
SARA LEON
& ASSOCIATES, LLC

August 13, 2019

Via Electronic Mail and Hand Delivery
Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

Re: Application for a Chapter 313 Value Limitation Agreement between the Rotan Independent School District and BayWa r.e. Wind, LLC

First Year of Qualifying Time Period – 2019
First Year of Limitation – 2020

Dear Local Government Assistance and Economic Analysis Division:

The Rotan Independent School District Board of Trustees approved the enclosed Application for Appraised Value Limitation on Qualified Property at a duly called meeting held on April 15, 2019. The Application was determined to be complete on August 12, 2019. The Applicant proposes to construct a wind energy generation project to be located in parts of Fisher County, Kent County and Stonewall County.

A copy is being provided to the Fisher, Kent and Stonewall County Appraisal Districts by copy of this correspondence. The Board of Trustees believes this project will be beneficial to the District and looks forward to your review and certification of this Application.

Thanks so much for your kind attention to this matter.

Respectfully submitted,



Sara Hardner Leon

Enclosures

cc: *Via Electronic Mail:* fishercad@sbcglobal.net
Kellen Walker, Chief Appraiser, Fisher County Appraisal District

Via Electronic Mail: kentco@caprock-spur.com
Cindy Watson RPA, RTC, Chief Appraiser, Kent County Appraisal District

Via Electronic Mail: stonewallcad@valornet.com
Debra Smith, RPA, Chief Appraiser, Stonewall County Appraisal District

Via Electronic Mail: gdecker@rotan.esc14.net
Greg Decker, Superintendent of Schools, Rotan Independent School District

Via Electronic Mail: duke@baywa-re.us
Daniel Duke, Vice President-Legal & Development, BayWa r.e. Wind, LLC

Via Electronic Mail: damon@baywa-re.us
James Damon, Senior Developer, BayWa r.e. Wind, LLC

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

Last Name

Title

School District Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

Email Address

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

Last Name

Title

Firm Name

Phone Number

Fax Number

Mobile Number *(optional)*

Email Address

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

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number *(optional)*

Business Email Address

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

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

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number *(optional)*

Business Email Address

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

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? _____
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) _____
3. List the NAICS code _____
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 _____

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) _____
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
2. Commencement of construction
3. Beginning of qualifying time period
4. First year of limitation
5. Begin hiring new employees
6. Commencement of commercial operations
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?

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property
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: (Name, tax rate and percent of project) City: (Name, tax rate and percent of project)
Hospital District: (Name, tax rate and percent of project) Water District: (Name, tax rate and percent of project)
Other (describe): (Name, tax rate and percent of project) Other (describe): (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?
 2. What is the amount of appraised value limitation for which you are applying?
- 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): \$
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): \$

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 cannot 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)?
2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of _____
(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)?
- 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. What is the number of new non-qualifying jobs you are estimating you will create?
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
- b. 110% of the average weekly wage for manufacturing jobs in the county is
- c. 110% of the average weekly wage for manufacturing jobs in the region is
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?
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property?
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**.

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 <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	Maps that clearly show: a) Project vicinity b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period 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 <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	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 <i>(applicant)</i>

Tab 2

Proof of Payment of Application Fee

See attached.

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

Applicant Business Structure

See attached.

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

Tab 4

Project Description

The Amadeus Wind Project (the “Project”) is a proposed wind energy generation project that will be located in parts of Fisher County, Texas, Kent County, Texas, and Stonewall County, Texas (the “Counties”). The Project, if and when constructed, will be located on lands located within Reinvestment Zones, created under Chapter 312 of the Texas Tax Code, established by the Counties on October 22, 2018 and December 10, 201, respectively.

If and when constructed it is anticipated that the Project will consist of 94 wind turbine generators (“Turbines”) with a combined nameplate capacity of approximately 247 megawatts. It is currently estimated that 60% of the Project will be located in Kent County, Texas; 29% of the Project will be located within Fisher County, Texas; 11% of the Project will be located within Stonewall County, Texas; and that 78% of the Project will be located within Rotan ISD; 12% in Jayton-Girard ISD; and 10% in Aspermont ISD. The exact number and location of Turbines and the size of each Turbine will vary depending upon ongoing wind and siting analysis, availability, prices, and a myriad of other factors. The Applicant requests a value limitation for all facilities and equipment installed for the Project, including, without limitation, Turbines, towers, foundations, roadways, operation and maintenance buildings, meteorological towers, collection systems, communication systems, substations, switchyards, transformers, transmission lines and associated infrastructure and equipment.

Construction of the Project is anticipated to begin in the 4th Quarter of 2019 or the 1st Quarter of 2020 with completion by the 4th quarter of 2020.

Tab 5

Limitation as Determining Factor

BayWa r.e. (“*BayWa*”), the parent company of Amadeus Wind, LLC, is a leading global renewable energy developer, service supplier, wholesaler and energy solutions provider with operations throughout North America, Europe, and Asia. BayWa has over 30 years of experience in developing, constructing, managing, operating, and financing wind energy power projects with over 1,400 megawatts installed worldwide.

BayWa previously developed, and constructed the Mozart Wind Project, located in Fisher, Kent, and Stonewall Counties, Texas, which it currently operates. Looking to expand upon the relationships created from the Mozart Wind Project, the wind resources, and, most importantly, the local tax incentives BayWa has leased over 40,000 acres in hopes of installing up to 247 megawatts in Fisher, Kent, and Stonewall Counties, Texas. However, the Amadeus Wind Project is still in the early stages of development and the resources committed to the Amadeus Wind Project could, if necessary, be redeployed to other sites in Texas and throughout the United States. As a leading renewable energy developer BayWa is active throughout Texas and worldwide and the Amadeus Wind Project by necessity is competing for a finite pool of resources.

A 313 Agreement for Appraised Value Limitation is an essential factor in the Amadeus Wind Project being selected for development by BayWa over the other prospects currently being considered or developed by BayWa. A myriad of variables remain undetermined at this early stage; however, without a 313 Agreement for Appraised Value Limitation it is unlikely that the Amadeus Wind Project will ultimately be selected for construction and instead the resources and capital, allocated to the Amadeus Wind Project, will likely be redeployed to other sites in Texas and throughout the United States that BayWa is currently considering for development.

Tab 6

The Property

The Amadeus Wind Project (the “Project”) is a proposed wind energy generation project that will be located in parts of Fisher County, Texas, Kent County, Texas, and Stonewall County, Texas (the “Counties”). If and when constructed it is anticipated that the Project will consist of 94 wind turbine generators (“Turbines”) with a combined nameplate capacity of approximately 247 megawatts.

1. Identify the county or counties in which the proposed project will be located: ***Fisher County, Texas, Kent County, Texas, & Stonewall County, Texas.***

...

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:

➤ ***Fisher County, Texas:*** Approximately 29% of the Turbines will be located in Fisher County. Fisher County has a tax rate of 0.815649 (2019 Tax Rates were not published as of the date of this application).

➤ ***Kent County, Texas:*** Approximately 60% of the Turbines will be located in Kent County. Kent County has a tax rate of 0.860461 (2019 Tax Rates were not published as of the date of this application).

➤ ***Stonewall County, Texas:*** Approximately 11% of the Turbines will be located in Stonewall County. Stonewall County has a tax rate of 0.9554 (2019 Tax Rates were not published as of the date of this application).

City: No portion of the Project is currently anticipated to be located within the jurisdiction of any city or municipal tax entity.

Hospital District:

➤ ***Fisher County Hospital District:*** Approximately 29% of the Turbines will be located in the Fisher County Hospital District, which has a tax rate of 0.28688 (2019 Tax Rates were not published as of the date of this application).

➤ ***Stonewall County Hospital District:*** Approximately 11% of the Turbines will be located in the Stonewall County Hospital District, which has a tax rate of 0.692274 (2019 Tax Rates were not published as of the date of this application).

Tab 6

The Property

Water District:

- *Clear Fork Groundwater Conservation District:* Approximately 29% of the Turbines will be located in the Clear Fork Groundwater Conservation District, which has a tax rate of 0.01460 (2019 Tax Rates were not published as of the date of this application).

5. Is the project located entirely within the ISD listed in Section 1? No. The project will be located partially in Rotan ISD, partially in Aspermont ISD, and partially within Jayton-Girard ISD. It is currently anticipated that 78% of the project will be located within the jurisdiction of Rotan ISD (73 Turbines), 10% within the jurisdiction of Aspermont ISD (10 Turbines), and 12% within the jurisdiction of Jayton-Girard ISD (11 Turbines).

Tab 7

Qualified Investment

The qualified investment in Rotan ISD is expected to consist of approximately 63 GE 2.8MW wind turbine generators and 10 GE 1.7MW wind turbine generators ("*Turbines*") for a combined nameplate capacity of approximately 193.4 megawatts. In addition to the Turbines, supporting infrastructure will also be installed within Rotan ISD, including, without limitation, towers, foundations, transformers, pad mounts, electrical connections, transmission lines, operation and maintenance buildings, meteorological towers, sodar and lidar units, fencing, roads, and other equipment necessary for the construction and operation of the Amadeus Wind Project. Turbines type, size and placement as well as the overall layout of the Project is subject to change based on ongoing siting and feasibility studies being performed by Applicant.

Tab 8

Qualified Property

The qualified investment in Rotan ISD is expected to consist of approximately 63 GE 2.8MW wind turbine generators and 10 GE 1.7MW wind turbine generators (“*Turbines*”) for a combined nameplate capacity of approximately 193.4 megawatts. In addition to the Turbines, supporting infrastructure will also be installed within Rotan ISD, including, without limitation, towers, foundations, transformers, pad mounts, electrical connections, transmission lines, operation and maintenance buildings, meteorological towers, sodar and lidar units, fencing, roads, and other equipment necessary for the construction and operation of the Amadeus Wind Project. Turbines type, size and placement as well as the overall layout of the Project is subject to change based on ongoing siting and feasibility studies being performed by Applicant.

Tab 9

Description of Land

Not applicable

Tab 10

Property Not Eligible

Not Applicable

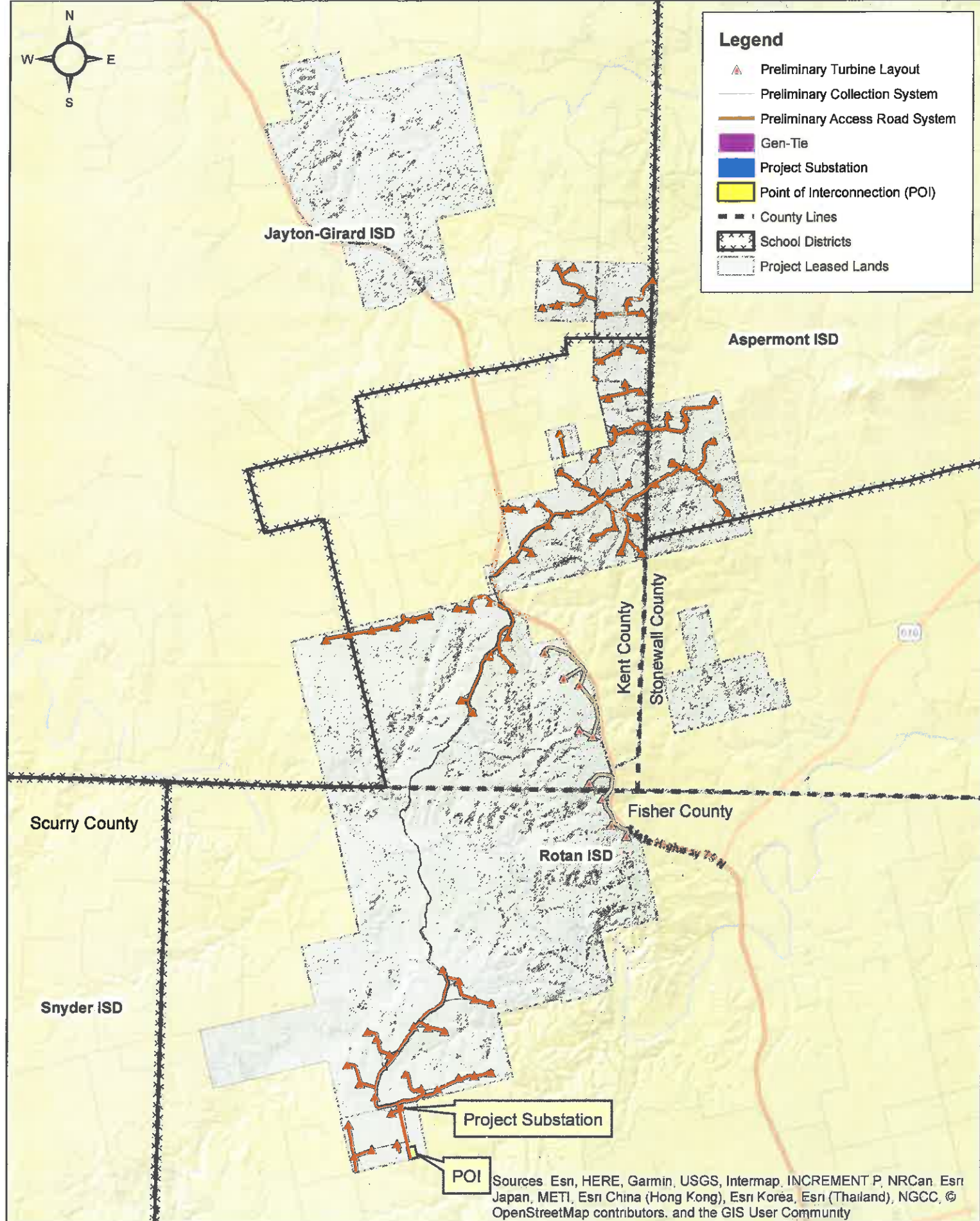
Tab 11

Map

Maps that clearly show:

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

See attached.



1:132,000

0 1 2 4 Miles

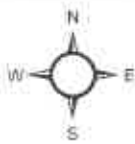
Amadeus Wind, LLC School District Map



BayWa
renewable energy



Prepared April 2, 2019



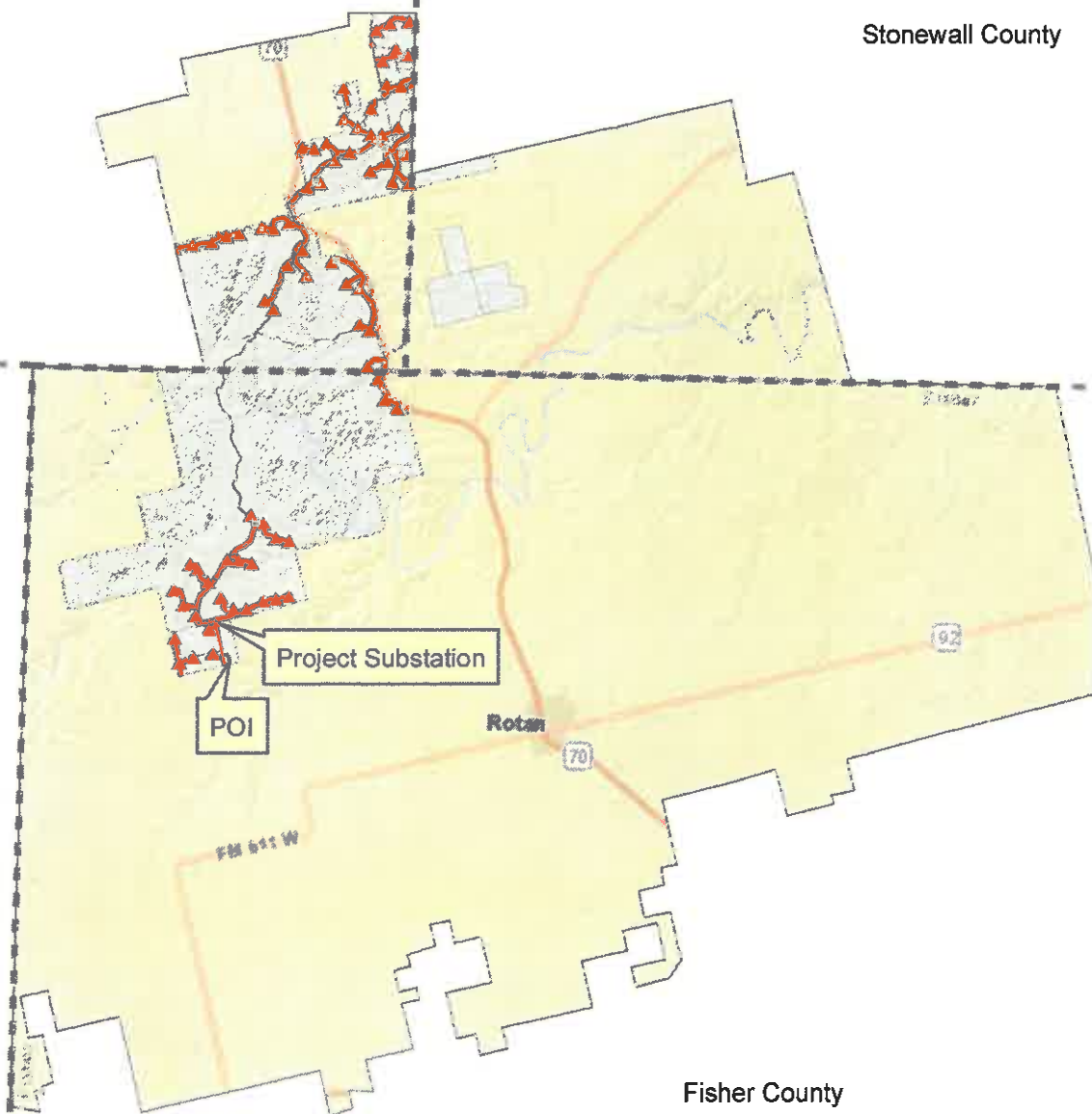
Legend

- County Lines
- Preliminary Turbine Layout
- Preliminary Collection System
- Preliminary Access Road System
- Gen-Tie
- Point of Interconnection (POI)
- Project Substation
- Project Leased Lands

Kent County

Stonewall County

Scurry County



Fisher County

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, © OpenStreetMap contributors, and the GIS User Community

1:250,000

0 2.5 5 10 Miles

Amadeus Wind, LLC
Rotan ISD



Prepared April 2, 2019

Tab 12

Request to Waive Minimum Jobs Requirement

See attached.

WETSEL, CARMICHAEL, ALLEN & LEDERLE, L.L.P.

ATTORNEYS AT LAW
THE NEWMAN BUILDING
207 OAK STREET
SWEETWATER, TEXAS 79556

(325) 235-3999
WWW.WETSEL-CARMICHAEL.COM

RODERICK E. WETSEL
BOARD CERTIFIED-OIL, GAS AND MINERAL LAW
TEXAS BOARD OF LEGAL SPECIALIZATION
H. ALAN CARMICHAEL
BOARD CERTIFIED-CIVIL TRAIL LAW
TEXAS BOARD OF LEGAL SPECIALIZATION
JEFFREY L. ALLEN
LICENSED IN TEXAS AND NEW MEXICO
JACOB R. LEDERLE

POST OFFICE BOX 78
SWEETWATER, TEXAS 79556
TELECOPIER
(325) 235-3526

wetzel@wetzel-carmichael.com
alan@wetzel-carmichael.com
jeff@wetzel-carmichael.com
jake@wetzel-carmichael.com

June 26, 2019

Mr. Greg Decker, Superintendent
Rotan Independent School District
102 N. McKinley
Rotan, Texas 79546

Re: Waiver of Job Requirement

Dear Mr. Decker:

Amadeus Wind, LLC ("Amadeus") requests that the Rotan Independent Schools District's Board of Trustees waive the job requirement provision as allowed by Section 313.025 9f-1 of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

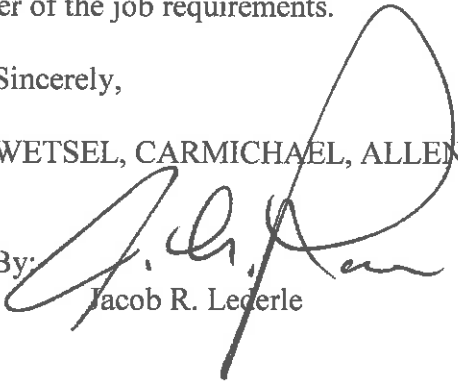
Amadeus requests that Rotan ISD makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Amadeus is committing to create three qualified jobs.

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 operations commence.

The number of jobs is in line with industry standards for a wind project of this size and scope. This is evidenced by previously filed and approved limitation agreement applications by wind developers who also requested a waiver of the job requirements.

Sincerely,

WETSEL, CARMICHAEL, ALLEN, & LEDERLE, LLP

By: 
Jacob R. Lederle

cc: Sara Leon

Tab 13

Wage Data

Average Weekly Wage (All Industries – Kent County)

Quarter	Year	Weekly Wage	Annualized
Fourth	2017	\$1,189.00	\$61,828.00
First	2018	\$1,123.00	\$58,396.00
Second	2018	\$1,017.00	\$52,884.00
Third	2018	\$933.00	\$48,516.00
	Average	\$1,065.50	\$55,406.09

Average Weekly Wage (All Industries – Fisher County)

Quarter	Year	Weekly Wage	Annualized
Fourth	2017	\$870.00	\$45,240.00
First	2018	\$839.00	\$43,628.00
Second	2018	\$882.00	\$45,864.00
Third	2018	\$828.00	\$43,056.00
	Average	\$854.75	\$44,447.00

Regional Wage Rate (West Central Texas)

	Year	Weekly Wage	Annualized
West Central Texas Council of Governments	2017	\$849.57	\$44,178.00
	X	110%	110%
		\$934.53	\$48,595.56

Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility

Reset

Export to Excel

Drag a column header and drop it here to group by that column:

Year	☒	Period	☒	Area	☒	Industry	☒	Average Weekly Wage	☒
2017	☒	01	☒	Kent	☒	Total, All Industries	☒	925	☒
2017	☒	02	☒	Kent	☒	Total, All Industries	☒	909	☒
2017	☒	03	☒	Kent	☒	Total, All Industries	☒	916	☒
2017	☒	04	☒	Kent	☒	Total, All Industries	☒	1,189	☒
2018	☒	01	☒	Kent	☒	Total, All Industries	☒	1,123	☒
2018	☒	02	☒	Kent	☒	Total, All Industries	☒	1,017	☒
2018	☒	03	☒	Kent	☒	Total, All Industries	☒	983	☒

Quarterly Census of Employment and Wages (QCEW) Report

Customize the report/Help with Accessibility

Reset

Export to Excel

Drag a column header and drop it here to group by that column.

Year	Period	Area	Industry	Average Weekly Wage
2017	01	Fisher	Total, All Industries	744
2017	02	Fisher	Total, All Industries	777
2017	03	Fisher	Total, All Industries	839
2017	04	Fisher	Total, All Industries	870
2018	01	Fisher	Total, All Industries	839
2018	02	Fisher	Total, All Industries	882
2018	03	Fisher	Total, All Industries	828

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

COG	Wages	
	Hourly	Annual
Texas	\$26.24	\$54,587
<u>1. Panhandle Regional Planning Commission</u>	\$23.65	\$49,190
<u>2. South Plains Association of Governments</u>	\$19.36	\$40,262
<u>3. NORTEX Regional Planning Commission</u>	\$23.46	\$48,789
<u>4. North Central Texas Council of Governments</u>	\$26.80	\$55,747
<u>5. Ark-Tex Council of Governments</u>	\$18.59	\$38,663
<u>6. East Texas Council of Governments</u>	\$21.07	\$43,827
<u>7. West Central Texas Council of Governments</u>	\$21.24	\$44,178
<u>8. Rio Grande Council of Governments</u>	\$18.44	\$38,351
<u>9. Permian Basin Regional Planning Commission</u>	\$26.24	\$54,576
<u>10. Concho Valley Council of Governments</u>	\$19.67	\$40,924
<u>11. Heart of Texas Council of Governments</u>	\$21.53	\$44,781
<u>12. Capital Area Council of Governments</u>	\$31.49	\$65,497
<u>13. Brazos Valley Council of Governments</u>	\$17.76	\$36,931
<u>14. Deep East Texas Council of Governments</u>	\$17.99	\$37,428
<u>15. South East Texas Regional Planning Commission</u>	\$34.98	\$72,755
<u>16. Houston-Galveston Area Council</u>	\$28.94	\$60,202
<u>17. Golden Crescent Regional Planning Commission</u>	\$26.94	\$56,042
<u>18. Alamo Area Council of Governments</u>	\$22.05	\$45,869
<u>19. South Texas Development Council</u>	\$15.07	\$31,343
<u>20. Coastal Bend Council of Governments</u>	\$28.98	\$60,276
<u>21. Lower Rio Grande Valley Development Council</u>	\$17.86	\$37,152
<u>22. Texoma Council of Governments</u>	\$21.18	\$44,060
<u>23. Central Texas Council of Governments</u>	\$19.30	\$40,146
<u>24. Middle Rio Grande Development Council</u>	\$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
Schedules A1, A2, B, C, and D

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

Date **6/25/19**
 Applicant Name **Amadeus Wind LLC**
 ISD Name **Rotan ISD**

Form 50-296A
 Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district		Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2019	tax entered in income Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	0
Investment made after filing complete application with district, but before final board approval of application				0	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				206,963,650	0	0	0	206,963,650
Complete tax years of qualifying time period	QTP1	2020-2021	2020	0	0	0	0	0
	QTP2	2021-2022	2021	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				206,963,650	0	0	0	206,963,650
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$206,963,650				

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

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

Only tangible personal property that is specifically described in the application can become qualified property.

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

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

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

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

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

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

Date 6/25/19

Applicant Name Amaeus Wind LLC

ISD Name Rotan ISD

Form 50-298A

Revised May 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)
Total Investment from Schedule A1*	-	TOTALS FROM SCHEDULE A1		208,963,650	0	0	0	208,963,650
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0	0	0	0	0
Value limitation period***	1	2020-2021	2020	0	0	0	0	0
	2	2021-2022	2021	0	0	0	0	0
	3	2022-2023	2022	0	0	0	0	0
	4	2023-2024	2023	0	0	0	0	0
	5	2024-2025	2024	0	0	0	0	0
	6	2025-2026	2025	0	0	0	0	0
	7	2026-2027	2026	0	0	0	0	0
	8	2027-2028	2027	0	0	0	0	0
	9	2028-2029	2028	0	0	0	0	0
	10	2029-2030	2029	0	0	0	0	0
Total Investment made through limitation				208,963,650	0	0	0	208,963,650
Continue to maintain viable presence	11	2030-2031	2030			0		0
	12	2031-2032	2031			0		0
	13	2032-2033	2032			0		0
	14	2033-2034	2033			0		0
	15	2034-2035	2034			0		0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035			0		0
	17	2036-2037	2036			0		0
	18	2037-2038	2037			0		0
	19	2038-2039	2038			0		0
	20	2039-2040	2039			0		0
	21	2040-2041	2040			0		0
	22	2041-2042	2041			0		0
	23	2042-2043	2042			0		0
	24	2043-2044	2043			0		0
	25	2044-2045	2044			0		0

* 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)

6/25/19

Applicant Name - Amadeus Wind, LLC

ISD Name - Rotan ISD

Form 50-296A

Revised May 2014

	Year	School Year (YYY-YYYY)	Tax Year (Fill in actual tax year) YYY	Qualified Property		Estimated Taxable Value			
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new 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
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0		0	0	0	0
Value Limitation Period	1	2020-2021	2020	0	206,963,650				\$20,000,000
	2	2021-2022	2021	0	198,685,104				\$20,000,000
	3	2022-2023	2022	0	190,406,558				\$20,000,000
	4	2023-2024	2023	0	182,128,012				\$20,000,000
	5	2024-2025	2024	0	173,849,466				\$20,000,000
	6	2025-2026	2025	0	165,570,920				\$20,000,000
	7	2026-2027	2026	0	157,292,374				\$20,000,000
	8	2027-2028	2027	0	149,013,828				\$20,000,000
	9	2028-2029	2028	0	140,735,282				\$20,000,000
	10	2029-2030	2029	0	132,456,736				\$20,000,000
Continue to maintain viable presence	11	2030-2031	2030	0	0				
	12	2031-2032	2031	0	0				
	13	2032-2033	2032	0	0				
	14	2033-2034	2033	0	0				
	15	2034-2035	2034	0	0				
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035	0	0				
	17	2036-2037	2036	0	0				
	18	2037-2038	2037	0	0				
	19	2038-2039	2038	0	0				
	20	2039-2040	2039	0	0				
	21	2040-2041	2040	0	0				
	22	2041-2042	2041	0	0				
	23	2042-2043	2042	0	0				
	24	2043-2044	2043	0	0				
	25	2044-2045	2044	0	0				

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

6/25/19

Applicant Name - Amadeus Wind LLC

Form 50-296A

ISD Name - Rotan ISD

Revised May 2014

				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 Limitation Period <i>insert as many rows as necessary</i>	0	2019-2020	2019	150 FTEs during 10 month construction phase	\$40,690	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2020-2021	2020	N/A	N/A	0	3	\$48,600
	2	2021-2022	2021	N/A	N/A	0	3	\$48,600
	3	2022-2023	2022	N/A	N/A	0	3	\$48,600
	4	2023-2024	2023	N/A	N/A	0	3	\$48,600
	5	2024-2025	2024	N/A	N/A	0	3	\$48,600
	6	2025-2026	2025	N/A	N/A	0	3	\$48,600
	7	2026-2027	2026	N/A	N/A	0	3	\$48,600
	8	2027-2028	2027	N/A	N/A	0	3	\$48,600
	9	2028-2029	2028	N/A	N/A	0	3	\$48,600
	10	2029-2030	2029	N/A	N/A	0	3	\$48,600
Years Following Limitation Period	11 through 25	2030-2045	2030-2044	N/A	N/A	0	3	\$48,600

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)
If yes, answer the following two questions:

☒ Yes ☐ No

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)?

☒ Yes ☐ No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?

☐ Yes ☒ No

Schedule D: Other Incentives (Estimated)

Date **6/25/19**
 Applicant Name **Amadeus Wind LLC**
 ISD Name **Rotan ISD**

Form 50-296A

Revised May 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:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Fisher County; Kent County; Stonewall County	2020	10 years	2,421,475	2,137,475	284,000
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A	N/A	N/A	N/A
Texas Enterprise Fund	N/A	N/A	N/A	N/A	N/A	N/A
Employee Recruitment	N/A	N/A	N/A	N/A	N/A	N/A
Skills Development Fund	N/A	N/A	N/A	N/A	N/A	N/A
Training Facility Space and Equipment	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure Incentives	N/A	N/A	N/A	N/A	N/A	N/A
Permitting Assistance	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL				24,214,750.00	21,374,750.00	2,840,000.00

Additional information on incentives for this project:

Tab 15

Economic Impact

None

Tab 16

Reinvestment Zone

See attached.

Designation of Kent
County Amadeus Wind
Reinvestment Zone

§
§
§

The Commissioners' Court
of
Kent County, Texas

ORDER

Approving Motion for Designation of Kent County Amadeus Wind Reinvestment Zone

The Commissioners' Court of Kent County, Texas, meeting in regular session on the 22nd day of October, 2018, considered the following resolution:

BE IT ORDERED BY THE COMMISSIONERS' COURT OF KENT COUNTY, TEXAS AS FOLLOWS

Motion by Commissioner Robert Graham seconded by Roy Chisum, that the following action be taken by the court:

1. THAT the County designate the property located in Kent County, having the boundary description in Exhibit A and shown on the map in Exhibit B, both attached to this Order, as a Reinvestment Zone under the Kent County Guidelines and Criteria for Granting Tax Abatements, having determined that the designation will contribute to the retention or expansion of primary employment and will attract major investment in the zone that will benefit the zone and will contribute to the economic development of the County, and
2. THAT the zone shall be called the "Amadeus Wind Reinvestment Zone."

This ORDER shall become effective as of October 22, 2018. PASSED AND APPROVED at this public hearing of the Kent County Commissioners Court, at which a quorum was present, on the 22nd day of October, 2018.

Jim C. White

Jim White, Kent County Judge

Roy W. Chisum

Date: 10-22-18, Commissioner Precinct 1

Don Long

Date: 10-22-18, Commissioner Precinct 2

Dayle H.

Date: 10-22-18, Commissioner Precinct 3

Robert Graham

Date: 10-22-18, Commissioner Precinct 4

ATTESTED:

Craig Harrison

Date: 10-22-18, County Clerk

Exhibit A

THE FOLLOWING REAL PROPERTY LOCATED IN KENT COUNTY, TX:

AMADEUS WIND REINVESTMENT ZONE

Section	Block	Survey	County
1		GP SANDERS	Stonewall
2	2	WCRR	Stonewall
2		WCRR	Stonewall
322	2	H&TC RR	Stonewall
323	2	H&TC	Stonewall
336		H&TC RR	Stonewall
355	2	H&TC RR	Stonewall
356	2	H&TC RR	Stonewall
369	2	H&TC RR	Stonewall
370	2	H&TC RR	Stonewall
415	D	H&TC RR	Stonewall
419	2	H&TC RR	Stonewall
420	2	H&TC RR	Stonewall
1	A-1505	GP SANDERS	Kent
2	A-1397	WC Ry Co	Kent
2	A-1431	WC RY Co	Kent
2	A-1624	WC Ry Co	Kent
2	A-1368	WC Ry Co	Kent
30	V	T&P RR Co	Kent
31	V	T&P RR Co	Kent
36	V	T&P RR Co	Kent
37	V	T&P RR Co	Kent
38	V	T&P RR Co	Kent
39	V	T&P RR Co	Kent
41	V	T&P RR Co	Kent
42	V	T&P RR Co	Kent
308	2	T&P RR Co	Kent
325	2	T&P RR Co	Kent
326	2	T&P RR Co	Kent
327	2	T&P RR Co	Kent
328	2	T&P RR Co	Kent
329	2	T&P RR Co	Kent
330	2	T&P RR Co	Kent
331	2	T&P RR Co	Kent
332	2	T&P RR Co	Kent
377	2	H&TC RR	Kent
395	2	H&TC RR	Kent
396	2	H&TC RR	Kent
398	2	H&TC RR	Kent
399	2	H&TC RR	Kent
400	2	H&TC RR	Kent
401	2	H&TC RR	Kent
404	2	H&TC RR	Kent
405	2	H&TC RR	Kent
406	2	H&TC RR	Kent

407	2	H&TC RR	Kent
408	2	H&TC RR	Kent
409	2	H&TC RR	Kent
410	2	H&TC RR	Kent
411	2	H&TC RR	Kent
415	2	H&TC RR	Kent
415	D	H&TC RR	Kent
419	2	WH BUTLER	Kent
451	2	H&TC RR	Kent
357	2	H&TC RR	Stonewall and Kent
358	2	H&TC RR	Stonewall and Kent
359	2	H&TC RR	Stonewall and Kent
367	2	H&TC RR	Stonewall and Kent
368	2	H&TC RR	Stonewall and Kent

Exhibit B

**KENT COUNTY
STATE OF TEXAS**

TAX ABATEMENT GUIDELINES AND CRITERIA

The following Guidelines and Criteria have been adopted by the Kent County Commissioners' Court to establish a uniform policy of tax abatement for owners or lessees of eligible facilities willing to execute tax abatement contracts designed to provide long-term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping, and improving property, except as otherwise provided.

In order to be eligible for designation as a Reinvestment Zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have an increase in positive net economic benefit to Kent County of at least \$1,000,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) of new jobs will also factor into the decision to grant an abatement; and,
2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Kent County to another.

In addition to the criteria set forth above, the Kent County Commissioners' Court reserves the right to negotiate a Tax Abatement Agreement in order to compete favorably with other communities.

Only that increase in the fair market of the property directly resultant from the development, redevelopment, and improvement specified in the contract will be eligible for abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the applicant located within the jurisdiction creating the Reinvestment Zone.

All abatement contracts will be no longer than allowed by law.

It is the goal of Kent County to grant tax abatements on the same terms and conditions as the other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Kent County Commissioners' Court to consider, adopt, modify or decline any tax abatement request.

This policy is effective as of the date adopted by the Kent County Commissioners' Court and shall at all times be kept current with regard to the needs of Kent County and reflective of the official views of the County Commissioners' Court. These Guidelines and Criteria shall be reviewed every

two (2) years.

The adoption of these guidelines and criteria by the Kent County Commissioners' Court does not:

1. Limit the discretion of the governing body to decide whether to enter into a specific Tax Abatement Agreement;
2. Limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement; or,
3. Create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement.

DEFINITIONS - SECTION I

- A. "Abatement" means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Kent County or the City of Jayton for economic development purposes.
- B. "Agreement" means a contractual agreement between a property owner and/or lessee and Kent County.
- C. "Base Year Value" means the assessed value on the eligible property as of January 1 preceding the execution of the agreement.
- D. "Deferred Maintenance" means improvements necessary for continued operation which do not improve productivity or alter the process technology.
- E. "Eligible Facilities" means new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting the abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Kent County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Kent County such as, but not limited to, restaurants and retail sales establishments. Eligible facilities may include, but shall not be limited to, hotels and office buildings.
- F. "Expansion" means the addition of building structures, machinery, equipment or payroll for purposes of increasing production capacity.

- G. "Facility" means property improvement(s) completed or in the process of construction which together comprise an interregional whole.
- H. "Modernization" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment, or both.
- I. "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- J. "Productive Life" means the number of years property improvement(s) is/are expected to be in service in a facility.

ABATEMENT AUTHORIZED - SECTION II

- A. Eligible Facilities. Upon application, eligible facilities shall be considered for tax abatement as hereinafter provided.
- B. Creation of New Values. Abatement may only be granted for the additional value of eligible property improvement(s) made subsequent to and specified in an abatement agreement between Kent County and the property owner or lessee, subject to such limitations as Kent County may require.
- C. New and Existing Facilities. Abatement may be granted for the additional value of eligible property improvement(s) made subsequent to and specified in an abatement agreement between Kent County and the property owner or lessee, subject to such limitations as Kent County may require.
- D. Eligible Property. Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility.
- E. Ineligible Property. The following types of property shall be fully taxable and ineligible for tax abatement: Land; supplies; tools; furnishings, and other forms of movable personal property; housing; deferred maintenance; property to be rented or leased, except as provided in Section II(F); property which has a productive life of less than 10 years.
- F. Owned/Leased Facilities. If a leased facility is granted abatement, the agreement shall be executed with the lessor and the lessee.
- G. Economic Qualifications. In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

- (1) Must be reasonably expected to have an increase in positive net economic benefit to Kent County of at least \$1,000,000.00 over the life of the abatement agreement, computed to include (but not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) of new jobs will also factor into the decision to grant an abatement; and
- (2) Must not be expected to solely or primarily have the effect of transferring employment from one part of Kent County to another.

H. Standards for Tax Abatement. The following factors, among others, shall be considered in determining whether to grant tax abatement:

- (1) Value of existing improvements, if any;
- (2) Type and value of proposed improvements;
- (3) Productive life of proposed improvements;
- (4) Number of existing jobs to be retained by proposed improvements;
- (5) Number and type of new jobs to be created by proposed improvements;
- (6) Amount of local payroll to be created;
- (7) Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;
- (8) Amount which property tax base valuation will be increased during the term of abatement and after abatement; which shall include a definitive commitment that such valuation shall not, in any case, be less than \$1,000,000.00;
- (9) The costs to be incurred by Kent County to provide facilities directly resulting from the new improvements;
- (10) The amount of ad valorem taxes to be paid to Kent County during the abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the abatement period, and (d) the value after expiration of the abatement period;
- (11) The population growth of Kent County that occurs directly as a result of new improvements;
- (12) The types and values of public improvements, if any, to be made by applicant seeking

abatement;

- (13) Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
- (14) The impact on the business opportunities of existing business;
- (15) The attraction of other new businesses to the area;
- (16) The overall compatibility with the zoning ordinances and comprehensive plan for the area;
- (17) Whether the project obtains all necessary permits from the applicable environmental agencies.

Each eligible facility shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

I. Denial of Abatement. Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:

- (1) There would be substantial adverse effect on the provision of government services or tax base;
- (2) The applicant has insufficient financial capacity;
- (3) Planned or potential use of the property would constitute a hazard to public safety, health, or morals;
- (4) Violation of other codes or laws; or
- (5) Any other reason deemed appropriate by Kent County.

J. Taxability. From the execution of the abatement to the end of the agreement period, taxes shall be payable as follows:

- (1) The value of ineligible property as provided in Section II (E) shall be fully taxable; and
- (2) The base year value of existing eligible property as determined each year shall be fully taxable.

The additional value of new eligible property shall be fully taxable at the end of the abatement period.

APPLICATION - SECTION III

- A. Any present or potential owner of taxable property in Kent County may request the creation of a reinvestment zone and tax abatement by filing a written application with the County Judge of Kent County.
- B. The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; a time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to this application. The completed application must be accompanied by the payment of a non-refundable application fee for administrative costs associated with the processing of the tax abatement request. All checks in payment of the administrative fee shall be made payable to Kent County. For abatement requests for improvements with a planned value equal to or in excess of \$1,000,000.00 the fee shall be ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00).
- C. Kent County shall give notice as provided by the Property Tax Code, including written notice to the presiding officer of the governing body of each taxing unit in which the property to be subject to the agreement is located, not later than seven (7) days before the public hearing, and publication in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing before acting upon application, Kent County shall, through public hearing, afford the applicant and the designated representative of any governing body referenced herein above, and the public the opportunity to show cause why the abatement should or should not be granted.
- D. If a city within Kent County designates a reinvestment zone within its corporate limits and enters into or proposes to enter into an abatement agreement with a present or potential owner of a taxable property, such present or potential owner of taxable property may request tax abatement by Kent County by following the same application process described in Section III (A) hereof. No other notice of hearing shall be required except compliance with the open meetings act unless the Commissioners' Court deems them necessary in a particular case.

AGREEMENT - SECTION IV

- A. After approval, the Commissioners' Court of Kent County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required which shall:
1. Include a list of the kind, number and location of all proposed improvements to the property;
 2. Provide access to and authorize inspection of the property by the taxing unit to insure compliance with the agreement;
 3. Limit the use of the property consistent with the taxing unit's development goals;
 4. Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the agreement;
 5. Include each term that was agreed upon with the property owner and require the owner to annually certify compliance with the terms of the agreement to each taxing unit; and
 6. Allow the taxing unit to cancel or modify the agreement at any time if the property owner fails to comply with the terms of the agreement.
- B. The owner of the facility and Lessee shall also agree to the following:
1. A specified number of permanent full time jobs at facility shall be created, and the owner and Lessee shall make reasonable efforts to employ persons who are residents of Kent County in such jobs, provided, however, that there shall be no obligation to employ residents who are not:
 - a. Equally or more qualified than nonresidents applicants;
 - b. Available for employment on terms and/or salaries comparable to those required by nonresident applicants; or
 - c. Able to become qualified with 72 hours training provided by Owner
 2. Each person employed in such job shall perform a portion, if not all, of their work in Kent County
 3. Owner shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Kent County businesses in the construction, operation and maintenance of the improvements and the project; provided, however, that there shall be no requirement to use goods and services provided by Kent County residents that are not:

- a. Of similar quality to those provided by nonresidents; or
 - b. Made available on terms and conditions (including pricing) comparable to those offered by nonresidents. Comparable price shall be defined as less than or equal to 105% of the nonresident price for equivalent quality, conditions and terms.
4. Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as liaison between any individual who are interested in obtaining information about providing goods or services related to the construction of the project. Additionally, Owner or its construction contractor, if any, shall advertise in local newspapers in Kent County for local contractors to perform work on the construction project
 5. On May 1st of each year that the agreement shall be in effect, Owner shall certify to the County Judge of Kent County, and to the governing body of each taxing unit, that Owner is in compliance with each applicable term set fourth above.

Such agreement shall normally be executed within sixty (60) days after the applicant has forwarded all necessary information and documentation to the Commissioners' Court.

RECAPTURE - SECTION V

- A. In the event that the applicant or its assignee (1) allows its ad valorem taxes owed to Kent County 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 cure during the cure period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.
- B. Should Kent County determine that the applicant or its assignee is in default according to the terms and conditions of its agreement, Kent County shall notify the company or individual in writing at the address stated in the agreement, and, if such is not cured within the time set forth in such notice ("Cure Period"), then the agreement may be terminated.

ADMINISTRATION - SECTION VI

- A. The Chief Appraiser of the Kent County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the Commissioners' Court of Kent County of the amount of the assessment.

- B. Kent County may execute a contract with any other jurisdiction(s) to inspect the facility to determine if the terms and conditions of the abatement agreement are being met. The abatement agreement shall stipulate that employees and/or designated representatives of Kent County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a manner as to not 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 and in accordance with its safety standards.
- C. Upon completion of construction, the designated representative of Kent County shall annually evaluate each facility receiving abatement to insure compliance with the agreement. A formal report shall be made to the Commissioners' Court.

ASSIGNMENT - SECTION VII

The abatement agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the Commissioners' Court of Kent County, 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 and/or assumption agreement with Kent County. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably delayed or withheld.

SUNSET PROVISION - SECTION VIII

These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two (2) years, unless amended by three-quarters vote of the Commissioners' Court of Kent County, at which time all reinvestment zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on the review, the Guidelines and Criteria will be modified, renewed or eliminated.

ADOPTED on the 12TH day of November, 2007.



JIM C. WHITE, County Judge



ROY W. CHISUM, Commissioner



DON LONG, Commissioner



TOMMY STANALAND, Commissioner



ROBERT GRAHAM, Commissioner

Designation of Fisher
County Amadeus Wind
Reinvestment Zone

§
§
§

The Commissioners' Court
of
Fisher County, Texas

ORDER

Approving Motion for Designation
of Fisher County Amadeus Wind Reinvestment Zone

The Commissioners' Court of Fisher County, Texas, meeting in regular session on the 10th day of December 2018, considered the following resolution:

BE IT ORDERED BY THE COMMISSIONERS' COURT OF FISHER COUNTY, TEXAS AS FOLLOWS

Motion by Commissioner Feagan, seconded by Pippin, that the following action be taken by the court:

1. THAT the County designate the property located in Fisher County, having the boundary description in Exhibit A and shown on the map in Exhibit B, both attached to this Order, as a Reinvestment Zone under the Fisher County Guidelines and Criteria for Granting Tax Abatements, having determined that the designation will contribute to the retention or expansion of primary employment and will attract major investment in the zone that will benefit the zone and will contribute to the economic development of the County, and
2. THAT the zone shall be called the "Amadeus Wind Reinvestment Zone."

This ORDER shall become effective as of December 10, 2018. PASSED AND APPROVED at this public hearing of the Fisher County Commissioners Court, at which a quorum was present, on the 10th day of December 2018.

Ken Holt Ken Holt, Fisher County Judge

Jordon Pippin Date: 12-10-18 Commissioner Precinct 1

Bill Henderson Date: 12-10-18 Commissioner Precinct 2

Hester Matt Date: 12-10-18 Commissioner Precinct 3

Sam Z Date: 12-10-18 Commissioner Precinct 4

ATTESTED: Becky Davis Date: 12/10/18 County Clerk

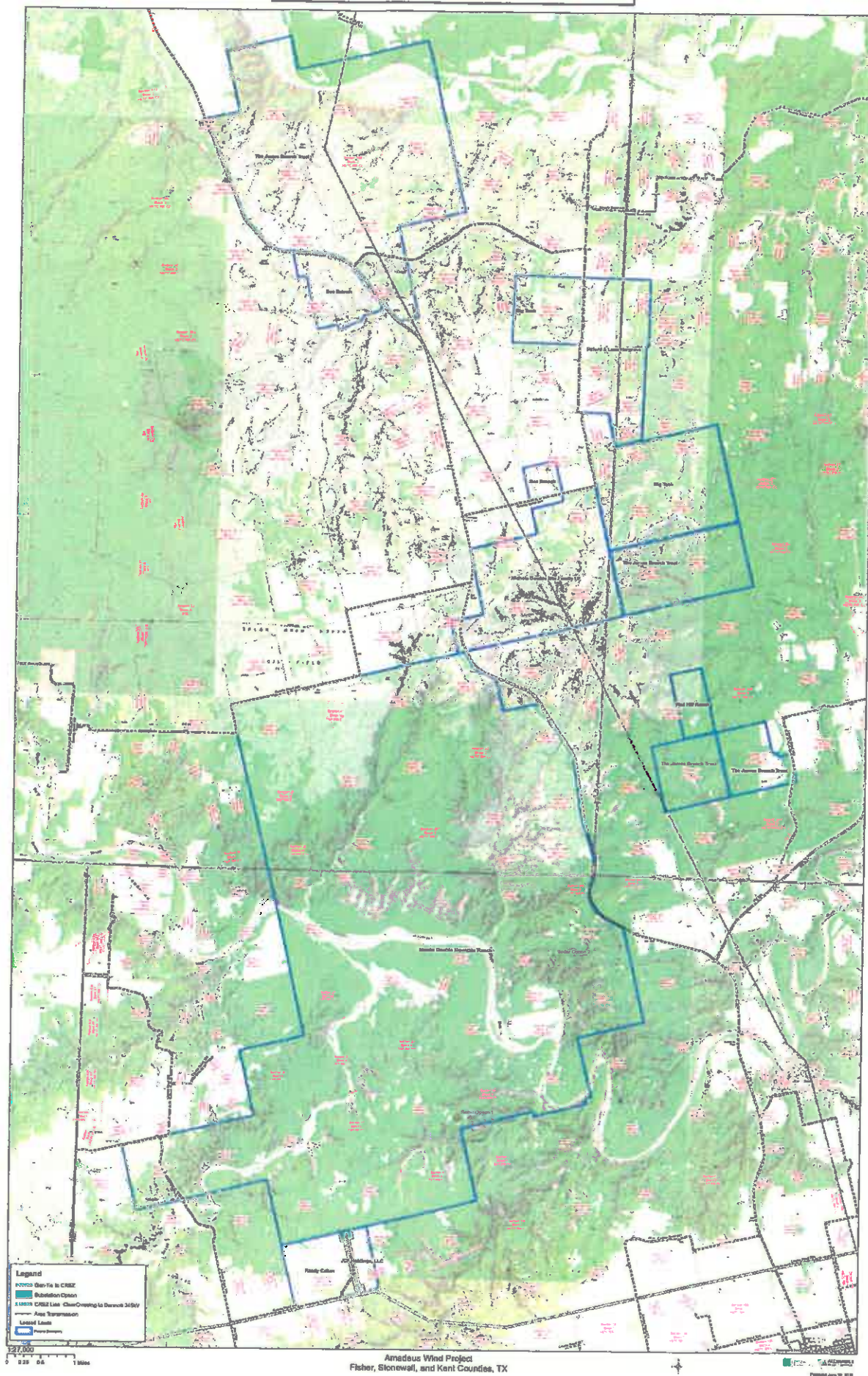


Exhibit A
THE FOLLOWING REAL PROPERTY LOCATED IN FISHER COUNTY, TX:

AMADEUS WIND REINVESTMENT ZONE

Section	Block	Survey	County
2	V	T&P RR Co	Fisher
3	V	T&P RR Co	Fisher
4	V	T&P RR Co	Fisher
5	V	T&P RR Co	Fisher
6	V	T&P RR Co	Fisher
7 ½	V	T&P RR Co	Fisher
8 ½	V	T&P RR Co	Fisher
11	V	T&P RR Co	Fisher
12	V	T&P RR Co	Fisher
13	V	T&P RR Co	Fisher
14	V	T&P RR Co	Fisher
15	V	T&P RR Co	Fisher
19	V	T&P RR Co	Fisher
20	V	T&P RR Co	Fisher
21	V	T&P RR Co	Fisher
22	V	T&P RR Co	Fisher
23	V	T&P RR Co	Fisher
24	V	T&P RR Co	Fisher
26	V	T&P RR Co	Fisher
27	V	T&P RR Co	Fisher
28	V	T&P RR Co	Fisher
29	V	T&P RR Co	Fisher
30	V	T&P RR Co	Fisher
31	V	T&P RR Co	Fisher
32	V	T&P RR Co	Fisher
33	V	T&P RR Co	Fisher
37	V	T&P RR Co	Fisher
202	2	H&TC RR	Fisher
203	1182	H&TC RR	Fisher
307	2	T&P RR Co	Fisher
308	3	T&P RR Co	Fisher

Exhibit B



RESOLUTION

Adopting the Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones

Designated Within the Boundaries of the County of Fisher, Texas

On this the 26th day of July, 2017, the Commissioners Court of Fisher County, Texas convened in a regular session with the following members thereof present:

KEN HOLT, County Judge;

GORDON PIPPIN, Commissioner, Precinct 1;

BILLY HENDERSON, Commissioner, Precinct 2;

PRESTON MARTIN, Commissioner, Precinct 3;

SCOTT FEAGAN, Commissioner, Precinct 4;

When the following proceedings, among others, were had, to-wit:

WHEREAS, the creation and retention of job opportunities that bring new wealth is of the highest civic priority; and

WHEREAS, new jobs and investment will benefit the area economy, provide needed opportunities, strengthen the real estate market, and generate tax revenue to support local services; and

WHEREAS, the County of Fisher must compete with other localities across the nation currently offering tax inducements to attract new businesses and industries and modernization projects; and

WHEREAS, any tax incentives offered in the County of Fisher would reduce needed tax revenue unless strictly limited in application to those new and existing businesses and industries that bring new wealth to the community; and

WHEREAS, the abatement of property taxes, when offered to attract new jobs created y additional industrial and business investments will enhance the local economy and provide a base to encourage improved diversification in the County of Fisher; and

WHEREAS, V.T.C.A., Tax Code § 312.002 requires the establishment of Guidelines and Criteria governing tax abatement agreements by the County before entering into a tax abatement agreement or designation of an area as a reinvestment zone and adoption of a resolution stating that the County elects to become eligible to participate in tax abatement; and

WHEREAS, to assure a common, coordinated effort to promote the economic development of the County of Fisher, Guidelines and Criteria should be in form and content acceptable to and in concert with the Guidelines and Criteria of governing bodies of every other taxing unit exercising ad valorem taxing authority within the County of Fisher.

Now therefore, the following Guidelines and Criteria for granting tax abatement in reinvestment zones designated within the County are hereby promulgated.

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS
IN REINVESTMENT ZONES**

FISHER COUNTY, TEXAS

I. Purpose

The County of Fisher is committed to the promotion of quality development in all areas of the county, as well as improving the quality of life for its citizens. In order to help meet these goals, will consider recommending tax phase-in, which includes the designation of reinvestment zones, application for tax abatements and entering into tax abatement agreements, to stimulate growth and development. It is the intent of Fisher County that such incentives will be provided in accord with the procedures and criteria outlined in this document. However, nothing in these Guidelines and Criteria shall imply or suggest to be construed to imply or suggest that tax entities are under any obligation to provide any incentives to any applicant. All such applicants for tax phase-in incentives shall be considered on an individual basis for both the qualification for abatement and the amount of any abatement. This policy is effective as of July 26, 2017, and shall at all times be kept current with regard to the needs of Fisher County and reflective of the official views of the County Commissioners Court and shall be reviewed every two years.

II. Definitions

The attached Glossary is a list of words with their definitions that are found in this document, and the Glossary is incorporated herein by reference.

III. Guidelines and Criteria

In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement as a minimum must meet the following:

(A) Be an Authorized Facility. A facility may be eligible for abatement if it is a(n):

Aquaculture/Agriculture Facility,
Distribution Center Facility,
Manufacturing Facility,
Office Building,
Regional Entertainment/Tourism Facility,
Research Facility,
Regional Service Facility, .
Wind Energy Facility, or
Other Basic Industry.

- (B) Must be reasonably expected to have an increase in positive net economic benefit to Fisher County of at least \$1,000,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement.

In addition to the criteria set forth above, the Fisher County Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorable with other communities.

In consideration of the request for designation as a reinvestment zone and to receive tax abatement, the following factors will also be considered:

- (1) Jobs. The projected new jobs created including the number of jobs, the retention of existing jobs, the type of jobs, the average payroll, the total payroll and the number of local persons hired.
- (2) Fiscal Impact. The amount of real and personal property value that will be added to the tax roll for both eligible and ineligible property, the amount of direct sales that will be generated, the infrastructure improvements by the City/County that will be required by the facility, the infrastructure improvements made by the facility, and the compatibility of the project with the City's/County's master plan for development.
- (3) Community Impact. The pollution, if any, as well as other negative environmental impacts affecting the health and safety of the community that will be created by the project:
 - The revitalization of a depressed area;
 - The business opportunities of existing local vendors;
 - The alternative development possibilities for proposed site;
 - The impact on other taxing entities; and/or
 - Whether the improvement is expected to solely or primarily have the effect of transferring employment from one part of Fisher County to another.

IV. Abatement Authorized

- (A) 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 zones created in Fisher County pursuant to these Guidelines and Criteria for a period not to exceed ten years.
- (B) Creation of New Value. Abatement may only be granted for the additional value of eligible property improvements made subsequent to the filing of an

application for tax abatement and specified in the abatement agreement between the County and/or City and the property owner or lessee (and lessor if required pursuant to IV(E), subject to such limitations as the Guidelines and Criteria may require.

(C) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion. If the modernization project includes facility replacement, the abated value shall be the value of the new unit(s) less the value of the old unit(s).

(D) **Eligibly Property.** Abatement may be extended to the value of the following: new expanded or modernized building and structures, fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility, and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code.

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

Land,
Animals,
Inventories,
Supplies,
Tools,
Furnishings and other forms of moveable property,
Vehicles,
Vessels,
Aircraft,
Housing or residential property,
Hotels/motels,
Fauna,
Flora,
Retail facilities,
Deferred maintenance investments, property to be rented or leased except as provided in Part IV (f), any improvements including those to produce, store or distribute natural gas or fluids that are not integral to the operation of the facility, property owned or used by the State of Texas or its political subdivision of the State of Texas.

(F) **Owned/Leased Facilities.** If a leased facility is granted an abatement, the agreement shall be executed with the lessor and lessee.

- (G) **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the agreement. The value of the new eligible properties shall be abated according to the approved agreement between applicant and the governing body. The table in the attached Exhibit "A", incorporated herein by reference, shall be the maximum abatement available, the actual amount of abatement granted is in the sole discretion of the Fisher County Commissioner's Court, shall not exceed said maximum.

The abatement may be extended through an initial agreement and a subsequent agreement as may be required to comply with state law regarding the term of the reinvestment zone.

- (H) **Construction in Progress.** If a qualifying facility has not been placed in service as of January 1 following execution of the abatement agreement, the taxpayer may apply for a one year extension of the term of abatement. Said extension must be applied for prior to the end of the calendar year which the abatement agreement is executed.
- (I) **Taxability.** From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:
- (1) The value of ineligible property as provided in Part IV(e) shall be fully taxable.
 - (2) The base year value of existing eligible property as determined each year shall be fully taxable.
 - (3) The additional value of new eligible property shall be taxable in the manner described in Part IV(g).

V. Application for Tax Abatement

- (A) Any present or potential owner or lessee of taxable property in Fisher County may request the creation of a reinvestment zone and tax abatement by filing written request either with Fisher County or applicable taxing entity.
- (B) The application shall consist of a completed application form accompanied by:
- (1) A general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken.
 - (2) A descriptive list of the improvements which will be a part of the facility;
 - (3) A map and property description or a site plan;
 - (4) A time schedule for undertaking and completing the planned improvements;
 - (5) In the case of modernizing existing facilities, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application; and,

- (6) The application form may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors of the applicant.
 - (7) The completed Application must be accompanied by the payment of a non-refundable application fee of one thousand and no/100 dollars (\$1,000.00) for administrative costs associated with the processing of the tax abatement request. A check in payment of the administrative fee shall be made payable to Fisher County.
- (C) Upon receipt of a completed application, the jurisdiction receiving such application shall notify in writing the presiding officer of the legislative body of each affected jurisdiction. Before acting upon the application, the jurisdiction receiving such application shall through public hearings afford the applicant and the designated representative of any affected jurisdiction the opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on an agenda of the legislative body of the jurisdiction receiving such application to be posted seven (7) days prior to the hearing.
- (D) The jurisdiction receiving the application shall approve or disapprove the application for tax abatement within forty-five (45) days after receipt of the application. The presiding officer of the legislative body of the jurisdiction receiving such application shall notify the applicant of the approval or disapproval promptly thereafter.
- (E) A request for reinvestment zone for the purpose of abatement shall not be granted if the jurisdiction receiving the application finds that the request was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization expansion or new facility.
- (F) Variance. Request for variance from the provisions of Subsections (a) through (e) of Part V may be made in written form to the presiding officer of the jurisdiction receiving the application. Such request shall include 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 of the affected jurisdiction as provided in state statutes.

VI. Public Hearing

- (A) Should any affected jurisdiction be able to show cause in the public hearing why the granting of abatement will have a substantial adverse effect on its bonds, tax revenue, service incapacity or the provision of service, that showing shall be reason for the jurisdiction receiving the application to deny the granting of ad valorem tax abatement.

(B) Neither a reinvestment zone nor an abatement agreement shall be authorized if its determined that:

- (1) There would be a substantial adverse affect on the provision of a government service or tax base of an affected jurisdiction.
- (2) The applicant has insufficient financial capacity.
- (3) Planned or potential use of the property would constitute a hazard to public safety, health or morals.
- (4) Planned or potential use of the property violates other governmental codes or laws.

VII. Agreement

(A) After approval of the tax abatement application, each affected jurisdiction shall formally pass a resolution and execute an agreement with the owner and/or lessee of the facility which shall include:

- (1) Estimated value to be abated and the base year value.
- (2) Percent of value to be abated each year as provided in Part IV(G) of these Guidelines and Criteria.
- (3) The commencement date and the termination date of abatement.
- (4) The proposed use of the facility, nature of construction, time schedule for the undertaking and completing the planned improvements, map, property description and improvements list as provided in Part V of these Guidelines and Criteria.
- (5) Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes recapture, administration and assignment as provided herein and other provisions that may be required for uniformity or by state law.
- (6) Amount of investment and/or average number of jobs involved for the period of abatement.
- (7) Said contract shall meet all of the requirements of the Texas Tax Code Sed. 312 et seq
- (8) Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as a liaison between any individuals, businesses, and contractors residing or doing business in Fisher County who are interested in obtaining information about providing goods or services related to the construction of the project. Additionally, owner or its construction contractor, if any, shall advertise in local newspapers in Fisher County for local contractors to perform work on the construction of the project.

(B) Such agreement shall be executed within thirty (30) days after the later of the date applicant has forwarded all necessary information to the jurisdiction receiving the application or the date of the approval of the application.

- (C) Each affected jurisdiction shall make its own determination of abatement which shall not bind any other affected jurisdiction.

VIII. Recapture

- (A) In the event that the facility is completed and begins producing product or service, but subsequently discontinues producing product or service for any reason excepting fire, explosion, or other casualty or accident or natural disaster for a period of more than one (1) year during the abatement period, then the agreement is terminated and so shall the abatement of taxes for the calendar year during which the agreement is terminated. The taxes otherwise abated for that calendar year shall be paid to each jurisdiction within the County within sixty (60) days from the date of termination.
- (B) Should the jurisdiction establishing a reinvestment zone and signing a tax abatement agreement determine that a company or individual is in default according to the terms and conditions of its agreement, the jurisdiction shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement shall be terminated. Further, it will be a default under a tax abatement granted pursuant to these Guidelines and Criteria if the owner of the eligible property subject to the abatement is delinquent in paying any disputed taxes to any taxing authority in Fisher County, Texas.
- (C) In the event that the company or individual:
- (1) Allows its ad valorem taxes owed the County or an affected jurisdiction 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 cure same during the Cure Period; the agreement shall be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.

IX. Administration

- (A) The Chief Appraiser of the Fisher County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year the company or individual receiving abatement shall furnish assessor with such information as may be necessary for abatement, including the number of new or retained employees associated with the facility. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions which levy taxes on the amount of the assessment.

- (B) The agreement shall stipulate that employees and/or designated representatives of the jurisdiction establishing the reinvestment zone and entering into a tax abatement agreement will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All County inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
- (C) Upon completion of construction the jurisdiction establishing the reinvestment zone and entering into a tax abatement agreement shall annually evaluate each facility and report possible violations of the contract and/or agreement to each affected jurisdiction.
- (D) All proprietary information acquired by any affected jurisdiction for the purposes of monitoring compliance with the terms and conditions of an abatement agreement shall be considered confidential.

X. 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 each affected jurisdiction, 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 each affected jurisdiction.
- (B) The contractual agreement with the new owner or lessee 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 any affected jurisdiction for outstanding taxes or other obligations.
- (D) Approval shall not be unreasonably withheld.

XI. Sunset Provision

- (A) These Guidelines and Criteria are effective upon the date of the adoption and will remain in force for two (2) years, at which time all reinvestment zones and tax abatement contracts created pursuant hereto will be reviewed by each affected jurisdiction to determine whether the goals have been achieved. Based

on that review, the Guidelines and Criteria may be modified, renewed or eliminated provided that such actions shall not affect existing contracts.

- (B) These Guidelines and Criteria do not amend any existing agreement contracts or agreements with the owners of real property in areas deserving of specific attention as agreed by the affected jurisdiction.
- (C) Prior to the date for review, as defined above, these Guidelines and Criteria may be modified by a two-thirds (2/3) vote of the affected taxing authorities, as provided for under the laws of the State of Texas.

XII. Severability and Limitations

- (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) Property that is in a reinvestment zone that is owned or leased by the following cannot benefit from a tax abatement:
 - (1) A member of the governing body of a municipality or by a member of a planning board or commission of the municipality; or
 - (2) A member of the commissioners court or commission of the County is excluded from property tax abatement.
- (C) If these Guidelines and Criteria have omitted any mandatory requirements of the applicable tax abatement laws of the State of Texas, then such requirements are hereby incorporated as a part of this Guideline Statement.

GLOSSARY

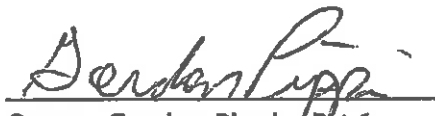
- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real property in a reinvestment zone designated by the County or a City for economic development purposes.
- (b) "Aquaculture/Agriculture Facility" means buildings, structures and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is of food and/or fiber products in commercially marketable quantities.
- (c) "Affected Jurisdiction" means Fisher County and any municipality, or school district, the majority of which is located in Fisher County that levies ad valorem taxes upon and/or provides services to property located within the proposed or existing reinvestment zone designated by Fisher County or any municipality.
- (d) "Agreement" means a contractual agreement between property owner and/or lessee and the affected jurisdiction for the purpose of tax abatement.
- (e) "Base Year Value" means the assessed value of eligible property on January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the filing of an application for tax abatement.
- (f) "Deferred Maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (g) "Distribution Center Facility" means building and structures, including machinery and equipment, used or to be 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 of Fisher County.
- (h) "Expansion" means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- (i) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- (j) "Manufacturing Facility" means buildings and structures, including machinery and 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.
- (k) "Modernization" means the upgrading and or replacement of existing facilities which 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 purpose of reconditioning, refurbishing or repairing.

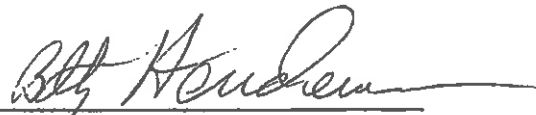
- (l) "New Facility" means improvements to real estate previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (m) "New Job(s)" means a newly created employment position on a full-time permanent basis. Two or more part-time permanent employees totaling an average of not less than 40 hours per week may be considered as on full-time permanent employee.
- (n) "Office Building" means a new office building.
- (o) "Other Basic Industry" means buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside County and results in the creation of new permanent jobs and new wealth in the Count.
- (p) "Regional Entertainment/Tourism Facility" means buildings and structures, including fixed machinery and 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 Fisher County.
- (q) "Research Facility" means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- (r) "Regional Service Facility" means buildings and structures, including fixed machinery and 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 Fisher County.
- (s) "Wind Energy Facility" means buildings and structures, including but not limited to wind energy generating turbines, electric transmission lines, electric power substations, electrical gathering equipment, communications systems and roads, fixed machinery and equipment, used or to be used to provide electrical energy.



Judge Ken Holt



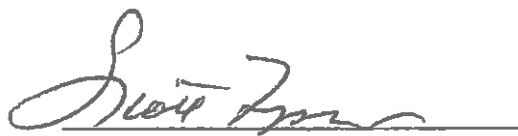
Comm. Gordon Pippin, Pct 1



Comm. Billy Henderson, Pct 2



Comm. Preston Martin, Pct 3



Comm. Scott Feagan, Pct 4

Designation of Stonewall
County Amadeus Wind
Reinvestment Zone

§
§
§

The Commissioners' Court
of
Stonewall County, Texas

ORDER

**Approving Motion for Designation
of Stonewall County Amadeus Wind Reinvestment Zone**

The Commissioners' Court of Stonewall County, Texas, meeting in regular session on the 22nd day of October, 2018, considered the following resolution:

BE IT ORDERED BY THE COMMISSIONERS' COURT OF STONEWALL COUNTY, TEXAS AS FOLLOWS

Motion by Commissioner Tilley, seconded by Commissioner Hoy, that the following action be taken by the court:

1. THAT the County designate the property located in Stonewall County, having the boundary description in Exhibit A and shown on the map in Exhibit B, both attached to this **Order**, as a Reinvestment Zone under the Stonewall County Guidelines and Criteria for Granting Tax Abatements, having determined that the designation will contribute to the retention or expansion of primary employment and will attract major investment in the zone that will benefit the zone and will contribute to the economic development of the County, and
2. THAT the zone shall be called the "Amadeus Wind Reinvestment Zone."

This ORDER shall become effective as of October 22, 2018. PASSED AND APPROVED at this public hearing of the Stonewall County Commissioners Court, at which a quorum was present, on the 22nd day of October, 2018.

[Signature] Ronnie Moorhead, Stonewall County Judge

David Loy Date: _____, Commissioner Precinct 1

Harris Date: _____, Commissioner Precinct 2

Bill Marsh Date: _____, Commissioner Precinct 3

[Signature] Date: _____, Commissioner Precinct 4

ATTESTED: Holly McHenry Date: 10/22/18, County Clerk

Exhibit A

THE FOLLOWING REAL PROPERTY LOCATED IN STONEWALL COUNTY, TX:

AMADEUS WIND REINVESTMENT ZONE

Section	Block	Survey	County
1		GP SANDERS	Stonewall
2	2	WCRR	Stonewall
2		WCRR	Stonewall
322	2	H&TC RR	Stonewall
323	2	H&TC	Stonewall
336		H&TC RR	Stonewall
355	2	H&TC RR	Stonewall
356	2	H&TC RR	Stonewall
369	2	H&TC RR	Stonewall
370	2	H&TC RR	Stonewall
415	D	H&TC RR	Stonewall
419	2	H&TC RR	Stonewall
420	2	H&TC RR	Stonewall
1	A-1505	GP SANDERS	Kent
2	A-1397	WC Ry Co	Kent
2	A-1431	WC RY Co	Kent
2	A-1624	WC Ry Co	Kent
2	A-1368	WC Ry Co	Kent
30	V	T&P RR Co	Kent
31	V	T&P RR Co	Kent
36	V	T&P RR Co	Kent
37	V	T&P RR Co	Kent
38	V	T&P RR Co	Kent
39	V	T&P RR Co	Kent
41	V	T&P RR Co	Kent
42	V	T&P RR Co	Kent
308	2	T&P RR Co	Kent
325	2	T&P RR Co	Kent
326	2	T&P RR Co	Kent
327	2	T&P RR Co	Kent
328	2	T&P RR Co	Kent
329	2	T&P RR Co	Kent
330	2	T&P RR Co	Kent
331	2	T&P RR Co	Kent
332	2	T&P RR Co	Kent
377	2	H&TC RR	Kent
395	2	H&TC RR	Kent
396	2	H&TC RR	Kent
398	2	H&TC RR	Kent
399	2	H&TC RR	Kent
400	2	H&TC RR	Kent
401	2	H&TC RR	Kent
404	2	H&TC RR	Kent
405	2	H&TC RR	Kent
406	2	H&TC RR	Kent

407	2	H&TC RR	Kent
408	2	H&TC RR	Kent
409	2	H&TC RR	Kent
410	2	H&TC RR	Kent
411	2	H&TC RR	Kent
415	2	H&TC RR	Kent
415	D	H&TC RR	Kent
419	2	WH BUTLER	Kent
451	2	H&TC RR	Kent
357	2	H&TC RR	Stonewall and Kent
358	2	H&TC RR	Stonewall and Kent
359	2	H&TC RR	Stonewall and Kent
367	2	H&TC RR	Stonewall and Kent
368	2	H&TC RR	Stonewall and Kent

Exhibit B

Stonewall County State of Texas

Tax Abatement Guidelines and Criteria

The purpose of this document is to establish guidelines, and a uniform policy of tax abatement for owners or lessees of eligible facilities willing to execute tax abatement contracts designed to provide long term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping, and improving property.

In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have an increase in positive net economic benefit to Stonewall County of at least \$1,000,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Stonewall County to another.

In addition to the criteria set forth above, the Stonewall County Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorably with other communities.

Only that increase in the fair market value of the property directly resultant from the development, redevelopment, and improvement specified in the contract will be eligible for abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the Applicant located within the jurisdiction creating the reinvestment zone.

All abatement contracts will be for a term no longer than allowed by law.

It is the goal of Stonewall County to grant tax abatements on the same terms and conditions as the other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Stonewall County Commissioners Court to consider, adopt, modify or decline any tax abatement request.

This policy is effective as of March 9, 2009 and shall at all times be kept current with regard to the needs of Stonewall County and reflective of the official views of the County Commissioners Court and shall be reviewed every two years.

The adoption of these guidelines and criteria by the Stonewall County Commissioners Court does not:

1. Limit the discretion of the governing body to decide whether or not to enter into a specific tax abatement agreement;
2. Limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement;
3. Create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement;

Section I Definitions

- A. "Abatement" means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Stonewall County or the City of Aspermont for economic development purposes.
- B. "Agreement" means a contractual agreement between a property owner and/or Lessee and Stonewall County.
- C. "Base year value" means the assessed value on the eligible property as of January 1 preceding the execution of the agreement.
- D. "Deferred maintenance" means improvements necessary for continued operation which do not improve productivity or alter the process technology.
- E. "Eligible facilities" means new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Stonewall County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Stonewall County, such as, but not limited to, restaurants and retail sales establishments, eligible facilities may include, but shall not be limited to hotels and office buildings.
- F. "Expansion" means the addition of building structures, machinery, equipment, or payroll for purposes of increasing production capacity.
- G. "Facility" means property improvement completed or in process of construction which together comprise an interregional whole.
- H. "Modernization" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment, or both.

- I. "New facility" means property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- J. "Productive life" means the number of years a property improvement is expected to be in service in a facility.

Section 2 Abatement Authorized

- A. Eligible facilities. Upon application, eligible facilities shall be considered for tax abatement as hereinafter provided.
- B. Creation of New Values. Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Stonewall County and the property owner of Lessee, subject to such limitations as Stonewall County may require.
- C. New and existing facilities. Abatement may be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Stonewall County and the property owner of Lessee, subject to such limitations as Stonewall County may require.
- D. Eligible property. Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.
- E. Ineligible Property. The following types of property shall be fully taxable and ineligible for tax abatement: land, supplies, tools, furnishings, and other forms of movable personal property, housing, deferred maintenance, property to be rented or leased except as provided in Section 2 F, property which has a productive life of less than ten years.
- F. Owned/leased facilities. If a leased facility is granted abatement, the agreement shall be executed with the Lessor and the Lessee.
- G. Economic Qualifications. In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:
 - 1. Must be reasonably expected to have an increase in positive net benefit to Stonewall County of at least \$1,000,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
 - 2. Must not be expected to solely or primarily have the effect of transferring employment from Stonewall County to another.

H. Standards for Tax Abatement. The following factors, among other, shall be considered in determining whether to grant tax abatement:

1. Value of existing improvements, if any;
2. Type and value of proposed improvements;
3. Productive life of proposed improvements;
4. Number of existing jobs to be retained by proposed improvements;
5. Number and type of new jobs to be created by proposed improvements;
6. Amount of local payroll to be created;
7. Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;
8. Amount which property tax base valuation will be increased during term of abatement and after abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than \$1,000,000.00;
9. The costs to be incurred by Stonewall County to provide facilities directly resulting from the new improvements;
10. The amount of ad valorem taxes to be paid to Stonewall County during the abatement period considering:
 - a. the existing values;
 - b. the percentage of new value abated;
 - c. the abatement period; and
 - d. the value after expiration of the abatement period.
11. The population growth of Stonewall County that occurs directly as a result of new improvements;
12. The types and values of public improvements, if any, to be made by Applicant seeking abatement;
13. Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
14. The impact on the business opportunities of existing businesses;
15. The attraction of other new businesses to the area;
16. The overall compatibility with the zoning ordinances and comprehensive plan for the area;
17. Whether the project obtains all necessary permits from the applicable environmental agencies.

Each eligible facility shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

I. Denial of Abatement. Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:

1. There would be substantial adverse affect on the provision of government services or tax base;
2. The applicant has insufficient financial capacity;

3. Planned or potential use of the property would constitute a hazard to public health, safety or morals;
4. Violation of other codes or laws; or
5. Any other reason deemed appropriate by Stonewall County.

J. Taxability. From the execution of the abatement to the end of the agreement period, taxes shall be payable as follows:

1. The value of ineligible property as provided in Section 2 E shall be fully taxable; and
2. The base year value of existing eligible property as determined each year shall be fully taxable.

The additional value of new eligible property shall be fully taxable at the end of the abatement period.

Section 3 Application

- A. Any present or potential owner of taxable property in Stonewall County may request the creation of a reinvestment zone and tax abatement by filing a written application with the County Judge.
- B. The Application shall consist of a general description of the new improvements to be undertaken, a descriptive list of the improvements for which an abatement is requested, a list of the kind, number and location of all proposed improvements of the property, a map and property description, a time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the Application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the Applicant, to be attached to the Application. The completed Application must be accompanied by the payment of a non-refundable application fee for administrative costs associated with the processing of the tax abatement request. All checks in payment of the administrative fee shall be made payable to Stonewall County. For abatement requests for improvements with a planned value equal to or in excess of \$1,000,000.00 the fee shall be one thousand and no/100 dollars (\$1000.00), accompanied by the agreement that the Applicant shall pay reasonable consulting fees as may be incurred by Stonewall County in the examination of the application as well as the preparation and negotiation of any tax abatement agreement.
- C. Stonewall County shall give notice as provided by the Property Tax Code, i.e. written notice, to the presiding officer of the governing body of each taxing unit in which the property to be subject of the agreement is located not later than the seventh day before the public hearing and publication in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing. Before acting upon

Application, Stonewall County shall, through public hearing, afford the Applicant and the designated representative of any governing body referenced hereinabove opportunity to show cause why the abatement should or should not be granted.

- D. If a city within Stonewall County designates a reinvestment zone within its corporate limits and enters into or proposes to enter into an abatement agreement with a present or potential owner of taxable property, such present or potential owner of taxable property may request tax abatement by Stonewall County by following the same application process described in Section 3 A hereof. No other notice or hearing shall be required except compliance with the Open Meetings Act, unless the Commissioners Court deems them necessary in a particular case.

Section 4 Agreement

- A. After approval, the Commissioners Court of Stonewall County shall formally pass a Resolution and execute an agreement with the owner of the facility and Lessee as required which shall:

1. Include a list of the kind, number, location of all proposed improvements to the property;
2. Provide access to and authorize inspection of the property by the taxing unit to ensure compliance with the agreement;
3. Limit the use of the property consistent with the taxing unit's developmental goals;
4. Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the agreement;
5. Include each term that was agreed upon with the property owner and require the owner to annually certify compliance with the terms of the agreement to each taxing unit; and
6. Allow the taxing unit to cancel or modify the agreement at any time if the property owner fails to comply with the terms of the agreement

- B The owner of the facility and Lessee shall also agree to the following:

1. A specified number of permanent full time jobs at facility shall be created, and the owner and Lessee shall make reasonably efforts to employ persons who are residents of Stonewall County in such jobs, provided, however, that there shall be no obligation to employ residents who are not:
 - a. equally or more qualified than nonresident applicants;
 - b. available for employment on terms and/or salaries comparable to those required by nonresident applicants; or
 - c. able to become qualified with 72 hours training provided by Owner.
2. Each person employed in such job shall perform a portion, if not all, of their work in Stonewall County.

3. Owner shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Stonewall County businesses in the construction, operation, and maintenance of the improvements and the project; provided, however, that there shall be no requirement to use goods and services provided by Stonewall County residents that are not:
 - a. of similar quality to those provided by nonresidents; or
 - b. made available on terms and conditions (including pricing) comparable to those offered by nonresidents. Comparable price shall be defined as less than or equal to 105% of the nonresident price for equivalent quality, conditions and terms.
4. Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as liaison between any individuals, businesses, and contractors residing or doing business in Stonewall County who are interested in obtaining information about providing goods or services related to the construction of the project. Additionally, Owner or its construction contractor, if any, shall advertise in local newspapers in Stonewall County for local contractors to perform work on the construction of the project.
5. Owner shall agree to maintain a viable presence (as below defined) within the Reinvestment Zone for a period of time, as set by the Stonewall County Commissioners Court, not to exceed twenty (20) years from the date that the abatement agreement first takes effect. For purposes hereof, "Maintain a Viable Presence" means (i) the operation of the Eligible Facilities, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured and/or reengineered, and (ii) the retention of not fewer than three (3) Qualifying Jobs as defined by Texas Tax Code Section 313.021(3)(E) to be located and performed within the County.
5. On May 1st of each year that the agreement shall be in effect, Owner shall certify to the County Judge of Stonewall County, and to the governing body of each taxing unity, that Owner is in compliance with each applicable term set forth above.

Such agreement shall normally be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to the Commissioners Court.

Section 5 Recapture

- A. In the event that the company or individual:
 1. Allows its ad valorem taxes owed Stonewall County 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 cure during the cure period, the agreement then may be terminated and all taxes

previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.

- B. Should Stonewall County determine that the company or individual is in default according to the terms and conditions of its agreement, Stonewall County shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within thirty (30) days from the date of such notice (cure period) then the agreement may be terminated.

Section 6 Administration

- A. The Chief Appraiser of the Stonewall County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the Commissioners Court of Stonewall County of the amount of the assessment.
- B. Stonewall County may execute a contract with any other jurisdictions to inspect the facility to determine if the terms and conditions of the abatement agreement are being met. The abatement agreement shall stipulate that employees and/or designated representatives of Stonewall County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a manner as to not 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 and in accordance with its safety standards.
- C. Upon completion of construction, the designated representative of Stonewall County shall annually evaluate each facility receiving abatement to insure compliance with the agreement. A formal report shall be made to the Commissioners Court.

Section 7 Assignment

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 the Commissioners Court of Stonewall County 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 Stonewall County. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably withheld.

Section 8 Sunset Provision

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years unless amended by three quarters vote of the Commissioners Court of Stonewall County. At which time all reinvestment zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on the review, the guidelines and criteria will be modified, renewed, or eliminated.

ADOPTED March 9, 2009

STONEWALL COUNTY COMMISSIONERS COURT


JUDGE BOBBY F. MCGOUGH


COMM. DAVID L. HOY


COMM. KENNETH (KENNY) SPITZER


COMM. KIRK MEADOR


COMM. GARY MYERS

Tab 17

Signature & Certification Page

See attached.

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print
here ➡

Greg Decker
Print Name (Authorized School District Representative)

Superintendent
Title

sign
here ➡

Greg Decker
Signature (Authorized School District Representative)

6/26/19
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 ➡

Print Name (Authorized Company Representative (Applicant))

Title

sign
here ➡

Signature (Authorized Company Representative (Applicant))

Date

GIVEN under my hand and seal of office this, the

_____ day of _____, _____

Notary Public in and for the State of Texas

(Notary Seal)

My Commission expires: _____

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.

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print
here ➡

Print Name (Authorized School District Representative)

Title

sign
here ➡

Signature (Authorized School District Representative)

Date

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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 ➡

Daniel Duke

Authorized Signor

Print Name (Authorized Company Representative (Applicant))

Title

sign
here ➡

Signature (Authorized Company Representative (Applicant))

Date

8/1/19

See attached (SA)

GIVEN under my hand and seal of office this, the

day of

Notary Public in and for the State of Texas

My Commission expires:

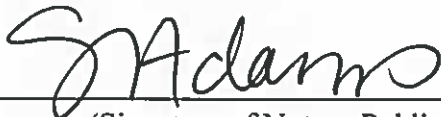
(Notary Seal)

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.

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA §
 §
COUNTY OF SAN DIEGO §

Subscribed and sworn to (or affirmed) before me on this 1st day of August, 2019, by Daniel Duke, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.


(Signature of Notary Public)



(Notary Seal)