

Attachment A

Application



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

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

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

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

- notify the Comptroller that the school board has elected to consider the application.

This notice must include:

- the date on which the school district received the application;
- the date the school district determined that the application was complete;
- the date the school board decided to consider the application; and
- a request that the comptroller prepare an economic impact analysis of the application;

- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original completed application to the Comptroller in a three-ring binder with tabs separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its Web site. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

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

Please visit the Comptroller's Web site to find out more about the program at <http://www.window.state.tx.us/taxinfo/proptax/nb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Date application received by district

August 3, 2011

Authorized School District Representative

First Name

Eduardo

Last Name

Infante

Title

Superintendent

School District Name

Lyford Consolidated Independent School District

Street Address

8204 Simon Gomez Road

Mailing Address

City

Lyford

State

Texas

ZIP

78569

Phone Number

956-347-3900

Fax Number

956-347-5588

Mobile Number (optional)

E-mail Address

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

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



SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name

Dan

Last Name

Casey

Title

Partner

Firm Name

Moak Casey and Associates

Street Address

400 W. 15th Street, Suite 1410

Mailing Address

400 W. 15th Street, Suite 1410

City

Austin

State

TX

ZIP

78701

Phone Number

512-485-7878

Fax Number

(512) 485-7888

Mobile Number (Optional)

E-mail Address

dcasey@moakcasey.com

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

Signature (Authorized School District Representative)

*Eduardo Infante*

Date

September 16, 2011

Has the district determined this application complete?  Yes  No

If yes, date determined complete. September 16, 2011

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

Checklist	Page X of 16	Check Completed
1 Date application received by the ISD	1 of 16	✓
2 Certification page signed and dated by authorized school district representative	2 of 16	✓
3 Date application deemed complete by ISD	2 of 16	✓
4 Certification pages signed and dated by applicant or authorized business representative of applicant	4 of 16	✓
5 Completed company checklist	12 of 16	✓
6 School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application)	2 of 16	will supplement

**APPLICANT INFORMATION - CERTIFICATION OF APPLICATION**

**Authorized Business Representative (Applicant)**

First Name  
**Milton R.**

Title  
**Vice President, Wind Development**

Organization  
**Duke Energy**

Street Address  
**5555 San Felipe, Suite 1207**

Mailing Address

Last Name  
**Howard**

State  
**Texas**

ZIP  
**77056**

City  
**Houston**

Phone Number  
**713-375-0632**

Mobile Number (optional)

Fax Number  
**513-419-5545**

Business e-mail Address  
**milton.howard@duke-energy.com**

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

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

First Name  
**Anna K.**

Title

Organization  
**Duke Energy**

Street Address  
**5555 San Felipe, Suite 1207**

Mailing Address

Last Name  
**Van Dyke**

State  
**Texas**

ZIP  
**77056**

City  
**Houston**

Phone Number  
**713-375-0636**

Mobile Number (optional)

Fax Number  
**513-419-5552**

E-mail Address  
**anna.vandyke@duke-energy.com**

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

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



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

Robert

Last Name

Pena, Jr

Title

General Partner

Firm Name

Texas Energy Consultants

Street Address

2516 West Freddy Gonzalez Dr

Mailing Address

P O Box 1847

City

Edinburg

State

TX

ZIP

78539

Phone Number

956-207-3644

Fax Number

877-341-4474

Business email Address

robjrpena@texas-kwh.com

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

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

Signature (Authorized Business Representative (Applicant))

*Robert J. Pena, Jr*

Date

9-1-11

GIVEN under my hand and seal of office this 1<sup>st</sup> day of September, 2011



(Notary Seal)

*Erin Pate*

Notary Public, State of Texas

My commission expires 1-20-15

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 § 37.10.



**FEES AND PAYMENTS**

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

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

Please answer only either A OR B:

A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(i)?  Yes  No

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)?  Yes  No

**BUSINESS APPLICANT INFORMATION**

Legal Name under which application is made

DEGS Wind I, LLC

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

32-033832885

NAICS code

221119

Is the applicant a party to any other Chapter 313 agreements?  Yes  No

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

N/A

**APPLICANT BUSINESS STRUCTURE**

Registered to do business in Texas with the Texas Secretary of State?  Yes  No

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

Limited Liability Company

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)?  Yes  No  
If so, please attach documentation of the combined group membership and contact information.

2. Is the applicant current on all tax payments due to the State of Texas?  Yes  No

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas?  NA  Yes  No

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



ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

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

PROJECT DESCRIPTION

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

See Attachment: Project Description - Question 1

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

See Attachment: Project Description - Question 2

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

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

PROJECTED TIMELINE

Begin Construction January 2012
Construction Complete On or before June 1, 2013
Purchase Machinery & Equipment June 1, 2012
Begin Hiring New Employees On or before February 2013
Fully Operational On or before December 2013

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

When do you anticipate the new buildings or improvements will be placed in service? June 2, 2013

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
N/A	
Total	

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

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

Applicant is applying for Willacy County Tax Abatement under Chapter 312 Texas Tax Code

THE PROPERTY

Identify county or counties in which the proposed project will be located In Lyford CISD-Willacy (Project also in Rio Hondo ISD-Cameron)

Central Appraisal District (CAD) that will be responsible for appraising the property Willacy

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

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

County: Willacy (100% of project in Lyford CISD; 85% of overall project) City: \_\_\_\_\_  
(Name and percent of project) (Name and percent of project)

Hospital District: \_\_\_\_\_ Water District: \_\_\_\_\_  
(Name and percent of project) (Name and percent of project)

Other (describe): \_\_\_\_\_ Other (describe): \_\_\_\_\_  
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD?  Yes  No

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

85% of the project is in Lyford CISD, Willacy County. 15% of the project is in Rio Hondo ISD, Cameron County.

**INVESTMENT**

**NOTE:** The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at [www.window.state.tx.us/taxinfo/proptax/hb1200/values.html](http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html).

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

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

What is your total estimated *qualified* investment? \$342,115,250

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

What is the anticipated date of application approval? December 2011

What is the anticipated date of the beginning of the qualifying time period? December 2011

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? \$456.9 million

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

Attach the following items to this application:

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

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

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

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

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

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

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

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

**QUALIFIED PROPERTY**

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

Attach the following items to this application:

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

**Land**

Is the land on which you propose new construction or improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303?  Yes  No

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

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

Will the project be on leased land?  Yes  No



QUALIFIED PROPERTY (CONTINUED)

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

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

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

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

Miscellaneous

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

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

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

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

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

WAGE AND EMPLOYMENT INFORMATION

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

The last complete calendar quarter before application review start date is the: First Quarter Second Quarter Third Quarter Fourth Quarter of 2011 (year)

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

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

Total number of new jobs that will have been created when fully operational 10

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

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

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

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 10

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

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

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

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

**WAGE AND EMPLOYMENT INFORMATION (CONTINUED)**

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

110% of the county average weekly wage for all jobs (all industries) in the county is 662.75  
 110% of the county average weekly wage for manufacturing jobs in the county is 625.63  
 110% of the county average weekly wage for manufacturing jobs in the region is 631.40

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

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

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? 32,832.80

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? 32,832.80

- Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)?  Yes  No
- Will each qualifying job require at least 1,600 of work a year?  Yes  No
- Will any of the qualifying jobs be jobs transferred from one area of the state to another?  Yes  No
- Will any of the qualifying jobs be retained jobs?  Yes  No
- Will any of the qualifying jobs be created to replace a previous employee?  Yes  No
- Will any required qualifying jobs be filled by employees of contractors?  Yes  No

If yes, what percent? \_\_\_\_\_

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

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

**See Attachment: Wage & Employment Benefits for Qualifying Job Holders**

**ECONOMIC IMPACT**

- Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)?  Yes  No
- Is Schedule A completed and signed for all years and attached?  Yes  No
- Is Schedule B completed and signed for all years and attached?  Yes  No
- Is Schedule C (Application) completed and signed for all years and attached?  Yes  No
- Is Schedule D completed and signed for all years and attached?  Yes  No

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

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

**CONFIDENTIALITY NOTICE**

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

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

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

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

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

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

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

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

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

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

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

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

**COMPANY CHECKLIST AND REQUESTED ATTACHMENTS**

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

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

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)*



05-165  
(9-09/2)  
Tcode 13298

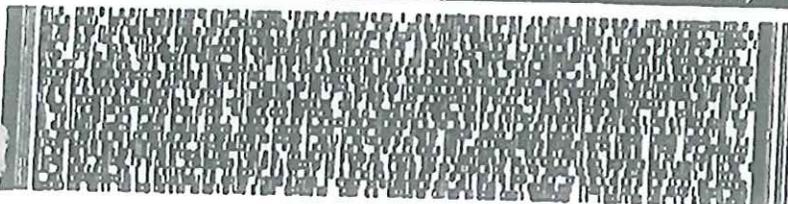
### TEXAS FRANCHISE TAX EXTENSION AFFILIATE LIST

Reporting entity taxpayer number: **2 0 2 7 7 7 2 1 8**
 Report year: **2 0 1 0**
 Reporting entity taxpayer name: **DUKE ENERGY CORPORATION**

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER <small>(If none, enter FEI number)</small>	BLACKEN CIRCLE IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
64. DEGS OF DELTA TOWNSHIP, LLC		<input checked="" type="radio"/>
65. DEGS OF MONACA, LLC		<input checked="" type="radio"/>
66. DEGS OF NARROWS, LLC		<input checked="" type="radio"/>
67. DEGS OF PARLIN, LLC		<input checked="" type="radio"/>
68. DEGS OF PHILADELPHIA, LLC	3 1 1 7 8 5 9 9 3	<input checked="" type="radio"/>
69. DEGS OF ROCK HILL, LLC	3 5 2 2 0 3 6 3 1	<input checked="" type="radio"/>
70. DEGS OF SAN DIEGO, INC.	3 5 2 2 2 6 0 3 2	<input checked="" type="radio"/>
71. DEGS OF SOUTH CHARLESTON, LLC		<input checked="" type="radio"/>
72. DEGS OF ST. BERNARD, LLC	3 3 1 0 3 9 9 0 4	<input checked="" type="radio"/>
73. DEGS OF ST. PAUL, LLC	1 3 4 0 3 1 0 0 5	<input checked="" type="radio"/>
74. DEGS OF TUSCOLA, INC.	3 1 1 6 2 4 6 9 6	<input checked="" type="radio"/>
75. DEGS THREE BUTTES, LLC	2 6 3 3 2 7 8 3 0	<input checked="" type="radio"/>
76. DEGS WIND I, LLC	3 2 0 3 3 8 3 2 8 8 5	<input type="radio"/>
77. DEGS WIND SUPPLY II, LLC	2 6 3 3 2 8 3 3 3	<input checked="" type="radio"/>
78. DEGS WIND SUPPLY, LLC	3 2 0 3 4 3 7 8 9 5 3	<input type="radio"/>
79. DELTA TOWNSHIP UTILITIES, LLC	3 1 1 7 8 7 2 8 5	<input checked="" type="radio"/>
80. DENA ASSET PARTNERS, LP	3 2 0 3 5 9 3 0 9 8 4	<input type="radio"/>
81. DENA PARTNERS HOLDING, LLC	7 6 0 7 0 0 1 3 7	<input checked="" type="radio"/>
82. DETMI MANAGEMENT, INC.	1 8 4 1 2 7 4 5 4 2 6	<input type="radio"/>
83. DIXILYN-FIELD DRILLING COMPANY	3 6 2 9 0 5 8 1 7	<input checked="" type="radio"/>
84. DUKE BROADBAND, LLC		<input checked="" type="radio"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Texas Comptroller Official Use Only



VE/DE  FM



## ATTACHMENTS

### PROJECT DESCRIPTION

Pg 6

#### Question 1

The proposed project will consist of a facility designed to use wind power to generate electricity (otherwise known as a wind farm). The Applicant expects to build the proposed project to be operational in 1<sup>st</sup> quarter 2013 with 85% of the construction to be within the jurisdictional boundaries of Lyford ISD and Willacy County. The Applicant will commence construction on or before January 2012 and expects to complete construction within one year. The Applicant expects to meet the minimum qualified investment threshold referenced, by December 2013. All property for which the Applicant is seeking a limitation on appraised value will be owned by the Applicant.

#### Question 2

Duke Energy Generation (DEGS WIND I) is a U.S. developer of wind projects, and has operations in several regions and states within the contiguous United States that has sufficient prevailing wind conditions conducive to wind power generation. However, after the Los Vientos wind power project has completed construction the nature of the improvements makes them not readily movable to other locations. The wind turbines and supporting infrastructure are long-lived assets engineered and designed specifically for this project location. The cost of installing the improvements on the site is substantial and the cost to remove, redesign, and relocate the improvements to a different location would be even more substantial.

Also, power sales agreements have terms of up to 25 years, and are specific to a certain project, wind characteristics, and electrical delivery point. Therefore, moving the improvements to a different location is not permissible under the contract that provides the project with its primary revenue source.

In summary, relocating the improvements to another location, whether in-state or out-of-state, would be both impractical and likely detrimental to the economics of the project.

## ATTACHMENTS

### PROJECT SCOPE, INFORMATION, and SIZE

Pg 7

The total proposed project the Applicant intends to construct and operate consists of, but NOT limited to, 200 wind turbines to be constructed in two (2) phases commencing after January 2012. Phase 1A, situated in Willacy County, within the Lyford ISD, and should be complete in December 2012. The construction with installation of turbines of Phase 1B will commence on or about June 2012 and complete construction on or about June 2013. Both phases are expected to be fully operational on or about December 2013.

To date, the Applicant has acquired leases on approximately 22,000 acres of land within the surrounding area of southern Willacy County and northern Cameron County with 85% of the project area incorporated within the Lyford ISD in Willacy County. The remaining 15% of project area will be constructed in the Rio Hondo ISD, Cameron County area.

When completed the Los Vientos wind project will add over \$456 million to the ad valorem tax rolls of Willacy County and Lyford ISD. The Project will significantly enhance sales and use taxes for the state and local area, particularly during the construction period.

Attachment 5

Eighty-five percent (85%) of the project is located with the Lyford CISD. Fifteen percent (15%) is located within Rio Hondo ISD, in Cameron County.

## ATTACHMENTS

### INVESTMENT

Page 8

*(1) A specific and detailed description of the qualified investment you propose to make on the property for which you are requesting and appraised value limitation as defined by Tax Code §313.021.*

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property described and shown in Map Exhibit within Lyford ISD, which is located in Willacy County, Texas. The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: approximately 148 wind turbines, ranging from 1.8 to 2.3 megawatts to generate approximately 340 megawatts of power; 148 reinforced concrete foundations supporting the weight of each turbine tower; 148 electric power transformers; electric poles and conductor cables used to transport electricity from each turbine tower to an electrical substation; substation and approximately 1.5 miles of 138kV transmission line used to transport the electricity off the project site to an existing AEP substation.

Additionally, the map provided does not present the location of the improvements; however all of the improvements that make up the amount of qualified investment will be made within the Project Investment Area as shown on Map Exhibit. The applicant will provide a map with the location of the improvements in the near future.

During 2010, the Applicant obtained Reinvestment Zone designation and approval from Willacy County for the proposed project area and areas o consideration for future expansion.

None of the abovementioned property is covered under an existing County Appraisal District account number.

*(2) A description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment.*

The Applicant intends to construct a building(s) to house maintenance and operations, supplies, replacement parts and other miscellaneous related equipment.

*(3) A map of the qualified investment area.*

Attached within the proposal is a Map Exhibit of the qualified investment area.







## Attachment 8

The property for which the Applicant is requesting an appraised value limitation shall include the following: approximately 148 wind turbines, ranging from 1.8 to 2.3 megawatts to generate approximately 340 megawatts of power; 148 reinforced concrete foundations supporting the weight of each turbine tower; 148 electric power transformers; electric poles and conductor cables used to transport electricity from each turbine tower to an electrical substation; substation and approximately 1.5 miles of 138kV transmission line used to transport the electricity off the project site to an existing AEP substation. The Applicant intends to construct a building(s) to house maintenance and operations, supplies, replacement parts and other miscellaneous related equipment.

Attachment 9

See Attachment 7

Exhibit A  
Legal Description of Reinvestment Zone  
Containing Proposed Project

The real property in Willacy County, being:

All of Lot Number Ten(10), Block Number Thirty Four (34); and Lot Numbers Three(3), and Twelve(12), in Block Number Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Ten (10), and Eleven(11); in Block Number Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Two (2) in Block Number Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Nine (9), and Sixteen (16); in Block Number Thirty-Five (35), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers One (1); in Block Number Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Six (6), and Seven (7) in Block Number Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Number Four 'A' (4-A), and Lot Number Nine (9); in Block Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Number Four 'B' (4-B), and Lot Number Five (5); in Block Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lots Numbers Four (4), Five (5), and Twelve (12), in Section Number Thirty-eight (38), Santa Rosa Subdivision of Partition Share No. 44 of the San Juan de Carricitos Grant

All of Lot Numbers Fifteen (15), Sixteen (16) and Seventeen (17), Section Number Forty (40), Santa Rosa Subdivision

All of Lots Thirteen (13), Fourteen (15), Block Forty-one (41), Santa Rosa Subdivision, being a subdivision out of Partition Share 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Seven(7), Nine (9), Ten (10), Fourteen (14), Fifteen (15) save and except 1.5 acres of Lot 15, and the north ½ of Lot 16; in Section Number Thirty (30), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Eleven (11), Twelve (12) save and except southwest 1.5 acres, Lot Thirteen (13) save and except northwest 1 acre, Lot Fourteen (14) save and except the southeast 10 acres; in Section Number Thirty-One (31), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Four (4), Five (5), Seven (7), Eight (8), Eleven (11), and Twelve (12), in Section Number Thirty-Four (34), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Nineteen (19), Block Three (3); all of Lot Thirteen (13), Block Four (4); all of Lot Sixteen (16) (save & except 0.7222 of an acre in SE corner); and all of the South 21.67 acres of Lot Fifteen (15), Block Five (5); of Los Coyotes Ranch Subdivision.

All of Lot 1 Block 40, Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

470.055 acres of land out of Sub-Shares One, Two, Four, Five, and Eight, out of Share 62 and a certain 400 acre tract of land out of the West part of Share nine, San Juan de Carricitos Grant.

A 38.645 acre tract of land out of Sub-Share 1, out of Share 62, and a certain 400 acre tract of land out of the West part of Share Nine, San Juan de Carricitos Grant.

A 100 acre tract of land out of Sub-share No 1, out of Share No 62, San Juan de Carricitos Grant.

A 12 acre tract of land out of Sub Share No 1, out of Share No 62 San Juan de Carricitos Grant.

A 60.00 acre tract of land out of Sub-Shares One (1), and Three (3), out of Share Sixty-two (62), San Juan de Carricitos Grant

A 31.000 acre tract of land out of the South 40.00 acres of Lot Four (4), Share Eleven (11), San Juan de Carricitos Grant

A 9.000 acre tract of land out of the South 40.00 acres of Lot Four (4), Share Eleven (11), San Juan de Carricitos Grant

A 33.231 acre tract of land out of Sub-share Seven (7), out of Share Sixty-two (62), San Juan de Carricitos Grant

A 795.23 acre tract of land out of Share 25, San Juan de Carricitos Grant

A 1,321 acre tract of land out of North part of Share 10, Southwest part of Share 9, and Southeast corner of Share 62, San Juan de Carricitos Grant.

A 1,188 acre tract of land our of Shares 5 and 9 of the San Juan de Carricitos Grant.

A 2,411 acre tract of land out of Share 5 of the San Juan de Carricitos Grant.

A 2,785 acre tract of land out of Share 3 of the San Juan de Carricitos Grant.

A 3,111 acre tract of land out of Westerly 40% of Share Big 4.

A 3,182.7 acre tract out of Share 2, San Juan de Carricitos Grant.

A 1394.71 acre tract out of Share 2, San Juan de Carricitos Grant.

A 499.47 acre tract out of Share 2, San Juan de Carricitos Grant

All of lots 11, 12, 13 and 14, Section 32 of Santa Rosa Subdivision.

All of W ½ of Lot 15, Section 32, and the E ½ of Lot 2, Section 34, of Santa Rosa Subdivision.

All of Lot 1, Section 34 Santa Rosa Subdivsion.

All of E. 10 acres of Lot 9, Block 31, Santa Rosa Subdivision

All of Lot 10, 15 and 24.72 acres out of Lot 9, out of Section 31, Santa Rosa Subdivision.

A 501.5 acre tract out of Share No 10, San Juan de Carricitos Grant.

A 390.422 acre tract out of Share 2, San Juan de Carricitos Grant.

A 471.053 acre tract, a 559.398 acre tract, and a 118.69 acre tract being all of Share 2, save & except tracts 1A, 2A, 3A of Share 2, San Juan de Carricitos Grant.

A 160.027 acre tract out of Sub Shares 3,4,5,6,7,8, & 9 all out of Share 62, and a 1.056 acre tract of Share 2, San Juan de Carricitos Grant.

A 103.236 acre tract out of Sub Shares 4,5,6 of Share 62 and the N.W. corner of Share 10, San Juan de Carricitos Grant.

All of the Lots in Blocks Nineteen (19) through Forty (40); Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of the Lots in Santa Rosa Lake Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of the Lots in Block Three (3), Four (4), Five (5) and Six (6); Los Coyotes Subdivision of Partition Share No 25 of the San Juan de Carricitos Grant.

All of Blocks "A", "B", "C", "D", "E", "F", "J", and "H"; of Partition Share No 25 of the San Juan de Carricitos Grant.

Attachment 11

See Attachment 7

Attachment 12

N/A

Attachment 13

N/A

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

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

Source: Texas Occupational Employment and Wages

Data published: June 2011

Data published annually, next update will be June 2012.

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

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

Data intended for TAC 313 purposes only.

### Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2010	2nd Qtr	Willacy County	Private	00	0	10	Total, All Industries	\$603
2010	3rd Qtr	Willacy County	Private	00	0	10	Total, All Industries	\$598
2010	4th Qtr	Willacy County	Private	00	0	10	Total, All Industries	\$643
2011	1st Qtr	Willacy County	Private	00	0	10	Total, All Industries	\$566
2011	1st Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$530
2010	4th Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$658
2010	3rd Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$586
2010	2nd Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$501

Checklist Item 14

ATTACHMENT

CALCULATION OF WAGE REQUIREMENTS-WILLACY COUNTY

110% of County Average Weekly Wage for all Jobs

2011	1Q	566
2010	2Q	603
2010	3Q	598
2010	4Q	<u>643</u>

2410/4 = \$602.50 average weekly salary  
X 1.1 (110%)  
\$662.75 110% of County Average Weekly Wage for all Jobs

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

2011	1Q	501
2010	2Q	586
2010	3Q	658
2010	4Q	<u>530</u>

2275/4 = \$568.75 average weekly salary  
X 1.1 (110%)  
\$625.63 110% of County Average Weekly Wage for Manufacturing Jobs

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

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

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

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

## ATTACHMENTS

### WAGE & EMPLOYMENT BENEFITS FOR QUALIFYING JOBHOLDERS

Page 10

Qualified employees of the Project Operator and its Subcontractors employed at the wind farm will be offered full package benefits including medical, dental and life insurance of which a portion of the premiums will be paid for by the LLC. In addition, each employee will receive are wide competitive vacation time, sick leave, and skills training.

Attachment 16

N/A

Schedule A (Rev. May 2010): Investment

Form 50-296

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
Applicant Name USD Name	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)		
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)  Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)  Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)  Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)  Complete tax years of qualifying time period  Value Limitation Period  Continue to Maintain Viable Presence  Post- Settle-Up Period  Post- Settle-Up Period	2011-2012	2011							
	1	2012-13	2012	\$ 341,364,000	\$ 751,250	\$ 342,115,250	\$ 114,785,000	\$ 456,900,250	
	2	2013-14	2013						
	3	2014-15	2014						
	4	2015-16	2015						
	5	2016-17	2016						
	6	2017-18	2017						
	7	2018-19	2018						
	8	2019-20	2019						
	9	2020-21	2020						
	10	2021-22	2021						
	11	2022-23	2022						
	12	2023-24	2023						
	13	2024-25	2024						
	14	2025-26	2025						
15	2026-27	2026							

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

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D).

Column B: For the purposes of investment, please list amount invested each year, not cumulative totals.

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

Column D: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

Column E: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

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

Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility.

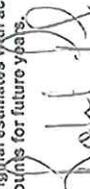
The most significant example for many projects would be land. Other examples may be items such as professional services, etc.

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

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

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application,

replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

  
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

9-1-11  
 DATE

**Schedule B (Rev. May 2010): Estimated Market And Taxable Value**

Form 50-296

Applicant Name  
ISD Name

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"		Final taxable value for IGS - after all reductions	Final taxable value for M&O--after all reductions	
	pre-year 1	2011-12	2011	\$ -	\$ -	\$ -		\$ -	\$ -	
Tax Credit Period (with 50% cap on credit)	1	2012-13	2012	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	
	2	2013-14	2013	\$ -	\$ 616,025	\$ 324,295,800	N/A	\$ 324,911,825	\$ 324,911,825	
	3	2014-15	2014	\$ -	\$ 616,025	\$ 324,295,800	N/A	\$ 324,911,825	\$ 10,000,000	
	4	2015-16	2015	\$ -	\$ 585,224	\$ 308,081,010	N/A	\$ 308,666,234	\$ 10,000,000	
	5	2016-17	2016	\$ -	\$ 555,963	\$ 292,676,960	N/A	\$ 293,232,923	\$ 10,000,000	
	6	2017-18	2017	\$ -	\$ 528,164	\$ 278,043,112	N/A	\$ 278,571,276	\$ 10,000,000	
	7	2018-19	2018	\$ -	\$ 501,756	\$ 264,140,956	N/A	\$ 264,642,712	\$ 10,000,000	
	8	2019-20	2019	\$ -	\$ 476,668	\$ 250,933,908	N/A	\$ 251,410,576	\$ 10,000,000	
	9	2020-21	2020	\$ -	\$ 452,835	\$ 238,387,213	N/A	\$ 238,840,048	\$ 10,000,000	
	10	2021-22	2021	\$ -	\$ 430,193	\$ 226,467,852	N/A	\$ 226,898,045	\$ 10,000,000	
	11	2022-23	2022	\$ -	\$ 408,684	\$ 215,144,460	N/A	\$ 215,553,144	\$ 215,553,144	
	Credit Settle-Up Period	12	2023-24	2023	\$ -	\$ 388,249	\$ 204,387,237	N/A	\$ 204,775,486	\$ 204,775,486
	13	2024-25	2024	\$ -	\$ 368,837	\$ 194,167,875	N/A	\$ 194,536,712	\$ 194,536,712	
	14	2025-26	2025	\$ -	\$ 350,395	\$ 184,459,481	N/A	\$ 184,809,876	\$ 184,809,876	
	15	2026-27	2026	\$ -	\$ 332,875	\$ 175,236,507	N/A	\$ 175,569,382	\$ 175,569,382	

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

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



9.1.11

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE DATE

Schedule C- Application: Employment Information

Form 50-296

Applicant Name  
ISD Name

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs		
				Column A: Number of Construction FTE's or man- hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs	
	pre-year 1	2011-12	2011							
	1	2012-13	2012	200 FTE	\$ 32,000					
	2	2013-14	2013	200 FTE	\$ 32,000	10	\$ 32,832.80	10	\$ 32,832.80	
	3	2014-15	2014			10	\$ 32,832.80	10	\$ 32,832.80	
	4	2015-16	2015			10	\$ 32,832.80	10	\$ 32,832.80	
	5	2016-17	2016			10	\$ 32,832.80	10	\$ 32,832.80	
	6	2017-18	2017			10	\$ 32,832.80	10	\$ 32,832.80	
	7	2018-19	2018			10	\$ 32,832.80	10	\$ 32,832.80	
	8	2019-20	2019			10	\$ 32,832.80	10	\$ 32,832.80	
	9	2020-21	2020			10	\$ 32,832.80	10	\$ 32,832.80	
	10	2021-22	2021			10	\$ 32,832.80	10	\$ 32,832.80	
	11	2022-23	2022			10	\$ 32,832.80	10	\$ 32,832.80	
	12	2023-24	2023			10	\$ 32,832.80	10	\$ 32,832.80	
	13	2024-25	2024			10	\$ 32,832.80	10	\$ 32,832.80	
	14	2025-26	2025			10	\$ 32,832.80	10	\$ 32,832.80	
	15	2026-27	2026			10	\$ 32,832.80	10	\$ 32,832.80	
Tax Credit Period (with 50% cap on credit)										
Credit Settle-Up Period										
Post-Settle-Up Period										
Post-Settle-Up Period										

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Schedule D: (Rev. May 2010): Other Tax Information

Form 50-296

Applicant Name

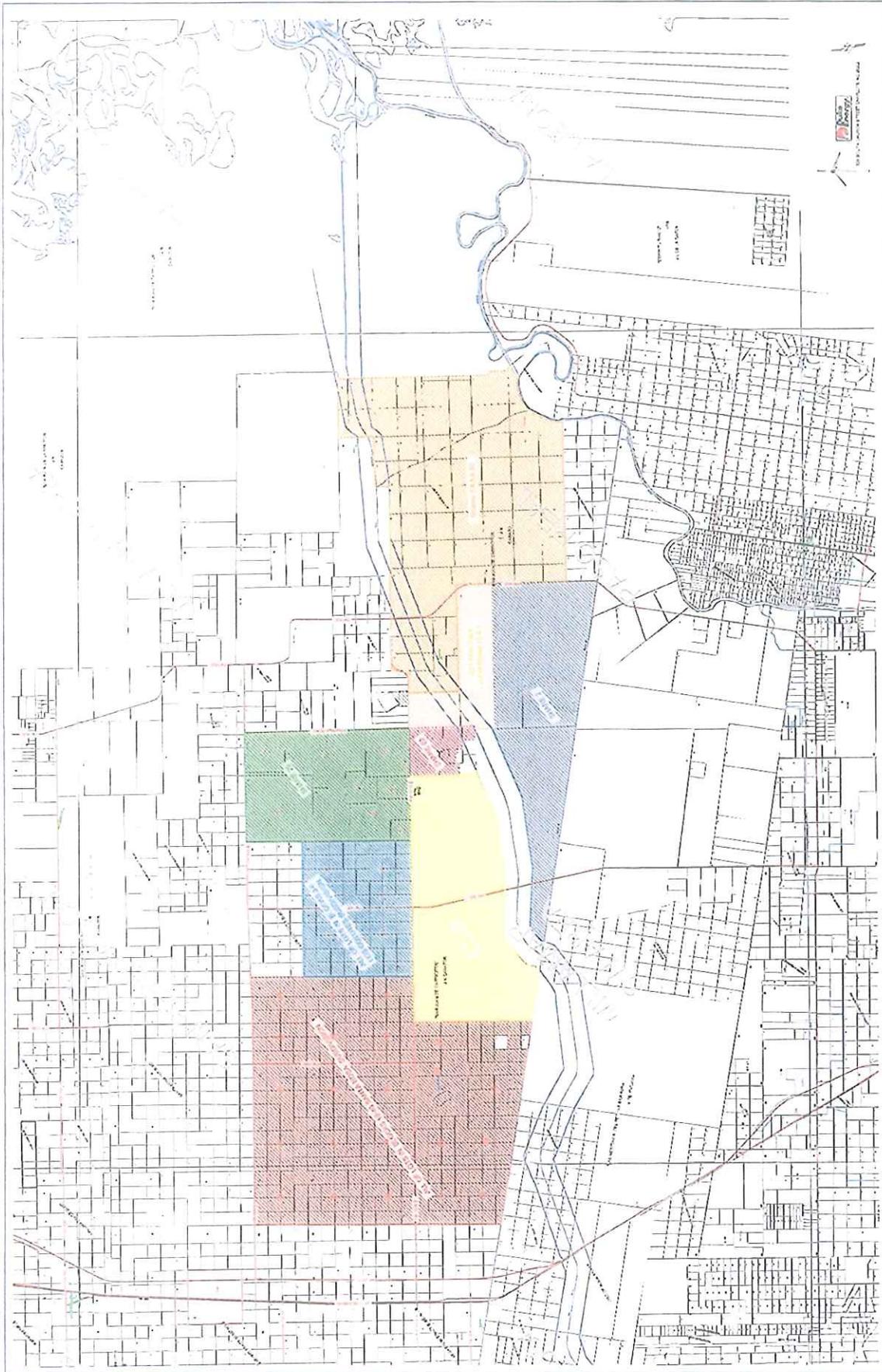
		Sales Tax Information		Other Property Tax Abatements Sought			
				Franchise Tax	County	City	Hospital
		Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Year	Year	Year	Year	Year
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	2011-12	2011					
Complete tax years of qualifying time period	1	2012-13	2012	\$ 89,000,000	\$ 290,000,000	\$ 356,703	85%
	2	2013-14	2013	\$ 11,000,000	\$ 18,000,000	\$ 356,703	85%
	3	2014-15	2014			\$ 356,703	85%
	4	2015-16	2015			\$ 356,703	85%
	5	2016-17	2016			\$ 356,703	85%
	6	2017-18	2017			\$ 356,703	85%
	7	2018-19	2018			\$ 356,703	85%
	8	2019-20	2019			\$ 356,703	85%
	9	2020-21	2020			\$ 356,703	85%
	10	2021-22	2021			\$ 356,703	85%
	11	2022-23	2022			\$ 356,703	85%
	12	2023-24	2023			\$ 356,703	85%
	13	2024-25	2024			\$ 356,703	85%
	14	2025-26	2025			\$ 356,703	85%
	15	2026-27	2026			\$ 356,703	85%
Tax Credit Period (with 50% cap on credit)							
Credit Settle-Up Period	Continue to Maintain Viable Presence						
	Post-Settle-Up Period						
Post-Settle-Up Period							

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

9-1-11

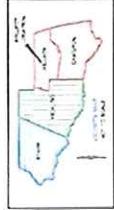
DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE



**LAS PALMAS REINVENTION ZONES # 13 FOR LOS VIENTOS WIND PARK**

- 1. ENVIRONMENTAL SENSITIVE AREAS
- 2. ENVIRONMENTAL SENSITIVE AREAS
- 3. ENVIRONMENTAL SENSITIVE AREAS
- 4. ENVIRONMENTAL SENSITIVE AREAS
- 5. ENVIRONMENTAL SENSITIVE AREAS
- 6. ENVIRONMENTAL SENSITIVE AREAS
- 7. ENVIRONMENTAL SENSITIVE AREAS



**PROJECT INFORMATION**

**PROJECT NAME:** LAS PALMAS REINVENTION ZONES # 13 FOR LOS VIENTOS WIND PARK

**CLIENT:** [Name]

**DATE:** [Date]

**SCALE:** [Scale]

**PROJECT LOCATION:** [Location]

**PROJECT DESCRIPTION:** [Description]

**PROJECT STATUS:** [Status]

**PROJECT CONTACT:** [Contact]

**PROJECT WEBSITE:** [Website]

A Resolution and Order Approving Designation of  
Las Palmas Reinvestment Zone No. 1

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The Commissioners' Court of Willacy County, Texas, meeting in regular session on February 2~~2~~<sup>3</sup>2010, considered the following resolution:

WHEREAS, Willacy County Texas considered the creation of the Las Palmas Reinvestment Zone No. 1 (the "Zone");

WHEREAS, the County has determined that the designation of the Zone 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;

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

1. That the County designates the property located in Willacy County, having the boundary description in Exhibit A and shown on the map in Exhibit B, both attached to this Order, as the Las Palmas Reinvestment Zone No. 1 ("the Zone"), under the Willacy 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 and will contribute to the economic development of the County, and
2. That the County declare eligible for property tax abatement all property eligible for commercial-industrial development, now or thereafter located in that Zone as authorized by the Willacy County Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones and Chapter 312 of the Texas Tax Code.
3. That the zone shall be called "Las Palmas Reinvestment Zone No. 1"

PASSED AND APPROVED at this public hearing of the Willacy County Commissioners' Court, at which a quorum was present, on the 22~~2~~<sup>3</sup> day of February 2~~2~~<sup>3</sup> 2010.

 Date: 2/23/10  
Eliberto "Beto" Guerra  
Commissioner Precinct 1

  
Date: 2/23/10  
Eddie Chapa  
Commissioner Precinct 2

  
Date: 2/23/10  
Fred Serrato  
Commissioner Precinct 3

  
Date: 2/23/10  
Aurelio "Keeter" Guerra, Jr.  
Presiding Officer of the Commissioners' Court, Commissioners Precinct 4

ATTESTED: \_\_\_\_\_ Date: \_\_\_\_\_, Terry Flores, County Clerk

Exhibit A  
Legal Description of Reinvestment Zone  
Containing Proposed Project

The real property in Willacy County, being:

All of Lot Number Ten(10), Block Number Thirty Four (34); and Lot Numbers Three(3), and Twelve(12), in Block Number Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Ten (10), and Eleven(11); in Block Number Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Two (2) in Block Number Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Nine (9), and Sixteen (16); in Block Number Thirty-Five (35), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers One (1); in Block Number Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Six (6), and Seven (7) in Block Number Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Number Four 'A' (4-A), and Lot Number Nine (9); in Block Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Number Four 'B' (4-B), and Lot Number Five (5); in Block Forty-One (41), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lots Numbers Four (4), Five (5), and Twelve (12), in Section Number Thirty-eight (38), Santa Rosa Subdivision of Partition Share No. 44 of the San Juan de Carricitos Grant

All of Lot Numbers Fifteen (15), Sixteen (16) and Seventeen (17), Section Number Forty (40), Santa Rosa Subdivision

All of Lots Thirteen (13), Fourteen (15), Block Forty-one (41), Santa Rosa Subdivision, being a subdivision out of Partition Share 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Seven(7), Nine (9), Ten (10), Fourteen (14), Fifteen (15) save and except 1.5 acres of Lot 15, and the north ½ of Lot 16; in Section Number Thirty (30), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Eleven (11), Twelve (12) save and except southwest 1.5 acres, Lot Thirteen (13) save and except northwest 1 acre, Lot Fourteen (14) save and except the southeast 10 acres; in Section Number Thirty-One (31), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Numbers Four (4), Five (5), Seven (7), Eight (8), Eleven (11), and Twelve (12), in Section Number Thirty-Four (34), Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of Lot Nineteen (19), Block Three (3); all of Lot Thirteen (13), Block Four (4); all of Lot Sixteen (16) (save & except 0.7222 of an acre in SE corner); and all of the South 21.67 acres of Lot Fifteen (15), Block Five (5); of Los Coyotes Ranch Subdivision.

All of Lot 1 Block 40, Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

470.055 acres of land out of Sub-Shares One, Two, Four, Five, and Eight, out of Share 62 and a certain 400 acre tract of land out of the West part of Share nine, San Juan de Carricitos Grant.

A 38.645 acre tract of land out of Sub-Share 1, out of Share 62, and a certain 400 acre tract of land out of the West part of Share Nine, San Juan de Carricitos Grant.

A 100 acre tract of land out of Sub-share No 1, out of Share No 62, San Juan de Carricitos Grant.

A 12 acre tract of land out of Sub Share No 1, out of Share No 62 San Juan de Carricitos Grant.

A 60.00 acre tract of land out of Sub-Shares One (1), and Three (3), out of Share Sixty-two (62), San Juan de Carricitos Grant

A 31.000 acre tract of land out of the South 40.00 acres of Lot Four (4), Share Eleven (11), San Juan de Carricitos Grant

A 9.000 acre tract of land out of the South 40.00 acres of Lot Four (4), Share Eleven (11), San Juan de Carricitos Grant

A 33.231 acre tract of land out of Sub-share Seven (7), out of Share Sixty-two (62), San Juan de Carricitos Grant

A 795.23 acre tract of land out of Share 25, San Juan de Carricitos Grant

A 1,321 acre tract of land out of North part of Share 10, Southwest part of Share 9, and Southeast corner of Share 62, San Juan de Carricitos Grant.

A 1,188 acre tract of land out of Shares 5 and 9 of the San Juan de Carricitos Grant.

A 2,411 acre tract of land out of Share 5 of the San Juan de Carricitos Grant.

A 2,785 acre tract of land out of Share 3 of the San Juan de Carricitos Grant.

A 3,111 acre tract of land out of Westerly 40% of Share Big 4.

A 3,182.7 acre tract out of Share 2, San Juan de Carricitos Grant.

A 1394.71 acre tract out of Share 2, San Juan de Carricitos Grant.

A 499.47 acre tract out of Share 2, San Juan de Carricitos Grant

All of lots 11, 12, 13 and 14, Section 32 of Santa Rosa Subdivision.

All of W ½ of Lot 15, Section 32, and the E ½ of Lot 2, Section 34, of Santa Rosa Subdivision.

All of Lot 1, Section 34 Santa Rosa Subdivision.

All of E. 10 acres of Lot 9, Block 31, Santa Rosa Subdivision

All of Lot 10, 15 and 24.72 acres out of Lot 9, out of Section 31, Santa Rosa Subdivision.

A 501.5 acre tract out of Share No 10, San Juan de Carricitos Grant.

A 390.422 acre tract out of Share 2, San Juan de Carricitos Grant.

A 471.053 acre tract, a 559.398 acre tract, and a 118.69 acre tract being all of Share 2, save & except tracts 1A, 2A, 3A of Share 2, San Juan de Carricitos Grant.

A 160.027 acre tract out of Sub Shares 3,4,5,6,7,8, & 9 all out of Share 62, and a 1.056 acre tract of Share 2, San Juan de Carricitos Grant.

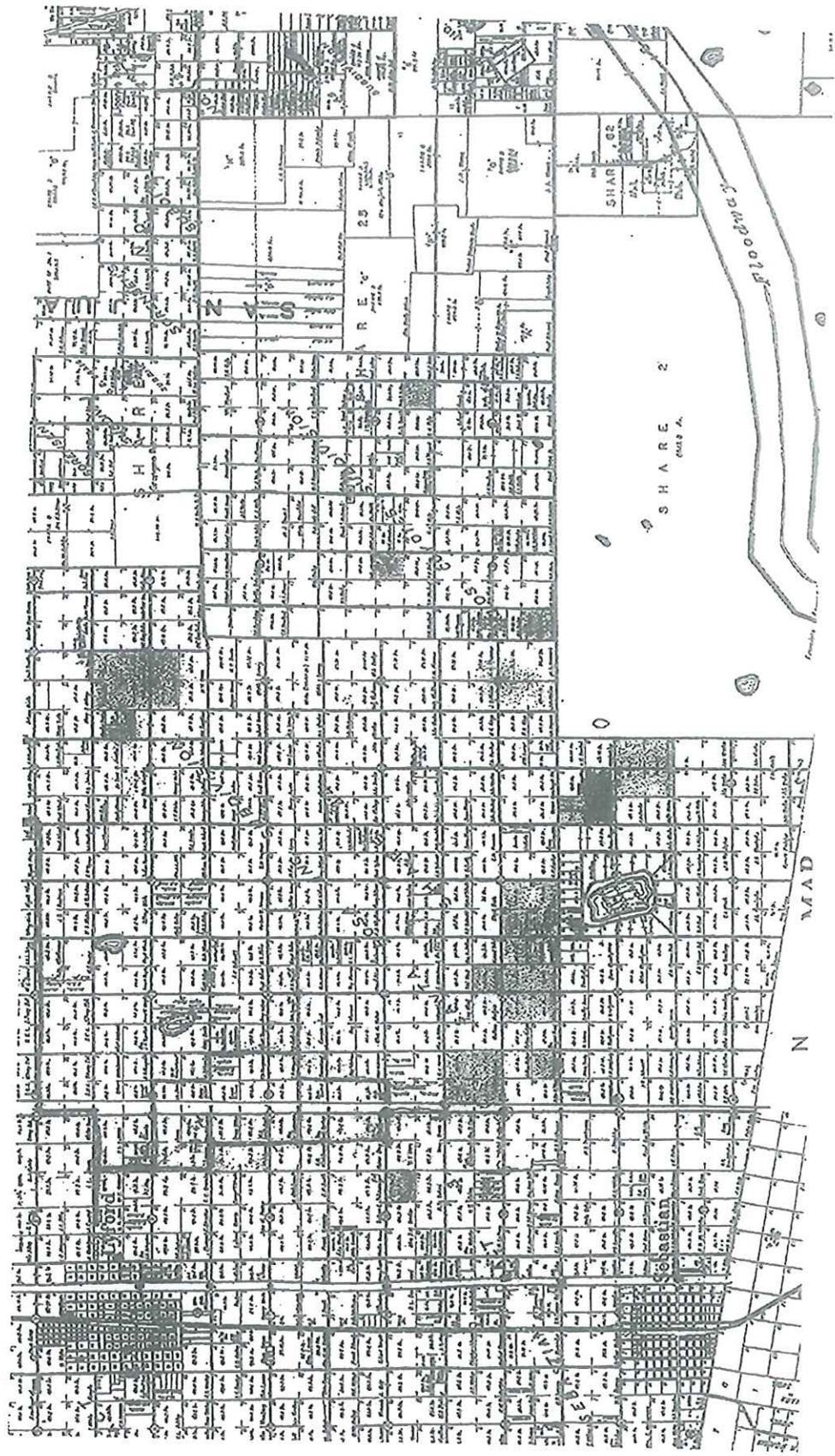
A 103.236 acre tract out of Sub Shares 4,5,6 of Share 62 and the N.W. corner of Share 10, San Juan de Carricitos Grant.

All of the Lots in Blocks Nineteen (19) through Forty (40); Santa Rosa Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of the Lots in Santa Rosa Lake Subdivision Inc. of Partition Share No 44 of the San Juan de Carricitos Grant.

All of the Lots in Block Three (3), Four (4), Five (5) and Six (6); Los Coyotes Subdivision of Partition Share No 25 of the San Juan de Carricitos Grant.

All of Blocks "A", "B", "C", "D", "E", "F", "J", and "H"; of Partition Share No 25 of the San Juan de Carricitos Grant.



**WILLACY COUNTY  
STATE OF TEXAS  
TAX ABATEMENT GUIDELINES AND CRITERIA**

The purpose of this document is to establish guidelines, criteria, 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. Except as otherwise provided, all contracts will be identical.

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 Willacy County of at least \$100,000.00 over the life of the abatement, computed to include (but is 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 Willacy County to another without a super-majority vote of approval from the Commissioners' Court.

In addition to the criteria set forth above, the Willacy 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 no longer than allowed by law.

This policy is effective as of \_\_\_\_\_, 2009 and shall at all times be kept current with regard to the needs of Willacy 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 Willacy 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 1

- (a) "**Abatement**" means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Willacy County for economic development purposes.
- (b) "**Agreement**" means a contractual agreement between a property owner and/or lessee and Willacy 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 Willacy County, but does not include Facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Willacy County such as, but not limited to, restaurants and retail sales establishments.
- (f) "**Expansion**" means the addition of buildings, structures, machinery, equipment, or payroll for purposes of increasing production capacity.
- (g) "**Facility**" means property improvement 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 a property improvement is expected to be in service in a facility.

#### **ABATEMENT AUTHORIZED - SECTION 2**

(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 Willacy County and the property owner or lessee, subject to such limitations as Willacy 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 Willacy County and the property owner or lessee, subject to such limitations as Willacy 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 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 Qualification.** 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 Willacy County of at least \$100,000.00 over the life of the abatement, computed to include (but is 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 Willacy County to another without a super-majority vote of approval from the Commissioners' Court.

**(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 jurisdictions;
- (8) Amount of local sales taxes to be generated directly;
- (9) 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 \$100,000;
- (10) The costs to be incurred by Willacy County to provide facilities or services directly resulting from the new improvements;
- (11) The amount of ad valorem taxes to be paid to Willacy 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;
- (12) The population growth of Willacy County that occurs directly as a result of new improvements;
- (13) The types and values of public improvements, if any, to be made by applicant seeking Abatement;
- (14) Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
- (15) The impact on the business opportunities of existing business;
- (16) The attraction of other new businesses to the area;

(17) The overall compatibility with the zoning ordinances and comprehensive plan for the area;

(18) 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 safety, health, or morals;

(4) Violation of other codes or laws; or

(5) Any other reason deemed appropriate by Willacy 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(c) 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 3

(a) Any present or potential owner of taxable property in Willacy 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 should be made payable to Willacy 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 00/100 DOLLARS (\$1,000.00). For abatement requests for improvements with a planned value of \$999,999.00 or less, the fee shall be FIVE HUNDRED AND 00/100 DOLLARS (\$500.00).

(c) Willacy 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 to the agreement is located not later than the seven days before the public hearing and (2) publication in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing. Before acting upon the application, Willacy 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 Willacy 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 Willacy 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.

#### **AGREEMENT - SECTION 4**

(a) After approval, the Commissioners' Court of Willacy 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 ensure 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 the 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) 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 5**

(a) In the event that the company or individual (1) allows its ad valorem taxes owed Willacy 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 within sixty (60) days from the date of notice of the violation ("Cure Period") the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.

(b) Should Willacy County determine that the company or individual is in default according to the terms and conditions of its Agreement, Willacy County shall notify the company or individual in writing at the address stated in the Agreement, and if such is not cured within the Cure Period, then the Agreement may be terminated.

#### **ADMINISTRATION - SECTION 6**

(a) The Chief Appraiser of the Willacy 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 Willacy County of the amount of the assessment.

(b) Willacy 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 Willacy 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 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 Willacy County shall annually evaluate each Facility receiving Abatement to ensure compliance with the agreement, a formal annual report shall be made to the Commissioners' Court.

#### **ASSIGNMENT - SECTION 7**

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 Willacy 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 Willacy 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 8**

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 Willacy 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 that review, the Guidelines and Criteria will be modified, renewed, or eliminated.

Adopted   JUNE 8  , 2009  
Willacy County Commissioners' Court