

**FINDINGS OF THE MOTLEY COUNTY  
INDEPENDENT SCHOOL DISTRICT BOARD  
OF TRUSTEES  
UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE  
APPLICATION SUBMITTED  
BY  
CEDAR CAP WIND, LLC**



May 12, 2014

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OF THE  
MOTLEY COUNTY INDEPENDENT  
SCHOOL DISTRICT BOARD OF TRUSTEES  
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**MAY 12, 2014**

Board Findings of the Motley County Independent School District

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SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
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STATE OF TEXAS §

COUNTY OF MOTLEY §

On the 12<sup>th</sup> day of May, 2014, a public meeting of the Board of Trustees of the Motley County Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Cedar Cap Wind, LLC (Cedar Cap Wind) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Motley County Independent School District makes the following findings with respect to the application of Cedar Cap Wind, and the economic impact of that application:

On August 26, 2013, the Texas Comptroller of Public Accounts received an Application from Cedar Cap Wind for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A revised application was submitted on November 7, 2013, a copy of the revised Application is attached as **Attachment A**.

The Applicant, Cedar Cap Wind (Texas Taxpayer Id. 12034339494), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

The Board of Trustees has acknowledged receipt of the Application, along with the requisite application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

Board Findings of the Motley County Independent School District

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Motley County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a favorable recommendation was issued on February 10, 2014. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation pursuant to Texas Tax Code § 313.026 and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Attachment D**.

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the Motley County Independent School District. A copy of a report prepared by Moak, Casey & Associates, Inc. is attached to these findings as **Attachment E**.

The Board of Trustees has confirmed that the taxable value of property in the Motley County Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment F**.

After receipt of the Application, the District entered into negotiations with Cedar Cap Wind, over the specific language to be included in the Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as **Attachment G**.

Board Findings of the Motley County Independent School District

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

**Board Finding Number 1.**

**There is a strong relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plan of this State as described in the strategic plan for economic development (ED Plan) submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Texas Government Code.**

In support of Finding 1, the economic impact evaluation states:

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Cedar Cap Wind, LLC project requires appear to be in line with the focus and themes of the plan. Texas identified energy as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the energy industry.

**Board Finding Number 2.**

**The economic condition of Matador, Texas is in need of long-term improvement, based on the state's analysis of Motley County data.**

Based on information provided by the Comptroller's Office that focused on the county level, Motley County is the 244<sup>th</sup> largest county in the state in terms of population. Population growth in Motley County is up, based on these data. The population of Motley increased by 1.5 percent between 2009 and 2010, whereas the state population increased 1.8 percent during the same period.

September 2011 employment for Motley County was down 0.9 percent from September 2010, below the state's 0.9 percent increase in total employment during the same period. The unemployment rate in Motley County was 6.6 percent in September 2011, below the state average of 8.5 percent.

Board Findings of the Motley County Independent School District

Motley County continues to have a lower per capita personal income than the state as a whole. In terms of per capita income, Motley County's \$29,738 in 2009 ranked 182<sup>nd</sup> among the 254 counties in Texas, while the Texas average was \$38,609 for the same period.

The local economy in Motley County will benefit from economic activity like that associated with the Cedar Cap Wind project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases.

**Board Finding Number 3.**

**The average salary level of qualifying jobs is expected to be at least \$40,000 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional average manufacturing wage. Cedar Cap Wind indicates that total employment will be approximately two (2) new jobs, both of which will be qualifying jobs.**

In support of Finding 3, the economic impact evaluation states:

After construction, the project will create two new jobs when fully operational. All two jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the South Plains Association of Governments Region, where Motley County is located was \$33,662 in 2012. The annual average manufacturing wage for 2012-2013 for Motley County is \$50,609. During that same period, the county annual average wage for all industries was \$26,182. In addition to an annual average salary of \$40,000 each qualifying position will receive benefits such as health insurance, 401(k), vacation time, sick leave and skills training.

**Board Finding Number 4.**

**The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$42 million on the basis of the goal of 2 new qualifying positions for the entire Cedar Cap Wind project.**

In support of Finding 4, the economic impact evaluation states:

The project's total investment is \$84 million, resulting in a relative level of investment per qualifying job of \$42 million..

**Board Finding Number 5.**

**Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set forth in Texas Tax Code § 313.021(2)(A)(iv)(b) was applied, for the size and scope of the project described in the Application, the required number of jobs meets or exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.**

**Board Finding Number 6.**

**Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region.**

Table 1 depicts Cedar Cap Wind, LLC's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 14 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Board Findings of the Motley County Independent School District

**Table 1: Estimated Statewide Economic Impact of Investment and Employment in Cedar Cap Wind, LLC**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	50	52	102	\$2,500,000	\$3,237,000	\$5,737,000
2014	100	106	206	\$5,000,000	\$7,695,000	\$12,695,000
2015	52	58	110	\$2,580,000	\$5,110,000	\$7,690,000
2016	2	4	6	\$80,000	\$1,507,000	\$1,587,000
2017	2	(4)	-2	\$80,000	\$1,141,000	\$1,221,000
2018	2	(4)	-2	\$80,000	\$530,000	\$610,000
2019	2	(4)	-2	\$80,000	\$286,000	\$366,000
2020	2	(4)	-2	\$80,000	\$164,000	\$244,000
2021	2	(2)	0	\$80,000	\$164,000	\$244,000
2022	2	(4)	-2	\$80,000	\$42,000	\$122,000
2023	2	0	2	\$80,000	\$164,000	\$244,000
2024	2	0	2	\$80,000	\$408,000	\$488,000
2025	2	6	8	\$80,000	\$408,000	\$488,000
2026	2	4	6	\$80,000	\$530,000	\$610,000
2027	2	6	8	\$80,000	\$897,000	\$977,000
2028	2	6	8	\$80,000	\$897,000	\$977,000

Source: CPA, REMI, Cedar Cap Wind, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.7 billion in 2012-2013. Motley County ISD's ad valorem tax base in 2012-2013 was \$84.7 million. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Motley County ISD's estimated wealth per WADA was \$239,155. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Motley County, Motley County Hospital District and the Gateway Groundwater Conservation District with all property tax incentives sought being granted using estimated market value from Cedar Cap Wind, LLC's application. Cedar Cap Wind, LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county and hospital district. Table 3 illustrates the estimated tax impact of the Cedar Cap Wind, LLC project on the region if all taxes are assessed.

Board Findings of the Motley County Independent School District

**Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought**

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Motley County ISD I&S Levy	Motley County ISD M&O Levy	Motley County ISD M&O and I&S Tax Levies (Before Credit Credited)	Motley County ISD M&O and I&S Tax Levies (After Credit Credited)	Motley County Tax Levy	Motley County Hospital District Tax Levy	Gateway Groundwater Conservation District Tax Levy	Estimated Total Property Taxes
			0.0000	1.1700				0.6228	0.2004	0.0200	
2015	\$47,040,000	\$47,040,000		\$0	\$550,368	\$550,368	\$550,368	\$58,590	\$18,855	\$9,408	\$637,222
2016	\$80,640,000	\$80,640,000		\$0	\$943,488	\$943,488	\$943,488	\$100,440	\$32,323	\$16,128	\$1,092,380
2017	\$74,189,000	\$10,000,000		\$0	\$117,000	\$117,000	\$117,000	\$115,507	\$37,172	\$14,838	\$284,517
2018	\$68,254,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$106,266	\$34,198	\$13,651	\$212,615
2019	\$62,794,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$97,766	\$31,463	\$12,559	\$200,287
2020	\$57,770,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$197,876	\$52,102	\$11,554	\$320,031
2021	\$53,148,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$182,044	\$47,933	\$10,630	\$299,107
2022	\$48,896,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$213,157	\$44,098	\$9,779	\$325,534
2023	\$44,984,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$196,103	\$40,570	\$8,997	\$304,170
2024	\$41,385,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$180,413	\$37,324	\$8,277	\$284,515
2025	\$38,074,000	\$38,074,000		\$0	\$445,466	\$445,466	\$0	\$237,113	\$76,307	\$7,615	\$321,035
2026	\$35,028,000	\$35,028,000		\$0	\$409,828	\$409,828	\$4,938	\$218,144	\$70,202	\$7,006	\$300,289
2027	\$32,226,000	\$32,226,000		\$0	\$377,044	\$377,044	\$377,044	\$200,694	\$64,587	\$6,445	\$648,770
2028	\$29,648,000	\$29,648,000		\$0	\$346,882	\$346,882	\$346,882	\$184,639	\$59,420	\$5,930	\$596,870
2029	\$27,276,000	\$27,276,000		\$0	\$319,129	\$319,129	\$319,129	\$169,867	\$54,666	\$5,455	\$549,117
						<b>Total</b>	<b>\$3,068,348</b>	<b>\$2,458,619</b>	<b>\$701,222</b>	<b>\$148,270</b>	<b>\$6,376,460</b>

Assumes School Value Limitation and Tax Abatement with the County and the Hospital District.

Source: CPA, Cedar Cap Wind, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives**

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Motley County ISD I&S Levy	Motley County ISD M&O Levy	Motley County ISD M&O and I&S Tax Levies	Motley County Tax Levy	Motley County Hospital District Tax Levy	Gateway Groundwater Conservation District Tax Levy	Estimated Total Property Taxes	
			0.0000	1.1700			0.6228	0.2004	0.0200		
2015	\$47,040,000	\$47,040,000		\$0	\$550,368	\$550,368	\$292,951	\$94,277	\$9,408	\$947,004	
2016	\$80,640,000	\$80,640,000		\$0	\$943,488	\$943,488	\$502,202	\$161,617	\$16,128	\$1,623,435	
2017	\$74,189,000	\$74,189,000		\$0	\$868,011	\$868,011	\$462,027	\$148,688	\$14,838	\$1,493,564	
2018	\$68,254,000	\$68,254,000		\$0	\$798,572	\$798,572	\$425,065	\$136,793	\$13,651	\$1,374,081	
2019	\$62,794,000	\$62,794,000		\$0	\$734,690	\$734,690	\$391,062	\$125,850	\$12,559	\$1,264,161	
2020	\$57,770,000	\$57,770,000		\$0	\$675,909	\$675,909	\$359,774	\$115,781	\$11,554	\$1,163,019	
2021	\$53,148,000	\$53,148,000		\$0	\$621,832	\$621,832	\$330,990	\$106,518	\$10,630	\$1,069,969	
2022	\$48,896,000	\$48,896,000		\$0	\$572,083	\$572,083	\$304,510	\$97,996	\$9,779	\$984,368	
2023	\$44,984,000	\$44,984,000		\$0	\$526,313	\$526,313	\$280,147	\$90,156	\$8,997	\$905,612	
2024	\$41,385,000	\$41,385,000		\$0	\$484,205	\$484,205	\$257,733	\$82,943	\$8,277	\$833,158	
2025	\$38,074,000	\$38,074,000		\$0	\$445,466	\$445,466	\$237,113	\$76,307	\$7,615	\$766,501	
2026	\$35,028,000	\$35,028,000		\$0	\$409,828	\$409,828	\$218,144	\$70,202	\$7,006	\$705,179	
2027	\$32,226,000	\$32,226,000		\$0	\$377,044	\$377,044	\$200,694	\$64,587	\$6,445	\$648,770	
2028	\$29,648,000	\$29,648,000		\$0	\$346,882	\$346,882	\$184,639	\$59,420	\$5,930	\$596,870	
2029	\$27,276,000	\$27,276,000		\$0	\$319,129	\$319,129	\$169,867	\$54,666	\$5,455	\$549,117	
						<b>Total</b>	<b>\$8,673,818</b>	<b>\$4,616,918</b>	<b>\$1,485,803</b>	<b>\$148,270</b>	<b>\$14,924,810</b>

Source: CPA, Cedar Cap Wind, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Board Finding Number 7.**

**The revenue gains that will be realized by the school district if the Application is approved will be significant in the long-term, with special reference to revenues used for supporting school district debt.**

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$81 million to the tax base for debt service purposes at the peak investment level for the 2017-18 school year. Although Motley County ISD does not currently levy a debt service tax, the Cedar Cap Wind project does remain fully taxable for I&S tax purposes. While the value of the Cedar Cap Wind project is expected to depreciate over the life of the agreement and beyond, full access to the additional value will add to the District's I&S tax base.

**Board Finding Number 8.**

**The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the Cedar Cap Wind project.**

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the new wind energy project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in Motley County ISD as stated in **Attachment D**.

**Board Finding Number 9.**

**The ability of the applicant to locate the proposed facility in another state or another region of this state is substantial, as a result of the highly competitive marketplace for economic development.**

In support of Finding 9, the economic impact evaluation states:

According to the Cedar Cap Wind, LLC application, "Cedar Cap Wind, LLC is a wholly owned subsidiary of Gamesa Energy USA, LLC. The company has production centers in the main wind markets: Spain and China, as the global production and supply hubs, while maintaining its local production capacity in

Board Findings of the Motley County Independent School District

India, US, and Brazil.” The application also states “Gamesa has the proven ability to locate and develop wind farms in many countries as well as numerous locations throughout the United States.”

**Board Finding Number 10.**

**During the past two years, eight projects in the South Plains State Planning Region applied for value limitation agreements under Tax Code, Chapter 313.**

**Board Finding Number 11.**

**The Board of Trustees hired consultants to review and verify the information in the Application from Cedar Cap Wind. Based upon the consultants’ review, the Board has determined that the information provided by the Applicant is true and correct.**

**Board Finding Number 12.**

**The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Ten Million Dollars, which is consistent with the minimum values currently set out by Tax Code, § 313.054(a).**

According to the Texas Comptroller of Public Accounts’ School and Appraisal Districts’ Property Value Study 2013 Preliminary Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2013 industrial value for Motley County ISD is \$8.2 million. Motley County ISD is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. Motley County ISD is classified as a “rural” district due to its population characteristics. Given that the value of industrial property in Motley County ISD is more than \$1 million but less than \$90 million, it is classified as a Category II district which can offer a minimum value limitation of \$10 million.

Board Findings of the Motley County Independent School District

**Board Finding Number 13.**

**The Applicant (Taxpayer Id. 12034339494) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.**

**Board Finding Number 14.**

**The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District.**

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first year that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. Revenue protection measures are in place for the duration of the Agreement.

**Board Finding Number 15.**

**Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.**

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the Motley County Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the Motley County Independent School District.

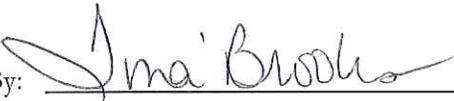
Board Findings of the Motley County Independent School District

Dated the 12<sup>th</sup> day of May 2014.

MOTLEY COUNTY INDEPENDENT SCHOOL DISTRICT

By:   
Don Baxter, President, Board of Trustees

ATTEST:

By:   
Tina Brooks, Secretary, Board of Trustees



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

May 12, 2014

President and Members  
Board of Trustees  
Motley County Independent School District  
1600 Bundy  
Matador, Texas 79224

*Re: Recommendations and Findings of the firm Concerning Application of Cedar Cap Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*

Dear President Baxter and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Motley County Independent School District, with respect to the pending Application of Cedar Cap Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Cedar Cap Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

[www.moakcasey.com](http://www.moakcasey.com)

# O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

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**KEVIN O'HANLON**  
CERTIFIED, CIVIL APPELLATE  
CERTIFIED, CIVIL TRIAL

**LESLIE MCCOLLOM**  
CERTIFIED, CIVIL APPELLATE  
CERTIFIED, LABOR AND EMPLOYMENT  
TEXAS BOARD OF LEGAL SPECIALIZATION

**JUSTIN DEMERATH**

May 12, 2014

President and Members  
Of the Board of Trustees  
Motley County Independent School District  
1600 Bundy  
Matador, Texas 79224

*Re: Recommendations and Findings of the Firm Concerning Application of Cedar Cap Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, first qualifying year 2015*

Dear President Baxter and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Motley County Independent School District, with respect to the pending Application of Cedar Cap Wind, LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, to be effected by an agreement with a first qualifying time year of 2015. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Cedar Cap Wind, LLC Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.

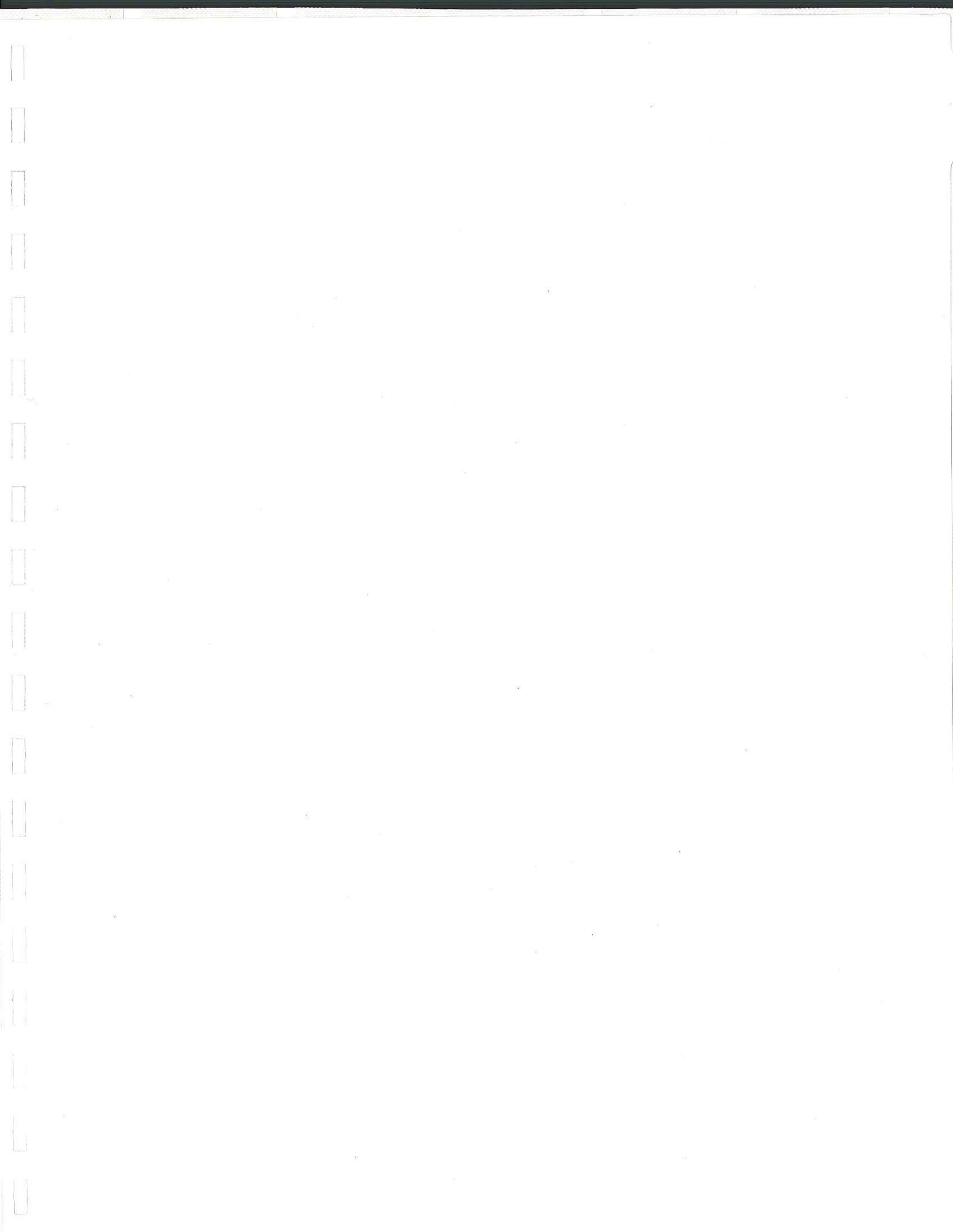
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Cedar Cap Wind, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written over a horizontal line.

Kevin O'Hanlon  
For the Firm



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/hb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

<b>Authorized School District Representative</b>		Date application received by district <b>August 26, 2013</b>
First Name <b>William</b>	Last Name <b>Cochran</b>	
Title <b>Superintendent</b>		
School District Name <b>Motley County ISD</b>		
Street Address <b>1600 Bundy</b>		
Mailing Address <b>same</b>		
City <b>Matador</b>	State <b>TX</b>	ZIP <b>79244-0310</b>
Phone Number <b>(806) 347-2676</b>	Fax Number <b>(806) 347-2871</b>	
Mobile Number (optional)	E-mail Address <b>wcochran@motleyco.org</b>	

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

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



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

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

First Name <b>Daniel T.</b>		Last Name <b>Casey</b>	
Title <b>Partner</b>			
Firm Name <b>Moak, Casey &amp; Associates LLP</b>			
Street Address <b>400 W. 15th Street, Suite 1410</b>			
Mailing Address <b>same</b>			
City <b>Austin</b>		State <b>TX</b>	ZIP <b>78701-1648</b>
Phone Number <b>(512)-485-7878</b>		Fax Number <b>(512)-485-7888</b>	
Mobile Number (Optional)		E-mail Address <b>dcasey@moakcasey.com</b>	

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

Signature (Authorized School District Representative) <i>William Cochran</i>	Date <i>9-10-13</i>
---	------------------------

Has the district determined this application complete?  Yes  No

If yes, date determined complete. 9/19/2013 Redetermined complete as of 10-31-13

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

will supplement

**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	<b>will submit</b>



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name <b>Borja</b>		Last Name <b>Negro</b>	
Title <b>CEO</b>			
Organization <b>Gamesa Technology Corporation Inc.</b>			
Street Address <b>1150 Northbrook Drive</b>			
Mailing Address <b>same</b>			
City <b>Trevoise</b>		State <b>PA</b>	ZIP <b>19053</b>
Phone Number <b>(215) 710-3105</b>		Fax Number	
Mobile Number (optional)		Business e-mail Address <b>bnegro@gamesacorp.com</b>	

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

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

First Name <b>Wade</b>		Last Name <b>Green</b>	
Title <b>Project Developer</b>			
Organization <b>Gamesa Technology Corporation Inc.</b>			
Street Address <b>1150 Northbrook Drive</b>			
Mailing Address <b>same</b>			
City <b>Trevoise</b>		State <b>PA</b>	ZIP <b>19053</b>
Phone Number <b>512-293-7715</b>		Fax Number	
Mobile Number (optional)		E-mail Address <b>wadegreen@gamesacorp.com</b>	

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)

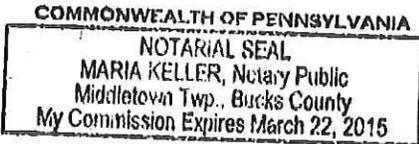
First Name <b>Wes</b>	Last Name <b>Jackson</b>	
Title <b>Partner</b>		
Firm Name <b>Cummings Westlake LLC</b>		
Street Address <b>12837 Louetta Road, Suite 201</b>		
Mailing Address <b>same</b>		
City <b>Cypress</b>	State <b>TX</b>	ZIP <b>77429-5611</b>
Phone Number <b>713-266-4456</b>	Fax Number <b>713-266-2333</b>	
Business email Address		

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)) <b>BORJA NEGRO, CEO</b>	Date <b>9/9/13</b>
---	-----------------------

GIVEN under my hand and seal of office this 9th day of September



**Maria Keller**  
Notary Public, State of PA

(Notary Seal)

My commission expires 3/22/15

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

Cedar Cap Wind, LLC

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

12034339494

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.

**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. (Use attachments as necessary)

See attached project description - Attachment 4

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

See attached project description - Attachment 4A

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

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

PROJECTED TIMELINE

Begin Construction Q4 - 2013, Begin Hiring New Employees Q3 - 2014, Construction Complete Q1 - 2015, Fully Operational Q1 - 2015, Purchase Machinery & Equipment Q4 - 2013

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

When do you anticipate the new buildings or improvements will be placed in service? Q1 - 2015



**ECONOMIC INCENTIVES**

Identify state programs the project will apply for:

State Source	Amount
none	
Total	

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

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

Applicant will apply for tax abatement and anticipates entering into local Chapter 312 tax abatement with Motley County and Motley County Hospital District

**THE PROPERTY**

Identify county or counties in which the proposed project will be located Motley

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

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: Motley (100%) City: N/A  
(Name and percent of project) (Name and percent of project)

Hospital District: Motley County Hospital District (100%) Water District: Gateway Groundwater Conservation District (100%)  
(Name and percent of project) (Name and percent of project)

Other (describe): N/A Other (describe): N/A  
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD?  Yes  No

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

Of the total project, 37% will be located in Motley County ISD, the remaining 63% will be in Floydada ISD.



INVESTMENT

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

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

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

What is your total estimated qualified investment? \$84,000,000

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

What is the anticipated date of application approval? December 31, 2013

What is the anticipated date of the beginning of the qualifying time period? December 31, 2013

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? \$84,000,000

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

Attach the following items to this application:

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

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

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

(1) in or on the new building or other new improvement for which you are applying? [X] Yes [ ] No

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

(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? [X] Yes [ ] No

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

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

Land

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

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? December 31, 2013

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

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



**QUALIFIED PROPERTY (CONTINUED)**

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

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

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

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

**Miscellaneous**

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

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

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

Is any of the existing property subject to a value limitation agreement under Tax Code 313?  Yes  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 2013 (year)

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

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

Total number of new jobs that will have been created when fully operational 2

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? 2

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 \$554
110% of the county average weekly wage for manufacturing jobs in the county is \$ 1071
110% of the county average weekly wage for manufacturing jobs in the region is \$ 712

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? \$37,028

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? \$ 40,000

- 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? 75% (estimated)

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

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

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

ECONOMIC IMPACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

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

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

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 1**

See executed application attached.

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 2**

Proof of Payment of Application Fee

Please find on the following page, a copy of the check for the \$65,000 application fee to Motley County Independent School District.

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

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

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 3**

Documentation of the combined group membership for Cedar Cap Wind, LLC is attached.

AMENDED

Texas Franchise Tax Extension Affiliate List



05-166  
(Rev.9-11/3)

Tcode 13298 Franchise

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

1 2 0 2 1 6 2 7 9 5 0

2 0 1 2

GAMESA TECHNOLOGY CORPORATION INC. & SUBS

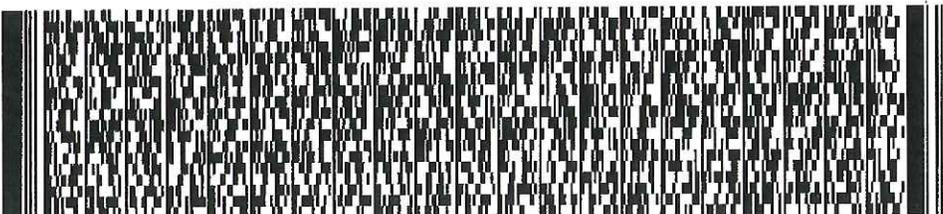
LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (if none, enter FEI number)										BLACKEN CIRCLE IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS	
1. TOWERS & METALLIC STRUCTURES, INC.	2	0	3	5	9	0	9	6	1			<input checked="" type="radio"/>
2. FIBERBLADE, LLC	2	0	2	1	6	2	9	5	1			<input checked="" type="radio"/>
3. GAMESA WIND US, LLC	1	8	6	1	0	8	4	9	7	1	5	<input type="radio"/>
4. GAMESA WIND PA, LLC	2	0	2	8	6	5	0	4	1			<input checked="" type="radio"/>
5. GAMESA ENERGY USA, LLC	1	2	0	3	8	2	4	8	9	0	7	<input type="radio"/>
6. FIBERBLADE EAST, LLC	2	0	3	2	9	4	4	0	7			<input checked="" type="radio"/>
7. CEDAR CAP WIND, LLC	1	2	0	3	4	3	3	9	4	9	4	<input type="radio"/>
8. CHESTNUT FLATS WIND, LLC	2	6	1	2	4	5	1	0	9			<input checked="" type="radio"/>
9. EAGLE ROCK WIND, LLC	2	0	4	9	2	0	2	1	8			<input checked="" type="radio"/>
10. ELK FALLS WIND, LLC	2	6	1	2	5	9	2	1	8			<input checked="" type="radio"/>
11. GULF RANCH WIND, LLC	2	6	0	6	4	5	4	0	8			<input type="radio"/>
12. JACKSON MOUNTAIN WIND, LLC	2	0	8	5	4	0	4	0	2			<input type="radio"/>
13. MAHANTANGO WIND, LLC	2	6	0	3	5	8	5	3	9			<input checked="" type="radio"/>
14. NESCOPECK WIND, LLC	2	6	1	2	2	0	8	1	7			<input checked="" type="radio"/>
15. ROCK RIVER WIND, LLC	2	6	4	6	3	7	3	9	5			<input checked="" type="radio"/>
16. SANDSTONE WIND, LLC	2	6	1	4	2	2	8	8	9			<input checked="" type="radio"/>
17. SENATE WIND, LLC	2	6	3	4	9	3	3	3	4			<input type="radio"/>
18. PINE GROVE WIND, LLC	2	6	1	2	4	5	0	0	3			<input checked="" type="radio"/>
19. SHAFFER MOUNTAIN WIND, LLC	2	0	8	2	7	6	4	3	0			<input checked="" type="radio"/>
20. TRINITY WIND, LLC	2	0	8	0	9	6	4	4	8			<input type="radio"/>
21. VAQUILLAS WIND, LLC	2	6	3	4	9	6	8	8	0			<input 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.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only

VE/DE  FM



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**ATTACHMENT 4**

Detailed Description of the Project

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

Cedar Cap Wind, LLC (“Cedar Cap”) is requesting an appraised value limitation from Motley County Independent School District (“ISD”) for the Cedar Cap Wind Project (the “Project”), a proposed wind powered electric generating facility in Floyd and Motley Counties. The proposed Motley County ISD portion of the Project (this application) will be constructed within a reinvestment zone to be established by Motley County or Motley County ISD. A map showing the location of the project is included as Attachment 7.

The proposed Project is anticipated to have a total capacity of 150 MW, with approximately 56 MW located in Motley County ISD. Turbine selection is ongoing at this time and has not been finalized. The exact number of wind turbines and size of each turbine will vary depending upon the wind turbines selected, manufacturer’s availability and prices, ongoing wind studies and the final megawatt generating capacity of the Project when completed. Current plans are to install 2.0 MW Gamesa turbines with an estimated twenty-eight (28) turbines located in Motley County ISD. Portions of the project will be located in Floydada ISD and a separate Chapter 313 application is being submitted to that district for their respective portion of the project. The Applicant requests a value limitation for all materials and equipment installed for the Project, including, but not limited to, wind turbines, turbine transformers (pad-mounts), towers, foundations, roadways, buildings and offices, anemometer towers, collection system, electrical substations, transmission line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in the fourth quarter of 2013 with completion by March of 2015.

**ATTACHMENT 4A**

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

Cedar Cap Wind, LLC is a wholly owned subsidiary of Gamesa Energy USA, LLC. With 19 years' experience and 27,000 MW installed in 42 countries, Gamesa is a global technological leader in the wind industry. Gamesa also provides wind turbine operation and maintenance services for more than 19,100 MW.

The company has production centers in the main wind markets: Spain and China, as the global production and supply hubs, while maintaining its local production capacity in India, US, and Brazil.

Gamesa is also a world leader in the development, construction and sale of wind farms, having installed close to 6,000 MW and having a portfolio of 18,000 MW in Europe, America and Asia.

Gamesa has the proven ability to locate and develop wind farms in many countries as well as numerous locations throughout the United States.

**ATTACHMENT 5**

List of districts and percentages where the project is located

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

Motley County	37%
Motley County Hospital District	37%
Motley County Independent School District	37%
Floyd County	63%
Caprock Hospital District	63%
Floydada Independent School District	63%

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**ATTACHMENT 6**

Description of Qualified Investment

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

Cedar Cap Wind, LLC plans to construct a 150 MW wind farm in Floyd and Motley Counties. Approximately twenty-eight (28) wind turbines will be located in Motley County and Motley County ISD. Turbine selection is ongoing at this time and has not been finalized. The project anticipates using 2.0 MW turbines manufactured by Gamesa although final turbine selection may change.

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

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

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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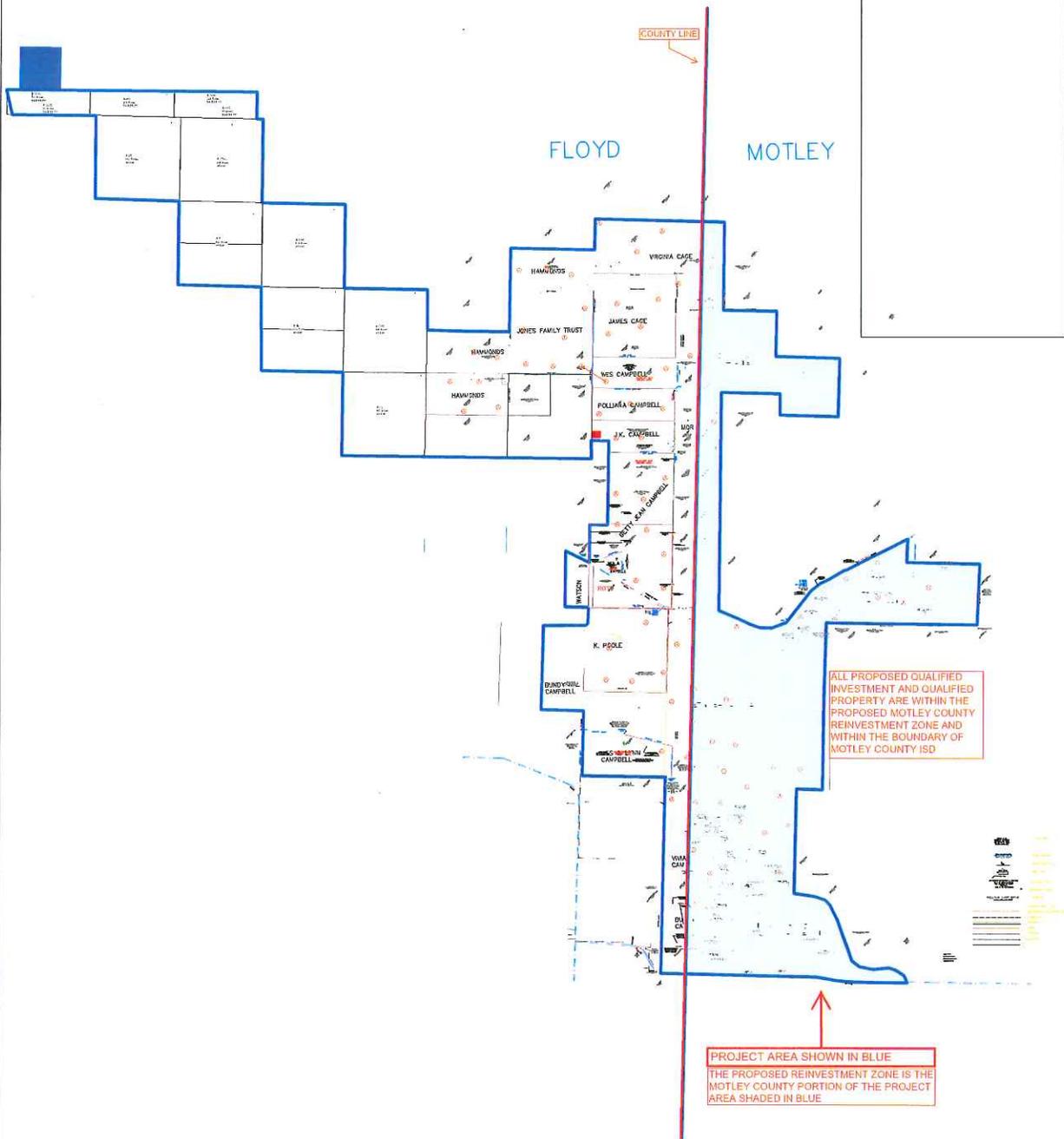
**ATTACHMENT 7**

Attached is a map of qualified investment showing the proposed location of improvements with a vicinity map.

# CEDAR CAP WIND, LLC REINVESTMENT ZONE MAP

## PLAN LEGEND

-  A1 WIND TURBINE LOCATION WITH TYPICAL FOUNDATION
-  TURBINE ACCESS ROAD
-  UNDERGROUND ELECTRICAL
-  345KV Transmission Line
-  SUBSTATION/OPERATION & MAINTENANCE BUILDING



Cedar Cap Wind Farm  
 Floyd and Motley Counties  
 75x90x100m WTC  
 345KV-150MW  
 MICROSITING: C0-20



GAMESA ENERGY USA  
 TEN PENN CENTER  
 1801 MARKET STREET  
 SUITE 2700  
 PHILADELPHIA, PA 19103

REV	DATE	DESCRIPTION	DESIGNED BY	APPROVED BY

COORDINATES: UTM NAD83

NO SCALE

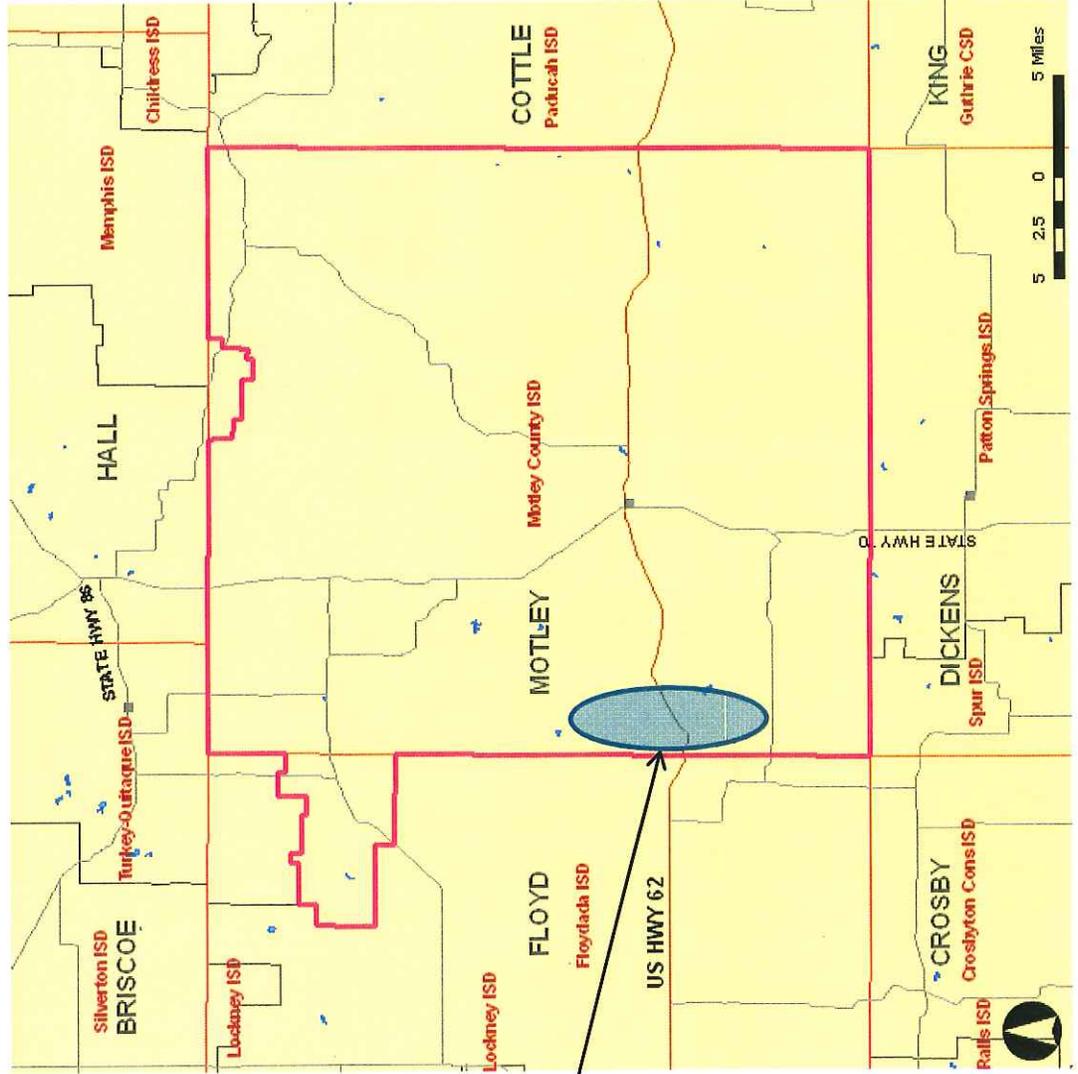
CONCEPT  
 PRELIMINARY  
 FOR CONSTRUCTION  
 AS-BUILT

DRAWING NUMBER:	PROJECT CODE:	REVISION: 0
		SHEET:
	9/5/2013	

NOT FOR CONSTRUCTION



# Motley County ISD Map



Project Site

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**ATTACHMENT 8**

Description of Qualified Property

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

Cedar Cap Wind, LLC plans to construct a 150 MW wind farm in Floyd and Motley Counties. Approximately twenty-eight (28) wind turbines will be located in Motley County and Motley County ISD. Turbine selection is ongoing at this time and has not been finalized. The project anticipates using 2.0 MW turbines manufactured by Gamesa although final turbine selection may change.

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

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

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 9**

See Attachment 7

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

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 10**

See Attached List

Cedar Cap Wind, LLC  
 Legal Descriptions of Land -Motley County

Landowner	Parcel #	Legal Description	Section	County	Acres
Virginia Cage	1-20-01457-0000-0000-00000	A-1863, Section 1, 216.5 acres, AD. Hayes	1	Motley	216.5
Bundy and Dixie Ann Campbell	1-20-0329300000000000000	A-93, Section 9, 78.3 Acres, BLK 1, H&GN	9	Motley	78.3
H.V & B.J. Campbell	1 20 3506	309.88 acres in Abstract 1099, Section 12, AB&M Survey	12	Motley	309.88
H.V & B.J. Campbell	1 20 03939	140 acres in Abstract 1403, Section 12, AB&M Survey	12	Motley	140
H.V & B.J. Campbell	1 20 03282	24 acres in Abstract 684, Section 11, AB&M Survey	11	Motley	24
H.V & B.J. Campbell	1 20 01245	144 acres in Abstract 684, Section 11, AB&M Survey	11	Motley	144
H.V & B.J. Campbell	1 20 01246	295 acres in Abstract 684, Section 11, AB&M Survey	11	Motley	295
H.V & B.J.	1 20 04099	77.5 acres	3	Motley	77.5

Campbell		in Abstract 1522, Section 3, HH Campbell Survey			
H.V & B.J. Campbell	1 20 03737	160 acres in Abstract 1250, Section 135, F McCaughey Survey	135	Motley	160
H.V & B.J. Campbell	1 20 03312	160 acres in Abstract 859, Section 26, HH Campbell Survey	26	Motley	160
H.V & B.J. Campbell	1 20 03434	160 acres in Abstract 1033, Section 60, EL Butler Survey	60	Motley	160
H.V & B.J. Campbell	1 20 04161	178.65 acres in Abstract 1569, Section 1, JJ Campbell Survey	1	Motley	178.65
H.V & B.J. Campbell	1 20 01404	320 acres in Abstract 1569, Section 63, Matador Cattle Company Survey	63	Motley	320
H.V & B.J. Campbell	1 20 01401	37.54 acres in Abstract 1569, Section 1,	1	Motley	37.54

		HH Campbell Survey			
H.V & B.J. Campbell	1 20 03169	165.2 acres in Abstract 580, Section 63, Matador Cattle Company Survey	63	Motley	165.2
H.V & B.J. Campbell	1 20 02704	160 acres in Abstract 223, West Quarter of Section 49, BS&F Survey	49	Motley	160
H.V & B.J. Campbell	1 20 03435	160 acres in Abstract 1035, Section 48, AB&M Survey	48	Motley	160
Harold Campbell	1-20-01300-0000- 0000-00000	A-1097, Section 10, 121.99 Acres, H&GN BLK 1	10	Motley	121.99
Harold Campbell	1-20-01258-0000- 0000-00000	A-763, Section 9, 130.40 Acres, H&GN BLK 1	9	Motley	130.4
Harold Campbell	1-20-01405-0000- 0000-00000	A-1569, Section 1, 106.560 Acres, H.H. Campbell	1	Motley	106.560
Harold Campbell	1-20-01400-0000- 0000-00000	A-1568, Section 2, 487 Acres, H.H. Campbell	2	Motley	487

Harold Campbell	1-20-01194-0000-0000-00000	A-491, Section 40, 183.410 Acres, Matador Cattle Co.	40	Motley	183.41
Harold Campbell	1-20-01195-0000-0000-00000	A-492, Section 41, 8.490 Acres, Matador Cattle Co.	41	Motley	8.490
Harold Campbell	1-20-01197-0000-0000-00000	A-493, Section 42, 200.990 Acres, Matador Cattle Co.	42	Motley	200.990
Harold Campbell	1-20-01222-0000-0000-00000	A-580, Section 63, 473.9 Acres, Matador Cattle Co.	63	Motley	473.9
Harold Campbell	1-20-01205-0000-0000-00000	A-514, Section 58, 362.9 Acres, Matador Cattle Co.	58	Motley	362.90
Harold Campbell	1-20-01198-0000-0000-00000	A-459, Section 59, 38.130 Acres, Matador Cattle Co.	59	Motley	38.13
B.H. Campbell	1-20-01298-0000-0000-00000	A-1097, Section 10, 187.82 Acres, BLK 1, H&GN	10	Motley	187.82
B.H. Campbell	1-20-01259-0000-0000-00000	A-763, Section 9, 180.14 Acres, BLK 1, H&GN	9	Motley	180.14

B.H. Campbell	1-20-01406-0000-0000-00000	A-1569, Section 1, 3.25 Acres, HH Campbell	1	Motley	3.25
B.H. Campbell		A-1097, Section 10, 13.46 Acres, BLK 1, H&GN	10	Motley	13.46
V. Campbell	1-20-0350500000000000000	A-1097, Section 10, 87 Acres, BLK 1 H&GN	10	Motley	81.24
V. Campbell	1-20-0329200000000000000	A-93, Section 9, 93.26 Acres, BLK 1 H&GN	9	Motley	93.26
R&S Morgan	1-20-04217-0000-0000-00000	A-1621, Section 3, 72.40 Acres, BLK FM, T.K. Sparks	3	Motley	72.40
R&S Morgan	1-20-04651-0000-0000-00000	A-1928, Section 2, 69.00 Acres, BLK FM, T.K. Sparks	2	Motley	69.00
R&S Morgan	1-20-04652-0000-0000-00000	A-1928, Section 2, 1.0 Acres, BLK FM, T.K. Sparks	2	Motley	1.0
Thrasher	1-20-04216-0000-0000-00000	A-1621, Section 3, 172 Acres, T.K. Sparks	3	Motley	172
Thrasher	1-20-03470-0000-0000-00000	A-1066, Section 2, 446.3 Acres, Indianola	2	Motley	446.3

		Ry. Co.			
		A-1801 62 Acres, Sparks, TK		Motley	62
		A-1620 63 Acres, Sparks, TK		Motley	63
		A-1727 63 Acres, Burnham, RL		Motley	63
		A-975 65 Acres, Hodges, JH		Motley	65

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 11**

See Attachment 7

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

**ATTACHMENT 12**

Description of all existing (if any) improvements

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

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 13**

Request of waiver of job creation requirement

## CUMMINGS WESTLAKE LLC

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

August 25, 2013

Mr. William Cochran, Superintendent  
Motley County Independent School District  
1600 Bundy  
Matador, TX 79244-0310

### Re: Chapter 313 Job Waiver Request

Dear Mr. Cochran,

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

Cedar Cap Wind, LLC requests that the Motley County Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Cedar Cap Wind, LLC has committed to create 6 total jobs for the project, of which 2 will be in Motley County ISD. Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

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

Sincerely,



J. Weston Jackson  
Partner

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 14**

*Calculation of three possible wage requirements with TWC documentation*

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

**CEDAR CAP WIND, LLC  
ATTACHMENT 14**

**MOTLEY COUNTY ISD - MOTLEY COUNTY  
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
SECOND	2012	\$ 488	\$ 25,376
THIRD	2012	\$ 483	\$ 25,116
FOURTH	2012	\$ 529	\$ 27,508
FIRST	2013	\$ 514	\$ 26,728
AVERAGE		\$ 504	\$ 26,182
		X 110%	110%
		\$ 554	\$ 28,800

**MOTLEY COUNTY ISD - MOTLEY COUNTY  
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
SECOND	2012	\$ 1,069	\$ 55,588
THIRD	2012	\$ 987	\$ 51,324
FOURTH	2012	\$ 927	\$ 48,204
FIRST	2013	\$ 910	\$ 47,320
AVERAGE		\$ 973	\$ 50,609
		X 110%	110%
		\$ 1,071	\$ 55,670

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

REGION	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
SOUTH PLAINS	2012	\$ 647.35	\$ 33,662
		X 110%	110%
		\$ 712.08	\$ 37,028

\* SEE ATTACHED TWC DOCUMENTATION

## Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2013	1st Qtr	Motley County	Total All	00	0	10	Total, All Industries	\$514

## Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2012	2nd Qtr	Motley County	Total All	00	0	10	Total, All Industries	\$488
2012	3rd Qtr	Motley County	Total All	00	0	10	Total, All Industries	\$483
2012	4th Qtr	Motley County	Total All	00	0	10	Total, All Industries	\$529

## Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2013	1st Qtr	Motley County	Total All	31	2	31-33	Manufacturing	\$910

## Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2012	2nd Qtr	Motley County	Total All	31	2	31-33	Manufacturing	\$1,069
2012	3rd Qtr	Motley County	Total All	31	2	31-33	Manufacturing	\$987
2012	4th Qtr	Motley County	Total All	31	2	31-33	Manufacturing	\$927

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

COG	Wages	
	Hourly	Annual
Texas	\$23.56	\$48,996
<a href="#">1. Panhandle Regional Planning Commission</a>	\$20.12	\$41,850
<a href="#">2. South Plains Association of Governments</a>	$110\% \times \$33,662 =$ \$16.18	\$33,662
<a href="#">3. NORTEX Regional Planning Commission</a>	\$37,028	\$17.83
<a href="#">4. North Central Texas Council of Governments</a>	\$24.68	\$51,333
<a href="#">5. Ark-Tex Council of Governments</a>	\$16.84	\$35,032
<a href="#">6. East Texas Council of Governments</a>	\$19.61	\$40,797
<a href="#">7. West Central Texas Council of Governments</a>	\$18.24	\$37,941
<a href="#">8. Rio Grande Council of Governments</a>	\$16.17	\$33,631
<a href="#">9. Permian Basin Regional Planning Commission</a>	\$21.93	\$45,624
<a href="#">10. Concho Valley Council of Governments</a>	\$16.33	\$33,956
<a href="#">11. Heart of Texas Council of Governments</a>	\$19.07	\$39,670
<a href="#">12. Capital Area Council of Governments</a>	\$26.03	\$54,146
<a href="#">13. Brazos Valley Council of Governments</a>	\$16.55	\$34,424
<a href="#">14. Deep East Texas Council of Governments</a>	\$16.20	\$33,698
<a href="#">15. South East Texas Regional Planning Commission</a>	\$29.38	\$61,118
<a href="#">16. Houston-Galveston Area Council</a>	\$26.59	\$55,317
<a href="#">17. Golden Crescent Regional Planning Commission</a>	\$21.03	\$43,742
<a href="#">18. Alamo Area Council of Governments</a>	\$18.40	\$38,280
<a href="#">19. South Texas Development Council</a>	\$13.54	\$28,170
<a href="#">20. Coastal Bend Council of Governments</a>	\$22.97	\$47,786
<a href="#">21. Lower Rio Grande Valley Development Council</a>	\$16.33	\$33,961
<a href="#">22. Texoma Council of Governments</a>	\$22.57	\$46,949
<a href="#">23. Central Texas Council of Governments</a>	\$17.16	\$35,689
<a href="#">24. Middle Rio Grande Development Council</a>	\$18.93	\$39,380

Source: Texas Occupational Employment and Wages

Data published: July 2013

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

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

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

Data intended for TAC 313 purposes only.

**ATTACHMENT 15**

*Description of Benefits*

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

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 16**

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

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 17**

See attached Schedule A

Schedule A (Rev. January 2013): Investment

Form 50-296

Applicant Name  
ISD Name

CEDAR CAP WIND, LLC  
MOTLEY COUNTY, ISD

PROPERTY INVESTMENT AMOUNTS

(Estimated investment in each year. Do not put cumulative totals.)

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)  Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)  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  Credit Settle-Up Period Post-Settle-Up Period Post-Settle-Up Period	1	2013	0	0	0	0	0	
	2	2013-2014	2013	0	0	0	0	
	3	2014-2015	2014	4,200,000	0	4,200,000	0	4,200,000
	4	2015-2016	2015	63,000,000	0	63,000,000	0	63,000,000
	5	2016-2017	2016	16,800,000	0	16,800,000	0	16,800,000
	6	2017-2018	2017	0	0	0	0	0
	7	2018-2019	2018	0	0	0	0	0
	8	2019-2020	2019	0	0	0	0	0
	9	2020-2021	2020	0	0	0	0	0
	10	2021-2022	2021	0	0	0	0	0
	11	2022-2023	2022	0	0	0	0	0
	12	2023-2024	2023	0	0	0	0	0
	13	2024-2025	2024	0	0	0	0	0
	14	2025-2026	2025	0	0	0	0	0
	15	2026-2027	2026	0	0	0	0	0
	2027-2028	2027	0	0	0	0	0	
	2028-2029	2028	0	0	0	0	0	

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

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

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

Column C: 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).

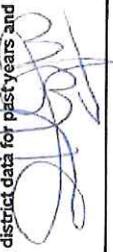
Column D: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for 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.

Column E: 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

BORJA NEGRON, CEO



9/9/13

DATE

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 18**

See attached Schedule B



**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 19**

See attached Schedule C

**Schedule C- Application: Employment Information**

Applicant Name  
 CEDAR CAP WIND, LLC  
 MOTLEY COUNTY ISD

ISD Name

Form 50-296

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs		
			Column A: Number of Construction FTE's or man-hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs	
pre-year 1	2013-2014	2013	50 FTEs	\$50,000	0			0	
1	2014-2015	2014	100 FTEs	\$50,000	0			0	
2	2015-2016	2015	50 FTEs	\$50,000	2	\$40,000	\$40,000	2	\$40,000
3	2016-2017	2016			2	\$40,000	\$40,000	2	\$40,000
4	2017-2018	2017			2	\$40,000	\$40,000	2	\$40,000
5	2018-2019	2018			2	\$40,000	\$40,000	2	\$40,000
6	2019-2020	2019			2	\$40,000	\$40,000	2	\$40,000
7	2020-2021	2020			2	\$40,000	\$40,000	2	\$40,000
8	2021-2022	2021			2	\$40,000	\$40,000	2	\$40,000
9	2022-2023	2022			2	\$40,000	\$40,000	2	\$40,000
10	2023-2024	2023			2	\$40,000	\$40,000	2	\$40,000
11	2024-2025	2024			2	\$40,000	\$40,000	2	\$40,000
12	2025-2026	2025			2	\$40,000	\$40,000	2	\$40,000
13	2026-2027	2026			2	\$40,000	\$40,000	2	\$40,000
14	2027-2028	2027			2	\$40,000	\$40,000	2	\$40,000
15	2028-2029	2028			2	\$40,000	\$40,000	2	\$40,000

Notes: For job definitions see TAC §§. 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.

  
 BORA NEERO, CED

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

9/9/13  
 DATE

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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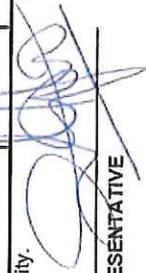
**ATTACHMENT 20**

See attached Schedule D

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

Applicant Name	CEDAR CAP WIND, LLC		MOTLEY COUNTY ISD		Form 50-296					
	Sales Tax Information		Franchise Tax		Other Property Tax Abatements Sought					
	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	County	City	Hospital	Other
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2013-2014	2013	525,000	3,675,000		-	-	-	-
Complete tax years of qualifying time period	1	2014-2015	2014	9,975,000	69,825,000	0	0%	n/a	n/a	n/a
	2	2015-2016	2015	30,000	60,000	0	80%	n/a	80%	n/a
Tax Credit Period (with 50% cap on credit)	3	2016-2017	2016	30,000	60,000	0	80%	n/a	80%	n/a
	4	2017-2018	2017	30,000	60,000	0	75%	n/a	75%	n/a
	5	2018-2019	2018	30,000	60,000	0	75%	n/a	75%	n/a
	6	2019-2020	2019	30,000	60,000	80,000	75%	n/a	75%	n/a
	7	2020-2021	2020	30,000	60,000	80,000	45%	n/a	55%	n/a
	8	2021-2022	2021	30,000	60,000	80,000	45%	n/a	55%	n/a
	9	2022-2023	2022	30,000	60,000	80,000	30%	n/a	55%	n/a
	10	2023-2024	2023	30,000	60,000	80,000	30%	n/a	55%	n/a
	11	2024-2025	2024	30,000	60,000	80,000	30%	n/a	55%	n/a
	12	2025-2026	2025	30,000	60,000	80,000	0%	-	0%	-
Credit Settle-Up Period	13	2026-2027	2026	30,000	60,000	80,000	0%	-	0%	-
	14	2027-2028	2027	30,000	60,000	80,000	0%	-	0%	-
Post-Settle-Up Period	15	2028-2029	2028	30,000	60,000	80,000	0%	-	0%	-

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE  
  
 BORTA NEGRO, CEO  
 DATE 9/9/13

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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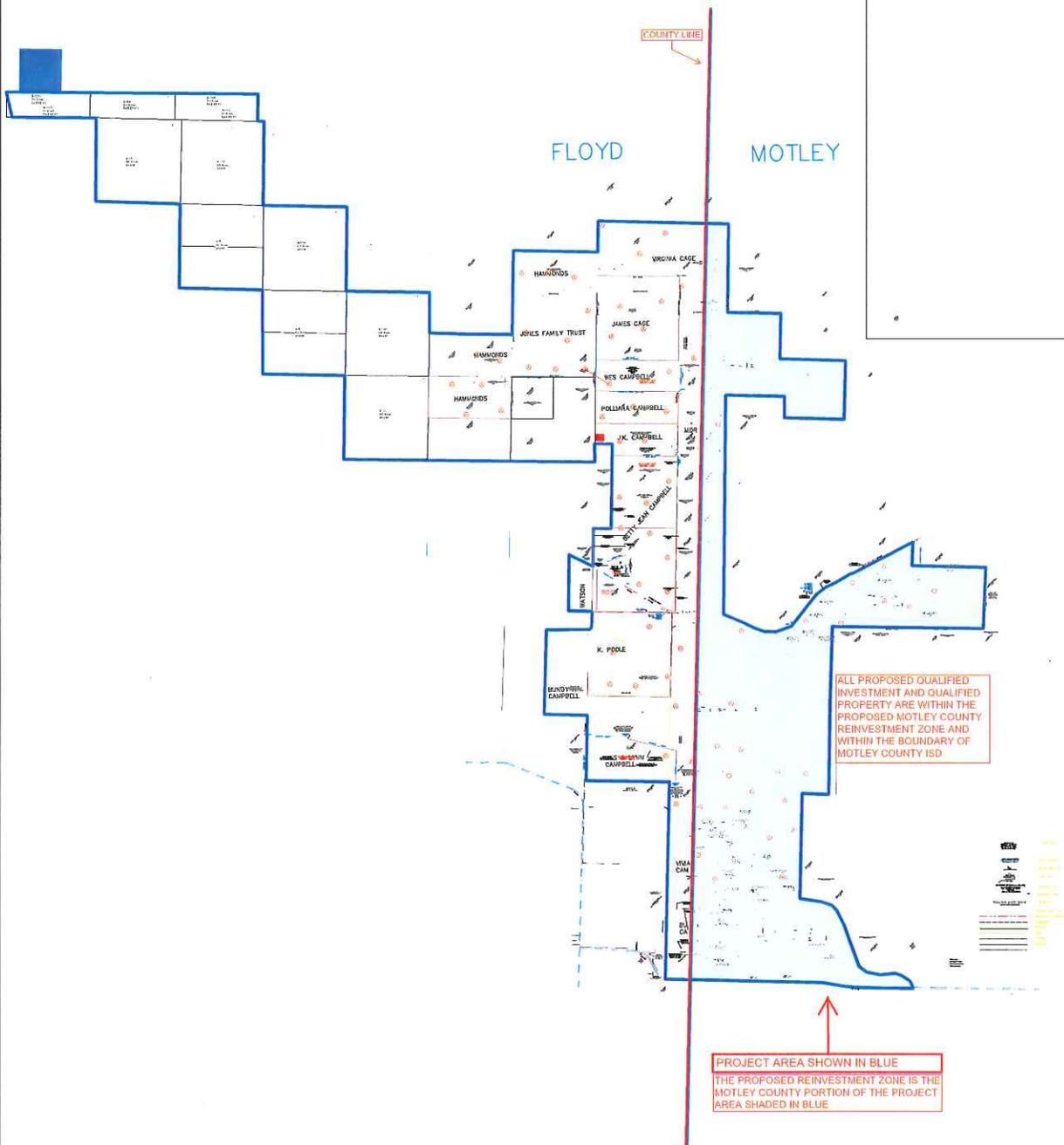
**ATTACHMENT 21**

See attached map of the proposed reinvestment zone

# CEDAR CAP WIND, LLC REINVESTMENT ZONE MAP

## PLAN LEGEND

-  WIND TURBINE LOCATION WITH TYPICAL FOUNDATION
-  TURBINE ACCESS ROAD
-  UNDERGROUND ELECTRICAL
-  345KV Transmission Line
-  SUBSTATION/OPERATION & MAINTENANCE BUILDING



PROJECT AREA SHOWN IN BLUE  
THE PROPOSED REINVESTMENT ZONE IS THE MOTLEY COUNTY PORTION OF THE PROJECT AREA SHADED IN BLUE

ALL PROPOSED QUALIFIED INVESTMENT AND QUALIFIED PROPERTY ARE WITHIN THE PROPOSED MOTLEY COUNTY REINVESTMENT ZONE AND WITHIN THE BOUNDARY OF MOTLEY COUNTY ISD

Cedar Cap Wind Farm  
Floyd and Motley Counties  
75xG90x100m WTG  
345KV-150MW  
MICROSITING: C0-20

**Gamesa** ENERGY USA  
TEN PENN CENTER  
1821 MARKET STREET  
SUITE 2700  
PHILADELPHIA, PA 19103

REV	DATE	DESCRIPTION	DESIGNED BY/ APPROVED BY
0		FIRST ISSUE	

COORDINATES: UTM NAD83

NO SCALE

CONCEPT  
 PRELIMINARY FOR CONSTRUCTION  
 AS-BUILT

DRAWING NUMBER:	PROJECT CODE:	REVISION: 0
	9/5/2013	SHEET:

NOT FOR CONSTRUCTION

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 22**

The order, resolution, or ordinance establishing the zone is attached.

**RESOLUTION OF THE COMMISSIONERS COURT  
OF MOTLEY COUNTY, TEXAS  
DESIGNATING REINVESTMENT ZONE NUMBER #1**

**A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN MOTLEY COUNTY, TEXAS, ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN EFFECTIVE DATE.**

*WHEREAS*, the Commissioners Court of Motley County, Texas desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code § 312.001, *et seq.*), and the Tax Abatement Guidelines and Criteria of the Commissioners Court of Motley County, Texas (the "Guidelines"); and

*WHEREAS*, on this date, a hearing before the Commissioners Court of Motley County, Texas was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Motley County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

*WHEREAS*, the Commissioners Court of Motley County, Texas at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and

*WHEREAS*, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

*BE IT RESOLVED BY THE COMMISSIONERS COURT OF MOTLEY COUNTY, TEXAS:*

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Commissioners Court of Motley County, Texas, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on adoption of the Motley County Reinvestment Zone #1 has been properly called, held and conducted

and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and

- (b) That the boundaries of the Motley County Reinvestment #1 should be the area described in the legal description and corresponding map attached hereto as Exhibit "A", which is incorporated herein by reference for all purposes; and,
- (c) That creation of the Motley County Reinvestment Zone #1 will result in benefits to Motley County, Texas and to land included in the zone and that the improvements sought are feasible and practical; and
- (d) The Motley County Reinvestment #1 meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Motley County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Motley County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Motley County Commissioner's Court hereby creates Motley County Reinvestment #1; a reinvestment zone for commercial-industrial tax abatement encompassing only the area described on and as shown on the map in "Exhibit A", and such reinvestment zone is hereby designated and shall hereafter be referred to as Motley County Reinvestment #1.

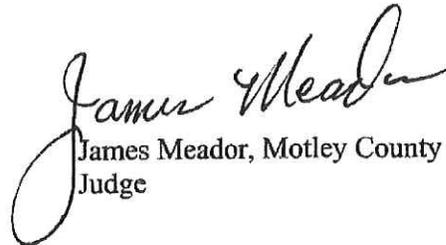
SECTION 4. That Motley County Reinvestment #1 shall take effect on the date of this Resolution and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

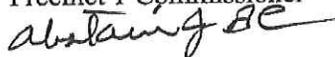
SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason beheld to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

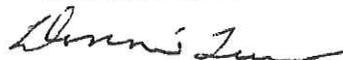
SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject, of the meeting of the Motley County Commissioners Court at which this Resolution was adopted was posted at a

place convenient and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

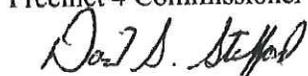
PASSED, APPROVED AND ADOPTED on this the 15<sup>th</sup> day of October, 2013.

  
James Meador, Motley County  
Judge

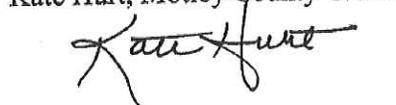
Guy Campbell  
Precinct 1 Commissioner  


Donnie Turner  
Precinct 2 Commissioner  


Franklin Jameson  
Precinct 3 Commissioner  


David Stafford  
Precinct 4 Commissioner  


Attest:

Kate Hurt, Motley County Clerk  


**EXHIBIT A**  
**LEGAL DESCRIPTION AND MAP OF**  
**MOTLEY COUNTY**  
**REINVESTMENT ZONE**  
**NUMBER #1**

Cedar Cap Wind, LLC  
 Legal Descriptions of Land -Motley County

Parcel #	Legal Description	Section	Acres
1-20-01457-0000-0000-00000	A-1863, Section 1, 216.5 acres, AD. Hayes	1	216.5
1-20-0329300000000000000	A-93, Section 9, 78.3 Acres, BLK 1, H&GN	9	78.3
1 20 3506	309.88 acres in Abstract 1099, Section 12, AB&M Survey	12	309.88
1 20 03939	140 acres in Abstract 1403, Section 12, AB&M Survey	12	140
1 20 03282	24 acres in Abstract 684, Section 11, AB&M Survey	11	24
1 20 01245	144 acres in Abstract 684, Section 11, AB&M Survey	11	144
1 20 01246	295 acres in Abstract 684, Section 11, AB&M Survey	11	295
1 20 04099	77.5 acres in Abstract 1522, Section 3, HH Campbell Survey	3	77.5
1 20 03737	160 acres in Abstract 1250, Section 135, F McCaughey Survey	135	160
1 20 03312	160 acres in Abstract 859, Section 26, HH Campbell Survey	26	160
1 20 03434	160 acres in Abstract 1033, Section 60, EL Butler Survey	60	160
1 20 04161	178.65 acres in Abstract 1569, Section 1, JJ Campbell Survey	1	178.65
1 20 01404	320 acres in Abstract 1569, Section 63, Matador Cattle Company Survey	63	320
1 20 01401	37.54 acres in Abstract 1569, Section 1, HH Campbell Survey	1	37.54
1 20 03169	165.2 acres in Abstract 580, Section 63, Matador Cattle Company Survey	63	165.2
1 20 02704	160 acres in Abstract 223, West Quarter of Section 49, BS&F	49	160

	Survey		
1 20 03435	160 acres in Abstract 1035, Section 48, AB&M Survey	48	160
1-20-01300-0000-0000-00000	A-1097, Section 10, 121.99 Acres, H&GN BLK 1	10	121.99
1-20-01258-0000-0000-00000	A-763, Section 9, 130.40 Acres, H&GN BLK 1	9	130.4
1-20-01405-0000-0000-00000	A-1569, Section 1, 106.560 Acres, H.H. Campbell	1	106.560
1-20-01400-0000-0000-00000	A-1568, Section 2, 487 Acres, H.H. Campbell	2	487
1-20-01194-0000-0000-00000	A-491, Section 40, 183.410 Acres, Matador Cattle Co.	40	183.41
1-20-01195-0000-0000-00000	A-492, Section 41, 8.490 Acres, Matador Cattle Co.	41	8.490
1-20-01197-0000-0000-00000	A-493, Section 42, 200.990 Acres, Matador Cattle Co.	42	200.990
1-20-01222-0000-0000-00000	A-580, Section 63, 473.9 Acres, Matador Cattle Co.	63	473.9
1-20-01205-0000-0000-00000	A-514, Section 58, 362.9 Acres, Matador Cattle Co.	58	362.90
1-20-01198-0000-0000-00000	A-459, Section 59, 38.130 Acres, Matador Cattle Co.	59	38.13
1-20-01298-0000-0000-00000	A-1097, Section 10, 187.82 Acres, BLK 1, H&GN	10	187.82
1-20-01259-0000-0000-00000	A-763, Section 9, 180.14 Acres, BLK 1, H&GN	9	180.14
1-20-01406-0000-0000-00000	A-1569, Section 1, 3.25 Acres, HH Campbell	1	3.25
	A-1097, Section 10, 13.46 Acres, BLK 1, H&GN	10	13.46
1-20-035050000000000000000	A-1097, Section 10, 87 Acres, BLK 1 H&GN	10	81.24
1-20-032920000000000000000	A-93, Section 9, 93.26 Acres, BLK 1 H&GN	9	93.26
1-20-04217-0000-0000-00000	A-1621, Section 3, 72.40 Acres, BLK FM, T.K. Sparks	3	72.40
1-20-04651-0000-0000-00000	A-1928, Section 2, 69.00 Acres, BLK FM, T.K. Sparks	2	69.00
1-20-04652-0000-0000-00000	A-1928, Section 2, 1.0 Acres, BLK FM, T.K. Sparks	2	1.0
1-20-04216-0000-0000-00000	A-1621, Section 3, 172 Acres, T.K. Sparks	3	172
1-20-03470-0000-0000-00000	A-1066, Section 2, 446.3 Acres, Indianola Ry. Co.	2	446.3
	A-1801		62

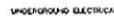
	62 Acres, Sparks, TK		
	A-1620 63 Acres, Sparks, TK		63
	A-1727 63 Acres, Burnham, RL		63
	A-975 65 Acres, Hodges, JH		65

**EXHIBIT A (CONTINUED)**

**MAP OF  
MOTLEY COUNTY  
REINVESTMENT ZONE  
NUMBER #1**

SEE ATTACHED MAP

PLAN LEGEND

-  WIND TURBINE LOCATION WITH TYPICAL FOUNDATION
-  TURBINE ACCESS ROAD
-  UNDERGROUND ELECTRICAL
-  345KV Transmission Line
-  SUBSTATION/OPERATION & MAINTENANCE BUILDING

FLOYD

MOTLEY

Cedar Cap Wind Farm

Floyd and Motley Counties  
 75xG90x100m WTG  
 345KV-150MW  
 MICROSITING: CO-20



GAMESA ENERGY USA  
 TEN PENN CENTER  
 1801 MARKET STREET  
 SUITE 2700  
 PITTSBURGH, PA 15222

REV	DATE	DESCRIPTION	DESIGNED BY	APPROVED BY
1		PERC 50%		
2				
3				
4				
5				

COORDINATES: UTM NADE83

NO SCALE

CONCEPT  
 PRELIMINARY  
 FOR CONSTRUCTION  
 AS-BUILT



**NOT FOR CONSTRUCTION**

DRAWING NUMBER: PROJECT CODE: REVISION: 0

9/5/2015 SHEET:

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

---

**ATTACHMENT 23**

See attached legal description of the proposed Reinvestment Zone

Cedar Cap Wind, LLC  
 Legal Descriptions of Land -Motley County

Landowner	Parcel #	Legal Description	Section	County	Acres
Virginia Cage	1-20-01457-0000-0000-00000	A-1863, Section 1, 216.5 acres, AD. Hayes	1	Motley	216.5
Bundy and Dixie Ann Campbell	1-20-032930000000000000	A-93, Section 9, 78.3 Acres, BLK 1, H&GN	9	Motley	78.3
H.V & B.J. Campbell	1 20 3506	309.88 acres in Abstract 1099, Section 12, AB&M Survey	12	Motley	309.88
H.V & B.J. Campbell	1 20 03939	140 acres in Abstract 1403, Section 12, AB&M Survey	12	Motley	140
H.V & B.J. Campbell	1 20 03282	24 acres in Abstract 684, Section 11, AB&M Survey	11	Motley	24
H.V & B.J. Campbell	1 20 01245	144 acres in Abstract 684, Section 11, AB&M Survey	11	Motley	144
H.V & B.J. Campbell	1 20 01246	295 acres in Abstract 684, Section 11, AB&M Survey	11	Motley	295
H.V & B.J.	1 20 04099	77.5 acres	3	Motley	77.5

Campbell		in Abstract 1522, Section 3, HH Campbell Survey			
H.V & B.J. Campbell	1 20 03737	160 acres in Abstract 1250, Section 135, F McCaughey Survey	135	Motley	160
H.V & B.J. Campbell	1 20 03312	160 acres in Abstract 859, Section 26, HH Campbell Survey	26	Motley	160
H.V & B.J. Campbell	1 20 03434	160 acres in Abstract 1033, Section 60, EL Butler Survey	60	Motley	160
H.V & B.J. Campbell	1 20 04161	178.65 acres in Abstract 1569, Section 1, JJ Campbell Survey	1	Motley	178.65
H.V & B.J. Campbell	1 20 01404	320 acres in Abstract 1569, Section 63, Matador Cattle Company Survey	63	Motley	320
H.V & B.J. Campbell	1 20 01401	37.54 acres in Abstract 1569, Section 1,	1	Motley	37.54

		HH Campbell Survey			
H.V & B.J. Campbell	1 20 03169	165.2 acres in Abstract 580, Section 63, Matador Cattle Company Survey	63	Motley	165.2
H.V & B.J. Campbell	1 20 02704	160 acres in Abstract 223, West Quarter of Section 49, BS&F Survey	49	Motley	160
H.V & B.J. Campbell	1 20 03435	160 acres in Abstract 1035, Section 48, AB&M Survey	48	Motley	160
Harold Campbell	1-20-01300-0000- 0000-00000	A-1097, Section 10, 121.99 Acres, H&GN BLK 1	10	Motley	121.99
Harold Campbell	1-20-01258-0000- 0000-00000	A-763, Section 9, 130.40 Acres, H&GN BLK 1	9	Motley	130.4
Harold Campbell	1-20-01405-0000- 0000-00000	A-1569, Section 1, 106.560 Acres, H.H. Campbell	1	Motley	106.560
Harold Campbell	1-20-01400-0000- 0000-00000	A-1568, Section 2, 487 Acres, H.H. Campbell	2	Motley	487

Harold Campbell	1-20-01194-0000-0000-00000	A-491, Section 40, 183.410 Acres, Matador Cattle Co.	40	Motley	183.41
Harold Campbell	1-20-01195-0000-0000-00000	A-492, Section 41, 8.490 Acres, Matador Cattle Co.	41	Motley	8.490
Harold Campbell	1-20-01197-0000-0000-00000	A-493, Section 42, 200.990 Acres, Matador Cattle Co.	42	Motley	200.990
Harold Campbell	1-20-01222-0000-0000-00000	A-580, Section 63, 473.9 Acres, Matador Cattle Co.	63	Motley	473.9
Harold Campbell	1-20-01205-0000-0000-00000	A-514, Section 58, 362.9 Acres, Matador Cattle Co.	58	Motley	362.90
Harold Campbell	1-20-01198-0000-0000-00000	A-459, Section 59, 38.130 Acres, Matador Cattle Co.	59	Motley	38.13
B.H. Campbell	1-20-01298-0000-0000-00000	A-1097, Section 10, 187.82 Acres, BLK 1, H&GN	10	Motley	187.82
B.H. Campbell	1-20-01259-0000-0000-00000	A-763, Section 9, 180.14 Acres, BLK 1, H&GN	9	Motley	180.14

B.H. Campbell	1-20-01406-0000-0000-00000	A-1569, Section 1, 3.25 Acres, HH Campbell	1	Motley	3.25
B.H. Campbell		A-1097, Section 10, 13.46 Acres, BLK 1, H&GN	10	Motley	13.46
V. Campbell	1-20-0350500000000000000	A-1097, Section 10, 87 Acres, BLK 1 H&GN	10	Motley	81.24
V. Campbell	1-20-0329200000000000000	A-93, Section 9, 93.26 Acres, BLK 1 H&GN	9	Motley	93.26
R&S Morgan	1-20-04217-0000-0000-00000	A-1621, Section 3, 72.40 Acres, BLK FM, T.K. Sparks	3	Motley	72.40
R&S Morgan	1-20-04651-0000-0000-00000	A-1928, Section 2, 69.00 Acres, BLK FM, T.K. Sparks	2	Motley	69.00
R&S Morgan	1-20-04652-0000-0000-00000	A-1928, Section 2, 1.0 Acres, BLK FM, T.K. Sparks	2	Motley	1.0
Thrasher	1-20-04216-0000-0000-00000	A-1621, Section 3, 172 Acres, T.K. Sparks	3	Motley	172
Thrasher	1-20-03470-0000-0000-00000	A-1066, Section 2, 446.3 Acres, Indianola	2	Motley	446.3

		Ry. Co.			
		A-1801 62 Acres, Sparks, TK		Motley	62
		A-1620 63 Acres, Sparks, TK		Motley	63
		A-1727 63 Acres, Burnham, RL		Motley	63
		A-975 65 Acres, Hodges, JH		Motley	65

**Cedar Cap Wind, LLC**

Chapter 313 Application to Motley County ISD

Cummings Westlake, LLC

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**ATTACHMENT 24**

Guidelines and Criteria for Motley County

**STATE OF TEXAS  
MOTLEY COUNTY**

**TAX ABATEMENT GUIDELINES AND CRITERIA**

Motley County (the "County") is committed to the promotion of quality development in all parts of Motley County and to improving the quality of life for its citizens. In order to help meet these goals, the County will consider providing Tax Abatements (as defined below) to stimulate economic development. It is the policy of the County that such an incentive will be provided in accord with the guidelines and criteria outlined in this document. All applicants for Tax Abatements shall be considered on an individual basis.

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

1. must be an Eligible Facility (as defined below);
2. must add at least One Million Dollars (\$1,000,000.00) to the tax roll of eligible property;
3. must create no less than five (5) new, permanent, full-time jobs;
4. must be reasonably expected to have an increase in positive net economic benefit to Motley County of at least One Million Dollars (\$1,000,000.00) over the life of the Abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement; and
5. must not be expected to solely or primarily have the effect of transferring employment from one part of Motley County to another.

In addition to the criteria set forth above, the Motley County Commissioners Court (the "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 that is a direct result of the development, redevelopment, and improvement specified in the Agreement 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 Tax Abatement Agreements will be no longer than allowed by law.

It is the goal of the 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 Commissioners Court to consider, adopt, modify or decline any Tax Abatement request.

This policy is effective as of the date of adoption, shall at all times be kept current with regard to the needs of Motley County and reflective of the official views of the Commissioners Court, and shall be reviewed every two (2) years.

The adoption of these guidelines and criteria by the 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.

### SECTION I. DEFINITIONS

A. **"Abatement" or "Tax Abatement"** means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated for economic development purposes.

B. **"Agreement" or "Abatement Agreement"** means a contractual Agreement between a property owner and/or lessee and the affected jurisdiction. "Affected jurisdiction" means the County of Motley, and any other taxing jurisdiction with any substantial parts of its area located in Motley County; and that levies ad valorem taxes and provides services to property located in said County; and that chooses to participate in tax abatement agreements by, or pursuant to, these guidelines.

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 Motley County, but does not include facilities such as, but not limited to, restaurants and retail sales establishments which are intended to provide goods or services primarily to residents or existing businesses located in Motley County. Eligible facilities may include, but shall not be limited to a(n):

aquaculture/agriculture facility;  
distribution center facility;  
manufacturing facility;  
office building;  
regional entertainment/tourism facility;

research service facility;  
regional service facility;  
historic building in a designated area;  
wind energy facility; or  
other basic industrial facility.

**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 integral 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.

**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.

## SECTION II. 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 improvement(s) made subsequent to and specified in an Abatement Agreement between the affected jurisdiction and the property owner or lessee, subject to such limitations as the affected jurisdiction 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 the affected jurisdiction and the property owner or lessee, subject to such limitations as the affected jurisdiction may require.

**D. Eligible Property.** Abatement may be extended to the value of new, expanded, or modernized buildings, structures, fixed machinery and equipment, site improvements, 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 Tax Abatement: land; animals; inventories, supplies; tools; furnishings; vehicles; vessels; aircraft; deferred maintenance investments; housing and property to be rented or leased, except

as provided in Section II(F); property owned or used by the State of Texas.

**F. Owned/Leased Facilities.** If a leased facility is granted Abatement, the Agreement shall be executed with the lessor and the lessee. If the land is leased, but the facility constructed or installed thereon is owned by the lessee, the lessee shall execute the Agreement.

**G. Economic Qualifications.** In order to be eligible for designation as a reinvestment zone and receive Tax Abatement, the planned improvement:

- (1) must be an Eligible Facility;
- (2) must add at least One Million Dollars (\$1,000,000.00) to the tax roll of eligible property;
- (3) must create no less than five (5) new, permanent, full-time jobs;
- (4) must be reasonably expected to have an increase in positive net economic benefit to Motley County of at least One Million Dollars (\$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
- (5) must not be expected to solely or primarily have the effect of transferring employment from one part of Motley County to another.

**H. Standards for Tax Abatement.** The following factors, among others, will 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 the affected taxing jurisdiction;
- (8) amount by which property tax base valuation will be increased during the term of Abatement and after Abatement, which shall include a definitive commitment;

(9) that such valuation shall not, in any case, be less than Five Hundred Thousand Dollars (\$500,000.00);

(10) expenses to be incurred in providing facilities directly resulting from the new improvements;

(11) the amount of ad valorem taxes to be paid to the affected jurisdiction 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 Motley 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; and

(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.** An Abatement Agreement shall not 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) violation of other codes or laws; or

(4) any other reason deemed appropriate by the affected jurisdiction.

**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;
- (2) the base year value of existing eligible property as determined each year shall be fully taxable; and
- (3) the additional value of new eligible property shall be fully taxable at the end of the Abatement period.

### **SECTION III. APPLICATION**

A. Any present or potential owner of taxable property in the County may request Tax Abatement by filing a written application with the Commissioners Court or the affected jurisdiction.

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 a property; a map and property description; and 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 Commissioners Court 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 and legal fees associated with the processing of the Tax Abatement request. All checks in payment of the administrative fee shall be made payable to the affected jurisdiction. The fee for Abatement requests shall be One Thousand and No/100 Dollars (\$1,000.00).

C. The affected jurisdiction 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 acting upon the application.

D. The application process described in Section III(A) hereof shall be followed regardless of whether a particular reinvestment zone is created by Motley County or an affected jurisdiction. No other notice or hearing shall be required except compliance with the open meetings act, unless the Commissioners Court deem them necessary in a particular case.

### **SECTION IV. AGREEMENT**

A. After approval, the Commissioners Court 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 Agreement may also include requiring the owner to reimburse the County for any third party expenses incurred by the County that relate to the application, Abatement or Agreement, including without limitation, reasonable attorneys' fees and consulting fees.

#### **SECTION V. RECAPTURE**

A. In the event that the applicant or its assignee (1) allows its ad valorem taxes owed to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or content; 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. If the County determines that the applicant or assignee is in default according to the terms and conditions of the Agreement, the County shall notify the applicant or assignee in writing at the address stated in the Agreement, and if such default is not cured within 60 days from the date of such notice ("cure period"), then the Agreement may be terminated; provided, however if such failure cannot be cured within such 60 day period and the applicant or assignee has commenced remedial action to cure such failure (and continued to diligently and timely pursue the completion of such remedial action), the applicant or assignee shall be entitled to a total of one hundred eighty (180) days after receipt of notice within which to cure such default.

#### **SECTION VI. ADMINISTRATION**

A. The Chief Appraiser of the Motley 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 the amount of the assessment.

B. The 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 the 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, a designated representative of the County shall annually evaluate each facility receiving Abatement to insure compliance with the Agreement and shall formally report such evaluations to the Commissioners Court.

D. As required by Section 312.003 of the Texas Tax Code, information that is provided to the County or affected jurisdiction in connection with an application or a request for a tax abatement under this chapter that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which the abatement is sought is confidential and not subject to public disclosure until the tax abatement is executed. The information in the custody of the County or affected jurisdiction after the abatement is executed is not confidential.

#### **SECTION VII. ASSIGNMENT**

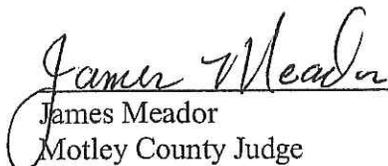
The Abatement Agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility either upon the approval by resolution of the Commissioners Court, or in accordance with the terms of an existing Tax Abatement Agreement. No assignment or transfer shall be approved if 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. Notice shall be given to the Commissioners Court at least twenty (20) days in advance of any transfer or assignment.

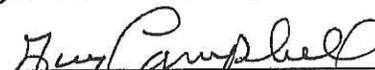
#### **SECTION VIII. SUNSET PROVISION**

These guidelines and criteria are effective upon the date of their adoption, and shall supersede and replace any and all prior guidelines and criteria for Tax Abatement in the County. These guidelines and criteria shall remain in force for two (2) years, unless amended by three-quarters vote of the Commissioners Court, 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 such review, the guidelines and criteria will be modified, renewed or eliminated; provided, however, that no modification or elimination of the Guidelines and Criteria shall affect Tax Abatement Agreements that have been previously approved until the parties thereto shall agree to amend such Agreements.

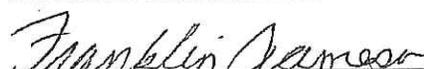
Adopted on this the 8<sup>th</sup> day of April, 2013.

**Motley County Commissioners Court**

  
James Meador  
Motley County Judge

  
Guy Campbell  
Precinct 1 Commissioner

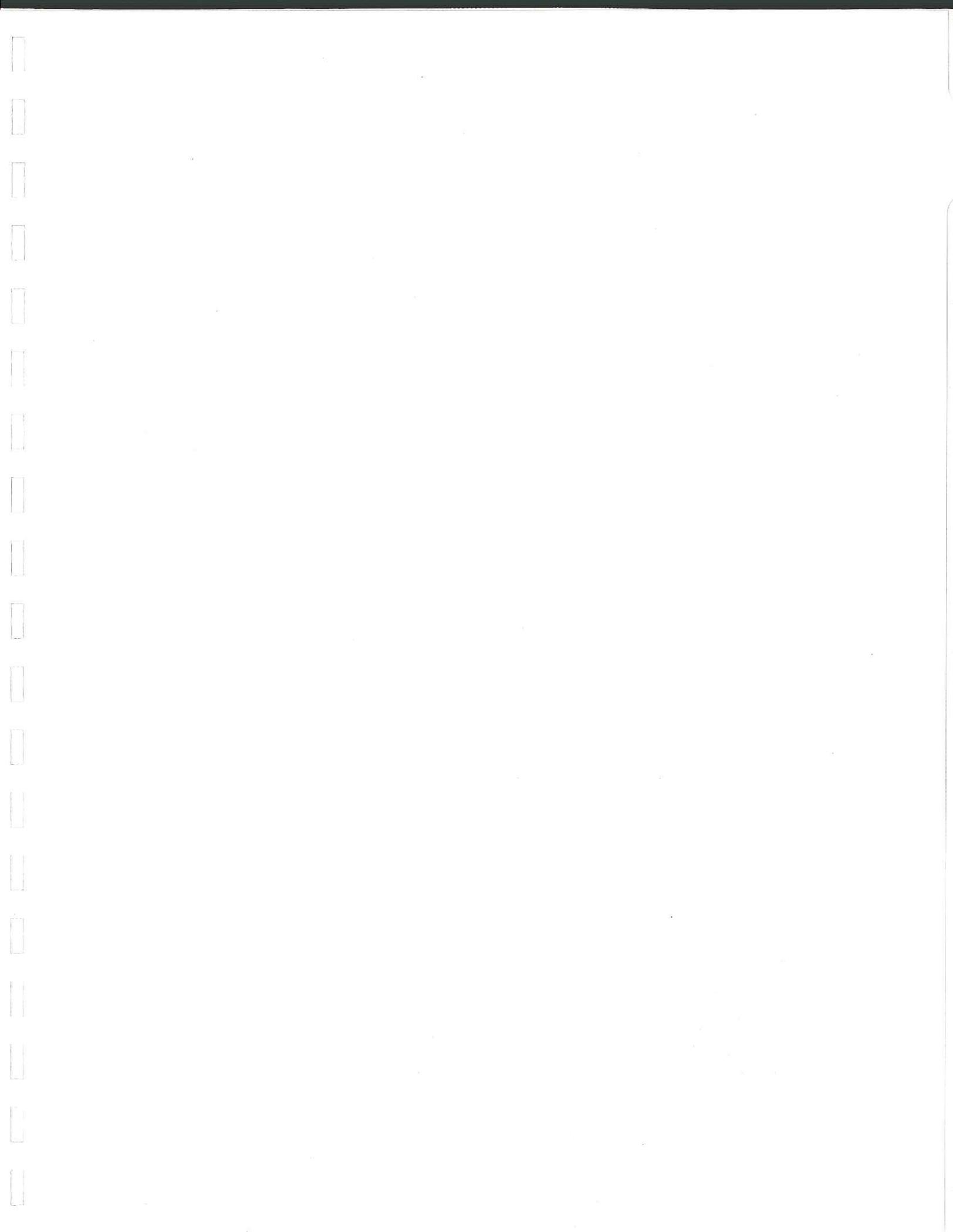
  
Donnie Turner  
Precinct 2 Commissioner

  
Franklin Jameson  
Precinct 3 Commissioner

  
David Stafford  
Precinct 4 Commissioner

Attest:

  
Kate Hurt, Motley County Clerk



Attachment B

Certificate of Account Status



# Franchise Tax Account Status

As of: 02/11/2014 01:35:49 PM

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

CEDAR CAP WIND, LLC	
Texas Taxpayer Number	12034339494
Mailing Address	1999 BRYAN ST STE 900 DALLAS, TX 75201-3136
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	09/14/2007
Texas SOS File Number	0800871656
Registered Agent Name	NATIONAL REGISTERED AGENTS, INC.
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

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Attachment C

State Comptroller's Recommendation

S U S A N  
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

P.O. Box 13528 • AUSTIN, TX 78711-3528



February 10, 2014

William Cochran  
Superintendent  
Motley County ISD  
1600 Bundy  
Matador, Texas 79244-0310

Dear Superintendent Cochran:

On Nov. 12, 2013, the Comptroller received the completed application (Application # 348) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted in September 2013 to the Motley County Independent School District (the school district) by Cedar Cap Wind, LLC (the applicant). This letter presents the results of the Comptroller's review of the application:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

The school district is currently classified as a rural school district in Category 3 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$84 million) is consistent with the proposed appraised value limitation sought (\$10 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a wind power electric generation facility in Floyd and Motley Counties, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described by the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

After reviewing the application using the criteria listed in Section 313.026, and the information provided by the applicant, the Comptroller's recommendation is that this application under Tax Code Chapter 313 be approved.

Our review of the application assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements; the school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district to only approve an application if the school district finds that the information in the application is true and

<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

correct, finds that the applicant is eligible for a limitation and determines that granting the application is in the best interest of the school district and this state. When approving a job waiver requested under Section 313.025(f-1), the school district must also find that the statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. As stated above, the Comptroller's recommendation is prepared by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria and a cursory review of the industry standard evidence necessary to support the waiver of the required number of jobs.

Note that any new building or other improvement existing as of the application review start date of Nov. 12, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

The Comptroller's recommendation is based on the application submitted by the school district and reviewed by the Comptroller. The recommendation may not be used by the school district to support its approval of the property value limitation agreement if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this recommendation is contingent on future compliance with the Chapter 313 and the Texas Administrative Code, with particular reference to the following requirements related to the execution of the agreement:

- 1) The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than ten (10) days prior to the meeting scheduled by the school district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
- 2) The Comptroller must confirm that it received and reviewed the draft agreement and affirm the recommendation made in this letter;
- 3) The school district must approve and execute a limitation agreement that has been reviewed by the Comptroller within a year from the date of this letter; and
- 4) The school district must provide a copy of the signed limitation agreement to the Comptroller within seven (7) days after execution, as required by Section 313.025..

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at [robert.wood@cpa.state.tx.us](mailto:robert.wood@cpa.state.tx.us) or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

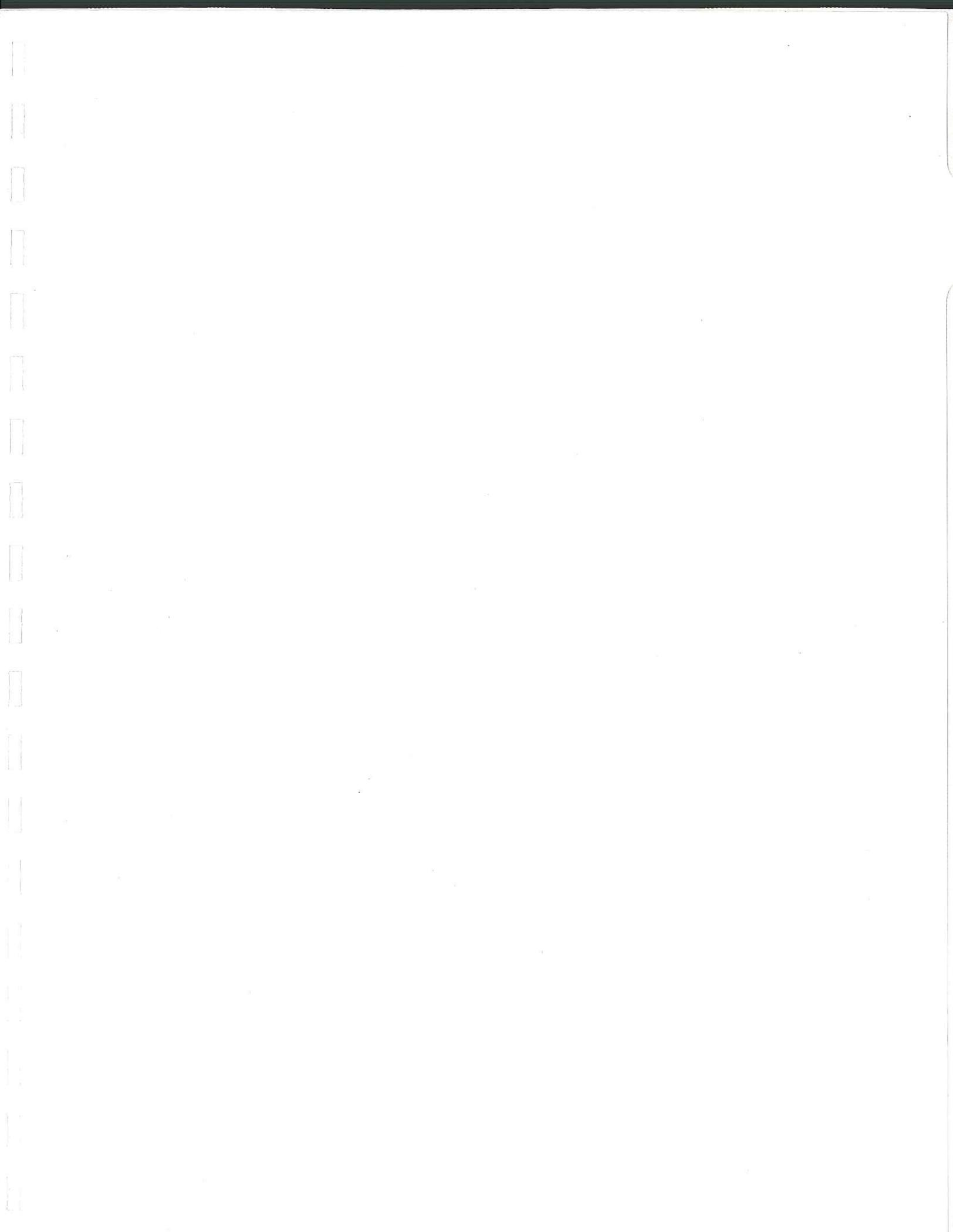
Sincerely,



Martin A. Hubert  
Deputy Comptroller

Enclosure

cc. Robert Wood



Attachment D

Economic Analysis

**Economic Impact for Chapter 313 Project**

Applicant	Cedar Cap Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Motley County ISD
2011-12 Enrollment in School District	188
County	Motley
Total Investment in District	\$84,000,000
Qualified Investment	\$84,000,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	2*
Number of qualifying jobs committed to by applicant	2
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$769
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$712
Minimum Annual Wage committed to by applicant for qualified jobs	\$40,000
Investment per Qualifying Job	\$42,000,000
Estimated 15 year M&O levy without any limit or credit:	\$8,698,388
Estimated gross 15 year M&O tax benefit	\$5,605,470
Estimated 15 year M&O tax benefit ( <i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$4,865,227
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$1,259,856
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$3,833,161
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	55.9%
Percentage of tax benefit due to the limitation	77.5%
Percentage of tax benefit due to the credit.	22.5%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

This presents the Comptroller's economic impact evaluation of Cedar Cap Wind, LLC (the project) applying to Motley County Independent School District (the district), as required by Tax Code, 313.026. This evaluation is based on information provided by the applicant and examines the following criteria:

- (1) the recommendations of the comptroller;
- (2) the name of the school district;
- (3) the name of the applicant;
- (4) the general nature of the applicant's investment;
- (5) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
- (6) the relative level of the applicant's investment per qualifying job to be created by the applicant;
- (7) the number of qualifying jobs to be created by the applicant;
- (8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
- (9) the ability of the applicant to locate or relocate in another state or another region of this state;
- (10) the impact the project will have on this state and individual local units of government, including:
  - (A) tax and other revenue gains, direct or indirect, that would be realized during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller; and
  - (B) economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller;
- (11) the economic condition of the region of the state at the time the person's application is being considered;
- (12) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter;
- (13) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code;
- (14) the projected market value of the qualified property of the applicant as determined by the comptroller;
- (15) the proposed limitation on appraised value for the qualified property of the applicant;
- (16) the projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the agreement, if the property does not receive a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment and projected tax rates clearly stated;
- (17) the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the agreement, if the property receives a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment clearly stated;
- (18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;
- (19) the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and
- (20) the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (17) from the projected taxes stated in Subdivision (16).

**Wages, salaries and benefits [313.026(6-8)]**

After construction, the project will create two new jobs when fully operational. All two jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the South Plains Association of Governments Region, where Motley County is located was \$33,662 in 2012. The annual average manufacturing wage for 2012-2013 for Motley County is \$50,609. During that same period, the county annual average wage for all industries was \$26,182. In addition to an annual average salary of \$40,000 each qualifying position will receive benefits such as health insurance, 401(k), vacation time, sick leave and skills training. The project's total investment is \$84 million, resulting in a relative level of investment per qualifying job of \$42 million.

**Ability of applicant to locate to another state and [313.026(9)]**

According to the Cedar Cap Wind, LLC application, "Cedar Cap Wind, LLC is a wholly owned subsidiary of Gamesa Energy USA, LLC. The company has production centers in the main wind markets: Spain and China, as the global production and supply hubs, while maintaining its local production capacity in India, US, and Brazil." The application also states "Gamesa has the proven ability to locate and develop wind farms in many countries as well as numerous locations throughout the United States."

**Number of new facilities in region [313.026(12)]**

During the past two years, eight projects in the South Plains State Planning Region applied for value limitation agreements under Tax Code, Chapter 313.

**Relationship of applicant's industry and jobs and Texas's economic growth plans [313.026(5)]**

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Cedar Cap Wind, LLC project requires appear to be in line with the focus and themes of the plan. Texas identified energy as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the energy industry.

**Economic Impact [313.026(10)(A), (10)(B), (11), (13-20)]**

Table 1 depicts Cedar Cap Wind, LLC's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 14 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

**Table 1: Estimated Statewide Economic Impact of Investment and Employment in Cedar Cap Wind, LLC**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	50	52	102	\$2,500,000	\$3,237,000	\$5,737,000
2014	100	106	206	\$5,000,000	\$7,695,000	\$12,695,000
2015	52	58	110	\$2,580,000	\$5,110,000	\$7,690,000
2016	2	4	6	\$80,000	\$1,507,000	\$1,587,000
2017	2	(4)	-2	\$80,000	\$1,141,000	\$1,221,000
2018	2	(4)	-2	\$80,000	\$530,000	\$610,000
2019	2	(4)	-2	\$80,000	\$286,000	\$366,000
2020	2	(4)	-2	\$80,000	\$164,000	\$244,000
2021	2	(2)	0	\$80,000	\$164,000	\$244,000
2022	2	(4)	-2	\$80,000	\$42,000	\$122,000
2023	2	0	2	\$80,000	\$164,000	\$244,000
2024	2	0	2	\$80,000	\$408,000	\$488,000
2025	2	6	8	\$80,000	\$408,000	\$488,000
2026	2	4	6	\$80,000	\$530,000	\$610,000
2027	2	6	8	\$80,000	\$897,000	\$977,000
2028	2	6	8	\$80,000	\$897,000	\$977,000

Source: CPA, REMI, Cedar Cap Wind, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.7 billion in 2012-2013. Motley County ISD's ad valorem tax base in 2012-2013 was \$84.7 million. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Motley County ISD's estimated wealth per WADA was \$239,155. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Motley County, Motley County Hospital District and the Gateway Groundwater Conservation District with all property tax incentives sought being granted using estimated market value from Cedar Cap Wind, LLC's application. Cedar Cap Wind, LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county and hospital district. Table 3 illustrates the estimated tax impact of the Cedar Cap Wind, LLC project on the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Motley County ISD I&S Levy	Motley County ISD M&O Levy	Motley County ISD M&O and I&S Tax Levies (Before Credit Credited)	Motley County ISD M&O and I&S Tax Levies (After Credit Credited)	Motley County Tax Levy	Motley County Hospital District Tax Levy	Gateway Groundwater Conservation District Tax Levy	Estimated Total Property Taxes
				0.0000	1.1700			0.6228	0.2004	0.0200	
2015	\$47,040,000	\$47,040,000		\$0	\$550,368	\$550,368	\$550,368	\$58,590	\$18,855	\$9,408	\$637,222
2016	\$80,640,000	\$80,640,000		\$0	\$943,488	\$943,488	\$943,488	\$100,440	\$32,323	\$16,128	\$1,092,380
2017	\$74,189,000	\$10,000,000		\$0	\$117,000	\$117,000	\$117,000	\$115,507	\$37,172	\$14,838	\$284,517
2018	\$68,254,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$106,266	\$34,198	\$13,651	\$212,615
2019	\$62,794,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$97,766	\$31,463	\$12,559	\$200,287
2020	\$57,770,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$197,876	\$52,102	\$11,554	\$320,031
2021	\$53,148,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$182,044	\$47,933	\$10,630	\$299,107
2022	\$48,896,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$213,157	\$44,098	\$9,779	\$325,534
2023	\$44,984,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$196,103	\$40,570	\$8,997	\$304,170
2024	\$41,385,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$180,413	\$37,324	\$8,277	\$284,515
2025	\$38,074,000	\$38,074,000		\$0	\$445,466	\$445,466	\$0	\$237,113	\$76,307	\$7,615	\$321,035
2026	\$35,028,000	\$35,028,000		\$0	\$409,828	\$409,828	\$4,938	\$218,144	\$70,202	\$7,006	\$300,289
2027	\$32,226,000	\$32,226,000		\$0	\$377,044	\$377,044	\$377,044	\$200,694	\$64,587	\$6,445	\$648,770
2028	\$29,648,000	\$29,648,000		\$0	\$346,882	\$346,882	\$346,882	\$184,639	\$59,420	\$5,930	\$596,870
2029	\$27,276,000	\$27,276,000		\$0	\$319,129	\$319,129	\$319,129	\$169,867	\$54,666	\$5,455	\$549,117
						<b>Total</b>	<b>\$3,068,348</b>	<b>\$2,458,619</b>	<b>\$701,222</b>	<b>\$148,270</b>	<b>\$6,376,460</b>

Assumes School Value Limitation and Tax Abatement with the County and the Hospital District.

Source: CPA, Cedar Cap Wind, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Motley County ISD I&S Levy	Motley County ISD M&O Levy	Motley County ISD M&O and I&S Tax Levies	Motley County Tax Levy	Motley County Hospital District Tax Levy	Gateway Groundwater Conservation District Tax Levy	Estimated Total Property Taxes	
				0.0000	1.1700		0.6228	0.2004	0.0200		
2015	\$47,040,000	\$47,040,000		\$0	\$550,368	\$550,368	\$292,951	\$94,277	\$9,408	\$947,004	
2016	\$80,640,000	\$80,640,000		\$0	\$943,488	\$943,488	\$502,202	\$161,617	\$16,128	\$1,623,435	
2017	\$74,189,000	\$74,189,000		\$0	\$868,011	\$868,011	\$462,027	\$148,688	\$14,838	\$1,493,564	
2018	\$68,254,000	\$68,254,000		\$0	\$798,572	\$798,572	\$425,065	\$136,793	\$13,651	\$1,374,081	
2019	\$62,794,000	\$62,794,000		\$0	\$734,690	\$734,690	\$391,062	\$125,850	\$12,559	\$1,264,161	
2020	\$57,770,000	\$57,770,000		\$0	\$675,909	\$675,909	\$359,774	\$115,781	\$11,554	\$1,163,019	
2021	\$53,148,000	\$53,148,000		\$0	\$621,832	\$621,832	\$330,990	\$106,518	\$10,630	\$1,069,969	
2022	\$48,896,000	\$48,896,000		\$0	\$572,083	\$572,083	\$304,510	\$97,996	\$9,779	\$984,368	
2023	\$44,984,000	\$44,984,000		\$0	\$526,313	\$526,313	\$280,147	\$90,156	\$8,997	\$905,612	
2024	\$41,385,000	\$41,385,000		\$0	\$484,205	\$484,205	\$257,733	\$82,943	\$8,277	\$833,158	
2025	\$38,074,000	\$38,074,000		\$0	\$445,466	\$445,466	\$237,113	\$76,307	\$7,615	\$766,501	
2026	\$35,028,000	\$35,028,000		\$0	\$409,828	\$409,828	\$218,144	\$70,202	\$7,006	\$705,179	
2027	\$32,226,000	\$32,226,000		\$0	\$377,044	\$377,044	\$200,694	\$64,587	\$6,445	\$648,770	
2028	\$29,648,000	\$29,648,000		\$0	\$346,882	\$346,882	\$184,639	\$59,420	\$5,930	\$596,870	
2029	\$27,276,000	\$27,276,000		\$0	\$319,129	\$319,129	\$169,867	\$54,666	\$5,455	\$549,117	
						<b>Total</b>	<b>\$8,673,818</b>	<b>\$4,616,918</b>	<b>\$1,485,803</b>	<b>\$148,270</b>	<b>\$14,924,810</b>

Source: CPA, Cedar Cap Wind, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

Attachment 1 includes schedules A, B, C, and D provided by the applicant in the application. Schedule A shows proposed investment. Schedule B is the projected market value of the qualified property. Schedule C contains employment information, and Schedule D contains tax expenditures and other tax abatement information.

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$8,698,388. The estimated gross 15 year M&O tax benefit, or levy loss, is \$5,605,470.

Attachment 3 is an economic overview of Motley County.

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.



1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [www.tea.state.tx.us](http://www.tea.state.tx.us)

Michael L. Williams  
Commissioner

February 6, 2014

Mr. Robert Wood  
Director, Economic Development and Analysis  
Texas Comptroller of Public Accounts  
Lyndon B. Johnson State Office Building  
111 East 17th Street  
Austin, Texas 78774

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Cedar Cap Wind LLC project on the number and size of school facilities in Motley County Independent School District (MCISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the MCISD superintendent, William Cochran, the TEA has found that the Cedar Cap Wind LLC project would not have a significant impact on the number or size of school facilities in MCISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at [al.mckenzie@tea.state.tx.us](mailto:al.mckenzie@tea.state.tx.us) if you need further information about this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie".

Al McKenzie, Manager  
Foundation School Program Support

AM/rk



## TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [www.tea.state.tx.us](http://www.tea.state.tx.us)

Michael L. Williams  
Commissioner

February 6, 2014

Mr. Robert Wood  
Director, Economic Development and Analysis  
Texas Comptroller of Public Accounts  
Lyndon B. Johnson State Office Building  
111 East 17th Street  
Austin, Texas 78774

Dear Mr. Wood:

The Texas Education Agency (TEA) has analyzed the revenue gains that would be realized by the proposed Cedar Cap Wind LLC project for the Motley County Independent School District (MCISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Cedar Cap Wind LLC project on MCISD are correct.

Please feel free to contact me by phone at (512) 463-9186 or by email at [al.mckenzie@tea.state.tx.us](mailto:al.mckenzie@tea.state.tx.us) if you need further information about this issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Al McKenzie', is written over a horizontal line.

Al McKenzie, Manager  
Foundation School Program Support

AM/rk

## Motley County

### Population

- Total county population in 2010 for Motley County: 1,289 , up 1.5 percent from 2009. State population increased 1.8 percent in the same time period.
- Motley County was the state's 244th largest county in population in 2010 and the 65 th fastest growing county from 2009 to 2010.
- Motley County's population in 2009 was 80.3 percent Anglo (above the state average of 46.7 percent), 3.9 percent African-American (below the state average of 11.3 percent) and 14.0 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Motley County:

Matador:	668	- Roaring Springs:	236
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### Economy and Income

#### *Employment*

- September 2011 total employment in Motley County: 652 , down 0.9 percent from September 2010. State total employment increased 0.9 percent during the same period.  
(October 2011 employment data will be available November 18, 2011).
- September 2011 Motley County unemployment rate: 6.6 percent, up from 5.3 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

(Note: County and state unemployment rates are adjusted for seasonal fluctuations, but the Texas Workforce Commission city unemployment rates are not. Seasonally-adjusted unemployment rates are not comparable with unadjusted rates).

#### *Income*

- Motley County's ranking in per capita personal income in 2009: 182nd with an average per capita income of \$29,738, down 1.5 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

#### *Industry*

- Agricultural cash values in Motley County averaged \$23.55 million annually from 2007 to 2010. County total agricultural values in 2010 were up 42.7 percent from 2009. Major agriculture related commodities in Motley County during 2010 included:
  - Sorghum
  - Cottonseed
  - Hunting
  - Cotton
  - Other Beef
- 2011 oil and gas production in Motley County: 18,804.0 barrels of oil and 0.0 Mcf of gas. In September 2011, there were 20 producing oil wells and 0 producing gas wells.

### Taxes

#### *Sales Tax - Taxable Sales*

(County and city taxable sales data for 1st quarter 2011 is currently targeted for release in mid-September 2011).

*Quarterly (September 2010 through December 2010)*

- Taxable sales in Motley County during the fourth quarter 2010: \$763,075.00, down 6.1 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Matador:	\$577,763.00, down 0.4 percent from the same quarter in 2009.
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Roaring Springs:	\$69,828.00, down 7.0 percent from the same quarter in 2009.
------------------	--

*Taxable Sales through the end of 4th quarter 2010 (January 2010 through December 30, 2010)*

- Taxable sales in Motley County through the fourth quarter of 2010: \$2.78 million, down 4.6 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Matador:	\$2.03 million, down 4.2 percent from the same period in 2009.
----------	--

Roaring Springs:	\$267,312.00, down 12.2 percent from the same period in 2009.
------------------	---

*Annual (2010)*

- Taxable sales in Motley County during 2010: \$2.78 million, down 4.6 percent from 2009.
- Motley County sent an estimated \$173,650.50 (or 0.00 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Matador:	\$2.03 million, down 4.2 percent from 2009.
----------	---

Roaring Springs:	\$267,312.00, down 12.2 percent from 2009.
------------------	--

**Sales Tax – Local Sales Tax Allocations**

(The release date for sales tax allocations to cities for the sales activity month of November 2011 is currently scheduled for December 7, 2011.)

**Monthly**

- Statewide payments based on the sales activity month of September 2011: \$580.11 million, up 7.1 percent from September 2010.
- Payments to all cities in Motley County based on the sales activity month of September 2011: \$8,471.87, up 36.8 percent from September 2010.
- Payment based on the sales activity month of September 2011 to the city of:
 

Matador:	\$6,642.63, up 7.2 percent from September 2010.
Roaring Springs:	\$1,829.24

**Fiscal Year**

- Statewide payments based on sales activity months from September 2011 through September 2011: \$580.11 million, up 7.1 percent from the same period in 2011.
- Payments to all cities in Motley County based on sales activity months from September 2011 through September 2011: \$8,471.87, up 36.8 percent from fiscal 2011.
- Payments based on sales activity months from September 2011 through September 2011 to the city of:
 

Matador:	\$6,642.63, up 7.2 percent from fiscal 2011.
Roaring Springs:	\$1,829.24

**January 2011 through September 2011 (Sales Activity Year-To-Date)**

- Statewide payments based on sales activity months through September 2011: \$4.57 billion, up 8.1 percent from the same period in 2010.
- Payments to all cities in Motley County based on sales activity months through September 2011: \$59,579.33, up 23.1 percent from the same period in 2010.
- Payments based on sales activity months through September 2011 to the city of:
 

Matador:	\$51,493.11, up 15.3 percent from the same period in 2010.
Roaring Springs:	\$8,086.22, up 116.0 percent from the same period in 2010.

**12 months ending in September 2011**

- Statewide payments based on sales activity in the 12 months ending in September 2011: \$6.11 billion, up 7.9 percent from the previous 12-month period.
- Payments to all cities in Motley County based on sales activity in the 12 months ending in September 2011: \$77,815.41, up 9.9 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in September 2011 to the city of:
 

Matador:	\$68,274.51, up 5.0 percent from the previous 12-month period.
Roaring Springs:	\$9,540.90, up 64.8 percent from the previous 12-month period.

- **City Calendar Year-To-Date (RJ 2011)**

- Payment to the cities from January 2011 through November 2011:
 

Matador:	\$63,134.69, up 7.6 percent from the same period in 2010.
Roaring Springs:	\$9,380.53, up 73.2 percent from the same period in 2010.

**Annual (2010)**

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Motley County based on sales activity months in 2010: \$66,629.95, down 11.4 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:
 

Matador:	\$61,431.41, down 9.4 percent from 2009.
Roaring Springs:	\$5,198.54, down 29.2 percent from 2009.

**Property Tax**

- As of January 2009, property values in Motley County: \$285.40 million, up 19.4 percent from January 2008 values. The property tax base per person in Motley County is \$222,619, above the statewide average of \$85,809. About 2.5 percent of the property tax base is derived from oil, gas and minerals.

**State Expenditures**

- Motley County's ranking in state expenditures by county in fiscal year 2010: 241st. State expenditures in the county for FY2010: \$7.21 million, down 0.3 percent from FY2009.
- In Motley County, 4 state agencies provide a total of 18 jobs and \$154,642.00 in annualized wages (as of 1st quarter 2011).

■ Major state agencies in the county (as of first quarter 2011):

- Department of Transportation
- Parks & Wildlife Department
- AgriLife Extension Service
- Department of Public Safety

**Higher Education**

■ Community colleges in Motley County preliminary fall 2011 enrollment:

- None.

■ Motley County is in the service area of the following:

- South Plains College with a preliminary fall 2011 enrollment of 10,538 . Counties in the service area include:

Bailey County  
Cochran County  
Crosby County  
Floyd County  
Gaines County  
Garza County  
Hale County  
Hockley County  
Lamb County  
Lubbock County  
Lynn County  
Motley County  
Terry County  
Yoakum County

■ Institutions of higher education in Motley County preliminary fall 2011 enrollment:

- None.

**School Districts**

■ Motley County had 1 school districts with 1 schools and 187 students in the 2009-10 school year.

(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)

- Motley County ISD had 187 students in the 2009-10 school year. The average teacher salary was \$41,334. The percentage of students meeting the 2010 TAKS passing standard for all tests was 77 percent.

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED CEDAR  
CAP WIND, LLC PROJECT ON THE FINANCES OF THE MOTLEY  
COUNTY INDEPENDENT SCHOOL DISTRICT UNDER A  
REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION**

**February 5, 2014**

**Final Report**

**PREPARED BY**



# **Estimated Impact of the Proposed Cedar Cap Wind, LLC Project on the Finances of the Motley County Independent School District under a Requested Chapter 313 Property Value Limitation**

## **Introduction**

Cedar Cap Wind, LLC (Cedar Cap Wind) has requested that the Motley County Independent School District (MCISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to MCISD on August 26, 2013, Cedar Cap Wind proposes to invest \$84 million to construct a new renewable energy electric generation project in MCISD.

The Cedar Cap Wind project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, MCISD may offer a minimum value limitation of \$10 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2015-16 and 2016-17 school years, unless the District and the Company agree to an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2015-16 and 2016-17 school years. Beginning in 2017-18, the project would go on the local tax roll at \$10 million and remain at that level of taxable value for eight years for maintenance and operations taxes.

The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with MCISD currently levying a \$0.000 I&S tax rate. The full value of the investment is expected to reach \$81 million in 2017-18, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

In the case of the Cedar Cap Wind project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. MCISD would experience a revenue loss as a result of the implementation of the value limitation in the 2017-18 school year (-\$740,243).

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$4.9 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

## **School Finance Mechanics**

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence

of the fact that the Comptroller's Office needs this time to conduct its property value study and the planned audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 as a result of the one-year lag in property values.

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state M&O property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study.

Under the HB 1 system adopted in 2006, most school districts received additional state aid for tax reduction (ASATR) that was used to maintain their target revenue amounts established at the revenue levels under old law for the 2005-06 or 2006-07 school years, whichever was highest. In terms of new Chapter 313 property value limitation agreements, adjustments to ASATR funding often moderated the impact of the reduced M&O collections as a result of the limitation, in contrast with the earlier formula-driven finance system.

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted during the First Called Session in 2011 made \$4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 781 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 243 districts operated directly on the state formulas. For the 2012-13 school year, the changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula, with 689 districts operating on formula and 335 districts still receiving ASATR funding.

Senate Bill 1 and House Bill 1025 as passed by the 83<sup>rd</sup> Legislature made significant increases to the basic allotment and other formula changes by appropriation. The ASATR reduction percentage is increased slightly to 92.63 percent, while the basic allotment is increased by \$325 and \$365, respectively, for the 2013-14 and 2014-15 school years. A slight increase in the guaranteed yield for the 6 cents above compressed—known as the Austin yield—is also included. With the basic allotment increase, it is estimated that approximately 300 school districts will still receive ASATR in the 2013-14 school year and 273 districts would do so in the 2014-15 school year. Current state policy calls for ASATR funding to be eliminated by the 2017-18 school year. MCISD is classified as a formula district under the estimates presented below.

One concern in projecting into the future is that the underlying state statutes in the Education Code were not changed in order to provide these funding increases. All of the major formula changes were made by appropriation, which gives them only a two-year lifespan unless renewed in the 2015 legislative session. Despite this uncertainty, it is assumed that these changes will remain in effect for the forecast period for the purpose of these estimates, assuming a continued legislative commitment to these funding levels in future years.

A key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the Cedar Cap Wind project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

### **Underlying Assumptions**

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The general approach used here is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. The SB 1 basic allotment increases are reflected in the underlying models. With regard to ASATR funding the 92.63 percent reduction enacted for the 2013-14 school year and thereafter, until the 2017-18 school year. There is a statement of legislative intent adopted in 2011 to no longer fund target revenue by the 2017-18 school year, so that change is reflected in the estimates presented below. The projected taxable values of the Cedar Cap Wind, LLC project are factored into the base model used here. The impact of the limitation value for the proposed Cedar Cap Wind project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 171 students in average daily attendance (ADA) in analyzing the effects of the Cedar Cap Wind project on the finances of MCISD. The District's local tax base reached \$88.8 million for the 2012 tax year and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.17 is used throughout this analysis. MCISD has estimated state property wealth per weighted ADA or WADA of approximately \$246,390 for the 2012-13 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

### **School Finance Impact**

School finance models were prepared for MCISD under the assumptions outlined above through the 2029-30 school year. Beyond the 2014-15 school year, no attempt was made to forecast the 88<sup>th</sup> percentile or Austin yield that influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

Under the proposed agreement, a model is established to make a calculation of the "Baseline Revenue" by adding the value of the proposed Cedar Cap Wind facility to the model, but without assuming that a value limitation is approved. The results of the model are shown in Table 2.

A second model is developed which adds the Cedar Cap Wind value but imposes the proposed property value limitation effective in the third year, which in this case is the 2017-18 school year.

The results of this model are identified as “Value Limitation Revenue Model” under the revenue protection provisions of the proposed agreement (see Table 3).

A summary of the differences between these models is shown in Table 4. The model results show approximately \$2.0 million a year in annual net General Fund revenue, after recapture (if appropriate) and other adjustments have been made, as needed.

Under these assumptions, MCISD would experience a revenue loss as a result of the implementation of the value limitation in the 2017-18 school year (-\$740,243). The revenue reduction results from the mechanics of the up to six cents beyond the compressed M&O tax rate equalized to the Austin yield or not subject to recapture, which reflect the one-year lag in value associated with the property value study.

As noted previously, no attempt was made to forecast further reductions in ASATR funding beyond the 92.63 percent adjustment adopted for the 2013-14 school year, although it is assumed that ASATR will be eliminated beginning in the 2017-18 school year, based on the 2013 statement of legislative intent.

One risk factor under the estimates presented here relates to the implementation of the value limitation in the 2017-18 school year. The formula loss of \$740,243 cited above between the base and the limitation models is based on an assumption of Motley County in M&O tax savings for Cedar Cap Wind when the \$10 million limitation is implemented. Under the estimates presented here and as highlighted in Table 4, an increase in ASATR funding or a reduction in recapture costs may offset some or all of the reduction in M&O taxes in the first year the value limitation is in effect.

In general, the ASATR offset poses little if any financial risk to the school district as a result of the adoption of the value limitation agreement. But a significant reduction of ASATR funding prior to the assumed 2017-18 school year elimination of these funds could reduce the residual tax savings in the first year that the \$10 million value limitation takes effect.

The Comptroller’s state property value study influences these calculations, as noted previously. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect. Beginning with the 2011 state property value study, two value determinations are also made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

### **Impact on the Taxpayer**

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$1.17 per \$100 of taxable value M&O rate is assumed in 2012-13 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$4.3 million over the life of the agreement. In addition, Cedar Cap Wind would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits

on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$1.3 million over the life of the agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key MCISD revenue losses are expected to total approximately -\$740,243 over the course of the agreement. In total, the potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to total \$4.9 million over the life of the agreement. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial year of the agreement, there would still be a substantial tax benefit to Cedar Cap Wind under the value limitation agreement for the remaining years that the limitation is in effect.

### **Facilities Funding Impact**

The Cedar Cap Wind project remains fully taxable for debt services taxes, with MCISD currently levying a \$0.000 I&S rate. The value of the Cedar Cap Wind project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value is expected to increase the District's projected wealth per ADA to \$982,387 in the peak year of I&S taxable project value.

The Cedar Cap Wind project is not expected to affect MCISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

### **Conclusion**

The proposed Cedar Cap Wind renewable energy electric generation project enhances the tax base of MCISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated \$4.9 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of MCISD in meeting its future debt service obligations.

**Table 1 – Base District Information with Cedar Cap Wind, LLC Project Value and Limitation Values**

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2014-15	170.00	348.95	\$1.1700	\$0.0000	\$109,815,930	\$90,915,930	\$86,919,785	\$86,919,785	\$249,090	\$249,090
1	2015-16	170.00	348.95	\$1.1700	\$0.0000	\$135,855,930	\$135,855,930	\$107,919,785	\$89,019,785	\$309,271	\$255,108
2	2016-17	170.00	348.95	\$1.1700	\$0.0000	\$169,455,930	\$169,455,930	\$133,959,785	\$133,959,785	\$383,895	\$383,895
3	2017-18	170.00	348.95	\$1.1700	\$0.0000	\$163,004,930	\$98,815,930	\$167,559,785	\$167,559,785	\$480,184	\$480,184
4	2018-19	170.00	348.95	\$1.1700	\$0.0000	\$157,069,930	\$98,815,930	\$161,108,785	\$96,919,785	\$461,697	\$277,748
5	2019-20	170.00	348.95	\$1.1700	\$0.0000	\$151,609,930	\$98,815,930	\$155,173,785	\$96,919,785	\$444,689	\$277,748
6	2020-21	170.00	348.95	\$1.1700	\$0.0000	\$146,585,930	\$98,815,930	\$149,713,785	\$96,919,785	\$429,042	\$277,748
7	2021-22	170.00	348.95	\$1.1700	\$0.0000	\$141,963,930	\$98,815,930	\$144,689,785	\$96,919,785	\$414,645	\$277,748
8	2022-23	170.00	348.95	\$1.1700	\$0.0000	\$137,711,930	\$98,815,930	\$140,067,785	\$96,919,785	\$401,399	\$277,748
9	2023-24	170.00	348.95	\$1.1700	\$0.0000	\$133,799,930	\$98,815,930	\$135,815,785	\$96,919,785	\$389,214	\$277,748
10	2024-25	170.00	348.95	\$1.1700	\$0.0000	\$130,200,930	\$98,815,930	\$131,903,785	\$96,919,785	\$378,003	\$277,748
11	2025-26	170.00	348.95	\$1.1700	\$0.0000	\$126,889,930	\$126,889,930	\$128,304,785	\$96,919,785	\$367,689	\$277,748
12	2026-27	170.00	348.95	\$1.1700	\$0.0000	\$123,843,930	\$123,843,930	\$124,993,785	\$124,993,785	\$358,201	\$358,201
13	2027-28	170.00	348.95	\$1.1700	\$0.0000	\$121,041,930	\$121,041,930	\$121,947,785	\$121,947,785	\$349,472	\$349,472
14	2028-29	170.00	348.95	\$1.1700	\$0.0000	\$118,463,930	\$118,463,930	\$119,145,785	\$119,145,785	\$341,442	\$341,442
15	2029-30	170.00	348.95	\$1.1700	\$0.0000	\$116,091,930	\$116,091,930	\$116,567,785	\$116,567,785	\$334,054	\$334,054

\*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

**Table 2– “Baseline Revenue Model”--Project Value Added with No Value Limitation**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2014-15	\$1,065,828	\$972,602	\$0	\$0	\$181,191	\$128,044	\$0	\$2,347,665
1	2015-16	\$1,321,020	\$762,602	\$0	\$0	\$224,573	\$85,851	\$0	\$2,394,046
2	2016-17	\$1,650,300	\$502,202	\$0	\$0	\$280,551	\$62,355	-\$28,928	\$2,466,480
3	2017-18	\$1,599,918	\$166,202	\$0	\$0	\$271,986	\$29,095	-\$55,947	\$2,011,253
4	2018-19	\$1,540,567	\$230,712	\$0	\$0	\$261,896	\$32,850	-\$49,583	\$2,016,442
5	2019-20	\$1,485,968	\$290,062	\$0	\$0	\$252,614	\$36,319	-\$43,715	\$2,021,247
6	2020-21	\$1,435,727	\$344,662	\$0	\$0	\$244,074	\$39,459	-\$38,306	\$2,025,615
7	2021-22	\$1,389,508	\$394,902	\$0	\$0	\$236,216	\$42,421	-\$33,319	\$2,029,728
8	2022-23	\$1,346,987	\$441,122	\$0	\$0	\$228,988	\$45,162	-\$28,720	\$2,033,539
9	2023-24	\$1,307,867	\$483,642	\$0	\$0	\$222,337	\$47,697	-\$24,480	\$2,037,063
10	2024-25	\$1,271,877	\$522,762	\$0	\$0	\$216,220	\$50,045	-\$20,571	\$2,040,333
11	2025-26	\$1,233,153	\$558,752	\$0	\$0	\$209,636	\$51,949	-\$16,889	\$2,036,601
12	2026-27	\$1,203,302	\$591,862	\$0	\$0	\$204,561	\$53,953	-\$13,586	\$2,040,092
13	2027-28	\$1,175,842	\$622,322	\$0	\$0	\$199,894	\$55,809	-\$10,538	\$2,043,328
14	2028-29	\$1,150,578	\$650,342	\$0	\$0	\$195,599	\$57,432	-\$7,727	\$2,046,224

**Table 3-- "Value Limitation Revenue Model"--Project Value Added with Value Limit**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2014-15	\$1,065,828	\$972,602	\$0	\$0	\$181,191	\$128,044	\$0	\$2,347,665
1	2015-16	\$1,321,020	\$762,602	\$0	\$0	\$224,573	\$85,851	\$0	\$2,394,046
2	2016-17	\$1,650,300	\$502,202	\$0	\$0	\$280,551	\$62,355	-\$28,928	\$2,466,480
3	2017-18	\$1,599,918	\$166,202	\$0	\$0	\$271,986	\$29,095	-\$55,947	\$2,011,253
4	2018-19	\$1,540,567	\$230,712	\$0	\$0	\$261,896	\$32,850	-\$49,583	\$2,016,442
5	2019-20	\$1,485,968	\$290,062	\$0	\$0	\$252,614	\$36,319	-\$43,715	\$2,021,247
6	2020-21	\$1,435,727	\$344,662	\$0	\$0	\$244,074	\$39,459	-\$38,306	\$2,025,615
7	2021-22	\$1,389,508	\$394,902	\$0	\$0	\$236,216	\$42,421	-\$33,319	\$2,029,728
8	2022-23	\$1,346,987	\$441,122	\$0	\$0	\$228,988	\$45,162	-\$28,720	\$2,033,539
9	2023-24	\$1,307,867	\$483,642	\$0	\$0	\$222,337	\$47,697	-\$24,480	\$2,037,063
10	2024-25	\$1,271,877	\$522,762	\$0	\$0	\$216,220	\$50,045	-\$20,571	\$2,040,333
11	2025-26	\$1,233,153	\$558,752	\$0	\$0	\$209,636	\$51,949	-\$16,889	\$2,036,601
12	2026-27	\$1,203,302	\$591,862	\$0	\$0	\$204,561	\$53,953	-\$13,586	\$2,040,092
13	2027-28	\$1,175,842	\$622,322	\$0	\$0	\$199,894	\$55,809	-\$10,538	\$2,043,328
14	2028-29	\$1,150,578	\$650,342	\$0	\$0	\$195,599	\$57,432	-\$7,727	\$2,046,224
15	2029-30	\$1,127,332	\$676,122	\$0	\$0	\$191,647	\$59,027	-\$5,133	\$2,048,995

**Table 4 – Value Limit less Project Value with No Limit**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2014-15	-\$185,220	\$0	\$0	\$0	-\$31,488	-\$22,278	\$0	-\$238,986
1	2015-16	\$0	\$189,000	\$0	\$0	\$0	\$65,911	\$0	\$254,911
2	2016-17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2017-18	-\$641,890	\$0	\$0	\$0	-\$109,121	-\$11,678	\$22,446	-\$740,243
4	2018-19	-\$582,539	\$641,890	\$0	\$0	-\$99,031	\$54,988	\$49,583	\$64,891
5	2019-20	-\$527,940	\$582,540	\$0	\$0	-\$89,749	\$51,519	\$43,715	\$60,085
6	2020-21	-\$477,699	\$527,940	\$0	\$0	-\$81,209	\$48,379	\$38,306	\$55,717
7	2021-22	-\$431,480	\$477,700	\$0	\$0	-\$73,351	\$45,417	\$33,319	\$51,605
8	2022-23	-\$388,959	\$431,480	\$0	\$0	-\$66,123	\$42,676	\$28,720	\$47,794
9	2023-24	-\$349,839	\$388,960	\$0	\$0	-\$59,472	\$40,141	\$24,480	\$44,270
10	2024-25	-\$313,849	\$349,840	\$0	\$0	-\$53,355	\$37,793	\$20,571	\$41,000
11	2025-26	\$0	\$313,850	\$0	\$0	\$0	\$61,089	\$16,889	\$391,828
12	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2027-28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2029-30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Table 5 - Estimated Financial Impact of the Cedar Cap Wind, LLC Project Property Value Limitation Request Submitted to MCISD at \$1.17 M&O Tax Rate**

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	2014-15	\$2,100,000	\$2,100,000	\$0	\$1.170	\$24,570	\$24,570	\$0	\$0	\$0	\$0	\$0
1	2015-16	\$47,040,000	\$47,040,000	\$0	\$1.170	\$550,368	\$550,368	\$0	\$0	\$0	\$0	\$0
2	2016-17	\$80,640,000	\$80,640,000	\$0	\$1.170	\$943,488	\$943,488	\$0	\$0	\$0	\$0	\$0
3	2017-18	\$74,189,000	\$10,000,000	\$64,189,000	\$1.170	\$868,011	\$117,000	\$751,011	\$0	\$751,011	-\$740,243	\$10,768
4	2018-19	\$68,254,000	\$10,000,000	\$58,254,000	\$1.170	\$798,572	\$117,000	\$681,572	\$58,500	\$740,072	\$0	\$740,072
5	2019-20	\$62,794,000	\$10,000,000	\$52,794,000	\$1.170	\$734,690	\$117,000	\$617,690	\$58,500	\$676,190	\$0	\$676,190
6	2020-21	\$57,770,000	\$10,000,000	\$47,770,000	\$1.170	\$675,909	\$117,000	\$558,909	\$58,500	\$617,409	\$0	\$617,409
7	2021-22	\$53,148,000	\$10,000,000	\$43,148,000	\$1.170	\$621,832	\$117,000	\$504,832	\$58,500	\$563,332	\$0	\$563,332
8	2022-23	\$48,896,000	\$10,000,000	\$38,896,000	\$1.170	\$572,083	\$117,000	\$455,083	\$58,500	\$513,583	\$0	\$513,583
9	2023-24	\$44,984,000	\$10,000,000	\$34,984,000	\$1.170	\$526,313	\$117,000	\$409,313	\$58,500	\$467,813	\$0	\$467,813
10	2024-25	\$41,385,000	\$10,000,000	\$31,385,000	\$1.170	\$484,205	\$117,000	\$367,205	\$58,500	\$425,705	\$0	\$425,705
11	2025-26	\$38,074,000	\$38,074,000	\$0	\$1.170	\$445,466	\$445,466	\$0	\$445,466	\$445,466	\$0	\$445,466
12	2026-27	\$35,028,000	\$35,028,000	\$0	\$1.170	\$409,828	\$409,828	\$0	\$404,890	\$404,890	\$0	\$404,890
13	2027-28	\$32,226,000	\$32,226,000	\$0	\$1.170	\$377,044	\$377,044	\$0	\$0	\$0	\$0	\$0
14	2028-29	\$29,648,000	\$29,648,000	\$0	\$1.170	\$346,882	\$346,882	\$0	\$0	\$0	\$0	\$0
15	2029-30	\$27,276,000	\$27,276,000	\$0	\$1.170	\$319,129	\$319,129	\$0	\$0	\$0	\$0	\$0
Totals						\$8,698,388	\$4,352,774	\$4,345,614	\$1,259,856	\$5,605,470	-\$740,243	\$4,865,227

Tax Credit for Value Over Limit in First 2 Years

Year 1	Year 2	Max Credits
\$433,368	\$826,488	\$1,259,856
Credits Earned		\$1,259,856
Credits Paid		<u>\$1,259,856</u>
Excess Credits Unpaid		\$0

**\*Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

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Attachment F

Taxable Value of Property



# Window on State Government

Susan Combs Texas Comptroller of Public Accounts

## 2013 ISD Summary Worksheet

077/Floyd

173-901/Motley County ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	0	N/A	0	0
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	1,239,580	N/A	1,239,580	1,239,580
D2. Real Prop Farm & Ranch	52,970	N/A	52,970	52,970
E. Real Prop NonQual Acres	356,650	N/A	356,650	356,650
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	10,060	N/A	10,060	10,060
J. Utilities	33,000	N/A	33,000	33,000
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	62,040	N/A	62,040	62,040

M. Other Personal	0	N/A	0	0
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	1,754,300		1,754,300	1,754,300
Less Total Deductions	116,259		116,259	116,259
Total Taxable Value	1,638,041		1,638,041	1,638,041 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

**Value Taxable For M&O Purposes**

T1	T2	T3	T4	T5	T6
1,678,041	1,638,041	1,678,041	1,638,041	1,638,041	1,638,041

<b>Loss To the Additional \$10,000 Homestead Exemption</b>	<b>50% of the loss to the Local Optional Percentage Homestead Exemption</b>
40,000	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

**Value Taxable For I&S Purposes**

T7	T8	T9	T10	T11	T12
1,678,041	1,638,041	1,678,041	1,638,041	1,638,041	1,638,041

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

**173/Motley**

**173-901/Motley County ISD**

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	16,082,700	N/A	16,082,700	16,082,700
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	286,680	N/A	286,680	286,680
C2. Colonia Lots	0	N/A	0	0
D1. Rural				

Real(Taxable)	44,885,200	N/A	44,885,200	44,885,200
D2. Real Prop Farm & Ranch	407,340	N/A	407,340	407,340
E. Real Prop NonQual Acres	7,588,040	N/A	7,588,040	7,588,040
F1. Commercial Real	1,597,140	N/A	1,597,140	1,597,140
F2. Industrial Real	162,780	N/A	162,780	162,780
G. Oil, Gas, Minerals	2,655,180	N/A	2,655,180	2,655,180
J. Utilities	14,823,390	N/A	14,823,390	14,823,390
L1. Commercial Personal	2,712,960	N/A	2,712,960	2,712,960
L2. Industrial Personal	8,021,110	N/A	8,021,110	8,021,110
M. Other Personal	405,090	N/A	405,090	405,090
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	99,627,610		99,627,610	99,627,610
Less Total Deductions	8,896,988		8,896,988	8,896,988
Total Taxable Value	90,730,622		90,730,622	90,730,622 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

### Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
94,414,452	90,730,622	94,414,452	90,730,622	90,730,622	90,730,622

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
3,683,830	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

**Value Taxable For I&S Purposes**

T7	T8	T9	T10	T11	T12
94,414,452	90,730,622	94,414,452	90,730,622	90,730,622	90,730,622

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

## 173-901/Motley County ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	16,082,700	N/A	16,082,700	16,082,700
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	286,680	N/A	286,680	286,680
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	46,124,780	N/A	46,124,780	46,124,780
D2. Real Prop Farm & Ranch	460,310	N/A	460,310	460,310
E. Real Prop NonQual Acres	7,944,690	N/A	7,944,690	7,944,690
F1. Commercial Real	1,597,140	N/A	1,597,140	1,597,140
F2. Industrial Real	162,780	N/A	162,780	162,780
G. Oil, Gas, Minerals	2,665,240	N/A	2,665,240	2,665,240
J. Utilities	14,856,390	N/A	14,856,390	14,856,390
L1. Commercial Personal	2,712,960	N/A	2,712,960	2,712,960
L2. Industrial Personal	8,083,150	N/A	8,083,150	8,083,150
M. Other Personal	405,090	N/A	405,090	405,090
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0

Subtotal	101,381,910		101,381,910	101,381,910
Less Total Deductions	9,013,247		9,013,247	9,013,247
Total Taxable Value	92,368,663		92,368,663	92,368,663 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

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Attachment G  
Participation Agreement

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE  
OF PROPERTY FOR SCHOOL DISTRICT  
MAINTENANCE AND OPERATIONS TAXES**

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by and between

**MOTLEY COUNTY INDEPENDENT SCHOOL DISTRICT**

and

**CEDAR CAP WIND, LLC**

*(Texas Taxpayer ID # 12034339494)*

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TEXAS COMPTROLLER APPLICATION NUMBER 348

Dated

May 12, 2014

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR  
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

*STATE OF TEXAS* §

*COUNTY OF MOTLEY* §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **MOTLEY COUNTY INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **CEDAR CAP WIND, LLC**, a Delaware limited liability company (Texas Taxpayer Identification Number 12034339494), hereinafter referred to as the "Applicant." The Applicant and the District are each hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

**RECITALS**

**WHEREAS**, on August 26, 2013, the Superintendent of Schools of the Motley County Independent School District (the "Superintendent"), acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property (the "Application"), pursuant to Chapter 313 of the Texas Tax Code; and,

**WHEREAS**, on August 26, 2013, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Cedar Cap Wind, LLC; and,

**WHEREAS**, on September 20, 2013, the Superintendent acknowledged receipt of the Application and the requisite application fee, pursuant to Texas Tax Code §313.025(a)(1) and Local District Policy CCG (Local), and determined the Application to be complete; and,

**WHEREAS**, the Application was delivered to the office of the Texas Comptroller of Public Accounts (the "Comptroller") for review pursuant to Texas Tax Code §313.025(d); and,

**WHEREAS**, on or about October 31, 2013, the Superintendent, acting as agent of the Board of Trustees, received supplemental Application materials from the Applicant concerning the previously submitted Application, and the supplemental materials, were delivered to the Comptroller for review pursuant to Texas Tax Code §313.025(d); and,

**WHEREAS**, the Comptroller established November 12, 2013 as the completed Application date; and,

**WHEREAS**, pursuant to 34 Texas Administrative Code §9.1054, the Application was delivered for review to the Appraisal District established in Motley County, Texas (the “Appraisal District”) pursuant to Texas Tax Code §6.01; and,

**WHEREAS**, on or about January 13, 2014, the Superintendent, acting as agent of the Board of Trustees, received supplemental Application materials from the Applicant amending the first qualifying year to 2015, and the supplemental materials, were delivered to the Comptroller for review pursuant to Texas Tax Code §313.025(d); and,

**WHEREAS**, the Comptroller, pursuant to Texas Tax Code §313.025(d), reviewed the Application and supplemental materials, and on February 10, 2014, via letter, recommended that the Application be approved; and,

**WHEREAS**, on April 11, 2014, under the authority delegated to him by the Board of Trustees, the Superintendent granted an extension of time, in accordance with Texas Tax Code §313.025(b) and Board Policy CCG (Local), for final action upon the pending Application; and,

**WHEREAS**, on April 21, 2014, the Board of Trustees ratified the extension of time through June 30, 2014, in accordance with Texas Tax Code §313.025(b) and Board Policy CCG (Local), for final action upon the pending Application; and,

**WHEREAS**, the Comptroller conducted an economic impact evaluation pursuant to Texas Tax Code §313.026, which was presented to the Board of Trustees at the May 12, 2014 public hearing held in connection with the Board of Trustees’ consideration of the Application; and,

**WHEREAS**, the Board of Trustees carefully reviewed the economic impact evaluation and carefully considered the Comptroller’s positive recommendation for the project; and,

**WHEREAS**, on May 12, 2014, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

**WHEREAS**, on May 12, 2014, the Board of Trustees made factual findings pursuant to Texas Tax Code §313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the Limitation on Appraised Value of the Applicant’s Qualified Property; (iv) each criterion referenced in Texas Tax Code §313.025(e) has been met; and,

**WHEREAS**, on May 12, 2014, pursuant to the provisions of Texas Tax Code §313.025(f-1), the Board of Trustees waived the job creation requirement set forth in Texas Tax Code §313.051(b), based upon its factual finding, made on May 12, 2014, that the if the number of jobs required by law (*i.e.* 10 jobs) was applied to this project, given its size and scope as

described in the Application and in **Exhibit 3**, the number of jobs would exceed the industry standard for the number of employees reasonably necessary for the operation of the facility; and,

**WHEREAS**, the Motley County Independent School District qualifies as a rural school district under the provisions of Texas Tax Code §313.051(a)(2); and,

**WHEREAS**, on May 12, 2014, the Board of Trustees determined that the Tax Limitation Amount requested by the Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Texas Tax Code, §313.052, as such Tax Limitation Amount was computed as of the date of this Agreement; and,

**WHEREAS**, the District received written notification, pursuant to 34 Texas Administrative Code §9.1055(e)(2)(A), that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on February 10, 2014 that the Application be approved; and,

**WHEREAS**, on May 12, 2014, the Board of Trustees approved the form of this Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

**NOW, THEREFORE**, for and in consideration of the stated premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

## **ARTICLE I**

### **AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS**

#### **Section 1.1. AUTHORITY**

This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Texas Tax Code §313.027.

#### **Section 1.2. TERM OF THE AGREEMENT**

This Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3, below. In the event that the Applicant makes a Qualified Investment in the amount defined in Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, the Applicant will be entitled to the Tax Limitation Amount defined in Section 1.3 below, for the following Tax Years: 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2017, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date of May 12, 2014 and ending on December 31, 2016 will be referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code §313.021(4). The Applicant shall not be entitled to a tax limitation during the Qualifying Time Period.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2024. Except as otherwise provided herein, this Agreement will terminate, in full, on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below and set forth opposite each such Tax Year is the corresponding year in the term of this Agreement, the date of the appraised value determination for such Tax Year, and a summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

<b>Full Tax Year of Agreement</b>	<b>Date of Appraisal</b>	<b>School Year</b>	<b>Tax Year</b>	<b>Summary Description of Provisions</b>
Partial Year (Commencing May 12, 2014)	January 1, 2014	2014-15	2014	Start of Qualifying Time Period beginning Commencement Date. No limitation on value. First year for computation of Annual Limit.
1	January 1, 2015	2015-16	2015	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
2	January 1, 2016	2016-17	2016	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
3	January 1, 2017	2017-18	2017	\$ 10 Million property value limitation.

<b>Full Tax Year of Agreement</b>	<b>Date of Appraisal</b>	<b>School Year</b>	<b>Tax Year</b>	<b>Summary Description of Provisions</b>
4	January 1, 2018	2018-19	2018	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
5	January 1, 2019	2019-20	2019	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
6	January 1, 2020	2020-21	2020	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
7	January 1, 2021	2021-22	2021	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
8	January 1, 2022	2022-23	2022	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2023	2023-24	2023	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
10	January 1, 2024	2024-25	2024	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
11	January 1, 2025	2025-26	2025	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2026	2026-27	2026	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2027	2027-28	2027	No tax limitation. Possible tax credit due to Applicant.

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
				Applicant obligated to Maintain Viable Presence if no early termination.

**Section 1.3. DEFINITIONS**

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning, to-wit:

“*Act*” means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended.

“*Affiliate*” means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Applicant. For purposes of this definition, control of an entity means (i) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting rights in a company or other legal entity or (ii) the right to direct the management or operation of such entity whether by ownership (directly or indirectly) of securities, by contract or otherwise.

“*Affiliated Group*” means a group of one or more entities in which a controlling interest is owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member entities.

“*Aggregate Limit*” means, for any Tax Year of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous years of the Agreement.

“*Agreement*” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 6.3.

“*Annual Limit*” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code §313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District’s Average Daily Attendance for the applicable school year, as calculated pursuant to Texas Education Code §42.005 times the greater of \$100, or any larger amount allowed by Texas Tax Code §313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for tax year 2014, which, by virtue of the Commencement Date is the first year of the Qualifying Time Period under this Agreement.

“*Applicant*” means Cedar Cap Wind, LLC, (Texas Taxpayer ID #12034339494), the company listed in the Preamble of this Agreement who, on August 26, 2013, filed with the District the Original Application for an Appraised Value Limitation on Qualified Property, together with the October 31, 2013 supplemental Application materials. The term “Applicant”

shall also include the Applicant's assigns and successors-in-interest, and their direct and indirect subsidiaries.

"Applicable School Finance Law" means Chapters 41 and 42 of the Texas Education Code; the Texas Economic Development Act (Chapter 313 of the Texas Tax Code); the provisions of Chapter 403; Subchapter M, of the Texas Government Code applicable to the District; the Constitution and general laws of the State applicable to the independent school districts of the State; applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State; and judicial decisions construing or interpreting any or all of the above. The term also includes any amendments or successor statutes that may be adopted in the future which impact or alter the calculation of the Applicant's ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement.

"Application" means the Original Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on August 26, 2013, together with the October 31, 2013 supplemental Application materials, which have been certified by the Comptroller to collectively constitute a complete final Application as of the date of August 26, 2013. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant to the District or the Comptroller for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

"Appraised Value" shall have the meaning assigned to such term in Section 1.04(8) of the Texas Tax Code.

"Appraisal District" means the Motley County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Motley County Independent School District.

"Commencement Date" means May 12, 2014, the date upon which this Agreement was approved by the District's Board of Trustees.

"Comptroller" means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth at Title 34 Texas Administrative Code, Chapter 9, Subchapter D, together with any court or administrative decisions interpreting same.

"County" means Motley County, Texas.

"Determination of Breach" shall have the meaning assigned to such term in Section 7.8 of the Agreement

"District" or "School District" means the Motley County Independent School District, being a duly authorized and operating independent school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant's Qualified Property or the Applicant's Qualified Investment.

"Final Termination Date" means December 31, 2027. However, any payment obligations of any Party arising under this Agreement prior to the Final Termination Date will survive until paid by the Party owing same.

"Force Majeure" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property or the Applicant's Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents Applicant's performance of its obligations under this Agreement.

"Land" shall have the meaning assigned to such term in Section 2.2.

"Maintain Viable Presence" means, after the development and construction of the project described in the Application and in the description of the Applicant's Qualified Investment and Qualified Property as set forth in Section 2.3, below, (i) the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the maintenance of at least the number of New Jobs required by Chapter 313 of the Texas Tax Code from the time they

are created until the Final Termination Date; and (iii) the maintenance of at least the number of Qualifying Jobs set forth in the Application from the time they are created until the Final Termination Date.

"M&O Amount" shall have the meaning assigned to such term in Section 3.2 of the Agreement.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Texas Education Code §45.002 and Article VII §3 of the Texas Constitution, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the Texas Tax Code.

"Net Aggregate Limit" means, for any Tax Year of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous years of the Agreement, less all amounts previously paid by the Applicant to or on behalf of the District under Article IV, below.

"Net Tax Benefit" means, (i) the amount of maintenance and operations *ad valorem* taxes that the Applicant would have paid to the District for all Tax Years if this Agreement had not been entered into by the Parties, (ii) adding to the amount determined under clause (i) all Tax Credits received by the Applicant under Chapter 313, Texas Tax Code, and (iii) subtracting from the sum of the amounts determined under clauses (i) and (ii) the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for all Tax Years of this Agreement, plus (B) any payments due to the District under Article III under this Agreement.

"New Jobs" means the total number of jobs, defined by 34 Texas Administrative Code §9.1051, which the Applicant will create in connection with the project which is the subject of its Application. In accordance with the requirements of Texas Tax Code §313.024(d), Eighty Percent (80%), of all New Jobs created by the Applicant on the project shall also be Qualifying Jobs, as defined below.

"Qualified Investment" has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller's Rules, as these provisions existed on the date of this Agreement, applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller's Rules.

"Qualifying Jobs" means the number of New Jobs the Applicant will create in connection with the project that is the subject of its Application, which meet the requirements of Texas Tax Code §313.021(3).

"Qualified Property" has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller's Rules and the Texas Attorney General, as these provisions existed on the date of this Agreement, applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller's Rules.

"Qualifying Time Period" means the period that begins on the Commencement Date of May 12, 2014 and ends on December 31, 2016.

"Revenue Protection Amount" means the amount calculated pursuant to Section 3.2 of this Agreement.

"State" means the State of Texas.

"Substantive Document" means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data significant to the Application, the evaluation or consideration of the Application, or this Agreement or implementation of this Agreement for Limitation of Appraised Value pursuant to Chapter 313 of the Texas Tax Code. The term includes, but is not limited to, the Application and any amendments or supplements, any economic impact evaluation made in connection with the Application, this Agreement between the Applicant and the District and any subsequent amendments or assignments, any school district written finding or report filed with the Comptroller as required by Comptroller's Rule, and any application requesting school tax credits under Texas Tax Code, §313.103.

"Tax Credit" means the tax credit, either to be paid by the District to the Applicant, or to be applied against any taxes that the District imposes on Qualified Property, as computed under the provisions of Subchapter D of the Act, and rules adopted by the Comptroller and/or the Texas Education Agency, provided that the Applicant complies with the requirements under such provisions, including the timely filing of a completed application under Texas Tax Code §313.103 and the duly adopted administrative rules.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code §313.054. That is, for each of the eight (8) Tax Years 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

- (a) the Market Value of the Applicant's Qualified Investment; or

(b) Ten Million Dollars (\$10,000,000.00).

The Tax Limitation Amount set forth in the immediately preceding Subsection (b) is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code, §313.022(b) or §313.052.

"Tax Year" shall have the meaning assigned to such term in Section 1.04(13) of the Texas Tax Code (*i.e.*, the calendar year).

"Taxable Value" shall have the meaning assigned to such term in Section 1.04(10) of the Texas Tax Code.

"Texas Education Agency Rules" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313 of the Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code, together with any court or administrative decisions interpreting same.

## ARTICLE II

### PROPERTY DESCRIPTION

#### **Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE**

The Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 312 of the Texas Tax Code. The legal description of the reinvestment zone in which the Applicant's Qualified Property is located is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

#### **Section 2.2. LOCATION OF QUALIFIED PROPERTY**

The location of the Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is described in the legal description which is attached to this Agreement as **EXHIBIT 2**, and is incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from the configuration described in **EXHIBIT 2** without the express authorization of each of the Parties.

#### **Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY**

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes ("Applicant's Qualified Investment").

Qualified Investment shall be that property, described in **EXHIBIT 3** which is placed in service under the terms of the Application, during the Qualifying Time Period described in both Section 1.2 above, and the definition of Qualifying Time Period set forth in Section 1.3, above.

Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to the Applicant's Qualified Investment, together with the land described in **EXHIBIT 2** which: 1) is owned by the Applicant; 2) was first placed in service after August 26, 2013, the completed Application date established by the Comptroller; and 3) is used in connection with the activities described in the Application. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code §313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment and/or Qualified Investment for purposes of this Agreement.

Property owned by the Applicant which is not described on **EXHIBIT 3** may not be considered to be Qualified Property unless the Applicant:

- (a) submits to the District and the Comptroller a written request to add property to the limitation agreement, which request shall include a specific description of the additional property to which the Applicant requests that the limitation apply;
- (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,
- (c) provides any additional information reasonably requested by the District or the Comptroller necessary to re-evaluate the economic impact analysis for the new or changed conditions.

#### **Section 2.4. APPLICANT'S OBLIGATIONS TO PROVIDE CURRENT INVENTORY OF QUALIFIED PROPERTY**

At the end of the Qualifying Time Period, or at any other time when there is a material change in the Qualified Property located on the land described in **EXHIBIT 2**, upon a reasonable request of the District, the Comptroller, or the Appraisal District, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Qualified Property to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to the Agreement.

**Section 2.5. QUALIFYING USE**

The Applicant's Qualified Investment described above in Section 2.3 qualifies for a tax limitation agreement under Texas Tax Code §313.024(b)(1) as a renewable energy electric generation facility.

**Section 2.6. LIMITATION ON APPRAISED VALUE**

So long as the Applicant makes a Qualified Investment in the amount Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the eight (8) Tax Years 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- (a) The Market Value of the Applicant's Qualified Investment; or
- (b) Ten Million Dollars (\$10,000,000.00).

The Tax Limitation Amount set forth in the immediately preceding Subsection(b) is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code §313.022 (b) or §313.052.

**ARTICLE III**

**PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES**

**Section 3.1. INTENT OF THE PARTIES**

Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Texas Tax Code §313.027(f)(1), be compensated by the Applicant for: any loss that the District incurs in its Maintenance and Operations Revenue; or for any new uncompensated operating cost incurred as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to, all such other payments as are set forth in Article IV. Subject only to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the risk of any negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District, and paid by the Applicant to the District in addition to any and all payments due under Article IV.

**Section 3.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT**

Subject to the applicable provisions of Sections 5.1 and 5.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting

from, or on account of, this Agreement for each year during the term of this Agreement (the "M&O Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The M&O Amount owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue;

Where:

- i. "Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax at the tax rate actually adopted by the District for the applicable year.
- ii. "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to Maintenance and Operations Revenue because of any portion of this agreement.

In making the calculations required by this Section 3.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%)
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 3.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 3.2 shall be made by a methodology which isolates the full M & O revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other

agreements, on account of any other factors not contained in this Agreement.

### **Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES**

In addition to the amounts determined pursuant to Section 3.2 above, and to the extent provided in Section 6.3, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

- (a) All non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable tax credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Education Code §42.2515, or other similar or successor statute.
- (b) All non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.
- (c) All non-reimbursed increases in District costs paid to the Appraisal District caused by increased appraised values arising solely from the project described in the Application.
- (d) Any other loss of District revenues which are, or may be attributable to the payment by the Applicant to or on behalf of any other third party beneficiary.

### **Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY**

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") selected each year by the District and the Applicant.

### **Section 3.5. DATA USED FOR CALCULATIONS**

The calculations under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code §26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 3.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the

Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

### **Section 3.6. DELIVERY OF CALCULATIONS**

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3 and Article IV, or under Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

### **Section 3.7. PAYMENT BY APPLICANT**

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 of the year next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 3.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. In no year shall the Applicant be responsible for the payment of any total expenses under this Section and Section 3.6, above, in excess of Ten Thousand Dollars (\$10,000.00).

### **Section 3.8. RESOLUTION OF DISPUTES**

Pursuant to Section 3.4 and Section 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees. Any appeal by the Applicant of the final determination of the Third Party may be made, in

writing, to the District's Board of Trustees within thirty (30) days of the final determination of the certification containing the calculations.

### **Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT**

In the event that, at the time the Third Party selected under Section 3.4 makes its calculations under this Agreement, the Applicant has appealed the taxable values placed by the Appraisal District on the Qualified Property, and the appeal of the appraised values are unresolved, the Third Party shall base its calculations upon the values initially placed upon the Qualified Property by the Appraisal District.

In the event that the result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of a new value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years. In the event the new calculations result in the change of any amount payable by the Applicant under this Agreement, the party from whom the adjustment is payable shall remit such amounts to the counter-party within thirty (30) days of the receipt of the new calculations from the Third Party.

### **Section 3.10. EFFECT OF STATUTORY CHANGES**

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, or to other governmental entities including the Appraisal District, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 5.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

## **ARTICLE IV**

### **Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS**

In interpreting the provisions of Article IV, the Parties agree as follows:

- (a) Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this

Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article IV. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to such limitations as are contained in Section 5.1, and that all payments under Article IV are subject to the separate limitations contained in Section 4.4.

(b) Adherence to Statutory Limits on Supplemental Payments

It is the express intent of the parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article IV, shall not exceed the limit imposed by the provisions of Texas Tax Code 313.027(i) unless that limit is increased by the Legislature at a future date, in which case all references to statutory limits in this Agreement will be automatically adjusted to reflect the new, higher limits, but only if, and to the extent that such increases are authorized by law.

**Section 4.2. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO NET AGGREGATE LIMIT**

In any year during the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

- (a) the Applicant's Stipulated Supplemental Payment Amount, defined as Forty Percent (40%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.3, above; or,
- (b) the Net Aggregate Limit, as the term is defined in Section 1.3, above.

**Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT**

The Parties agree that for each Tax Year of this Agreement, beginning with the third full year (Tax Year 2017), the Stipulated Supplemental Payment amount, described in Section 4.2 will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

*Minus,*

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

*Multiplied by,*

The District's maintenance and operations tax rate for such Tax Year, or the school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

*Plus,*

Any Tax Credit received by the Applicant with respect to such Tax Year;

*Minus,*

Any amounts previously paid to the District under Article III for such Tax Year;

*Multiplied by,*

The number 0.4;

*Minus,*

Any amounts previously paid to the District under Sections 4.2 and 4.3 with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party described in Section 3.4, above, shall adjust the Stipulated Supplemental Payment amount calculation to reflect any changes in the data.

**Section 4.4. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF NET AGGREGATE LIMIT**

For each year of this Agreement, beginning with year three (Tax Year 2017) and continuing thereafter through year thirteen (Tax Year 2027), the District, or its Successor Beneficiary should one be designated under Section 4.6, below, shall not be entitled to receive Supplemental Payments, computed under Sections 4.2 and 4.3, above, that exceed the Net Aggregate Limit, defined in Section 1.3, above.

If, for any year of this Agreement, the payment of the Applicant's Stipulated Supplemental Payment amount, calculated under sections 4.2 and 4.3, above, exceeds the Net Aggregate Limit for that year, the difference between the Stipulated Supplemental Payment amount and the Net Aggregate Limit, shall be carried forward from year-to-year into subsequent years of this Agreement, and to the extent not limited by the Net Aggregate Limit in any subsequent year of this Agreement, shall be paid to the District.

Any Stipulated Supplemental Payment amount, which cannot be made to the District prior to the end of year thirteen (Tax Year 2027), because such payment would exceed the Net Aggregate Limit, will be deemed to have been cancelled by operation of law.

**Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS**

- (a) All calculations required by this Article, including but not limited to: (i) the calculation of the Stipulated Supplemental Payment amount; (ii) the determination of both the Annual Limit, the Aggregate Limit, and the Net Aggregate Limit; (iii) the effect, if any, of the Net Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and, (iv) the carry forward and accumulation of any Stipulated Supplemental Payment amounts unpaid by the Applicant due to the Net Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 3.4.
- (b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.
- (c) The payment of all amounts due under this Article shall be made at the time set forth in Section 3.7.

#### **Section 4.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY**

At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under this Article IV be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 6.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limit or the Net Aggregate Limit or the Supplemental Payments described in Section 4.4, above.

### **ARTICLE V**

#### **ANNUAL LIMITATION OF PAYMENTS BY APPLICANT**

##### **SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS**

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement beginning after the 2017 Tax Year and ending on the Final Termination Date, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles III and IV with respect to such current Tax Year and all preceding Tax Years of this Agreement, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 3.4 and Section 3.6, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

##### **Section 5.2. OPTION TO CANCEL AGREEMENT**

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Section 4.2 with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the June 30 of the year next following the Tax

Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

## **ARTICLE VI**

### **TAX CREDITS**

#### **Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS**

The Applicant shall be entitled to tax credits from the District under and in accordance with the provisions of Subchapter D of the Act and Comptroller Rules, provided that the Applicant complies with the requirements under such provisions, including the timely filing of a completed tax credit application under Section 313.103 of the Texas Tax Code and Comptroller Rules.

#### **Section 6.2. DISTRICT'S OBLIGATIONS WITH RESPECT TO TAX CREDITS**

The District shall timely comply and shall cause the District's collector of taxes to timely comply with their obligations under Subchapter D of the Act and Comptroller Rules, including, but not limited to, such obligations set forth in Section 313.104 of the Texas Tax Code, and either Comptroller and/or Texas Education Agency Rules.

#### **Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES**

If, after the Applicant has actually received the benefit of a tax credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code §42.2515 or other similar or successor statute with respect to all or any portion of such tax credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such tax credit for which the District did not receive such aid within thirty (30) calendar days after receipt of such notice, and such payment shall be subject to the same provisions for late payment as are set forth in Section 7.4 and 7.5. If the District receives aid from the State for all or any portion of a tax credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

## ARTICLE VII

### ADDITIONAL OBLIGATIONS OF APPLICANT

#### Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code §22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

#### Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

The Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Comptroller under the provisions of Texas Tax Code §313.032. The Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. The obligation to make all such required filings shall be a material obligation under this Agreement.

#### Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of the Agreement;
- (b) it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is

caused by Force Majeure (as hereinafter defined), provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,

- (c) it will meet minimum eligibility requirements under Texas Tax Code, Chapter 313 throughout the value limitation and tax-credit settle-up periods.

**Section 7.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT**

(a) In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or in the event that the Applicant or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.8, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III, as of the date upon which such payments were made to the District. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV, as of the date upon which such payments were made to the District.

(b) Notwithstanding Section 7.4(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a Tax Limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III, as of the date upon which such payments were made to the District. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV, as of the date upon which such payments were made to the District. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

**Section 7.5. CALCULATION OF PENALTY AND INTEREST**

In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes owed less all credits under Section 7.4 for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each Tax Year during the term of this Agreement since the Commencement Date in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for such Tax

Year less all credits under Section 7.4 had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(c), or its successor statute.

#### **Section 7.6 MATERIAL BREACH OF AGREEMENT**

The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions:

- (a) Applicant is determined to have failed to meet its obligations to have made accurate representations of fact in submission of its Application as is required by Section 8.13, below.
- (b) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (d) Applicant fails to make any payment required by this Agreement, or by the State or its agencies where such payment is authorized or required by the Act or by rules adopted thereunder.
- (e) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain on Schedule C, Column C of its Application.
- (f) Applicant fails to create and maintain at least the number of Qualifying Jobs set forth it committed to create and maintain on Schedule C, Column E of its Application.
- (g) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs created by the Applicant on the project as Qualifying Jobs.
- (h) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 are not barred by this provision.

- (i) Applicant fails to comply with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Act, including but not limited to the filing of all required reports.

#### **Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH**

In accordance with the provisions of Texas Tax Code §313.0275, for any full tax year which commences after the project has become operational, the Applicant may cure the Material Breaches of this Agreement, defined in Sections 7.6(d) and 7.6(e) or 7.6(f), above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with Sections 7.6(d) and 7.6(e) or 7.6(f) for the particular Tax Year of non-compliance only, the Applicant may make the liquidated damages payment required by Texas Tax Code §313.0275(b), in accordance with the provisions of Texas Tax Code §313.0275(c).

#### **Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT**

Prior to making a determination that the Applicant has committed a Material Breach of this Agreement, such as making a misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a Material Breach of this Agreement as defined in Section 7.6, above, the District shall provide the Applicant with a written notice of the facts which it believes have caused the Material Breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in Material Breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such Material Breach.

If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a Material Breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate the Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination.").

### **Section 7.9. DISPUTE RESOLUTION**

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant's receipt of notice of the Board of Trustee's determination of breach under Section 7.8, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Motley County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such sixty (60) days, the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a lien and/or tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code §33.07 to the attorneys representing the District pursuant to Texas Tax Code §6.30.

In any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

### **Section 7.10. LIMITATION OF OTHER DAMAGES**

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District taxes that would have been lawfully payable to the District had this Agreement not been executed. In addition, the

District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

The Parties further agree that the limitation of damages and remedies set forth in this Section 7.10 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

#### **Section 7.11. BINDING ON SUCCESSORS**

In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

### **ARTICLE VIII**

#### **MISCELLANEOUS PROVISIONS**

#### **Section 8.1. INFORMATION AND NOTICES**

Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile transmission, with "answer back" or other "advice of receipt" obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

Notices to the District shall be addressed to the District's Authorized Representative as follows:

William Cochran, Superintendent  
**MOTLEY COUNTY INDEPENDENT SCHOOL DISTRICT**  
1600 Bundy  
Matador, Texas 79244-0310  
Fax: (806) 347-2871  
Email: [wcochran@motleyco.org](mailto:wcochran@motleyco.org)

*With a copy to:*

Kevin O'Hanlon  
O'Hanlon, McCollom & Demerath  
808 West Avenue  
Austin, Texas 78701

or at such other address or to such other facsimile and/or electronic mail transmission number and to the attention of such other person as the District may designate by written notice to the Applicant.

Notices to the Applicant shall be addressed to:

Borja Negro  
Chief Executive Officer  
**GAMESA TECHNOLOGY CORPORATION INC.**  
1150 Northbrook Drive  
Trevose, Pensalvania 19053  
Fax:  
Email: [bnegro@gamesacorp.com](mailto:bnegro@gamesacorp.com)

or at such other address or to such other facsimile transmission number and to the attention of such other person as the Applicant may designate by written notice to the District.

#### **Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT**

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the District's Board of Trustees,
- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the termination in full date established in Section 1.2 of this Agreement.
- (c) In the event that the Applicant fails to make a Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2016.

#### **Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS**

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement. By official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement Qualified Property not specified in **EXHIBIT 3**, provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant investment, value, and employment information that is related to the additional property. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 8.3 shall, (1) require that all property added by amendment be eligible property as defined by Texas Tax Code, §313.024; (2) clearly identify the property, investment, and employment information

added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the recipient of limited value. This Agreement may not be amended to extend the value limitation time period beyond its eight year statutory term.

#### **Section 8.4. ASSIGNMENT**

Unless otherwise prohibited by law, Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, the Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement. A recipient of limited value under Texas Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contact information for the owner of the property subject to the limitation agreement for the purposes of Texas Tax Code §313.032. The assignee's or its reporting entity's Texas Taxpayer Identification Number shall be included in the notification.

#### **Section 8.5. MERGER**

This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

#### **Section 8.6. MAINTENANCE OF APPRAISAL DISTRICT RECORDS**

When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

#### **Section 8.7. GOVERNING LAW**

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in Motley County, Texas.

#### **Section 8.8. AUTHORITY TO EXECUTE AGREEMENT**

Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

### **Section 8.9. SEVERABILITY**

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

### **Section 8.10. PAYMENT OF EXPENSES**

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

### **Section 8.11. INTERPRETATION**

When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase "but not limited to" words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

#### **Section 8.12. EXECUTION OF COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

#### **Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION**

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. The Applicant warrants that all information, facts, and representations contained therein are true and correct. The parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full.

In the event that the Board of Trustees, after completing the procedures required by Sections 7.8 and 7.9 of this Agreement, makes a written determination that the Application was either incomplete or inaccurate as to any material representation, information, or fact, the Agreement shall be invalid and void except for the enforcement of the provisions required by 34. Texas Administrative Code §9.1053(f)(2)(K).

#### **Section 8.14. PUBLICATION OF DOCUMENTS**

The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; the approved and executed copy of this Agreement or any amendment thereto; and each application requesting tax credits under Texas Tax Code §313.103, as follows:

- a. Within seven days of such document, the school district shall submit a copy to the Comptroller for Publication on the Comptroller's Internet website.
- b. District shall provide on its website a link to the location of those documents posted on the Comptroller's website.
- c. This Section does not require the Publication of information that is confidential under Texas Tax Code §313.028.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 12<sup>th</sup> day of May, 2014.

**CEDAR CAP WIND, LLC**

By: \_\_\_\_\_

Authorized Representative

Name: BORJA NEGRO

Title: CEO

**MOTLEY COUNTY INDEPENDENT  
SCHOOL DISTRICT**

By: \_\_\_\_\_

**DON BAXTER**

President

Board of Trustees

Attest:

By: \_\_\_\_\_

**TINA BROOKS**

Secretary

Board of Trustees

**EXHIBIT 1**

**DESCRIPTION OF QUALIFIED REINVESTMENT ZONE**

The *Reinvestment Zone #1* was originally created on October 15, 2013 by action of the Motley County Commissioner's Court. A map of the *Reinvestment Zone #1* is attached, below to this **Exhibit 1**.

As a result of the action of the Motley County Commissioner's Court, all the following real property within Motley County, Texas is located within the boundaries of the *Reinvestment Zone #1*. A map of the *Reinvestment Zone #1* is attached as the next page of this **Exhibit 1**.

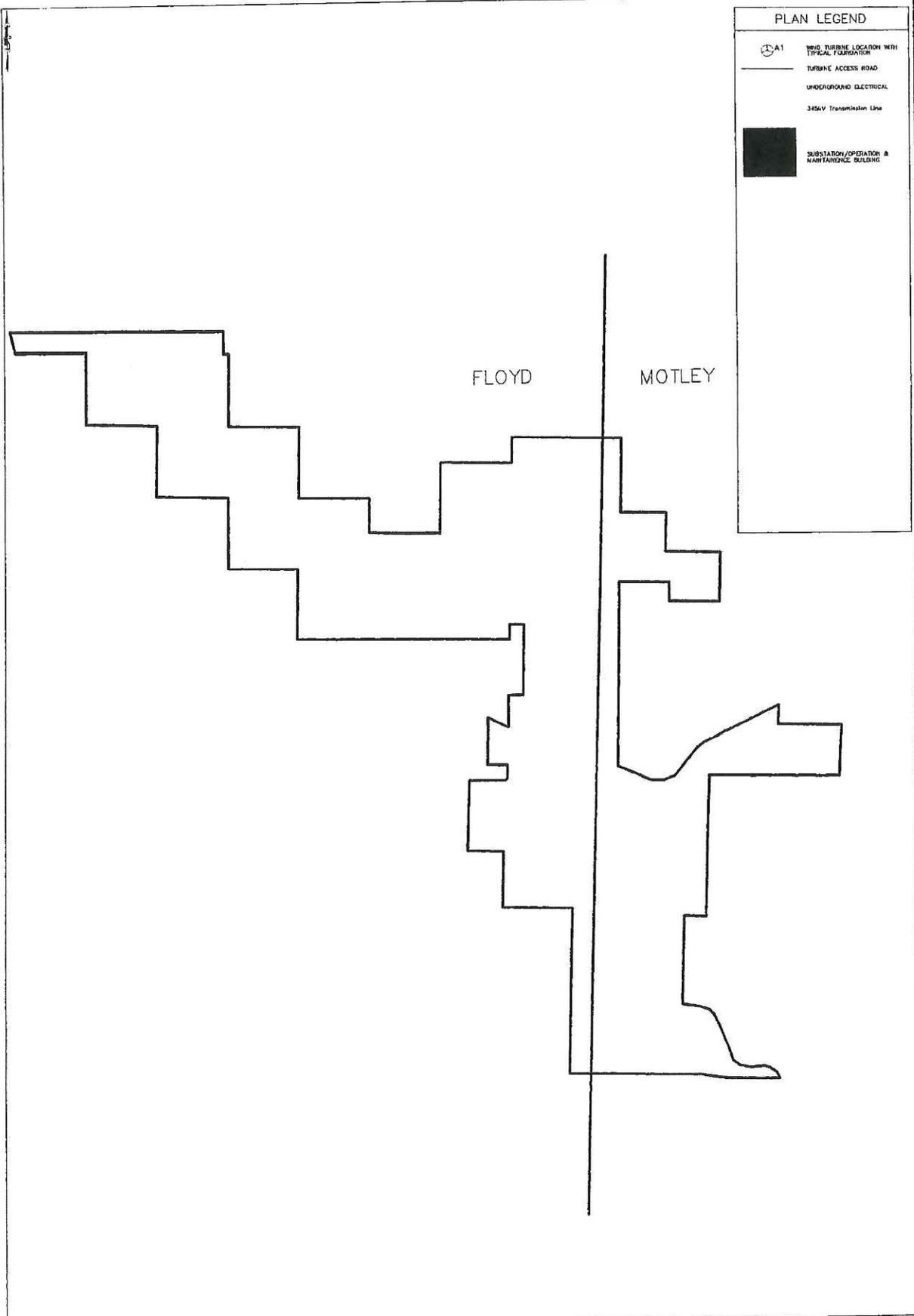
**EXHIBIT A**  
**LEGAL DESCRIPTION AND MAP OF**  
**MOTLEY COUNTY**  
**REINVESTMENT ZONE**  
**NUMBER #1**

Cedar Cap Wind, LLC  
 Legal Descriptions of Land -Motley County

Parcel #	Legal Description	Section	Acres
1-20-01457-0000-0000-00000	A-1863, Section 1, 216.5 acres, AD. Hayes	1	216.5
1-20-0329300000000000000	A-93, Section 9, 78.3 Acres, BLK 1, H&GN	9	78.3
1 20 3506	309.88 acres in Abstract 1099, Section 12, AB&M Survey	12	309.88
1 20 03939	140 acres in Abstract 1403, Section 12, AB&M Survey	12	140
1 20 03282	24 acres in Abstract 684, Section 11, AB&M Survey	11	24
1 20 01245	144 acres in Abstract 684, Section 11, AB&M Survey	11	144
1 20 01246	295 acres in Abstract 684, Section 11, AB&M Survey	11	295
1 20 04099	77.5 acres in Abstract 1522, Section 3, HH Campbell Survey	3	77.5
1 20 03737	160 acres in Abstract 1250, Section 135, F McCaughey Survey	135	160
1 20 03312	160 acres in Abstract 859, Section 26, HH Campbell Survey	26	160
1 20 03434	160 acres in Abstract 1033, Section 60, EL Butler Survey	60	160
1 20 04161	178.65 acres in Abstract 1569, Section 1, JJ Campbell Survey	1	178.65
1 20 01404	320 acres in Abstract 1569, Section 63, Matador Cattle Company Survey	63	320
1 20 01401	37.54 acres in Abstract 1569, Section 1, HH Campbell Survey	1	37.54
1 20 03169	165.2 acres in Abstract 580, Section 63, Matador Cattle Company Survey	63	165.2
1 20 02704	160 acres in Abstract 223, West Quarter of Section 49, BS&F	49	160

	Survey		
1 20 03435	160 acres in Abstract 1035, Section 48, AB&M Survey	48	160
1-20-01300-0000-0000-00000	A-1097, Section 10, 121.99 Acres, H&GN BLK 1	10	121.99
1-20-01258-0000-0000-00000	A-763, Section 9, 130.40 Acres, H&GN BLK 1	9	130.4
1-20-01405-0000-0000-00000	A-1569, Section 1, 106.560 Acres, H.H. Campbell	1	106.560
1-20-01400-0000-0000-00000	A-1568, Section 2, 487 Acres, H.H. Campbell	2	487
1-20-01194-0000-0000-00000	A-491, Section 40, 183.410 Acres, Matador Cattle Co.	40	183.41
1-20-01195-0000-0000-00000	A-492, Section 41, 8.490 Acres, Matador Cattle Co.	41	8.490
1-20-01197-0000-0000-00000	A-493, Section 42, 200.990 Acres, Matador Cattle Co.	42	200.990
1-20-01222-0000-0000-00000	A-580, Section 63, 473.9 Acres, Matador Cattle Co.	63	473.9
1-20-01205-0000-0000-00000	A-514, Section 58, 362.9 Acres, Matador Cattle Co.	58	362.90
1-20-01198-0000-0000-00000	A-459, Section 59, 38.130 Acres, Matador Cattle Co.	59	38.13
1-20-01298-0000-0000-00000	A-1097, Section 10, 187.82 Acres, BLK 1, H&GN	10	187.82
1-20-01259-0000-0000-00000	A-763, Section 9, 180.14 Acres, BLK 1, H&GN	9	180.14
1-20-01406-0000-0000-00000	A-1569, Section 1, 3.25 Acres, HH Campbell	1	3.25
	A-1097, Section 10, 13.46 Acres, BLK 1, H&GN	10	13.46
1-20-035050000000000000000	A-1097, Section 10, 87 Acres, BLK 1 H&GN	10	81.24
1-20-032920000000000000000	A-93, Section 9, 93.26 Acres, BLK 1 H&GN	9	93.26
1-20-04217-0000-0000-00000	A-1621, Section 3, 72.40 Acres, BLK FM, T.K. Sparks	3	72.40
1-20-04651-0000-0000-00000	A-1928, Section 2, 69.00 Acres, BLK FM, T.K. Sparks	2	69.00
1-20-04652-0000-0000-00000	A-1928, Section 2, 1.0 Acres, BLK FM, T.K. Sparks	2	1.0
1-20-04216-0000-0000-00000	A-1621, Section 3, 172 Acres, T.K. Sparks	3	172
1-20-03470-0000-0000-00000	A-1066, Section 2, 446.3 Acres, Indianola Ry. Co.	2	446.3
	A-1801		62

	62 Acres, Sparks, TK		
	A-1620 63 Acres, Sparks, TK		63
	A-1727 63 Acres, Burnham, RL		63
	A-975 65 Acres, Hodges, JH		65



PLAN LEGEND	
	WIND TURBINE LOCATION WITH TYPICAL FOUNDATION
	TURBINE ACCESS ROAD
	UNDERGROUND ELECTRICAL
	345kV Transmission Line
	SUBSTATION/OPERATION & MAINTENANCE BUILDING

Cedar Cap Wind Farm  
 Floyd and Motley Counties  
 75xG90x100m WTG  
 345KV-150MW  
 MICROSITING: CO-20

**Gamesa**  
 GAMESA ENERGY USA  
 TEN POON CENTER  
 1800 MARKET STREET  
 SUITE 2700  
 PHILADELPHIA, PA 19103

REV	DATE	DESCRIPTION	DESIGNED BY	APPROVED BY
0		PROJ. SET		

COORDINATES: UTM NAD83

NO SCALE

CONCEPT  
 PRELIMINARY  
 FOR CONSTRUCTION  
 AS-BUILT

**NOT FOR CONSTRUCTION**

DRAWING NUMBER: PROJECT CODE: REVISION: 0  
 SHEET: 0  
 9/5/2013

## EXHIBIT 2

### LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by the Applicant and located within the boundaries of both the Motley County Independent School District and the *Reinvestment Zone #1* originally created on October 15, 2013 by action of the Commissioners' Court will be included in and subject to this Agreement. Specifically, all Qualified Property of the Applicant located in the following sections of land is included, to wit:

A map of the *Reinvestment Zone #1* created by the Motley County Commissioners' Court is attached to **Exhibit 1**. Specifically, all Qualified Property of the Applicant located within the boundaries on the map first placed in service after November 12, 2013 used in connection with renewable energy electric generation facility.

### EXHIBIT 3

#### DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

Cedar Cap Wind, LLC plans to construct a 150 MW wind farm in Floyd and Motley Counties. Approximately twenty-eight (28) wind turbines will be located in Motley County and Motley County ISD. Turbine selection is ongoing at this time and has not been finalized. The project anticipates using 2.0 MW turbines manufactured by Gamesa although final turbine selection may change.

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

The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final location of turbines, transmission lines, and supporting structures will be determined before construction begins.