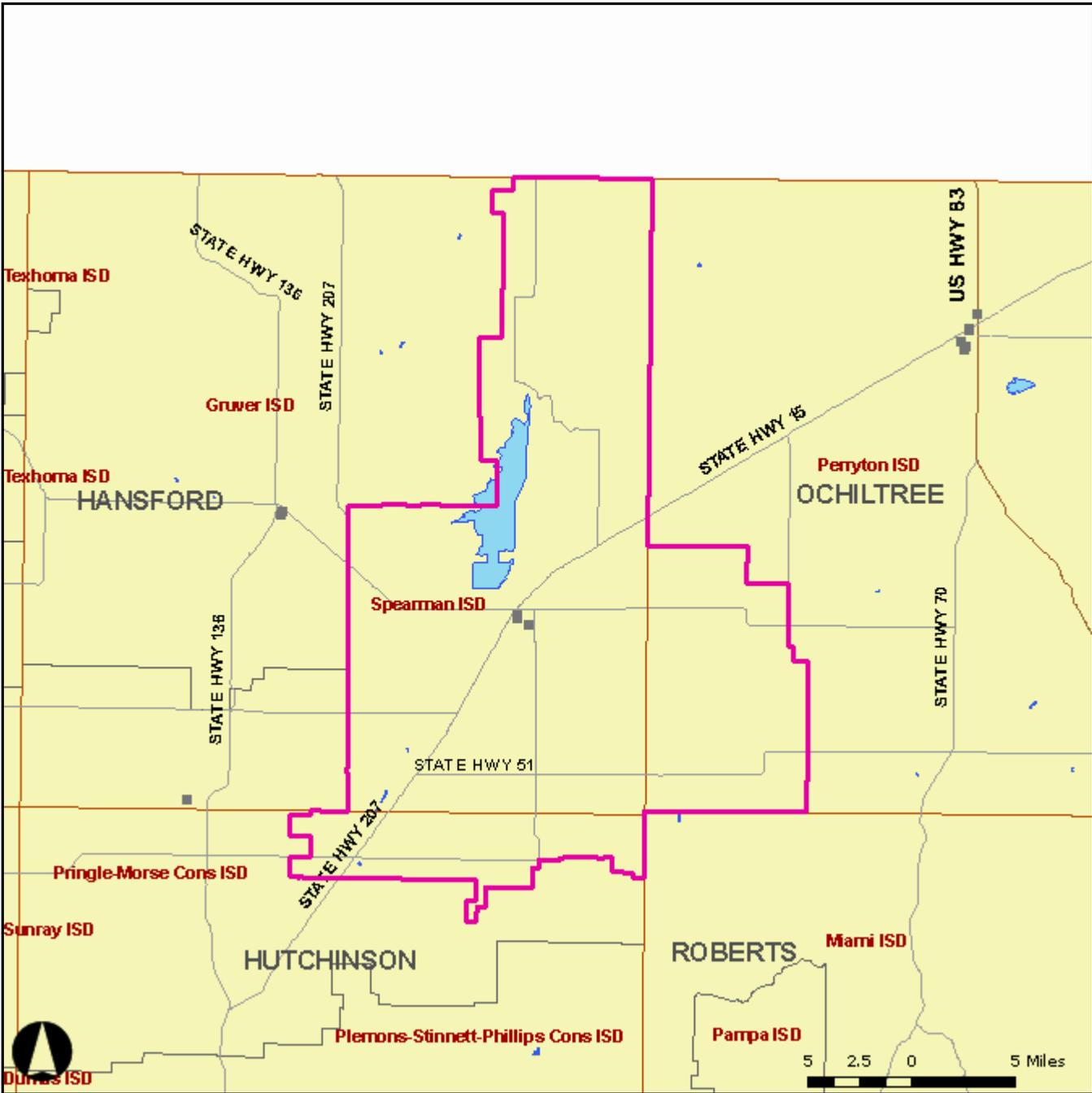
35

40

45

50

# Spearman ISD



**ATTACHMENT 8**

Description of Qualified Property

1. *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*
2. *a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and*
3. *a map of the qualified property showing location of new buildings or new improvements – with vicinity map (Please see Attachment 7)*

Palo Duro Wind Energy, LLC plans to construct a 250 MW wind farm in Ochiltree and Hansford Counties. Approximately twenty six (26) wind turbines will be located in Hansford County, all of which will be located in Spearman ISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application, the project anticipates using 1.7 MW turbines manufactured by GE, although final turbine selection may change.

This application covers all qualified property within Spearman ISD necessary for the commercial operations of the wind farm. Qualified Investment and qualified property includes, but is not limited to, turbines, turbine transformers (pad-mounts), towers, foundations, underground collection systems, electrical substation(s), generation transmission tie lines, electrical interconnections, met towers, roads, operations & maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

The map in Attachment 7 shows the proposed project area with the proposed improvement locations. The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final location of turbines, transmission lines, and supporting structures will be determined before construction begins.

**ATTACHMENT 9**

See Attachment 7

The maps of the qualified property, showing location of improvements, and a separate vicinity map are in Attachment 7

**ATTACHMENT 10**

See Attached List

**LEGAL DESCRIPTION OF LAND  
PALO DURO WIND ENERGY, LLC**

Section	SurveyName	Block	Tract
21	H. & T. C., RR Co	45	The Northwest One-quarter (NW/4) of Section 21, Block 45, H&TC Ry. Co. Survey, Patent No. 233, Volume 94, dated January 19, 1886, lying in Ochiltree and Hansford Counties, Texas.
21	H. & T. C., RR Co	45	The East Half (E/2) and the Southwest Quarter (SW/4) of Section Twenty-one (21), Block 45, H&TC Ry. Co. Survey, Patent No. 233, Volume 94, dated January 19, 1886, lying in Ochiltree and Hansford Counties, Texas.
29	H. & T. C., RR Co	45	All
30	H. & T. C., RR Co	45	All
31	H. & T. C., RR Co. Survey	45	All of the West One-Half (W/2)
32	H. & T. C., RR Co. Survey	45	All of the East One-half (E/2)
33	H. & T. C. RR Co. Survey	45	All of the North-East One Fourth (NE/4)
45	H. & T. C. RR Co. Survey	45	All of the East One-Half (E/2) and the South West One Fourth (SW/4)
28	H. & T.C. RR Co.	45	S/2
32	H. & T.C. RR Co.	45	W/2
33	H. & T.C. RR Co.	45	W/2 and SE/4
26	Houston & Texas Central Railway Company	45	ALL
34	Houston & Texas Central Railway Company	45	E/2 of the E/2
35	Houston & Texas Central Railway Company	45	NW/4
36	Houston & Texas Central Railway Company	45	ALL
43	Houston & Texas Central Railway Company	45	W/2 and SE/4
44	Houston & Texas Central Railway Company	45	E/2
47	Houston & Texas Central Railway Company	45	ALL
48	Houston & Texas Central Railway Company	45	N/2
2	WC RR Co.	2	All
42	H. & T. C., RR Co	45	All
45	H. & T. C., RR Co	45	Northwest one-fourth (NW/4)
1	W. C. RR Co	2	The South Half of the North Half (S/2 of N/2)
1	W. C. RR Co	2	The North Half of the North Half (N/2 of N/2)
1	W.C. RR. Co. Survey	2	SW/4
7	W. C. RR Co., Survey	2	ALL
	Warren J. Mitchell Survey		160 acres, the North 1/2 of 320 acres, out of the Warren J. Mitchell Survey, Certificate No. 29/271, Abstract No. 322, Patent No. 38, Volume 15, dated December 16, 1874. Said 320 acres more fully described by metes and bounds as follows: BEGINNING at the
6	W. C. R. R., Co., Survey	2	ALL
34	Houston & Texas Central Railway Company	45	W/2 and the W/2 of the E/2
35	Houston & Texas Central Railway Company	45	E/2 and SW/4
43	Houston & Texas Central Railway Company	45	NE/4
44	Houston & Texas Central Railway Company	45	W/2

**ATTACHMENT 11**

See Attachment 7

A detailed map showing location of the land and separate vicinity map are in Attachment 7

**ATTACHMENT 12**

Description of all existing (if any) improvements

There are no existing wind farm related improvements at this site.

**ATTACHMENT 13**

Request of waiver of job creation requirement

## CUMMINGS WESTLAKE LLC

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

July 23, 2013

Mr. Clay Montgomery, Superintendent  
Spearman Independent School District  
403 East 11<sup>th</sup> Ave.  
Spearman, TX 79081

### **Re: Chapter 313 Job Waiver Request**

Dear Mr. Montgomery,

Palo Duro Wind Energy, LLC requests that the Spearman 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.

Palo Duro Wind Energy, LLC requests that the Spearman Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Palo Duro Wind Energy, LLC has committed to create ten total jobs for the project, of which two will be in Spearman ISD. Wind projects create a large number of full and part-time, but temporary, jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The industry standard for employment is typically one full-time employee for approximately every 15 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,



J. Weston Jackson  
Partner

**ATTACHMENT 14**

*Calculation of three possible wage requirements with TWC documentation*

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

**PALO DURO WIND ENERGY, LLC  
ATTACHMENT 14**

**SPEARMAN ISD - HANSFORD COUNTY  
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2012	\$ 1,131	\$ 58,812
SECOND	2012	\$ 871	\$ 45,292
THIRD	2012	\$ 984	\$ 51,168
FOURTH	2012	\$ 1,012	\$ 52,624
AVERAGE		\$ 1,000	\$ 51,974
X		110%	110%
		<u>\$ 1,099</u>	<u>\$ 57,171</u>

**SPEARMAN ISD - HANSFORD COUNTY  
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2012	\$ 1,085	\$ 56,420
SECOND	2012	\$ 776	\$ 40,352
THIRD	2012	\$ 786	\$ 40,872
FOURTH	2012	\$ 874	\$ 45,448
AVERAGE		\$ 880	\$ 45,773
X		110%	110%
		<u>\$ 968</u>	<u>\$ 50,350</u>

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

REGION	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Panhandle	2011	\$ 773.00	\$ 40,196
X		110%	110%
		<u>\$ 850.30</u>	<u>\$ 44,216</u>

\* SEE ATTACHED TWC DOCUMENTATION

# Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2012	1st Qtr	Hansford County	Private	00	0	10	Total, All Industries	\$1,131
2012	2nd Qtr	Hansford County	Private	00	0	10	Total, All Industries	\$871
2012	3rd Qtr	Hansford County	Private	00	0	10	Total, All Industries	\$984
2012	4th Qtr	Hansford County	Private	00	0	10	Total, All Industries	\$1,012

# Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2012	1st Qtr	Hansford County	Private	31	2	31-33	Manufacturing	\$1,085
2012	2nd Qtr	Hansford County	Private	31	2	31-33	Manufacturing	\$776
2012	3rd Qtr	Hansford County	Private	31	2	31-33	Manufacturing	\$786
2012	4th Qtr	Hansford County	Private	31	2	31-33	Manufacturing	\$874

**2011 Manufacturing Wages by Council of Government Region  
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
<b>Texas</b>	<b>\$22.89</b>	<b>\$47,610</b>
<u>1. Panhandle Regional Planning Commission</u>	\$19.32	\$40,196
<u>2. South Plains Association of Governments</u>	\$16.45	\$34,210
<u>3. NORTEX Regional Planning Commission</u>	\$18.14	\$37,733
<u>4. North Central Texas Council of Governments</u>	\$24.03	\$49,986
<u>5. Ark-Tex Council of Governments</u>	\$16.52	\$34,366
<u>6. East Texas Council of Governments</u>	\$18.27	\$37,995
<u>7. West Central Texas Council of Governments</u>	\$17.76	\$36,949
<u>8. Rio Grande Council of Governments</u>	\$15.69	\$32,635
<u>9. Permian Basin Regional Planning Commission</u>	\$21.32	\$44,349
<u>10. Concho Valley Council of Governments</u>	\$15.92	\$33,123
<u>11. Heart of Texas Council of Governments</u>	\$18.82	\$39,150
<u>12. Capital Area Council of Governments</u>	\$26.46	\$55,047
<u>13. Brazos Valley Council of Governments</u>	\$15.71	\$33,718
<u>14. Deep East Texas Council of Governments</u>	\$15.48	\$32,207
<u>15. South East Texas Regional Planning Commission</u>	\$28.23	\$58,724
<u>16. Houston-Galveston Area Council</u>	\$25.82	\$53,711
<u>17. Golden Crescent Regional Planning Commission</u>	\$20.38	\$42,391
<u>18. Alamo Area Council of Governments</u>	\$18.00	\$37,439
<u>19. South Texas Development Council</u>	\$13.85	\$28,806
<u>20. Coastal Bend Council of Governments</u>	\$22.35	\$46,489
<u>21. Lower Rio Grande Valley Development Council</u>	\$15.08	\$31,365
<u>22. Texoma Council of Governments</u>	\$20.76	\$43,190
<u>23. Central Texas Council of Governments</u>	\$16.17	\$33,642
<u>24. Middle Rio Grande Development Council</u>	\$13.65	\$28,382

110% x \$40,196 =  
\$44,216

Source: Texas Occupational Employment and Wages

Data published: July 2012

Data published annually, next update will be summer 2013

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.

**ATTACHMENT 15**

*Description of Benefits*

At least 80% of employees of the operator of the Palo Duro Wind Project will be employed in qualifying jobs pursuant to Texas Tax Code 313.024(d). Qualifying jobs will meet the definition of Texas Tax Code Section 313.051(b). Employees will be offered a group health benefit plan for which the operator of the Palo Duro Wind Project will pay at least 80% of the premiums or other charges assessed for employee-only coverage under the plan or as necessary to be in compliance with the Affordable Care Act. In addition, each qualifying employee will receive area wide competitive 401(k) Retirement Savings Plan, vacation time, sick leave and skills training.

**Palo Duro Wind Energy, LLC**

Chapter 313 Application to Spearman ISD

Cummings Westlake, LLC

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**ATTACHMENT 16**

The Economic Impact Study will be performed by the Comptroller at a future date.

**Palo Duro Wind Energy, LLC**

Chapter 313 Application to Spearman ISD

Cummings Westlake, LLC

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**ATTACHMENTS 17**

See attached Schedule A

Schedule A (Rev. January 2013): Investment

Applicant Name PALO DURO WIND ENERGY, LLC  
 ISD Name SPEARMAN ISD

Form 50-296

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)		2013-2014	2013	0	0		0	0
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)				-	-		0	-
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)				3,315,000	-		0	3,315,000
Complete tax years of qualifying time period		1	2014-2015	2014	62,985,000	-		0	62,985,000
		2	2015-2016	2015	0	0		0	-
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3	2016-2017	2016	0	0		0	0
		4	2017-2018	2017	0	0		0	0
		5	2018-2019	2018	0	0		0	0
		6	2019-2020	2019	0	0		0	0
		7	2020-2021	2020	0	0		0	0
		8	2021-2022	2021	0	0		0	0
		9	2022-2023	2022	0	0		0	0
		10	2023-2004	2023	0	0		0	0
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024	0	0		0	0
		12	2025-2026	2025	0	0		0	0
		13	2026-2027	2026	0	0		0	0
Post- Settle-Up Period		14	2027-2028	2027	0	0		0	0
Post- Settle-Up Period		15	2028-2029	2028	0	0		0	0

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

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

[For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property].

Column B: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

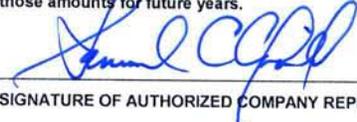
For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

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

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

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

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

  
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

July 19, 2013  
 DATE

**Palo Duro Wind Energy, LLC**

Chapter 313 Application to Spearman ISD

Cummings Westlake, LLC

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**ATTACHMENT 18**

See attached Schedule B

**Schedule B (Rev. January 2013): Estimated Market And Taxable Value**

Applicant Name

PALO DURO WIND ENERGY, LLC

ISD Name

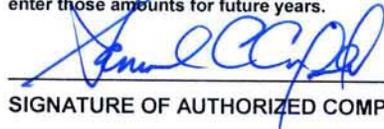
SPEARMAN ISD

Form 50-296

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value		
					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 building or "in or on the new improvement"	Exempted Value	Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions	
		pre- year 1	2013-2014	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Complete tax years of qualifying time period	1	2014-2015	2014	\$ -	\$ -	\$ 1,657,500	\$ -	\$ 1,657,500	\$ 1,657,500	
		2	2015-2016	2015	\$ -	\$ -	\$ 63,648,000	\$ -	\$ 63,648,000	\$ 63,648,000	
	Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3	2016-2017	2016	\$ -	\$ -	\$ 58,556,000	\$ -	\$ 58,556,000	\$ 10,000,000
			4	2017-2018	2017	\$ -	\$ -	\$ 53,872,000	\$ -	\$ 53,872,000	\$ 10,000,000
			5	2018-2019	2018	\$ -	\$ -	\$ 49,562,000	\$ -	\$ 49,562,000	\$ 10,000,000
			6	2019-2020	2019	\$ -	\$ -	\$ 45,597,000	\$ -	\$ 45,597,000	\$ 10,000,000
			7	2020-2021	2020	\$ -	\$ -	\$ 41,949,000	\$ -	\$ 41,949,000	\$ 10,000,000
			8	2021-2022	2021	\$ -	\$ -	\$ 38,593,000	\$ -	\$ 38,593,000	\$ 10,000,000
			9	2022-2023	2022	\$ -	\$ -	\$ 35,506,000	\$ -	\$ 35,506,000	\$ 10,000,000
			10	2023-2004	2023	\$ -	\$ -	\$ 32,666,000	\$ -	\$ 32,666,000	\$ 10,000,000
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024	\$ -	\$ -	\$ 30,053,000	\$ -	\$ 30,053,000	\$ 30,053,000	
		12	2025-2026	2025	\$ -	\$ -	\$ 27,649,000	\$ -	\$ 27,649,000	\$ 27,649,000	
		13	2026-2027	2026	\$ -	\$ -	\$ 25,437,000	\$ -	\$ 25,437,000	\$ 25,437,000	
Post- Settle-Up Period		14	2027-2028	2027	\$ -	\$ -	\$ 23,402,000	\$ -	\$ 23,402,000	\$ 23,402,000	
Post- Settle-Up Period		15	2028-2029	2028	\$ -	\$ -	\$ 21,530,000	\$ -	\$ 21,530,000	\$ 21,530,000	

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

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



July 19, 2013

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

**Palo Duro Wind Energy, LLC**

Chapter 313 Application to Spearman ISD

Cummings Westlake, LLC

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**ATTACHMENT 19**

See attached Schedule C

**Schedule C- Application: Employment Information**

Applicant Name  
ISD Name

PALO DURO WIND ENERGY, LLC  
SPEARMAN ISD

Form 50-296

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
					Column A: Number of Construction FTE's or man-hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
		pre- year 1	2013-2014	2013	5 FTEs	\$40,000.00	0	\$44,216.00	0	\$44,216.00
	Complete tax years of qualifying time period	1	2014-2015	2014	100 FTEs	\$40,000.00	0	\$44,216.00	0	\$44,216.00
		2	2015-2016	2015				2	\$44,216.00	2
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3	2016-2017	2016			2	\$44,216.00	2	\$44,216.00
		4	2017-2018	2017			2	\$44,216.00	2	\$44,216.00
		5	2018-2019	2018			2	\$44,216.00	2	\$44,216.00
		6	2019-2020	2019			2	\$44,216.00	2	\$44,216.00
		7	2020-2021	2020			2	\$44,216.00	2	\$44,216.00
		8	2021-2022	2021			2	\$44,216.00	2	\$44,216.00
		9	2022-2023	2022			2	\$44,216.00	2	\$44,216.00
		10	2023-2004	2023			2	\$44,216.00	2	\$44,216.00
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024			2	\$44,216.00	2	\$44,216.00
		12	2025-2026	2025			2	\$44,216.00	2	\$44,216.00
		13	2026-2027	2026			2	\$44,216.00	2	\$44,216.00
Post- Settle-Up Period		14	2027-2028	2027			2	\$44,216.00	2	\$44,216.00
Post- Settle-Up Period		15	2028-2029	2028			2	\$44,216.00	2	\$44,216.00

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

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

  
SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

*July 19, 2013*  
DATE

**Palo Duro Wind Energy, LLC**

Chapter 313 Application to Spearman ISD

Cummings Westlake, LLC

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**ATTACHMENT 20**

See attached Schedule D

**Schedule D: (Rev. January 2013): Other Tax Information**

**Applicant Name**

PALO DURO WIND ENERGY, LLC

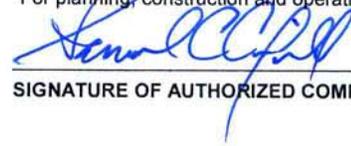
**ISD Name**

SPEARMAN ISD

**Form 50-296**

					Sales Tax Information		Franchise Tax	Other Property Tax Abatements Sought					
					Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Other		
		Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement		
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)			2013-2014	2013									
					414,375	2,900,625							
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2014-2015	2014	7,873,125	55,111,875	0	0%	n/a	n/a	n/a		
		2	2015-2016	2015	22000	44000	0	TBD	n/a	TBD	TBD		
	Value Limitation Period	3	2016-2017	2016	22000	44000	0	TBD	n/a	TBD	TBD		
		4	2017-2018	2017	22000	44000	0	TBD	n/a	TBD	TBD		
		5	2018-2019	2018	22000	44000	0	TBD	n/a	TBD	TBD		
		6	2019-2020	2019	22000	44000	15,000	TBD	n/a	TBD	TBD		
		7	2020-2021	2020	22000	44000	15,000	TBD	n/a	TBD	TBD		
		8	2021-2022	2021	22000	44000	15,000	TBD	n/a	TBD	TBD		
		9	2022-2023	2022	22000	44000	15,000	TBD	n/a	TBD	TBD		
		10	2023-2004	2023	22000	44000	15,000	TBD	n/a	TBD	TBD		
		Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024	22000	44000	15,000	TBD	n/a	TBD	TBD
				12	2025-2026	2025	22000	44000	15,000	0%	-	0%	-
	13			2026-2027	2026	22000	44000	15,000	0%	-	0%	-	
	Post- Settle-Up Period		14	2027-2028	2027	22000	44000	15,000	0%	-	0%	-	
	Post- Settle-Up Period		15	2028-2029	2028	22000	44000	15,000	0%	-	0%	-	

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

 *July 19, 2013*

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

**Palo Duro Wind Energy, LLC**

Chapter 313 Application to Spearman ISD

Cummings Westlake, LLC

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**ATTACHMENT 21**

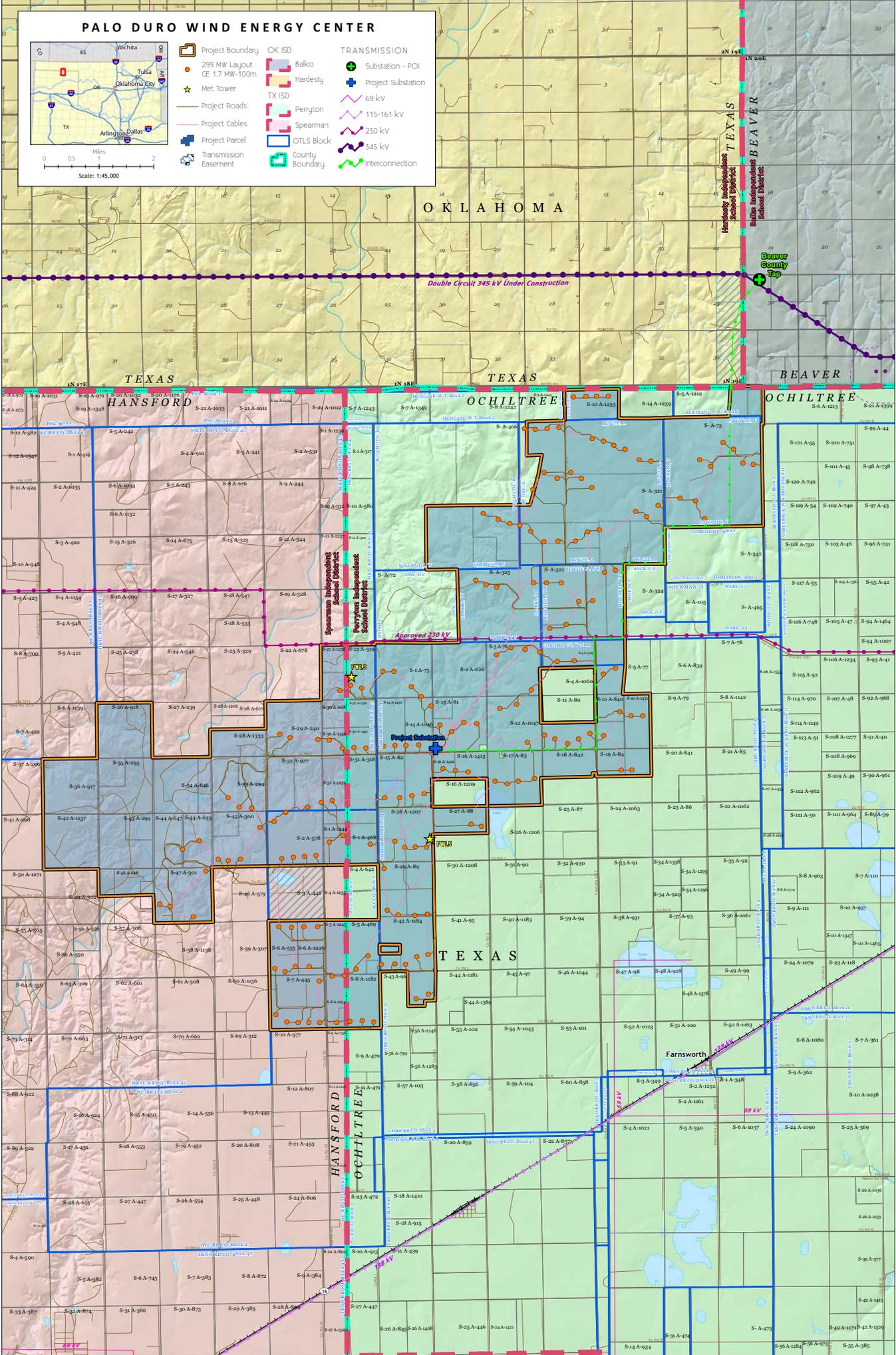
See attached map of the proposed reinvestment zone

# PALO DURO WIND ENERGY CENTER



Scale: 1:45,000

- Project Boundary
- 299 MW Layout GE 1.7 MW-100m
- Met Tower
- Project Roads
- Project Cables
- Project Parcel
- Transmission Easement
- OK ISD
- Hardesty
- Perrinton
- Spearman
- OTLS Block
- County Boundary
- Substation - POI
- Project Substation
- 69 kV
- 115-161 kV
- 230 kV
- 345 kV
- Interconnection



**ATTACHMENT 22**

Hansford County Commissioners Court is expected to create the proposed reinvestment zone on or before September 30, 2013. The order, resolution, or ordinance establishing the zone will be furnished at a later date.

**Palo Duro Wind Energy, LLC**

Chapter 313 Application to Spearman ISD

Cummings Westlake, LLC

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**ATTACHMENT 23**

See attached legal description of Reinvestment Zone

**LEGAL DESCRIPTION OF REINVESTMENT ZONE  
PALO DURO WIND ENERGY, LLC**

Section	SurveyName	Block	Tract
21	H. & T. C., RR Co	45	The Northwest One-quarter (NW/4) of Section 21, Block 45, H&TC Ry. Co. Survey, Patent No. 233, Volume 94, dated January 19, 1886, lying in Ochiltree and Hansford Counties, Texas.
21	H. & T. C., RR Co	45	The East Half (E/2) and the Southwest Quarter (SW/4) of Section Twenty-one (21), Block 45, H&TC Ry. Co. Survey, Patent No. 233, Volume 94, dated January 19, 1886, lying in Ochiltree and Hansford Counties, Texas.
29	H. & T. C., RR Co	45	All
30	H. & T. C., RR Co	45	All
31	H. & T. C., RR Co. Survey	45	All of the West One-Half (W/2)
32	H. & T. C., RR Co. Survey	45	All of the East One-half (E/2)
33	H. & T. C. RR Co. Survey	45	All of the North-East One Fourth (NE/4)
45	H. & T. C. RR Co. Survey	45	All of the East One-Half (E/2) and the South West One Fourth (SW/4)
28	H. & T.C. RR Co.	45	S/2
32	H. & T.C. RR Co.	45	W/2
33	H. & T.C. RR Co.	45	W/2 and SE/4
26	Houston & Texas Central Railway Company	45	ALL
34	Houston & Texas Central Railway Company	45	E/2 of the E/2
35	Houston & Texas Central Railway Company	45	NW/4
36	Houston & Texas Central Railway Company	45	ALL
43	Houston & Texas Central Railway Company	45	W/2 and SE/4
44	Houston & Texas Central Railway Company	45	E/2
47	Houston & Texas Central Railway Company	45	ALL
48	Houston & Texas Central Railway Company	45	N/2
2	WC RR Co.	2	All
42	H. & T. C., RR Co	45	All
45	H. & T. C., RR Co	45	Northwest one-fourth (NW/4)
1	W. C. RR Co	2	The South Half of the North Half (S/2 of N/2)
1	W. C. RR Co	2	The North Half of the North Half (N/2 of N/2)
1	W.C. RR. Co. Survey	2	SW/4
7	W. C. RR Co., Survey	2	ALL
	Warren J. Mitchell Survey		160 acres, the North 1/2 of 320 acres, out of the Warren J. Mitchell Survey, Certificate No. 29/271, Abstract No. 322, Patent No. 38, Volume 15, dated December 16, 1874. Said 320 acres more fully described by metes and bounds as follows: BEGINNING at the
6	W. C. R. R., Co., Survey	2	ALL
34	Houston & Texas Central Railway Company	45	W/2 and the W/2 of the E/2
35	Houston & Texas Central Railway Company	45	E/2 and SW/4
43	Houston & Texas Central Railway Company	45	NE/4
44	Houston & Texas Central Railway Company	45	W/2
21	H. & T. C., RR Co	45	The Northwest One-quarter (NW/4) of Section 21, Block 45, H&TC Ry. Co. Survey, Patent No. 233, Volume 94, dated January 19, 1886, lying in Ochiltree and Hansford Counties, Texas.
21	H. & T. C., RR Co	45	The East Half (E/2) and the Southwest Quarter (SW/4) of Section Twenty-one (21), Block 45, H&TC Ry. Co. Survey, Patent No. 233, Volume 94, dated January 19, 1886, lying in Ochiltree and Hansford Counties, Texas.
30	H. & T. C., RR Co	45	All
31	H. & T. C RR Co. Survey	45	All of the East One-Half (E/2)
15	GH&H RR Co. Survey	4	The Northwest 1/4
1	W. C. RR Co	2	The South Half of the North Half (S/2 of N/2)
29	G. H. & H. RR Co	4	The Northwest Quarter (NW/4)
1	W. C. RR Co	2	The North Half of the North Half (N/2 of N/2)
29	G. H. & H. RR Co	4	The Northeast Quarter (NE/4)
1	W.C. RR. Co. Survey	2	SW/4
1	W. C. RR Co.	2	All of the Southeast Quarter (SE/4) of Section 1, Block 2, WC RR Co. Survey, Patent No. 168, Volume 1, dated June 5, 1875, in Ochiltree County, Texas containing approximately 160 acres, more or less.
13	G. H. & H. RR Co	4	All of Section Thirteen (13), Block Four (4), GH&H RR Co. Survey, Ochiltree County, Texas; LESS and EXCEPT the following two Parcels: PARCEL ONE: A 100 acre tract of land more specifically described by metes and bounds as follows; BEGINNING at the Northwe

**LEGAL DESCRIPTION OF REINVESTMENT ZONE  
PALO DURO WIND ENERGY, LLC**

28	G. H. & H. RR Co	4	The North one-half, and all of the Southeast Quarter (SE/4) of Section Twenty-Eight (28), Block Four (4), GH&H RR Co. Original Grantee, Abstract Number 1207, Patent dated 01-24-1923, recorded in Volume 16-A, Page 493, situated in Ochiltree County, Texas
1	G. H. & H. RR Co	4	All
14	G. H. & H. RR Co	4	All
2	G. H. & H. RR Co	4	All
	Thomas J. Sparks		All of the Thomas J. Sparks Survey, Certificate No. 31/158, Abstract No. 325, Patent dated May 26, 1876, No. 47, Volume 8, located in Ochiltree County, Texas
3	G. H. & H. RR Co	4	Section Three (3), Block Four (4), GH&H Ry. Co. Survey, Certificate No. 33/542, Abstract No. 76, Patent dated March 11, 1875, No. 623, Vol. 1, located in Ochiltree County, Texas.
10	J.S. Hungate	Z	Section Ten (10), Block Z, J. S. Hungate Survey, Certificate No. SF 2774, Abstract No. 1233, Patent dated February 10, 1920, No. 507, Vol. 5A, located in Ochiltree County, Texas.
4	G. H. & H. RR Co.	4	North Half (N/2) of Section Four (4), Block 4, GH&H RR. Co. Survey, Certificate No. 33/542, Abstract No. 1366, Patent dated February 18, 1926, No. 414, Volume 28A, located in Ochiltree County, Texas,
5	GH&H RR Co.	4	The Southwest Quarter (SW/4)
10	GH&H RR Co	4	SW/4
10	GH&H RR Co.	4	E/2
10	G. H. & H. RR Co	4	The North Half (N/2) of the West Half (W/2)
11	G. H. & H. RR Co.	4	The South Half (S/2)
50	G. H. & H. RR Co.	4	That part of Section Number Fifty (50), Block Four (4), GH&H Ry. Co. Survey, lying South of the State Highway No. 15 Right-of-way [subject to the conveyances heretofore made by Grantors of approximately six (6) acres sold off of the West side of Section F
12	G. H. & H. RR Co	4	All of Section 12, Block 4, GH&H Ry. Co. Survey, Ochiltree County, Texas, save and except 14 acres and more particularly described as a 10.00 acre tract out of a 14.00 acre tract in the Southwest Quarter of Section 12; Block 4, GH&H RR. Co. Survey, and re
13	G. H. & H. RR Co	4	One hundred (100) acres in the form of a square situated in the Northwest (NW) corner of Section Number Thirteen (13), Block Four (4), GH&H Ry. Co. Survey, Ochiltree County, Texas, described by metes and bounds as follows: BEGINNING at the Northwest (NW)
16	G. H. & H. RR Co	4	The North Half (N/2)
15	G. H. & H. RR Co	4	The East One-half (E/2)
15	G. H. & H. RR Co	4	Southwest quarter section fifteen, (15), Block four (4), GH&H Ry. Co. Survey, Certificate No. 33/584, Abstract No. 82, Patent Date March 18, 1875, No. 6. Volume 25, located in Ochiltree County, Texas.
17	G. H. & H. RR Co	4	East Half (E/2)
17	G. H. & H. RR Co	4	The West half (W/2) of Section 17, Block 4, GH&H Survey Co., Ochiltree County, Texas LESS AND EXCEPT a tract of land out of the West One-Half (W/2) of Section 17, Block 4, GH&H RR. Co. Survey, Ochiltree County, Texas, described in Volume 546, Page 841, De
19	G. H. & H. RR Co	4	The Northeast Quarter (NE/4)
19	G. H. & H. RR Co	4	The Northwest Quarter (NW/4)
27	G. H. & H. RR Co	4	Northwest Quarter (NW/4) and the Northeast Quarter (NE/4) of Section 27, Block 4, G.H.& H. RR Co. Survey, in Ochiltree County, Texas containing approximately 320 acres, more or less.
28	G. H. & H. RR Co	4	The Southwest Quarter (SW/4)
29	G. H. & H. RR Co	4	The Southwest Quarter (SW/4)
29	G. H. & H. RR Co	4	The Southeast Quarter (SE/4)
	McGee Survey		200 acres out of the North 642.55 acres of the South 1285.1 acres of the Anthony McGee Survey, Ochiltree County, Texas; BEGINNING at pipe set in the West boundary line of said Anthony McGee headright survey the southwest corner of subdivision No. 8, made
	W. J. Mitchell		A tract or parcel of land described as follows, to-wit: BEING the West one-half of the East 640 acres of the Warren J. Mitchell Survey, Patent No. 38, Volume 15, dated December 16, 1874, and described by metes and bounds as follows: BEGINNING at the North
	W. J. Mitchell		All of the East 320 acres of the W. J. Mitchell Survey, Ochiltree County, Texas, also described as 320 acres of land, more or less, located about eight and one-half (8-1/2) miles Northwest of the town of Farnsworth, out of the Warren J. Mitchell Survey, P

**LEGAL DESCRIPTION OF REINVESTMENT ZONE  
PALO DURO WIND ENERGY, LLC**

	Anthony McGee Headright		321.7 acres of the South 1320.8 acres in the Anthony McGee Headright Survey, Ochiltree County, Texas and described by Metes and bounds as follows, Beginning at a 1" iron pipe set in the intersection of three roads as called for by Rupert C. Allen County
	Anthony McGee Headright		114.2 acres of the South 1320.8 acres in the Anthony McGee Headright Survey, Ochiltree County, Texas and described by metes and bounds as follows: Beginning at a large spike set in the S line of the Anthony McGee Headright the SE corner of this tract same
	Anthony McGee Headright		285.4 acres of the South 1320.8 acres in the Anthony McGee Headright Survey, Ochiltree County, Texas and described by metes and bounds as follows: Beginning at a large spike set in the S line of the Anthony McGee Headright the SE corner of this tract same
	Warren J. Mitchell Survey		The North Four Hundred Twenty-six (N/426) acres of the West Seven Hundred Forty-Six (W/746) acres of the Warren J. Mitchell Survey, Ochiltree County, Texas, containing approximately 426 acres, more or less.
	William Wilmuth Headright		2200 acres of land on Ochiltree County, Texas, and being the South 1/2 of the West 1/2, and the South 40 acres of the East 1/2 of the W. M. Willmuth 640 acre survey, Abstract 466, conveyed by J.W. Rogers to John O. Tillerson and Edith Tillerson, on Novemb
	William Wilmuth Headright		440 acres, more or less, out of the William Willmuth Headright Survey, Abstract 466, Patent 49, Vol. 22, dated October 2, 1876, described as follows: BEGINNING 2877 varas South of the Northeast corner of said Headright and along the East line of said Hea
	William Wilmuth Headright		Out of the William Wilmuth Headright Survey, Certificate 629, Abstract 466, Patent 49, Vol. 22, dated October 2, 1876, and described as follows: BEGINNING at the Southwest corner of a 640 acre tract out of the Southeast part of the William Wilmuth Headri
	Thomas Edwards Headright		All of Subdivisions One (1), Two (2), Three (3) and Four (4) of the Thomas Edwards Survey, Ochiltree County, Texas, said land being also described as all of the Thomas Edwards Headright Survey, Certificate NO. 20/33, Abstract No. 73; all of which is locat
5	O.J. Bertrand Survey	Z	217.3 acres of land in Survey 5, Block Z, O. J. Bertrand Survey, Ochiltree County, Texas, described as follows: Tract 1: 110 acres in Survey 5, Block Z, O. J. Bertrand Survey, Ochiltree County, Texas, described by metes and bounds as follows: BEGINNING a

**ATTACHMENT 24**

Guidelines and Criteria for Hansford County to be provided later.