



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: 2015
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: 320
NOTE: You can find your application number and all agreement documents and reports on the website www.texasahead.org/tax_programs/chapter313/applicants
3. Name of school district: Midway ISD
4. Name of project on original application (or short description of facility): 200MW South Clay-Shannon Wind Project
5. Name of applicant on original application: Horn Wind, LLC & affiliates South Clay Wind Farm, LLC & Shannon-1 Wind Farm, LLC
6. Name the company entering into original agreement with district: Horn Wind, LLC & aff. South Clay WF, LLC & Shannon-1 WF, LLC
7. Amount of limitation at time of application approval: \$5,000,000.00
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.)

N/A

SECTION 2: Current Agreement Information

1. Name of current agreement holder(s) Shannon Wind, LLC
2. Complete mailing address of current agreement holder c/o Alterra Power Corp., 600-800 Dunsmuir St., Vancouver, BC, V6C 3K4
3. Company contact person for agreement holder:
- | | |
|-----------------------|------------------------------|
| <u>Paul Rapp</u> | <u>Vice President</u> |
| Name | Title |
| <u>1-604-235-9704</u> | <u>prapp@alterrapower.ca</u> |
| Phone | Email |
4. Texas franchise tax ID number of current agreement holder: 32053272905
5. If the current agreement holder does not report under the franchise tax law, please include name and tax ID of reporting entity:
- | | |
|------------|------------|
| <u>n/a</u> | <u>n/a</u> |
| 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:
- | | |
|--|----------------------------------|
| <u>Jon Morrison</u> | <u>Accounting Manager</u> |
| Name | Title |
| <u>c/o Alterra Power Corp., 600-800 Dunsmuir St., Vancouver, BC, V6C 3K4</u> | |
| Complete Mailing Address | |
| <u>1-604-235-6761</u> | <u>jmorrison@alterrapower.ca</u> |
| 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.)

In February 2014, Shannon Wind, LLC purchased 100% of Shannon-1 Wind Farm, LLC and South Clay Wind Farm, LLC from Horn Wind, LLC

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 Electricity Generation - Wind

SECTION 4: Qualified Property Information

1. Market value for reporting year: \$ 0.00
2. I&S taxable value for reporting year: \$ 0.00
3. M&O taxable value for reporting year: \$ 0.00

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

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

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

1. How many new jobs were based on the qualified property in the year covered by this report? (See note above) 9
2. What is the number of new jobs required for a project in this school district according to §313.021(2)(A)(iv)(b), §313.051(b), as appropriate? 10
3. Did the applicant request that the governing body waive the minimum job requirement, as provided under Tax Code §313.025(f-1)? Yes No
3a. If yes, how many new jobs must the approved applicant create under the waiver? 8
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.) 7
5. What is the minimum required annual wage for each qualifying job in the year covered by the report? \$ 40,783.60
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? n/a
7b. If yes, what annual wage did the approved applicant commit to pay in the year covered by the report? \$ n/a
7c. If yes, how many qualifying jobs were created at the specified wage in the year covered by the report? n/a
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? 9
8a. Of the qualifying job-holders last year, how many were employees of the approved applicant? 0
8b. Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant? 9
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. SECTION 5B DOES NOT APPLY

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? \$ 302,772,445.00
2. Was any of the land classified as qualified investment? Yes No
3. Was any of the qualified Investment leased under a capitalized lease? Yes No
4. Was any of the qualified Investment leased under an operating lease? Yes No
5. Was any property not owned by the applicant part of the qualified investment? Yes No

SECTION 7: Partial Interest

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

1. What was your limitation amount (or portion of original limitation amount) during the year covered by this report? 0
2. Please describe your interest in the agreement and identify all the documents creating that interest.

N/A

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 ▶ Paul Rapp
Print Name (Authorized Company Representative)

Vice President
Title

sign here ▶ 
Signature (Authorized Company Representative)

May 19, 2016
Date

print here ▶ Jon Morrison
Print Name of Preparer (Person Who Completed the Form)

1-604-235-6761
Phone

Appendix D

Appendix D1: - Condition Requirements for 'Qualifying Jobs'.

Texas Work Force - New jobs meet qualification

Summary: This appendix is information about and the meeting of qualifications for the 'Qualifying Jobs' requirement on Form 50-296, page 9 & 10.

To meet specification for 'Qualifying Jobs', the below requirements must be met:

(X) "Qualifying job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan (as defined by Section 481.151, Government Code) for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and
- (E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the region designated for the regional planning commission, council of governments where the job is located per Tax Code Section 313.051 (b).

(Ref: Tax Code Section 313.021)

Requirements A, B & C:

The 200MW wind farm will create at least 8 full-time jobs. At least 80% of these jobs will meet the qualifications of 'Qualifying Jobs'. The project is a permanent fixture with a 20 year expected life. The required number and specifications for these wind project jobs are detailed in Appendix C: Number of jobs necessary for industry. Also, Appendix C: Minimum Job Waiver and the following two support letters document industry operating standards from wind industry leaders.

All of the newly created jobs will be full-time (at least 1600 hours) and will have been created in the area. None of these new jobs will be created to replace previous employees. No jobs will be transferred in from other areas of the state.

Requirements D & E: Group Health Benefits Plan and Wage Requirement

Government Code 481.151 specifies the requirements to meet a 'Qualifying Job'.

Specifications from Gov Code 481.151:

(Item 6) "Group Health Benefit Plan" means:

- (A) a health plan provided by a health maintenance organization established under the Texas Health Maintenance Organization Act (Chapter 20A, Vernon's Texas Insurance Code);
- (B) a health benefit plan approved by the commissioner of insurance; or

**2012 Manufacturing Wages by Council of Government Region
 Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$23.56	\$48,996
<u>1. Panhandle Regional Planning Commission</u>	\$20.12	\$41,850
<u>2. South Plains Association of Governments</u>	\$16.18	\$33,662
<u>3. NORTEX Regional Planning Commission</u>	\$17.83	\$37,076
<u>4. North Central Texas Council of Governments</u>	\$24.68	\$51,333
<u>5. Ark-Tex Council of Governments</u>	\$16.84	\$35,032
<u>6. East Texas Council of Governments</u>	\$19.61	\$40,797
<u>7. West Central Texas Council of Governments</u>	\$18.24	\$37,941
<u>8. Rio Grande Council of Governments</u>	\$16.17	\$33,631
<u>9. Permian Basin Regional Planning Commission</u>	\$21.93	\$45,624
<u>10. Concho Valley Council of Governments</u>	\$16.33	\$33,956
<u>11. Heart of Texas Council of Governments</u>	\$19.07	\$39,670
<u>12. Capital Area Council of Governments</u>	\$26.03	\$54,146
<u>13. Brazos Valley Council of Governments</u>	\$16.55	\$34,424
<u>14. Deep East Texas Council of Governments</u>	\$16.20	\$33,698
<u>15. South East Texas Regional Planning Commission</u>	\$29.38	\$61,118
<u>16. Houston-Galveston Area Council</u>	\$26.59	\$55,317
<u>17. Golden Crescent Regional Planning Commission</u>	\$21.03	\$43,742
<u>18. Alamo Area Council of Governments</u>	\$18.40	\$38,280
<u>19. South Texas Development Council</u>	\$13.54	\$28,170
<u>20. Coastal Bend Council of Governments</u>	\$22.97	\$47,786
<u>21. Lower Rio Grande Valley Development Council</u>	\$16.33	\$33,961
<u>22. Texoma Council of Governments</u>	\$22.57	\$46,949
<u>23. Central Texas Council of Governments</u>	\$17.16	\$35,689
<u>24. Middle Rio Grande Development Council</u>	\$18.93	\$39,380

Source: Texas Occupational Employment and Wages

Data published: July 2013

Data published annually, next update will be July 31, 2014

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)

Page 1 of 1 (48 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2012	1st Qtr	Clay County	Private	00	0	10	Total, All Industries	\$606
2012	2nd Qtr	Clay County	Private	00	0	10	Total, All Industries	\$601
2012	3rd Qtr	Clay County	Private	00	0	10	Total, All Industries	\$583
2012	4th Qtr	Clay County	Private	00	0	10	Total, All Industries	\$696
2012	4th Qtr	Clay County	Private	31	2	31-33	Manufacturing	\$1,327
2012	3rd Qtr	Clay County	Private	31	2	31-33	Manufacturing	\$821
2012	2nd Qtr	Clay County	Private	31	2	31-33	Manufacturing	\$712
2012	1st Qtr	Clay County	Private	31	2	31-33	Manufacturing	\$628

2012 Total, all industries: $2486/4 = 621 * 52 \text{ weeks} = 32,318 \times 110\% = 35,550 = 684/\text{wk}$

2012 Manufacturing: $3288/4 = 822 * 52 \text{ weeks} = 42,744 \times 110\% = 47,018 = 904/\text{wk}$

2012 Manufacturing Wages by COG: $37,733/ 52 \text{ weeks} = 725 * 110\% = 41,506 = 798/\text{wk}$



Franchise Tax Account Status

As of: 05/18/2016 04:10:10 PM

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

SHANNON WIND, LLC	
Texas Taxpayer Number	32053272905
Mailing Address	211 E 7TH ST STE 620 AUSTIN, TX 78701-3218
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	02/21/2014
Texas SOS File Number	0801939244
Registered Agent Name	CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701