Oscar G. Treviño
Attorney at Law

CELEBRATING 35 YEARS

WALSH GALLEGOS
TREVIÑO RUSSO & KYLE P.C.

otreviño@wabsa.com
(512) 454-6864, Ext. 642

October 22, 2018

RECEIVED
OCT 23 2018
Data Analysis & Transparency Division

via Hand Delivery:
Local Government Assistance and Economic Analysis Division
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, TX 78774

Re: Peyton Creek Wind Farm, LLC's Application for Appraised Value Limitation on Qualified Property to the Bay City Independent School District

Dear Madam or Sir:

This firm, Walsh Gallegos Treviño Russo & Kyle P.C. represents the Bay City Independent School District regarding the above referenced matter. Enclosed please find one hard copy of the Application for Appraised Value Limitation of Qualified Property together with an electronic copy of same.

Bay City ISD received a copy of the enclosed Application and received payment of the Application Fee required by the District from the Applicant on Monday, October 15, 2018. On October 15, 2018, the Bay City ISD Board of Trustees determined that the application was complete and elected to consider the Application.

The Bay City Independent School District respectfully requests that the Comptroller conduct an economic impact evaluation of the investment proposed by the Application. Please confirm with us the date and website link to the Comptroller's publication of the documentation received.

In addition to the paper and electronic copy of the Application submitted to you with this letter, a copy of the Application is being submitted to the Matagorda County Appraisal District pursuant to 34 TEX. ADMIN CODE §9.1054.

Please let us know if you have any questions or need anything additional. Thank you.

Sincerely,

Oscar G. Treviño

Enclosure

cc: Dr. Marshall Scott, III, Superintendent
Bay City Independent School District
520 Seventh Street
Bay City, Texas 77414
via email: mscott@baycityisd.org

Mr. Paul Bowman
Senior Vice President
EC&R Development, LLC
701 Brazos Street, Suite 1400
Bay City, Texas 78701
via email: paul.bowman@eon.com

Mr. Richard Saunders
Sr. Development Manager
EC&R Development, LLC
701 Brazos Street, Suite 1400
Bay City, Texas 78701
via email: Richard.saunders@eon.com

Mr. Vince Maloney, Chief Appraiser
Matagorda County Tax Appraisal District
2225 Avenue G
Bay City, Texas 77414-5018
via CMRRR 9414 7266 9904 2130 8518 61

Application for Appraised Value Limitation on Qualified Property
(Tax Code, Chapter 313, Subchapter B or C)

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the 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 hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, 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 website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value 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 not later than the 150th 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 issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

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

SECTION 1: School District Information

1. Authorized School District Representative

Date Application Received by District:

First Name: Dr. Marshall

Last Name: Scott III

Title: Superintendent

School District Name: Bay City Independent School District

Street Address: 520 7th Street

Mailing Address: 520 7th Street

City: Bay City

State: TX

ZIP: 77414

Phone Number: 979-401-1000

Fax Number:

Mobile Number (optional):

Email Address: mscott@bcblackcats.net

2. Does the district authorize the consultant to provide and obtain information related to this application? . . . . ☑ Yes ☐ No

SECTION 1: School District Information *(continued)*

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

First Name: Oscar
Last Name: Trevino
Title: Attorney at Law
Firm Name: Walsh Gallegos Trevino Russo & Kyle P.C.
Phone Number: 512-454-6864
Fax Number: 512-467-9318
Mobile Number *(optional)*: 512 423-1878
Email Address: otrevino@wabsa.com

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

5. Has the district determined that the electronic copy and hard copy are identical? .... ☑ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

First Name: Paul
Last Name: Bowman
Title: Executive Vice President
Organization: EC&R Development, LLC
Street Address: 701 Brazos Street, Suite 1400
Mailing Address:
City: Austin
State: TX
ZIP: 78701
Phone Number: 512-423-1878
Fax Number: 512-494-9581
Mobile Number *(optional)*: 512 423-1878
Business Email Address: paul.bowman@eon.com

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

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

First Name: Richard
Last Name: Saunders
Title: Sr. Development Manager
Organization: EC&R Development, LLC
Street Address: 701 Brazos Street, Suite 1400
Mailing Address:
City: Austin
State: TX
ZIP: 78701
Phone Number: 512-461-9747
Fax Number: 512-494-9581
Mobile Number *(optional)*: 512-461-9747
Business Email Address: richard.saunders@eon.com

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant *(If Applicable)*

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? .... ☑ Yes ☐ No

   The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

   1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? .... ☐ Yes ☑ No ☐ N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? .... ☐ Yes ☑ No ☐ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Peyton Creek Wind Farm, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 *(11 digits)* 32061984046
3. List the NAICS code 221115
4. Is the applicant a party to any other pending or active Chapter 313 agreements? .... ☑ Yes ☐ No

   4a. If yes, please list application number, name of school district and year of agreement

   Application submitted to Van Vlcek ISD on 8/21/17

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant *(corporation, limited liability corporation, etc)* Limited Liability Company
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? .... ☑ Yes ☐ No

   2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? .... ☑ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? .... ☑ Yes ☐ No ☐ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. *(If necessary, attach explanation in **Tab 3**)*

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
   - ✓ Land has no existing improvements
   - ☐ Land has existing improvements *(complete Section 13)*
   - ☐ Expansion of existing operation on the land *(complete Section 13)*
   - ☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

1. Application approval by school board ..... October 15 2018
2. Commencement of construction ..... April 1, 2019
3. Beginning of qualifying time period ..... April 1, 2019
4. First year of limitation ..... January 1, 2020
5. Begin hiring new employees ..... September 1, 2019
6. Commencement of commercial operations ..... December 31, 2019
7. 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)?* ..... ☑ Yes ☐ No

   Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? ..... December 31, 2019

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located: Matagorda County (100%)
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property: Matagorda CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ..... ☐ Yes ☑ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

County:	Matagorda County (100%)(0.41998) *(Name, tax rate and percent of project)*	City:	N/A *(Name, tax rate and percent of project)*
Hospital District:	Matagorda Co H D (100%)(0.3127) *(Name, tax rate and percent of project)*	Water District:	Coastal Plains GW District (100%)(0.00499) *(Name, tax rate and percent of project)*
Other *(describe)*:	Drainage District #1 (100%)(0.06554) *(Name, tax rate and percent of project)*	Other *(describe)*:	Port of Bay City (100%)(0.04856) *(Name, tax rate and percent of project)*

5. Is the project located entirely within the ISD listed in Section 1? ..... ☐ Yes ☑ No

   5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ..... ☐ Yes ☑ No

   6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at **comptroller.texas.gov/economy/local/ch313/**.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00

   Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ..... ☑ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
   a. 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 (**Tab 7**);
   b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
   c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ..... ☑ Yes ☐ No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
   - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
   - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
   - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? .... ☐ Yes ☑ No
   - 2a. If yes, attach complete documentation including:
     - a. legal description of the land (**Tab 9**);
     - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
     - c. owner (**Tab 9**);
     - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
     - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? .... ☐ Yes ☑ No
   - 3a. If yes, attach the applicable supporting documentation:
     - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
     - b. legal description of reinvestment zone (**Tab 16**);
     - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
     - d. guidelines and criteria for creating the zone (**Tab 16**); and
     - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**)
   - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? ....

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In **Tab 10**, attach a specific and detailed description of all **existing property.** This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
   - a. maps and/or detailed site plan;
   - b. surveys;
   - c. appraisal district values and parcel numbers;
   - d. inventory lists;
   - e. existing and proposed property lists;
   - f. model and serial numbers of existing property; or
   - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): .... $ 0.00
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property *(that property described in response to question 2)*: .... $ 0.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property <u>cannot</u> become qualified property on Schedule B.

SECTION 14: Wage and Employment Information

1. 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
2. What is the last complete calendar quarter before application review start date:
   ☑ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2018 *(year)*
3. 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 Texas Workforce Commission (TWC)? 0

   Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 5
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? .... ☑ Yes ☐ No

   6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information 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(21) and (22).

   a. Average weekly wage for all jobs (all industries) in the county is 1,049.00

   b. 110% of the average weekly wage for manufacturing jobs in the county is 1,845.25

   c. 110% of the average weekly wage for manufacturing jobs in the region is 1,273.50
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? .... ☐ §313.021(5)(A) or ☑ §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 66,222.20
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 66,222.20
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? .... ☑ Yes ☐ No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? .... ☐ Yes ☑ No

    12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? .... ☐ Yes ☑ No

    13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. *(not required)*
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17. NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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

print here

Print Name *(Authorized School District Representative)* — Title

sign here

Signature *(Authorized School District Representative)* — Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here Paul Bowman — Executive Vice President

Print Name *(Authorized Company Representative (Applicant))* — Title

sign here [signature] — 10/15/18

Signature *(Authorized Company Representative (Applicant))* — Date

RICHARD SAUNDERS
Notary Public, State of Texas
My Commission Expires
November 21, 2018

(Notary Seal)

GIVEN under my hand and seal of office this, the

15TH day of OCTOBER, 2018

[signature]

Notary Public in and for the State of Texas

My Commission expires: NOVEMBER 21, 2018

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation *(if applicable)*
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor *(if applicable)*
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property *(if applicable)*
11	Maps that clearly show: a) Project vicinity b) Qualified investment including location of tangible personal propertry to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size **Note:** Electronic maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information *(if applicable)*
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact *(if applicable)*
15	Economic Impact Analysis, other payments made in the state or other economic information *(if applicable)*
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* *** To be submitted with application or before date of final application approval by school board**
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative *(applicant)*

Tab 2

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)

Tab 3

Peyton Creek Wind Farm, LLC, Texas tax payer identification number 32061984046, is a limited liability corporation first organized and registered with the Secretary of State on November 3, 2016. As of the date of this letter, the Peyton Creek Wind Farm, LLC has not been required to file a franchise tax report. As of the first applicable filing period, Peyton Creek Wind Farm, LLC will be a member of a combined group as defined by Texas Tax Code 171.0001 (7). The reporting entity taxpayer name is E.ON Climate & Renewables North America, LLC, Texas tax payer identification number 12000751680.

With kind regards,

Paul Bowman
Senior Vice President

Documentation of combined group received by the Texas Comptroller of Public Accounts

Tab 4

Peyton Creek Wind Farm, LLC
Application for Appraised Value Limitations on Qualified Property
Tab 4
Section 7 — Project Description

The proposed Project will consist of a facility designed to use wind power to generate electricity, including wind turbines, towers, transformers, transmission lines, and associated ancillary equipment necessary to safely operate, maintain and transmit power to the ERCOT grid, and meteorological equipment to measure and test wind speed and direction. The Project may consist of 44 - 75 wind turbine generators, with a capacity of 2.0 megawatts to 3.4 megawatts per generator, with an approximate total capacity of 151.2 MW.

The Project layout is not finalized at this time, but the base case scenario assumes 100% of the total project in the Bay City ISD. The base case also assumes the Acciona AW-125, 3.15 MW model as the turbine for the Project. Therefore, BCISD can expect to have 48 turbines (for a total capacity of 151.2 MWs) in their service territory. All of the property for which the applicant is seeking a limitation on appraised value will be owned by the applicant. All qualified property will be located inside the project boundaries.

The Project has signed the Full Interconnection Agreement with ERCOT. The Project has been assigned interconnection study ERCOT #18INR0018.

The Project will be entirely located within Matagorda County. Current land use for the private property consists of farming, hunting, ranching, and oil and gas production (note that these uses can continue, as the Project is designed to be compatible with such activities).

The additional improvements for the Project (within the BCISD) may include but are not limited to:

- Roadwork, sloped for drainage, with turnouts from public roads
- Fencing to control livestock and to protect substations and other equipment as needed for safety and security.
- 48 wind turbine generator foundations, with anchor bolt embeds and template rings
- Wind turbine obstruction lighting per FAA requirements
- Telephone system
- The collection substation will be connected to the utility interconnection through a single-circuit, double 795 ACSR conductor 345kv transmission line.
- Underground power cables and various cable accessories, with grounding.

- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables

Tab 5

Peyton Creek Wind Farm, LLC

Application for Appraised Value Limitations on Qualified Property

Tab 5

Section 8 — Limitation as Determining Factor

1) N/A

2) Peyton Creek Wind Farm, LLC has entered into contracts for work for preliminary land work.

3) N/A

4) N/A

5) N/A

6) No.

7) The Company is currently considering several other projects in Texas (Val Verde County, Jack County, Kenedy County, Willacy County, Hardeman County, San Patricio County and several others), Oklahoma (Vici complex, Major), Kansas (four project sites), Indiana, Illinois, plus Canada. The Company has received tax incentives on several of these projects which significantly improve the financial viability of the investment. EON has not built a project in Texas that did not have a Chapter 313 agreement, as it is crucial to exceeding the company financial hurdle. EON recently sold a project that was unable to get a Chapter 313 agreement, as it was unable to meet the minimum financial hurdle. Without a Chapter 313 agreement, this Project would probably not be built.

8) N/A

9) N/A

10) N/A

Tab 6

Peyton Creek Wind Farm, LLC

Application for Appraised Value Limitations on Qualified Property

Tab 6

Section 10 — The Property

The proposed Project will consist of 44 - 75 wind turbine generators, with a capacity of 2.0 megawatts to 3.4 megawatts per generator, with an approximate total capacity of 151.2 MW. The current base case Project layout assumes 48 Acciona AW-125 turbines (3.15 MW capacities) will be located in Bay City ISD service territory. A map of the project area, the reinvestment zone and the school districts is attached.

At this time, we are projecting a total qualified investment of $145 million for Peyton Creek Wind Farm, LLC within the Bay City ISD area. Approximately 151.2 MW will be in the Bay City ISD. As more Project information is gathered, the project area may change.

Tab 7

Peyton Creek Wind Farm, LLC

Application for Appraised Value Limitations on Qualified Property

Tab 7

Section 11— Investment

Description of Qualified Investment

4a. & 4b. Peyton Creek Wind Farm, LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 151.2 megawatts within the Bay City ISD territory. The current base case turbine is the Acciona AW-125 with a 3.15 MW capacity. Therefore it is expected that 48 Acciona turbines will be located in BCISD area.

The additional improvements for the Project may include but are not limited to:

- Roadwork, sloped for drainage, with turnouts from public roads
- Fencing to control livestock and to protect substations and other equipment as needed for safety and security.
- 44-75 wind turbine generator foundations, with anchor bolt embeds and template rings
- Wind turbine obstruction lighting per FAA requirements
- Telephone system
- ECRNA will construct one 345:34.5kV collection substation, including transformers with OLTC's, as well as associated circuit breakers, switches, reactive power compensation equipment and control building. Location of substation is not known at this time.
- The collection substation will be connected to the utility interconnection through a single-circuit, double 795 ACSR conductor 345kv transmission line approximately 3 miles in length.
- Underground power cables from, and various cable accessories, with grounding.
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables

4c. Please see map in Tab 11. The specific locations of the roads, turbines and ancillary equipment is yet to be determined.

Tab 8

Peyton Creek Wind Farm, LLC
Application for Appraised Value Limitations on Qualified Property
Tab 8
Section 12— Qualified Property

Description of Qualified Property

1a. & 1b. Peyton Creek Wind Farm, LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 151.2 megawatts (the "Project"). The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed. The company is considering a number of different turbines and the final project will have 44-75 turbines. The current base case uses the Acciona AW-125 turbine with an individual capacity of 3.15 MWs. The base case assumes 48 turbines, for a total capacity of 151.2 MWs.

The additional improvements for the Project may include but are not limited to:

- Roadwork, sloped for drainage, with turnouts from public roads
- Fencing to control livestock and to protect substations and other equipment as needed for safety and security.
- 44-75 wind turbine generator foundations, with anchor bolt embeds and template rings
- Wind turbine obstruction lighting per FAA requirements
- Telephone system
- ECRNA will construct one 345:34.5kV collection substation, including power transformers with OLTC's, as well as associated circuit breakers, switches, reactive power compensation equipment and control building.
- The collection substation will be connected to the utility interconnection through a single-circuit, double 795 ACSR conductor 345kv transmission line approximately 3 miles in length.
- Underground power cables from, and various cable accessories, with grounding.
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables

1c. Please see map in Tab 11. The specific locations of the roads, turbines and ancillary equipment is yet to be determined.

Tab 9

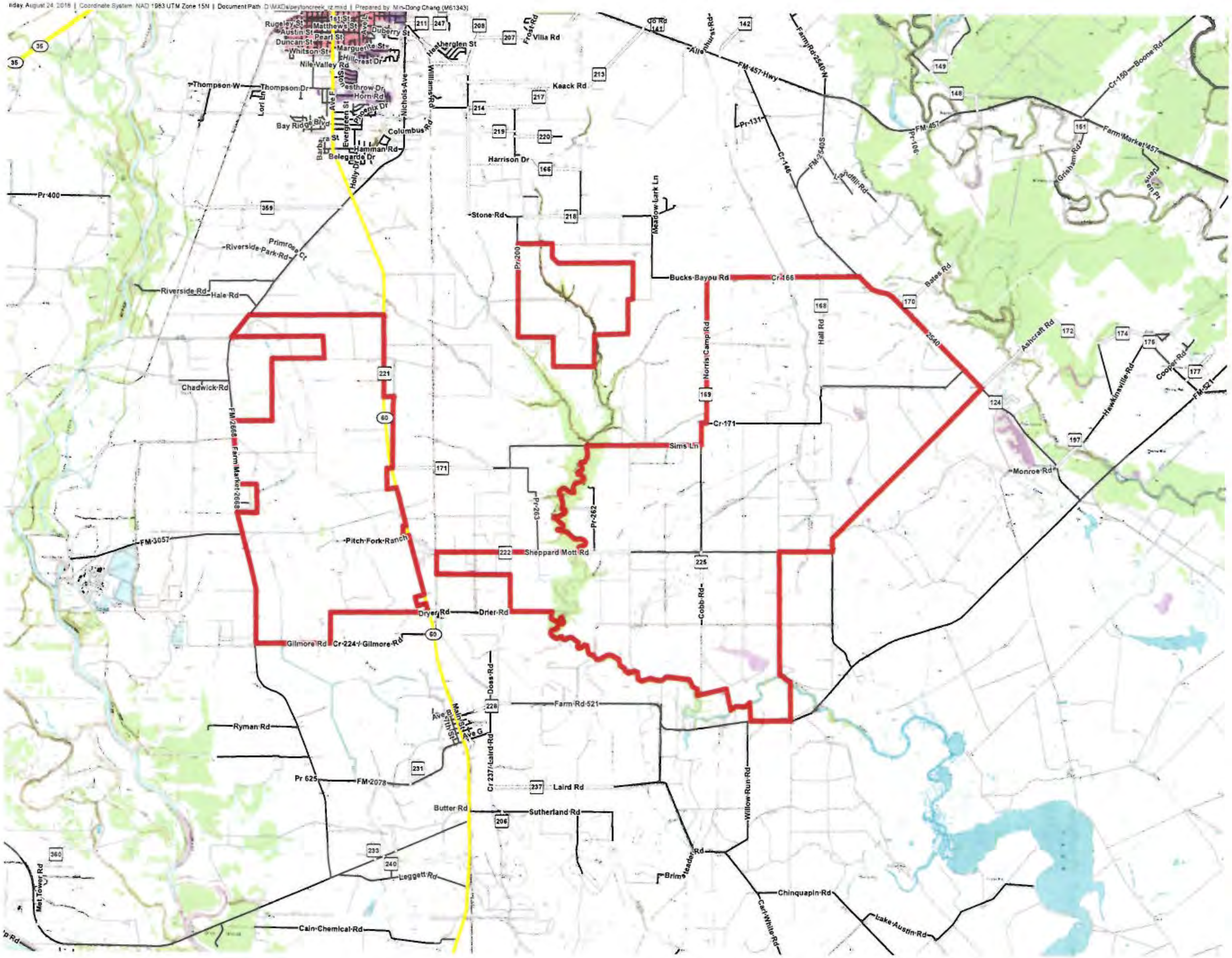
N/A

Tab 10

N/A

Tab 11

riday, August 24, 2018 | Coordinate System: NAD 1983 UTM Zone 15N | Document Path: D:\MXDs\peytoncreek_rz.mxd | Prepared by: Min-Dong Chang (M61343)



Peyton Creek Reinvestment Zone

Matagorda County, Texas

N

S

W

E

Feet

0 2,250 4,500 9,000

0 625 1,250 2,500

Meters

Peyton Creek Reinvestment Zone

County Boundary

Road Classification

US/State Highway

County Road/Highway

Local Road

Dirt/Unpaved Road

Date: August 24, 2018

Map Scale: 1:80,000

Projection: NAD 1983 UTM Zone 15N

Datum: North American 1983

e·on

Map produced by E.ON Climate & Renewables NA for internal use only. Final analysis & site locations to be determined by E.ON personnel through on-site verification. Map is not to be reproduced or redistributed without expressly written permission from E.ON C&R. Base data from USGS.

Tab 12

701 Brazos Street
Suite 1400
Austin, TX 78701

October 15, 2018

Dr. Marshall Scott III
Superintendent
Bay City Independent School District
520 7th Street
Bay City, TX 77414

Re: Chapter 313 Job Waiver Request

Dear Dr. Scott

Peyton Creek Wind Farm, LLC requests that the Bay City 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 attic property owner that is described in the application.

Peyton Creek Wind Farm, LLC requests that the Bay City Independent School District make such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Peyton Creek Wind Farm, LLC has committed to create 5 total jobs for the project, with all 5 of jobs dedicated to BCISD.

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 15-20 turbines. This number may fluctuate depending on the operations and maintenance requirements of the turbine 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.

With kind regards,

Paul Bowman
Sr. Vice President, Development

Tab 13

CALCULATION OF WAGE REQUIREMENTS

TOTAL REGION MANUFACTURING

Council of Government	Hourly	Weekly	Annual
1. Houston-Galveston Area Council	$28.64	$1157.73	60,202

$1157.73 X 1.10 = **$1273.50**

$60,202 X 1.10 = **$66,222.20**

TOTAL – MANUFACTURING –Matagorda County

Year	Quarter	Average Weekly Wages	Annualized
2017	2Q	$1709	$88,868
2017	3Q	$1407	$73,164
2017	4Q	$1445	$75,140
2018	1Q	$2149	$111,748
		$1677.50	$87,230

X 110% of County Average Weekly Wage for all Jobs

$1845.25	**$95,953**

TOTAL– ALL INDUSTRIES – Matagorda County

Year	**Quarter**	Average Weekly Wages	Annualized
2017	2Q	$1054	$54,808
2017	3Q	$946	$49,192
2017	4Q	$1032	$53,664
2018	1Q	$1164	$60,528
		$1049	**$54,548**

Quarterly Employment and Wages (QCEW)
Matagorda County- Manufacturing

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	2nd Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	$1,709
2017	3rd Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	$1,407
2017	4th Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	$1,445
Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2018	1st Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	$2,149

Quarterly Employment and Wages (QCEW)
Matagorda County – All Industries

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	2nd Qtr	Matagorda County	Total All	00	0	10	Total, all industries	$1,054
2017	3rd Qtr	Matagorda County	Total All	00	0	10	Total, all industries	$946
2017	4th Qtr	Matagorda County	Total All	00	0	10	Total, all industries	$1,032

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2018	1st Qtr	Matagorda County	Total All	00	0	10	Total, all industries	$1,164

Quarterly Employment and Wages (QCEW)
NORTEX Regional Planning Commission-
Manufacturing

2017 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	Wages Hourly	Wages Annual
Texas	**$26.24**	**$54,587**
1. Panhandle Regional Planning Commission	$23.65	$49,190
2. South Plains Association of Governments	$19.36	$40,262
3. NORTEX Regional Planning Commission	$23.46	$48,789
4. North Central Texas Council of Governments	$26.80	$55,747
5. Ark-Tex Council of Governments	$18.59	$38,663
6. East Texas Council of Governments	$21.07	$43,827
7. West Central Texas Council of Governments	$21.24	$44,178
8. Rio Grande Council of Governments	$18.44	$38,351
9. Permian Basin Regional Planning Commission	$26.24	$54,576
10. Concho Valley Council of Governments	$19.67	$40,924
11. Heart of Texas Council of Governments	$21.53	$44,781
12. Capital Area Council of Governments	$31.49	$65,497
13. Brazos Valley Council of Governments	$17.76	$39,931
14. Deep East Texas Council of Governments	$17.99	$37,428
15. South East Texas Regional Planning Commission	$34.98	$72,755
16. Houston-Galveston Area Council	$28.94	$60,202
17. Golden Crescent Regional Planning Commission	$26.94	$56,042
18. Alamo Area Council of Governments	$22.05	$48,869
19. South Texas Development Council	$15.07	$31,343
20. Coastal Bend Council of Governments	$28.98	$60,276
21. Lower Rio Grande Valley Development Council	$17.86	$37,152
22. Texoma Council of Governments	$21.18	$44,060
23. Central Texas Council of Governments	$19.30	$40,146
24. Middle Rio Grande Development Council	$24.07	$50,058

Source: Texas Occupational Employment and Wages
Data published: July 2018
Data published annually, next update will be July 31, 2019

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.

Tab 14

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

Applicant Name: Peyton Creek Wind Farm, LLC
ISD Name: Bay City ISD

Form 50-296A
Revised Feb 2014

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: New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B: New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C: Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D: Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E: Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	Years preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2018-2019	2018			$ -	[The only other investment made before filing complete application with district that may become Qualified Property is land.]	$ -
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period		2019-2020	2019	$ 145,350,000.00	$ -	$ -	$ -	$ 145,350,000.00
Complete tax years of qualifying time period	QTP1	2020-2021	2020	$ -	$ -	$ -	$ -	$ -
	QTP2	2021-2022	2021	$ -	$ -	$ -	$ -	$ -
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				$ 145,350,000.00		$ -	$ -	$ 145,350,000.00
						Enter amounts from TOTAL row above in Schedule A2		
Total Qualified Investment (sum of green cells)				$ 145,350,000.00				

For All Columns: List amount invested each year, not cumulative totals.

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

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

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

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

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

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

Applicant Name: Peyton Creek Wind Farm, LLC

ISD Name: Bay City ISD

Form 50-296A

Revised Feb 2014

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: New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B: New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C: Other investment made during this year that will not become Qualified Property [SEE NOTE]	Column D: Other investment made during this year that will become Qualified Property (SEE NOTE)	Column E: Total Investment (A+B+C+D)
				Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		$ 145,350,000.00				$ 145,350,000.00
Each year prior to start of value limitation period**	0	2018-2019	2018	$ -				$ -
Each year prior to start of value limitation period**	0	2019-2020	2019	$ 145,350,000.00				$ 145,350,000.00
Value limitation period***	1	2020-2021	2020					
	2	2021-2022	2021					
	3	2022-2023	2022					
	4	2023-2024	2023					
	5	2024-2025	2024					
	6	2025-2026	2025					
	7	2026-2027	2026					
	8	2027-2028	2027					
	9	2028-2029	2028					
	10	2029-2030	2029					
Total Investment made through limitation				$ 145,350,000.00				$ 145,350,000.00
Continue to maintain viable presence	11	2030-2031	2030					
	12	2031-2032	2031					
	13	2032-2033	2032					
	14	2033-2034	2033					
	15	2034-2035	2034					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035					
	17	2036-2037	2036					
	18	2037-2038	2037					
	19	2038-2039	2038					
	20	2039-2040	2039					
	21	2040-2041	2040					
	22	2041-2042	2041					
	23	2042-2043	2042					
	24	2043-2044	2043					
	25	2044-2045	2044					

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

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

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

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

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

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

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

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

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

Applicant Name: Peyton Creek Wind Farm, LLC

ISD Name: Bay City ISD

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				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
	0	2018-2019	2018	$ -	$ -	$ -	$ -	$ -	$ -
	0	2019-2020	2019	$ -	$ -	$ -	$ -	$ -	$ -
Value Limitation Period	1	2020-2021	2020	$ -	$ -	$ 145,350,000	$ 145,350,000	$ 145,350,000.00	$ 30,000,000.00
	2	2021-2022	2021	$ -	$ -	$ 139,536,000	$ 139,536,000	$ 139,536,000.00	$ 30,000,000.00
	3	2022-2023	2022	$ -	$ -	$ 133,722,000	$ 133,722,000	$ 133,722,000.00	$ 30,000,000.00
	4	2023-2024	2023	$ -	$ -	$ 127,908,000	$ 127,908,000	$ 127,908,000.00	$ 30,000,000.00
	5	2024-2025	2024	$ -	$ -	$ 122,094,000	$ 122,094,000	$ 122,094,000.00	$ 30,000,000.00
	6	2025-2026	2025	$ -	$ -	$ 116,280,000	$ 116,280,000	$ 116,280,000.00	$ 30,000,000.00
	7	2026-2027	2026	$ -	$ -	$ 110,466,000	$ 110,466,000	$ 110,466,000.00	$ 30,000,000.00
	8	2027-2028	2027	$ -	$ -	$ 104,652,000	$ 104,652,000	$ 104,652,000.00	$ 30,000,000.00
	9	2028-2029	2028	$ -	$ -	$ 98,838,000	$ 98,838,000	$ 98,838,000.00	$ 30,000,000.00
	10	2029-2030	2029	$ -	$ -	$ 93,024,000	$ 93,024,000	$ 93,024,000.00	$ 30,000,000.00
Continue to maintain viable presence	11	2030-2031	2030	$ -	$ -	$ 87,210,000	$ 87,210,000	$ 87,210,000.00	$ 87,210,000.00
	12	2031-2032	2031	$ -	$ -	$ 81,396,000	$ 81,396,000	$ 81,396,000.00	$ 81,396,000.00
	13	2032-2033	2032	$ -	$ -	$ 75,582,000	$ 75,582,000	$ 75,582,000.00	$ 75,582,000.00
	14	2033-2034	2033	$ -	$ -	$ 69,768,000	$ 69,768,000	$ 69,768,000.00	$ 69,768,000.00
	15	2034-2035	2034	$ -	$ -	$ 63,954,000	$ 63,954,000	$ 63,954,000.00	$ 63,954,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035	$ -	$ -	$ 58,140,000	$ 58,140,000	$ 58,140,000.00	$ 58,140,000.00
	17	2036-2037	2036	$ -	$ -	$ 52,326,000	$ 52,326,000	$ 52,326,000.00	$ 52,326,000.00
	18	2037-2038	2037	$ -	$ -	$ 46,512,000	$ 46,512,000	$ 46,512,000.00	$ 46,512,000.00
	19	2038-2039	2038	$ -	$ -	$ 40,698,000	$ 40,698,000	$ 40,698,000.00	$ 40,698,000.00
	20	2039-2040	2039	$ -	$ -	$ 36,337,500	$ 36,337,500	$ 36,337,500.00	$ 36,337,500.00
	21	2040-2041	2040	$ -	$ -	$ 36,337,500	$ 36,337,500	$ 36,337,500.00	$ 36,337,500.00
	22	2041-2042	2041	$ -	$ -	$ 36,337,500	$ 36,337,500	$ 36,337,500.00	$ 36,337,500.00
	23	2042-2043	2042	$ -	$ -	$ 36,337,500	$ 36,337,500	$ 36,337,500.00	$ 36,337,500.00
	24	2043-2044	2043	$ -	$ -	$ 36,337,500	$ 36,337,500	$ 36,337,500.00	$ 36,337,500.00
	25	2044-2045	2044	$ -	$ -	$ 36,337,500	$ 36,337,500	$ 36,337,500.00	$ 36,337,500.00

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Applicant Name **Peyton Creek Wind Farm, LLC**

ISD Name **Bay City ISD**

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				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	**Column B**	**Column C**	**Column D**	**Column E**
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	**Average** annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	**Average** annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2018-2019	2018					
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2019-2020	2019	100 FTE	$ 66,222.20			
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2020-2021	2020			N/A	5	$ 66,222.20
	2	2021-2022	2021			N/A	5	$ 66,222.20
	3	2022-2023	2022			N/A	5	$ 66,222.20
	4	2023-2024	2023			N/A	5	$ 66,222.20
	5	2024-2025	2024			N/A	5	$ 66,222.20
	6	2025-2026	2025			N/A	5	$ 66,222.20
	7	2026-2027	2026			N/A	5	$ 66,222.20
	8	2027-2028	2027			N/A	5	$ 66,222.20
	9	2028-2029	2028			N/A	5	$ 66,222.20
	10	2029-2044	2029			N/A	5	$ 66,222.20
Years Following Value Limitation Period	11 through 26	2030-2045	2030-2045			N/A	5	$ 66,222.20

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

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) — [X] Yes [ ] No

If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? — [X] Yes [ ] No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? — [ ] Yes [X] No

Schedule D: Other Incentives (Estimated)

Applicant Name Peyton Creek Wind Farm, LLC **Form 50-296A**

ISD Name Bay City ISD *Revised Feb 2014*

State and Local Incentives for which the Applicant Intends to apply (Estimated)						
Incentive Description	**Taxing Entity (as applicable)**	**Beginning Year of Benefit**	**Duration of Benefit**	**Annual Tax Levy without Incentive**	**Annual Incentive**	**Annual Net Tax Levy**
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Matagorda	2020	2029	$ 502,306.00	75% Abatement w/ PIL Per/MW $1,500/ YR 1-10	$ 316,848.00
	City:					
	Other: Matagorda County Hospital Dist.	2020	2029	$ 384,793.00	65% Abatement w/ PIL Per/MW $1,500/ YR 1-10	$ 194,191.00
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
			TOTAL	$ 502,306.00		$ 316,848.00

Additional information on incentives for this project:

Tab 15

N/A

Tab 16

Stella Wind Farm, LLC

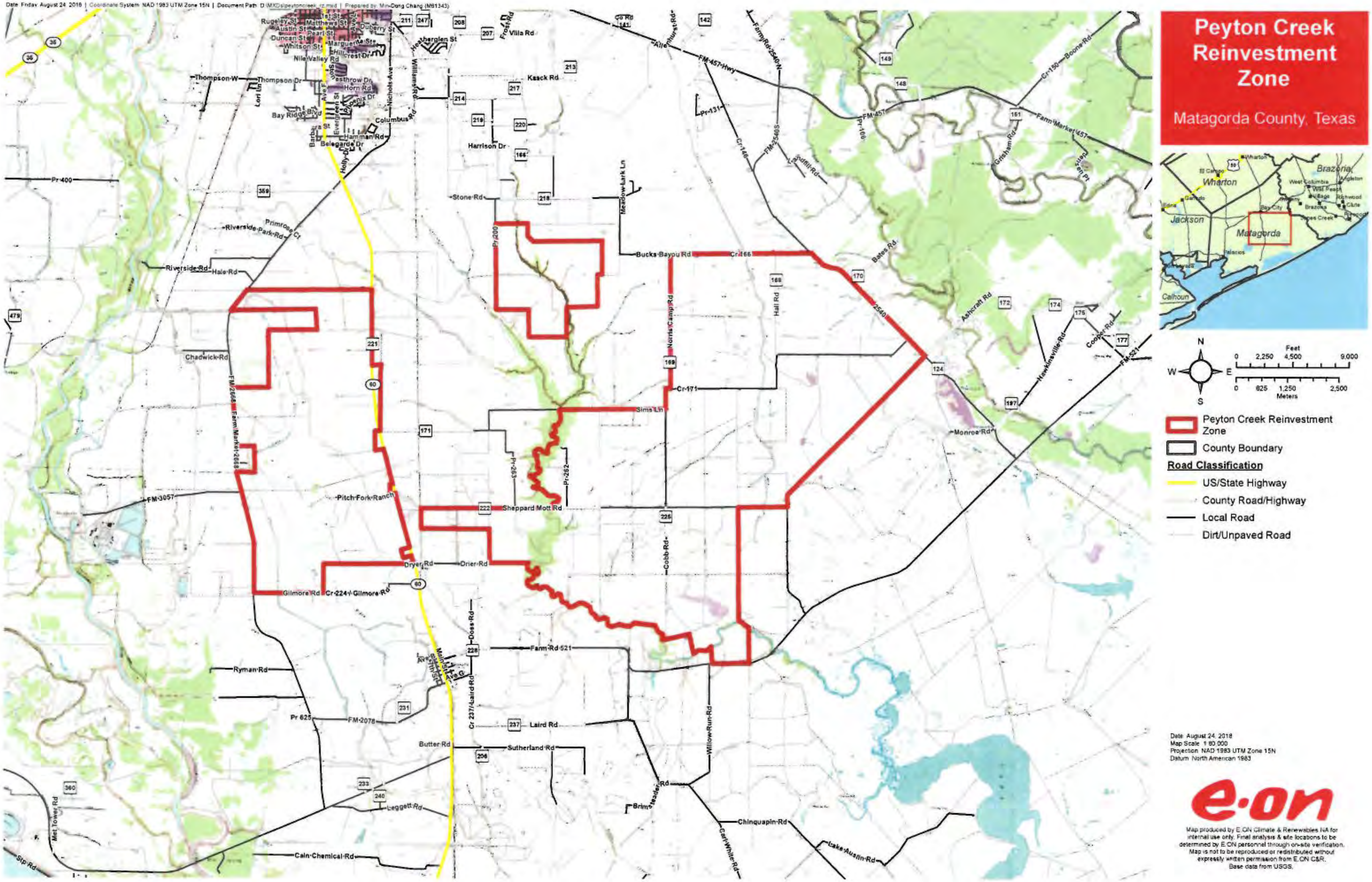
Application for Appraised Value Limitations on Qualified Property

Tab 16

Section 12— Reinvestment Zone

3b., 3c. & 3e. Created by Matagorda County on October 8, 2018

3d. Guidelines attached.



Peyton Creek Reinvestment Zone
Matagorda County, Texas
Wharton
Brazoria
Jackson
Matagorda
Calhoun
N
W
E
S
Feet
0 2,250 4,500 9,000
0 625 1,250 2,500
Meters
Peyton Creek Reinvestment Zone
County Boundary
Road Classification
US/State Highway
County Road/Highway
Local Road
Dirt/Unpaved Road
Date: August 24, 2018
Map Scale: 1:60,000
Projection: NAD 1983 UTM Zone 15N
Datum: North American 1983
e·on
Map produced by E.ON Climate & Renewables NA for internal use only. Final analysis & site locations to be determined by E.ON personnel through on-site verification. Map is not to be reproduced or redistributed without expressly written permission from E.ON C&R. Base data from USGS.
Bucks Bayou Rd
Sheppard Mott Rd
Farm Rd 521
Gilmore Rd
Dryer Rd
Drier Rd
Pitch Fork Ranch
Norris Camp Rd
Cobb Rd
Hall Rd
Sims Ln
Laird Rd
Sutherland Rd
Chinquapin Rd
Lake Austin Rd
Cain Chemical Rd
Monroe Rd
FM 457 Hwy
Stone Rd
Harrison Dr
Kasck Rd
Villa Rd
Riverside Rd
Chadwick Rd
Thompson Dr
Willow Run Rd
Ryman Rd
Butter Rd
Leggett Rd

GUIDELINES AND CRITERIA

FOR GRANTING TAX ABATEMENT

IN REINVESTMENT ZONES AND/OR ENTERPRISE ZONES CREATED

IN MATAGORDA COUNTY

ADOPTED: October 9, 2017
BY
MATAGORDA COUNTY COMMISSIONERS COURT

Table of Contents

GUIDELINES AND CRITERIA
FOR GRANTING TAX ABATEMENT IN
REINVESTMENT AND/OR ENTERPRISE ZONES
CREATED IN MATAGORDA COUNTY

Section 1
AUTHORITY

Matagorda County is authorized to provide tax abatement benefits in accordance with the Texas Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code, as amended ("The Act"). The Act requires the establishment of these Guidelines and Criteria for the governing of tax abatement agreements between Matagorda County and eligible entities. The Act furthermore permits the designation of "reinvestment zones" in accordance with specific criteria.

Section 2
PURPOSE AND INTENT

The purpose and intent of these Guidelines and Criteria is to set forth the general parameters in which Matagorda County will operate a tax abatement program in accordance with the Act. The program is intended to be an economic development tool to assist and encourage investment to create, retain and expand full-time jobs while strengthening the tax base for Matagorda County.

All applications are considered on a case-by-case basis and the decision to approve or deny tax abatement shall be at the discretion of Commissioners Court. Nothing herein shall imply or suggest that Matagorda County is under any obligation to provide tax abatement to any applicant.

Section 3
DEFINITIONS

(a) **"Abatement"** means the temporary full or partial exemption from ad valorem taxes of certain taxable improvements to real property in a Reinvestment and/or Enterprise Zone designated for economic development purposes pursuant to The Act

(b) **"Abatement period"** means the period during which all or a portion of the value of real property or tangible personal property that is the subject of an Agreement is exempt from taxation.

(c) **"Alternative/Renewable Energy or Fuel Facility"** means buildings, structures or equipment that are used in growing, production or generating of power or fuel sources or any alternative to fossil fuels used for generating power that is provided by abundant, natural energy sources such as solar, wind, geothermal or biomass.

(d) **"Applicant"** means a current or potential owner of taxable real property, or current or potential owner of a leasehold interest in taxable real property, applying for abatement pursuant to these Guidelines and Criteria and the Property Redevelopment and Tax Abatement Act.

(e) **"Aquaculture/Agriculture Facility"** means buildings, structures and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is the hatching, incubating, nursing, maturing and/or processing to marketable size of aquaculture products in commercially marketable quantities or the processing, refining, packaging, and distribution of food and/or fiber products in commercially marketable quantities.

(f) "**Agreement**" means a contractual agreement between a property owner and/or Lessee and an eligible jurisdiction for the purposes of tax abatement.

(g) "**Base Year Value**" means the assessed value of eligible property on January 1st preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1st but before the execution of the agreement.

(h) "**Business Retention and Expansion Programs**" are programs implemented to encourage economic development from within the existing businesses in the community. Includes, but not limited to, industrial, retail, agricultural and tourism.

(i) "**Deferred Maintenance**" means improvements necessary for continued operations which do not improve productivity or alter the process technology.

(j) "**Economic Life**" means the number of years a property improvement is expected to be in service in a facility. Provided, however, that in no circumstance shall the number of years exceed the depreciation allowance specified in the United States Internal Revenue Code.

(k) "**Employee**" means a person whose employment is both permanent and full-time, who is employed by the applicant for abatement for a minimum of 1,750 hours per year exclusively within the reinvestment zone, and whose employment is reflected in the tax abatement applicant's quarterly report filed with the Texas Workforce Commission.

(l) "**Eligible Jurisdiction**" means Matagorda County, the Cities of Bay City and Palacios, and any special district which is located in Matagorda County, that levies ad valorem taxes upon and provides services to property located within a proposed or existing Reinvestment and/or Enterprise Zone.

(m) "**Enterprise Zone**" means a specific geographic area, a census block group that has a poverty level of 20 percent or greater as identified by the 2010 U.S. Census and is recognized as such by the Texas Office of the Comptroller. Designation of an area as an Enterprise Zone under the Texas Enterprise Zone Act (Chapter 2303, Government Code) constitutes designation of the area as a Reinvestment Zone under Chapter 312, Subchapter C, Section 312.401 of the Government code.

(n) "**Enterprise Project**" means a specific new or expanding business that can be located either in or outside of a designated Enterprise Zone that has been nominated by the Matagorda County Commissioners Court to participate in the Enterprise Zone program and is therefore eligible to receive state and/or local incentives and benefits.

(o) "**Entertainment Project**" means a specific new or expanding business located in Matagorda County from which a majority of revenues are generated by visual arts, sporting, musical, cinematic, theatrical, dance, recreational, arcades and/or other cultural endeavors, excluding all adult entertainment establishments.

(p) "**Expansion**" means the addition of buildings, structures, fixed machinery or equipment for the purpose of increasing production capacity.

(q) "**Facility**" means property improvements completed or in the process of construction which together comprise an integral whole.

(r) **"Major Impact Project"** means

(i) any industrial, commercial, research and development, warehousing, distribution, transportation, energy generation, processing, mining, United States government or tourism enterprise together with all facilities required for construction, maintenance and operation of the enterprise with an initial capital investment of not less than Three Hundred Million Dollars ($300,000,000.00) from private or United States government sources; or

(ii) with an initial capital investment of not less than One Hundred Fifty Million Dollars ($150,000,000.00) from private or United States government sources together with all buildings, and facilities, structures or improvements or whatever kind required or useful for construction, maintenance and operation of the enterprise and which creates at least five hundred (500) net new full-time jobs; or which creates at least two hundred fifty (250) net new full-time jobs which provides an average salary, excluding benefits which are not subject to federal income taxation, of at least one hundred fifteen percent (115%) of the most recently published average annual wage of the state as determined by the State of Texas;

(iii) "Project" shall also include any ancillary development or business resulting from the enterprise, of which the authority is notified, within three (3) years from the date that the enterprise entered into commercial production, that the project area has been selected as the site for the ancillary development or business.

(s) "**Manufacturing Facility**" means buildings, structures, fixed machinery or equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

(t) "**Modernization**" means the upgrading of existing facilities that increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purposes of reconditioning, refurbishing or repairing.

(u) "**New Facility**" means a property previously undeveloped which is placed in service by means other than or in conjunction with expansion or modernization.

(v) "**Other Basic Industry**" means buildings and structures including fixed machinery or equipment not elsewhere described, used or to be used for the production of products or services, from which a majority of revenues generated by activity at the facility are derived from outside Matagorda County.

(w) **"Productive Life"** means the number of years a property improvement is expected to be in service in a facility.

(x) **"Recycling Facility"** means the buildings and structures used in the processing of used materials (waste or by-products) into new products to prevent waste of potentially useful materials, reduce the consumption of fresh raw materials, reduce energy usage, reduce air pollution (from incineration) and water pollution (from land filling) by reducing the need for "conventional" waste disposal, and lower greenhouse gas emissions as compared to virgin production.

(y) "**Regional Distribution Facility**" means buildings and structures including fixed machinery or equipment used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility, from which a majority of revenues generated by activity at the facility are derived from outside Matagorda County.

(z) "**Regional Entertainment/Tourism Facility**" means buildings and structures, including fixed machinery or equipment used or to be used to provide entertainment and/or tourism related services, from which a majority of revenues generated by activity at the facility are derived from outside Matagorda County.

(aa) **"Regional Service Facility**" means buildings and structures, including fixed machinery or equipment used or to be used to provide a service, from which a majority of revenues generated by activity at the facility are derived from outside Matagorda County.

(bb) "**Reinvestment and/or Enterprise Zone-County Designated**" means any area of Matagorda County which has been designated a Reinvestment and/or Enterprise Zone for tax abatement purposes and which is not within the tax jurisdiction of any incorporated municipality. It is the intent of the Matagorda County Commissioners Court to designate such Zones on a case-by-case basis.

(cc) "**Reinvestment and/or Enterprise Zone-Municipality Designated"** means any area of Matagorda County which lies within the tax jurisdiction of a municipality and has been designated a Reinvestment and/or Enterprise Zone by that jurisdiction for tax abatement purposes. The Matagorda County Commissioners Court may provide industrial tax abatement within municipality designated Reinvestment and/or Enterprise Zones as long as the tax abatement granted by Matagorda County is in concert with the tax abatement guidelines contained herein.

(dd) "**Research Facility**" means buildings and structures, including fixed machinery or equipment used or to be used primarily for research and experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

(ee) **"Tourism"** refers to the tourist industry encompassing the activity of travel to points of destination for business or leisure, through which tourist services are created and supplied either directly or through intermediaries. Types of tourist industry include but are not limited to tour organizing services, tourist information services, accommodation services, food services, entertainment and other tourist services.

Section 4
ABATEMENT AUTHORIZED

(a) **Reinvestment Zone.** To be eligible for tax abatement the owner must own taxable real property which is the subject of the tax abatement which is located within a reinvestment zone designated by the governing body of a municipality or the County in accordance with the Property Redevelopment and Tax Abatement Act and must enter into a written agreement with the County wherein the owner agrees to make specified improvements or repairs to the property and, if applicable, that such specified improvements or repairs to the property are being made in conformity with the municipality's comprehensive plan.

1. **Unincorporated Areas.** The Commissioners Court, by order, may designate as a reinvestment zone an area of the County that does not include area in the taxing jurisdiction of a municipality.

2. **Public Hearing/Designation of area as reinvestment zone.**
    a. The Commissioners Court may not designate an area as a reinvestment zone until it holds a public hearing on the designation and finds that the designation would contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the property to be included in the zone and would contribute to the economic development of the County.
    b. At the hearing, interested persons are entitled to speak and present evidence for or against the designation.
    c. Advance notice of the public hearing must be given in compliance with the requirements of Sections 312.201 and 312.401 of the Texas Tax Code. Accordingly, not later than the seventh (7th) day before the date of the hearing, notice of the hearing must be:
        i. Published in a newspaper having general circulation in the County; and
        ii. Delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone. For purposes of this requirement, the County shall mail the notice of the public hearing to the respective presiding officer(s) by certified mail, return receipt requested, with proper postage affixed.
    d. Notice is presumed delivered when placed in the mail postage-paid and property addressed to the appropriate presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the County is considered to have been delivered to the addressee.

3. **Expiration of reinvestment zone under this section.** The designation of a reinvestment zone under this section expires five years after the date of the designation and may be renewed for periods not to exceed five years. Provided however, that the expiration of the designation does not affect existing agreements made under this Section.

4. **Enterprise Zone.** Designation of an area as an enterprise zone under Chapter 2303 of the Government Code constitutes a designation of the area as a reinvestment zone under these Guidelines and Criteria without further hearing or other procedural requirements other than those provided by Chapter 2303 of the Government Code.

5. **Location**. Property may be located both in a reinvestment zone designated by the County under this section and in a reinvestment zone designated by a municipality.

6. **Prohibition**. The County shall not establish a reinvestment zone for the purpose of tax abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion, or new facility.

7. **Chapter 381 Incentive.** The County's general policy is that a tax abatement and a Chapter 381 agreement will not co-exist for one entity. The eligible entity shall not be granted a tax abatement if they have opted to enter into a Chapter 381 agreement with the County.

(b) **Authorized Facility.** A facility may be eligible for abatement if it is a:

- Manufacturing facility,
- Private company performing a governmental function,
- Research facility,
- Recycling facility,
- Renewable or alternative energy or fuel facility
- Aquaculture/agriculture facility,
- Regional distribution facility,
- Regional service facility,
- Regional entertainment/tourism facility,
- Other basic industry.

(c) **Authorized Date.** A facility shall be eligible for tax abatement if it has applied for such abatement prior to the commencement of construction, provided, that such facility meets the criteria granting tax abatement in Reinvestment and/or Enterprise Zones created in Matagorda County pursuant to the guidelines and criteria adopted by the Matagorda County Commissioners Court, hereafter "Commissioners Court", and will be considered on a case-by-case basis.

(d) **Creation of New Value.** Abatement may only be granted for the additional taxable value of eligible property improvements made subsequent to and listed in an abatement agreement between Matagorda County and the property owner and/or Lessee, subject to such limitations as the County Commissioners Court may require.

(e) **New and Existing Facilities.** Abatement may be granted to new facilities and improvements to existing facilities for purposes of modernization and expansion of existing facilities and structures, unless the property is property described by Section 312.211(a) of the Texas Tax Code (in which it must conform with Section 312.211).

If a company requests an abatement without the creation of new jobs to remain competitive or reduce labor force, they shall submit a timeline of Worker Adjustment and Retraining Notification notices (WARN) will be issued. The County shall be provided copies of all WARN notices issued by a company under this section.

(f) **Eligible Property.** Abatement may be extended to the taxable value of buildings, structures, fixed machinery, equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility. The economic life of the property and improvements must exceed the life of the abatement agreement. The value of all property shall be the certified appraised value for each year, as finally determined by the Matagorda Central Appraisal District.

(g) **Ineligible Property.** The following classes of property shall be fully taxable and ineligible for abatement:

- Land,
- Inventories,
- Supplies,
- Furnishings or other forms of movable personal property,
- Vehicles, marine vessels, or aircraft,
- Deferred maintenance investments,
- Residential property,
- Property that is associated with any activity that is illegal under federal, state or local law,
- Property owned or used by the State of Texas or its political subdivisions,
- Property owned by any organization which is owned, operated or directed by a political subdivision of the state.

(h) **Leased Facilities.** If an authorized facility eligible for tax abatement is leased, the agreement shall be executed with both the Lessor and the Lessee.

(i) **Disputing Assessed Value.** All companies requesting abatement agree that binding arbitration is the sole recourse for any protest, application, negotiation or other procedure available to tax payers. If a company granted a tax abatement believes they have grounds to challenge or dispute the assessed value, they may present this information to Commissioners Court and request arbitration. The Commissioners Court will/may initiate the process for the company to enter into binding arbitration with the Matagorda Central Appraisal District and the company shall comply.

(j) **Tax Abatement Not Applicable to Public or Non-Tax Paying Entities.** Public or non-tax paying entities are not eligible to receive tax abatement from Matagorda County.

(k) **Value and Term of Abatement.**

1. Effective Date of Abatement – Abatement shall be granted effective with the January 1st valuation date immediately following the date of execution of the agreement, unless another date is established by agreement between the applicant and Matagorda County Commissioners Court, as allowed by state law [See Section 3 (f) below].

2. Term and Value of Abatement – The value and term of abatement on new eligible property shall be determined on a case-by-case basis. Table 1 provides a guideline for consideration by Commissioners Court but from which it may vary the length and abatement percentage of any application on a case-by-case basis.

TABLE 1

Project	New Jobs Created	Years/Total Percentage Available	Possible Abatement Percentages Per Year
New Industry Project	10 or more	5 years – 380%	100%–85%–75%–65%–55%
Tourism/ Entertainment	10 or more	5 years – 380%	100%-85%-75%-65%-55%
Existing Businesses	10 or more *Unless WARN exception	5 years – 380%	100%-85%-75%-65%-55%
Major Impact Project	250 or more	10 years – 1,000%	100% each year

3. Additional Tax Abatement Percentage Available – The County may offer additional percentage of tax abatement for the years in the agreement for the employment of Matagorda County residents. The additional percentage, based on the chart below, can be offered beginning in year three. If the company hires Matagorda County residents in years one and two, the County can carry the additional abatement percentage to the third year, however, in no year shall more than 100% be abated. Regardless of whether the company attempts to use this additional percentage, preferential treatment shall be given to hiring operations and construction workers residing in Matagorda County, not only in the construction phase of the facility, but also during operations thereafter.

Matagorda County Residents Hired	Additional Percentage Offered
25-34%	5%
35-44%	10%
45-54%	15%
55-64%	20%
65-74%	30%
75-84%	35%
85-94%	40%
95-100%	50%

(l) **Duration of Abatement** – The duration of an abatement agreement shall not exceed the maximum period of tax abatement allowed by state law of 10 years or one-half (1/2) the economic life of the eligible property, whichever is less. Furthermore, under no circumstances shall the value of the abatement exceed 100 percent (100%) of the eligible taxable property value in a single year.

(m) **Minimum Economic Qualification.** To be eligible to receive tax abatement, the planned new facility or the planned expansion to or modernization of an existing enterprise must meet the following qualifications:

1. Must increase the appraised value of the taxable property in the amount of not less than one million dollars ($1,000,000) after construction is completed or three years from the commencement of construction, whichever is less.

2. Must create new employment or prevent the loss of employment by job retention for not less than 10 persons associated with the production of goods and services at the authorized facility on a full-time, permanent basis in Matagorda County. Two or more part-time, permanent employees totaling an average of not less than 40 hours per week may be considered as one full-time, permanent employee. Employees must be employed by the tax abatement Applicant and cannot be paid by an on-site contractor or sub-contractor.

3. **WARN Notice** - If a company requests an abatement without the creation of new jobs to remain competitive or reduce labor force, they shall submit a timeline of Worker Adjustment and Retraining Notification notices (WARN) will be issued. The County shall be provided copies of all WARN notices issued by a company under this section.

4. Companies seeking to qualify for tax abatement on the basis of job retention shall document that without the creation of a Reinvestment and/or Enterprise Zone and/or tax abatement the company will either reduce employment or cease operations.

5. New jobs shall not be construed as transferring employment from one part of Matagorda County to another.

(n) **Taxability.** From the execution of the abatement agreement to the end of the agreement period, taxes shall be payable as follows:

1. The value of ineligible property as provided in Section 4 (g), above, shall be fully taxable;

2. The base year value of existing eligible property as determined each year shall be fully taxable, and

3. The additional value of new eligible property shall be taxable in the manner described in Section 4 (j)(2), above.

(o) **Conflict of Interest.** Property that is in a Reinvestment and/or Enterprise Zone and that is owned or leased by a member of the governing body of Matagorda County or its political subdivisions shall be excluded from any property tax abatement.

(p) **Matagorda County Vendors.** The Applicant and the Applicant's contractors shall make every effort to utilize the services of Matagorda County vendors where applicable during construction and operations.

Section 5
APPLICATION

(a) Any present or potential property owner of taxable property in Matagorda County may request the creation of a Reinvestment and/or Enterprise Zone and tax abatement by filing a written application with the Matagorda County Economic Development Corporation. ***Nothing within these guidelines shall be construed to suggest that Matagorda County is under obligation to provide any abatement to any applicant even if certain criteria are met. The County Commissioners Court reserves the right to reject any application.*** The County may condition the amount or duration of tax abatement granted to achievement of investment amounts, new employment numbers or other requirements specified in a tax abatement agreement.

(b) The application shall consist of a completed application form accompanied by the following:

1. A cover letter clearly stating the abatement time frame sought, abatement percentages sought and any variances requested from these Guidelines and Criteria. The letter should also identify any considerations or proffers the Applicant may want to offer to the County.
2. A non-refundable application fee of $1,000 payable to Matagorda County;
3. A general written description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken;
4. A descriptive list of the improvements that will be a part of the facility;
5. An estimate of the cost of improvements;
6. A map, metes and bounds, and legal property description;
7. A time schedule for undertaking and completing the planned improvements;
8. Such financial and other information as deemed appropriate by the County Commissioners Court for purposes of evaluating the application;
9. An estimate of the number of employees during construction and thereafter to operate the facility;
10. A proposed program for the recruitment of local employees in the construction and operation of the facility together with a statement affirming the Applicant's commitment to equal employment opportunity and hiring, at all levels, including a plan to implement and ensure such equal employment opportunity;

11. A certification prepared by the County Tax Assessor-Collector stating that all of Applicant's tax accounts within the County are paid on a current basis or that the applicant does not have a tax account within the County;

12. If applicable, a schedule of WARN notices being issued to Texas Workforce Commission;

13. Information pertaining to the reasons that the requested tax abatement is necessary to ensure the proposed project is built in the County (i.e., documentation supporting assertion that "***but for***" a tax abatement, the stated project could not be constructed in the County);

14. For a leased facility, the Applicant shall provide with the application the name and address of the lessor and a draft copy of the proposed lease or option to contract. In the event a lease or option contract has already been executed with the owner of the site, the document must include a provision whereby the abatement applicant may terminate such contract without penalty or loss of earnest money in the event the County does not grant a tax abatement;

15. A narrative addressing the points raised in the description of narrative accompanying the Application for Tax Abatement form;

16. Applicant shall include its history of environmental compliance;

17. Confirmation on whether the property is located within a reinvestment zone established under the Tax Increment Financing Act (TIFA), and if so, then Applicant shall also provide a list of the members of the board of directors for the TIFA reinvestment zone, detailing their positions on the board, and, at minimum, contact information for the chair of the board and the secretary of the board; and

18. For abatement of property located within a municipality, Applicant shall provide a true and complete copy of the respective city ordinance or ordinances designating the reinvestment zone, including any amendments to the city ordinance or ordinances designating the reinvestment zone. For abatement of property located within a municipality and located within an enterprise zone, the Applicant shall provide a true and complete copy of the ordinance or ordinances designating the enterprise zone, including any amendments to the respective designation ordinance or ordinances, or when applicable, documentation from the Governor's Office showing the enterprise zone is active. Such ordinances or ordinances or documentation shall show that the reinvestment zone or enterprise zone remain active at the time of the submission of Applicant's application. Applicant further acknowledges and agrees that the respective zone must also still be active at the time of full execution of the Agreement on the date of the last Party executing thereto.

(c) **Modernization.** In the case of modernization, Applicant shall include a statement of the assessed value of the facility separately stated for real and personal property for the tax year immediately preceding the application.

(d) **Job Retention.** In the case of an application based on job retention, Applicant shall include a statement and sufficient information to verify the potential of job loss that would occur without the abatement.

(e) Upon receipt of a complete application, the Executive Director of the MCEDC shall make an initial determination of whether the project qualifies for tax abatement under these Guidelines and Criteria, and issue his or her recommendation as to whether the proposed project qualifies under these Guidelines and Criteria to the Commissioners Court, including requesting authorization from the Commissioners Court regarding scheduling the public hearing, creating the reinvestment zone, and negotiating the tax abatement agreement. If an Agreement is subsequently approved by the Commissioners Court, then the Director of the MCEDC shall provide a fully executed copy of the Agreement to the Matagorda County Auditor and to the Matagorda County Tax Assessor-Collector.

(f) If the County intends to act favorably on the application and enter into an agreement with the Applicant, the County shall do so in writing with the owner of the taxable real property located in an area designated as a reinvestment zone to exempt from taxation all or a portion of the increase in the value of the property over its value in the year in which the agreement is executed, subject to the provisions of these Guidelines and Criteria. Property eligible for abatement includes only new improvements commencing after approval of a tax abatement agreement with the County. The County may not enter into a tax abatement agreement unless it finds that the terms of the agreement and the property subject to the agreement meet the requirements of these Guidelines and Criteria.

(g) Before acting upon the application, the County Commissioners Court shall, through a public hearing, afford the applicant and the general public opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on a Commissioners Court agenda to be posted in accordance with the Texas Property Redevelopment and Tax Abatement Act and the Texas Open Meetings Act. The Applicant shall reimburse the County the cost of publishing notices of the public hearing(s) in the local newspaper(s).

(h) After receipt of an application for creation of a Reinvestment and/or Enterprise Zone and application for tax abatement, the County Commissioners Court may require an economic impact study setting out the impact of the proposed Reinvestment and/or Enterprise Zone and tax abatement and the expense of the study shall be the sole responsibility of the entity requesting the proposed abatement. The economic impact study shall include, but not be limited to, an estimate of the economic effect of the creation of the Zone and the abatement of taxes to local entities and the cost/benefit to the County and other effected taxing jurisdictions. The economic impact study shall also include projections of the secondary jobs that may result from the applicant's proposed project. An economic impact study shall be required for all abatement agreements that grant 500% or more in tax abatement, unless waived by Commissioners Court with a supermajority vote.

(i) A request for a Reinvestment and/or Enterprise Zone for the purpose of tax abatement ***shall not be granted*** if the County Commissioners Court finds that the request for abatement was filed ***after*** the commencement of construction, alteration, or installation of improvements related to proposed expansion, modernization or new facility authorized as eligible under these guidelines.

(j) When a large construction project requires a long lead-time for ordering fabrication of specialized equipment for the project before the scheduled start of construction, the year the tax abatement period begins will be subject to negotiations between the applicant and County Commissioners Court, where such flexibility in the start period of the tax abatement is allowed by state law.

(k) Variances from parts of this policy may be considered by County Commissioners Court. A request for variances from provisions of these guidelines shall be made in written form in the cover letter to the application. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance or variances. Approval of a request for variance requires a three-fourths (3/4) vote of the Commissioners Court.

(l) All projects will be weighted on their own merit and the County reserves the right to adjust benefits based on the economic impact, infrastructure impact, average rate, and utilization of local labor.

Section 6
PUBLIC HEARING

(a) Should any affected jurisdiction or taxing entity be able to show cause in the public hearing why the grant of abatement will have a substantial adverse effect on its bonds, tax revenue, service capacity or the provision of services, that showing shall be reason for the County Commissioners Court to deny any designation of the Reinvestment and/or Enterprise Zone, the granting of abatement, or both.

(b) A Reinvestment, Enterprise Zone, or an abatement agreement shall not be authorized if it is determined that:

1. There would be a substantial adverse effect on the provision of government services or on the tax base;

2. The applicant has insufficient financial capacity to make the proposed expenditures;

3. Planned or potential use of the property would constitute a hazard to public safety, health or morals under existing local, state or federal laws, or

4. Planned or potential use of the property violates other codes or laws.

Section 7
AGREEMENT

(a) After approval of an application, County Commissioners Court shall formally pass a resolution and execute a legal agreement with the owner of the facility and/or Lessee, which shall include the following:

1. Estimated total value(s) to be abated and the base year value;

2. Estimated percent of value to be abated each year as provided for in Section 2(i)(2), above.

3. The commencement and termination dates of the abatement;

4. The proposed use of the facility, nature of the construction, time schedule for construction and commencement of operations, map, property description as provided

by the applicant, and improvements as listed in the application under Section 3(b), above,

5. Contractual obligations in the event of default, violation of terms and conditions, delinquent taxes, recapture, administration and assignment as provided for in Sections 2(a), 2(e), (2f), 2(h) (2i), (2j) (2k) and (2l), , or other provisions that may be required for uniformity or by state law, and

6. Amount of investment to be made in, and the required number of new positions or retained positions to be associated with the facility during the abatement period.

(b) **Prior written notice of tax abatement agreement to other taxing units.** Not later than the seventh (7th) day before the date on which the County enters into an Agreement, the Director of the CSD serving as the County's designee shall deliver to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the agreement is located a written notice stating that the County intends to enter into the agreement. The notice must include a copy of the proposed agreement. The notice is presumed delivered when placed in the mail postage paid and properly addressed to the presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the County is considered to have been delivered to the addressee.

(c) **Approval by Commissioners Court/Resolution required.** To be effective, an agreement must be approved by the affirmative vote of a majority of the members of the Commissioners Court at a regularly scheduled meeting of the Commissioners Court. After the public hearing, the Commissioners Court shall adopt a resolution finding that the proposed agreement filed with the resolution, a copy of which must be attached thereto, meets the applicable provisions of these Guidelines and Criteria. The resolution shall also authorize the execution of the agreement with the owner of the facility or, if applicable, the lessee.

(d) **Specific terms of tax abatement agreement – statutory mandatory requirements.** The execution, duration, and other terms of the Agreement are governed by the provisions of Sections 312.204, 312.2041, 312.205, and 312.211 of the Tax Code applicable to a municipality. Accordingly, the Agreement shall:

1. List the kind, number, and location of all proposed improvements of the property;

2. Provide access to and authorize inspection of the property by County employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;

3. Limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;

4. Provide for recapturing property tax revenue lost as a result of the Agreement if the owner of the property fails to make the improvements or repairs as provided by the Agreement;

5. Contain each term agreed to by the owner of the property;

6. Require the owner of the property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the Agreement; and

7. Provide that the Commissioners Court may cancel or modify the Agreement if the property owner fails to comply with the Agreement.

(e) **Specific terms of tax abatement agreements – additional mandatory requirements.** The Agreement shall also:

1. Include a map showing existing uses and conditions of real property in the reinvestment zone;

2. Include a map showing proposed improvements and uses in the reinvestment zone;

3. List the commencement date and termination date of abatement;

4. Include a provision that the Agreement shall be effective when executed by all parties and, if the reinvestment zone is being designated by a municipality, upon the final passage of an ordinance designating the reinvestment zone;

5. Include provisions that the owner or lessee will: obtain and maintain all required permits and other authorizations from the Federal and State agencies with authority regarding the property, including without limitation and if applicable, the United States Environmental Protection Agency and the Texas Commission on Environmental Quality (TCEQ) for the construction and operation of its facility and for the storage, transport, and disposal of solid waste; and seek a permit from the TCEQ for all grandfathered units on the site of the abated facility by filing with the TCEQ, within three years of receiving the abatement, a technically complete application for such a permit;

6. List the proposed use of the facility, the nature of construction, time schedule, property description, and improvement list;

7. Include a requirement that the Applicant annually file a report with the County describing the Applicant's efforts towards local hires and using local vendors and subsequent to completion, progress on construction. This annual report to the County shall also include a January employee count for the abated facility that corresponds to employee counts reported in the facility Employer's Quarterly Report to the Texas Workforce Commission for the quarter most recently ended at calendar year-end; and

8. List whether the property subject to abatement is located within a reinvestment zone established under the Tax Increment Financing Act, and if no, then the Owner shall be required to represent and warrant that the property is not located within a reinvestment zone established under the Tax Increment Financing Act.

(f) **Mandatory terms in these Guidelines are not limitations on requiring additional terms for tax abatement.** The Commissioners' Court retains the right to require additional terms and conditions for abatement and the listing of mandatory provisions specified in this Section 12 is not a limitation on the terms and conditions that may be required by the Commissioners' Court.

(g) **Recapture provisions describe below.**

Section 8
RECAPTURE

(a) **Discontinuation/Significant Reduction of Production/Services.** In the event that the facility is completed and begins producing goods and/or services, but subsequently discontinues such production for any reason for a period of 180 days while the Agreement is active, or one year in the event of a declared disaster under the Texas Disaster Act of 1975 in which the disaster is the cause for the discontinuation, then the agreement shall automatically terminate and so shall the abatement of taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for the calendar year shall be paid to the County within sixty (60) days from the date of termination. If the County does not receive full payment within said sixty (60) days, a penalty equal to fifteen percent (15%) of the total amount abated may be added

Any reduction of 50% or more from the estimated production/service in the application shall constitute a significant reduction in the production/service shall constitute a significant reduction in the production of product or service. The company or individual shall notify the County in writing at the address stated within the Agreement within (10) business days from any discontinuation or significant reduction, stating the reason for the discontinuation or significant reduction. If the County determines that this requirement for notification has not been complied with, the Agreement may be terminated immediately and all taxes previously abated by virtue of the Agreement shall be recaptured and must be paid within sixty (60) calendar days. If the County does not receive full payment within said sixty (60) days, a penalty equal to fifteen percent (15%) of the total amount abated may be added

(b) **Default under Terms and Conditions of Agreement.** Should the County determine that the company or individual is in default according to the terms and conditions of the abatement agreement, the County shall notify the company or individual, in writing, at the address stated in the agreement, and if such non-compliance is not resolved within sixty (60) days from the date of such notice, then the agreement shall be terminated and all taxes previously abated by the Agreement shall be recaptured and must be paid within sixty (60) calendar days. If the County does not receive full payment within said sixty (60) days, a penalty equal to fifteen percent (15%) of the total amount abated may be added

(c) **Delinquent ad valorem taxes cause for termination.** In the event that the company or individual:

1. Allows its ad valorem taxes owed the County or affected jurisdictions to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or

2. Violates any of the terms and conditions of the abatement agreement and fails to resolve such violations within sixty (60) days from the date of written notice from Matagorda County or its designated agent of such violations, then the agreement may be terminated and all taxes previously abated by virtue of the tax abatement agreement will be recaptured and paid to the County by the company or individual within sixty (60) days of the

termination. If the County does not receive full payment within said sixty (60) days, a penalty equal to fifteen percent (15%) of the total amount abated may be added

(d) **Sale to Non-Tax Paying Entity.** If a tax paying company receives a tax abatement from Matagorda County and then sells the facility or company to a public or non-tax paying entity, then the tax abatement agreement shall be declared in default by Matagorda County and all previously received tax abatements shall be recaptured and paid to the County by either the original recipient of the tax abatement or by the new purchasers of the facility or company within sixty (60) days of default of the tax abatement agreement. Matagorda County will notify the original tax abatement recipient and the new owners of the default and recapture requirement. If the County does not receive full payment within said sixty (60) days, a penalty equal to fifteen percent (15%) of the total amount abated may be added

(e) **Penalty and Interest.** If taxes previously abated are recaptured, the company or individual shall also be responsible for payment of a penalty or interest, or both, on that recaptured property tax revenue as specified in the tax abatement agreement.

Section 9
ADMINISTRATION

(a) The Chief Appraiser of the County shall, as a normal consequence of his duties, annually determine an assessment of the real and personal property comprising the Reinvestment Zone, Enterprise Project or tax abatement project. Each year, the company or individual receiving abatement shall furnish the Chief Appraiser and the County with such information as may be necessary for maintaining the abatement, including investments made in the facility. Once the value has been established, the Chief Appraiser shall notify the affected jurisdictions which levy taxes of the amount of the assessment. The applicant shall provide this information to the Chief Appraiser and to Commissioners Court by March 15th of each year.

(b) The agreement shall stipulate that employees and/or designated representatives of the County will have access to the Reinvestment and/or Enterprise Zone during the term of the abatement agreement to inspect the facility to determine if the company or individual is in compliance with the terms and conditions of the abatement agreement. All inspections will be made only after notification of not less than twenty four (24) hours and will only be conducted in such manner as not to unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual present and in accordance with the company's safety standards.

(c) Upon completion of construction, the County or the jurisdiction creating the Reinvestment and/or Enterprise Zone shall annually evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the Commissioners Court and County Attorney.

(d) All proprietary information required by the County for purposes of monitoring compliance by a company with the terms and conditions of an abatement agreement shall be considered confidential to the extent permitted by law.

(e) The company must file an annual status report by March 15th of each year of the abatement.

These reports will contain the amount of qualified taxable investment made, a total employee count that corresponds to employment counts reported in the Company's Quarterly Reports to the Texas Workforce Commission. It will also identify the number of employees filling the new positions created for the tax abatement. The report will demonstrate whether the company has met the conditions of the abatement agreement. If the company is deemed not in compliance with the agreement, the County Commissioners Court may cancel or modify the agreement at any time.

(f) The agreement will be registered with both the Texas Department of Commerce and the State Comptroller. This report must contain a general description of the Reinvestment and/or Enterprise Zone as well as information about the specific agreement – the name of parties involved, the project, the portion of the property to be exempt, and duration of the agreement. ***It is the responsibility of the property owner to annually certify to the Chief Appraiser and County Commissioners Court that the project is in compliance with the Reinvestment and/or Enterprise Zone creation agreement and tax abatement agreement.***

(g) Matagorda County may cancel the entire agreement if the property owner fails to comply with terms of the written agreement and obtain a recapture of all tax abatements previously given to the company or individual.

Section 10
ASSIGNMENT

(a) Abatement may be transferred and assigned by the holder to a new owner or Lessee of the same facility upon the approval by resolution of County Commissioners Court subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with the County Commissioners Court.

(b) The expiration date of the new contractual agreement shall not exceed the termination date of the abatement agreement with the original owner and/or Lessee.

(c) No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new Lessee are liable to Matagorda County or any affected taxing jurisdiction for outstanding taxes or other obligations.

(d) Approval of a transferred and assigned agreement shall not be unreasonably withheld.

Section 11
FEDERAL AND STATE COMPLIANCE

(a) **Confidentiality of Proprietary Information/Public Information Act.** Applicant acknowledges that the County is a governmental body subject to the Public Information Act and thus is required to release information in accordance with the Public Information Act. Applicant may be required to provide information in connection with its application or ongoing monitoring requirements that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which abatement is being sought. Section 312.003 of the Tax Code provides for the confidentiality of such information provided to a taxing unit in connection with an application or request for tax abatement until the tax abatement agreement is executed. Applicant acknowledges that Section 312.003 affords confidentiality for such information only until the tax abatement agreement is executed. Applicant further agrees to and shall clearly and conspicuously mark any information that it considers to be proprietary, trade secret, or otherwise confidential in its application or other information furnished to the County to facilitate the procedures for notice to third party under the Public Information Act, which are contained at Section 552.305 of the Government Code.

(b) **Immigration Compliance/Use of E-Verify Required.**

1. **Compliance with U.S. Immigration Reform and Control Act of 1986.** To the best of Applicant's knowledge, having undertaken reasonable diligence, none of the Applicant's personnel is an unauthorized alien and Applicant at all times shall comply with the U.S. Immigration Reform and Control Act of 1986, as amended. Applicant further agrees that it shall not subcontract services to any subcontractor who utilizes persons not eligible for employment within the United States.

2. **Use of E-Verify required.** The United States Department of Homeland Security's Employment Eligibility Program is known as E-Verify. The E-Verify Program is used to electronically confirm an employee's eligibility to work in the United States; however it is not a substitute for complying with I-9 requirements. To be eligible for abatement, an Applicant shall comply with I-9 requirements and shall utilize E-Verify to confirm the eligibility of its employees to work in the United States.

(c) **Abatement on properties within a TIFA reinvestment zone.** In the event of real property located within a reinvestment zone established under the Tax Increment Financing Act (TIFA) (codified at Chapter 311 of the Tax Code), the County may enter into an Agreement with an owner of real property in the TIFA reinvestment zone regardless of whether the County deposits or agrees to deposit tax increment into the tax increment fund. However, to be effective, the agreement to abate taxes on real property in a TIFA reinvestment zone must also be approved by the board of directors of the respective TIFA reinvestment zone and the governing body of each taxing unit that imposes taxes on real property in the TIFA reinvestment zone and deposits or agrees to deposit any of its tax increment into the tax increment fund for the TIFA reinvestment zone. If the County participates in the TIFA reinvestment zone and enters into an abatement agreement with an owner of real property in the TIFA reinvestment zone, then the taxes that are abated under the abatement agreement are not considered taxes to be imposed or produced by the County in calculating the amount of the tax increment of the County of the County's deposit to the tax increment fund for the TIFA reinvestment zone.

Section 12
SEVERABILITY AND LIMITATION

(a) In the event that any section, clause, sentence, paragraph or any part of these Guidelines and Criteria shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.

(b) The County Commissioners Court of Matagorda County, Texas shall take no action which imposes an economic or financial hardship upon any other taxing unit in Matagorda County.

Further, the County Commissioners Court of Matagorda County, Texas shall not designate a Reinvestment and/or Enterprise Zone or enter into an abatement agreement which imposes penalty provisions, as provided in Section 312.206 and Section 312.402 of the Tax Code, upon any other taxing unit in Matagorda County for failing to enter into an abatement agreement.

Section 13
SUNSET PROVISION

(a) The "Guidelines and Criteria" are effective upon the date of their adoption and will remain in force for two (2) years, at which time all Reinvestment and/or Enterprise Zones and tax abatement contracts created pursuant to its provisions will be reviewed by the Matagorda County Commissioners Court to determine whether the goals of the abatement program have been achieved. Based upon that review, the "Guidelines and Criteria" may be modified, renewed or eliminated.

(b) Prior to the date for review, as defined above, the "Guidelines and Criteria" may be modified only by a vote of three-fourths of the members of County Commissioners Court, as specified in Sec.312.002(c) of the Texas Property Redevelopment and Tax Abatement Act.

Matagorda County
Application for Tax Abatement

Filing Instructions

This application must be filed prior to the commencement of construction or the installation of equipment associated with the project for which the abatement is being sought. This filing acknowledges that the applicant has read and understands the "Guidelines and Criteria for Granting Tax Abatement in a Reinvestment Zone in Matagorda County." Furthermore, the applicant agrees to comply with all requirements stated in the Guidelines.

This application will become a part of any tax abatement agreement or contract executed between the applicant and Matagorda County, and knowingly false representations therein will be grounds for voiding such agreement or contract. An original and two copies of this application and attachments (Recommended either by certified mail or equivalent method) should be submitted to:

County Judge
Matagorda County Courthouse
1700 Seventh Street
Bay City, Texas 77414

Executive Director
Matagorda County E.D.C.
2200 Seventh Street, Suite 302
Bay City, Texas

Applicant Information

Company Name: ______________________________
Mailing Address: ______________________________
Street Address: ______________________________
Phone Number: (______) ______________________
Fax Number: (______) ______________________
Email ______________________________

Parent Company Name: ______________________________
(if applicable)
Mailing Address: ______________________________
Street Address: ______________________________
Phone Number: (____) ______________________
Fax Number: (_____) ______________________
Email ______________________________

Primary Contact Person: ______________________________
Title: ______________________________
Phone Number: (_____) ______________________
Fax Number: (_____) ______________________
Email ______________________________
Second Contact Person: ______________________________
Title: ______________________________
Phone Number: (______) ______________________
Fax Number: (_______) ______________________
Email ______________________________

Type of Business:
_____ Privately Held Corporation
_____ Publicly Held Corporation
_____ Partnership
_____ Sole Proprietorship
_____ Limited Liability Partnership
_____ Other: ____

Attach One of the Following Documents:
_____ Articles of Incorporation
_____ Assumed Name Certificate
_____ Certificate to do Business in Texas

Federal Tax ID No.: ____

Is this a start-up company or operation? ______________________________

____

Primary Activity (Good/Service Produced): ____________________________

____

North American Industry Classification System (NAICS) code (5-digit): ____________

Annual Sales at Time of Application (If applicable): ______________________________

Number of Permanent, Full-time Employees at Time of Application: ____________

Number of Permanent, Part-time Employees at Time of Application: ____________

Project Information

Type of Facility for Which Abatement is Sought:

_____ Manufacturing
_____ Research
_____ Regional Service*
_____ Other Basic Industry*
_____ Agriculture/Aquaculture*
_____ Regional Distribution*
_____ Regional Entertainment/Tourism*
_____ Other ________________

*Note: Applicant must provide evidence that a majority of the revenues generated by this facility are from sources outside of Matagorda County.

Type of Improvements:
_____ New Plant
_____ Modernization of Existing Facility
_____ Expansion of Existing Facility
_____ Machinery & Equipment

FACILITY ANALYSIS:

Estimated value of new facility $______________
Estimated value of machinery equipment $______________
Estimated value of personal property $______________
Estimated value of inventory $______________
Estimate the annual amount of electricity (KWH) ______________
Estimate the annual amount of water usage (Gallons) ______________
Estimate the annual amount of natural gas consumption ______________
Size of building ________________ sq. ft.
Acreage of property ________________

Project Location (address and legal description, please provide a map if available):

Description of the Machinery or Equipment:

CONSTRUCTION INFORMATION:

Anticipated date construction will begin: _________________________
Anticipated date construction will be completed: ___________________
Anticipated operations start date: _______________________________
Anticipated date of purchase of machinery or equipment: ____________
Anticipated peak construction work force: __________________________
Average monthly construction worker salary $_______________________
Estimate % of construction workers' salaries to be spent in Matagorda County %__________
Estimation of the amount of taxable furniture, fixtures and equipment, construction materials
to be purchased in Matagorda County $ ________________
Length of construction period, in months ______________

EMPLOYMENT INFORMATION:

Projected number of new permanent employees: ___________________________________

Projected number of new part-time employees: ___________________________________

Total jobs retained (if modernization*): ____

*Note: Applicant must provide evidence that the company would reduce or cease operations within Matagorda County, if not for the proposed modernization.

Present payroll amount $ ______________________________

Number of employees currently living in Matagorda County (if known): ______________

Please list job titles or classification of new employees with average hourly or annual earnings and the number of jobs in each position:

Other Information

Estimate the number of out of town visitors to the company per year: _________________
Average length of stay of each visitor: _____________________
Estimated average daily spending of each visitor: $ ______________________
How much does the company pay in property taxes to taxing entities in Matagorda County:
$ _____________________
Has the Company had a tax abatement from any taxing authority in Matagorda County?
_____ Yes _____ No If "Yes", which taxing entity: _______________________

Public Service Requirements and School District Impacts

Needed volume of public water required, if water will come from a public utility company or district: (Gallons Per Day): ______________________
Projected volume of effluent to be treated, if effluent will be treated by a public utility company or district: (Gallons Per Day): _________________________

Other Abatement Agreement Applications

Has the applicant made application for abatement of the value of real property improvements associated with this project to any other taxing jurisdiction or county?
_____ Yes _____ No

If yes, please provide the following information on each pending application:

Name of Jurisdiction:
Date of Application:
Date of Public Hearings (if required):
Action Taken by Jurisdiction (if any):

Variance

Does approval of this application by the County Commissioners Court require a variance from the Guideline and Criteria, adopted by the Commissioners Court on May 5, 2015?
_____ Yes   _____ No

If yes, applicant must provide a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4) vote of the governing body.

Attachments

All applications must contain the attachments listed in *Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones and/or Enterprise Zones Created in Matagorda County* which is located in Section 5, Paragraph B of these guidelines (see also Exhibit A). The Commissioners' Court may not review an application until the requested information has been provided.

Assurances

I do hereby certify:

(1) The information provided above is, to the best of my knowledge, complete and accurate.

(2) That I have received and read a copy of the "Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones in Matagorda County," dated May 5, 2015, and that I understand the conditions and terms under which a tax abatement agreement may be executed.

(3) That employees and/or designated representatives of the County shall have access to the facility during the period of the abatement agreement to determine if the company is in compliance with the terms and conditions of the agreement, as provided in Section 7(b) of the "Guidelines and Criteria," referenced above.

(4) I understand that failure to comply with the terms and conditions of the abatement agreement may result in the recapture by the County of any and all taxes previously abated by virtue of the agreement.

(5) I understand that participation in an abatement agreement does not remove any obligation to satisfy all codes and resolutions issued by the County or any other affected taxing jurisdiction that may be in effect and applicable at the time this project is implemented.

Signature of Authorized Officer

Date

Name of Officer (Type or Print)

Title (Type or Print)

IF YOU HAVE ANY QUESTIONS, CALL THE MATAGORDA COUNTY ECONOMIC DEVELOPMENT CORPORATION AT 979-245-8913.

Exhibit A

Attachments:

1. A cover letter clearly stating the abatement time frame sought, abatement percentages sought and any variances requested from these Guidelines and Criteria. The letter should also identify any considerations or proffers the Applicant may want to offer to the County.

2. A non-refundable application fee of $1,000 payable to Matagorda County;

3. A general written description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken;

4. A descriptive list of the improvements that will be a part of the facility;

5. An estimate of the cost of improvements;

6. A map, metes and bounds, and legal property description;

7. A time schedule for undertaking and completing the planned improvements;

8. Such financial and other information as deemed appropriate by the County Commissioners Court for purposes of evaluating the application;

9. An estimate of the number of employees during construction and thereafter to operate the facility;

10. A proposed program for the recruitment of local employees in the construction and operation of the facility together with a statement affirming the Applicant's commitment to equal employment opportunity and hiring, at all levels, including a plan to implement and ensure such equal employment opportunity;

11. A certification prepared by the County Tax Assessor-Collector stating that all of Applicant's tax accounts within the County are paid on a current basis or that the applicant does not have a tax account within the County;

12. Information pertaining to the reasons that the requested tax abatement is necessary to ensure the proposed project is built in the County (i.e., documentation supporting assertion that ***"but for"*** a tax abatement, the stated project could not be constructed in the County);

13. For a leased facility, the Applicant shall provide with the application the name and address of the lessor and a draft copy of the proposed lease or option to contract. In the event a lease or option contract has already been executed with the owner of the site, the document must include a provision whereby the abatement applicant may

terminate such contract without penalty or loss of earnest money in the event the County does not grant a tax abatement;

14. A narrative addressing the points raised in the description of narrative accompanying the Application for Tax Abatement form;

15. Applicant shall include its history of environmental compliance;

16. Confirmation on whether the property is located within a reinvestment zone established under the Tax Increment Financing Act (TIFA), and if so, then Applicant shall also provide a list of the members of the board of directors for the TIFA reinvestment zone, detailing their positions on the board, and, at minimum, contact information for the chair of the board and the secretary of the board; and

17. For abatement of property located within a municipality, Applicant shall provide a true and complete copy of the respective city ordinance or ordinances designating the reinvestment zone, including any amendments to the city ordinance or ordinances designating the reinvestment zone. For abatement of property located within a municipality and located within an enterprise zone, the Applicant shall provide a true and complete copy of the ordinance or ordinances designating the enterprise zone, including any amendments to the respective designation ordinance or ordinances, or when applicable, documentation from the Governor's Office showing the enterprise zone is active. Such ordinances or ordinances or documentation shall show that the reinvestment zone or enterprise zone remain active at the time of the submission of Applicant's application. Applicant further acknowledges and agrees that the respective zone must also still be active at the time of full execution of the Agreement on the date of the last Party executing thereto.

Tab 17

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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

print here ▶ Dr. Marshall Scott
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here ▶ [signature]
Signature *(Authorized School District Representative)*

10-15-18
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here ▶ Paul Bowman
Print Name *(Authorized Company Representative (Applicant))*

Executive Vice President
Title

sign here ▶ [signature]
Signature *(Authorized Company Representative (Applicant))*

10/15/18
Date

RICHARD SAUNDERS
Notary Public, State of Texas
My Commission Expires
November 21, 2018

(Notary Seal)

GIVEN under my hand and seal of office this, the

15TH day of OCTOBER, 2018

[signature]
Notary Public in and for the State of Texas

My Commission expires: NOVEMBER 21, 2018

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.