

Lamb County

APPLICATION FOR TAX ABATEMENT

Name of Applicant:

Cage Ranch Solar, LLC Date: 7/08/2019

Address of Applicant: 7650 Edinborough Way, Suite 725 E-mail: _____

City/State/Zip: Edina, MN 55435 Phone: 952-988-9000

Name of Representative/Agent: Wes Jackson

Representative/Agent E-Mail: wjackson@cwlp.net Phone: 713-266-4456 x2

Proposed Name for Reinvestment Zone: Lamb County RZ 01-2019

1. Please state the approximate current ad valorem tax value of the real property within the proposed reinvestment zone: \$ None.
2. Please attach a map of the proposed Reinvestment Zone, with sufficient detail to locate the reinvestment zone in relation to the highways or county roads that will access the zone, with sufficient contrast to make publication in a newspaper generally legible at a scale of not more than ¼ page, and contain an "inset" map locating the proposed reinvestment zone within the county.
3. Please provide a list of the properties that will be located within the proposed reinvestment zone, by Ad Valorem Parcel ID Numbers utilized by the County Appraisal District, and the current registered owner of each such parcel.

Parcel ID Numbers are: 10988, 10983, 10609, and 10993. Claude Cage is the registered owner of each parcel.

4. Please provide a general description of the nature of the proposed project, the types of infrastructure that will be constructed or installed within the proposed reinvestment zone, and a statement as to what improvements will be subject to the abatement and any exclusions from abatement the applicant expects to construct or install within the proposed reinvestment zone. Please state the Applicant's best estimate of the taxable value of all such improvements. \$415,691,500 in Year 1.

Cage Ranch Solar, LLC (Cage Ranch Solar) is requesting an appraised value limitation from Sudan Independent School District (ISD) for the Cage Ranch Solar Project (the "Project"), a proposed solar powered electric generating facility in Lamb County. The

proposed Sudan ISD Project (this application) will be constructed within a Reinvestment Zone that will be created by Lamb County.

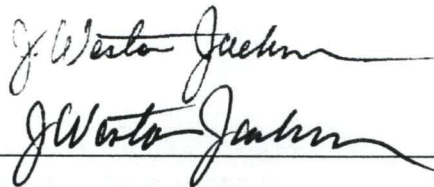
The proposed Project is anticipated to have a capacity of approximately 500 MW located in Sudan ISD. The exact number and location of panels and inverters will vary depending upon ongoing siting analysis, manufacturer's availability, prices, and the megawatt generating capacity of the Project when completed. Current estimated plans are to install approximately 1,460,675 PV modules and 250 inverters with all improvements located in Sudan ISD. The Applicant requests an ad valorem tax abatement for all facilities and equipment installed for the Project, including but not limited to; solar modules/panels, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, foundations, roadways, paving, fencing, collection system, electrical substations, an O&M building, generation transmission tie line and associated towers, and interconnection facilities. The estimated Taxable value in Year 1 of the project is \$306,063,000 and would depreciate down to \$70,128,000 in the first year after the Abatement Period expired.

5. Please state the number of temporary jobs that will be generated by the proposed project, and the number of permanent jobs that will be created. In relation to job creation, please state the expected duration of temporary jobs within the county, and the anticipated annual payroll for permanent jobs. 250-300 temporary workers during construction period of approximately 12 months
6. Please identify any incentives the applicant will make available to attract and retain permanent residential employees to construct, maintain or operate the resulting facilities within the proposed reinvestment zone. The applicant will offer competitive pay with attractive benefit packages to incent permanent employees to operate and maintain the project.
7. Please state whether or not the applicant intends to seek a reduction in the initial ad valorem tax basis by deducting any federal tax credits from the cost basis or value of the proposed improvements for purposes of county ad valorem taxation in the first year such improvements will be taxable by the county. The project would be seeking the Federal Investment Tax Credit per the phase in allowed by Lamb CAD and the values above are reflective of same.
8. Please state the estimated tax revenues the county can expect to receive during each year of any requested abatement, and the method by which this revenue is calculated. Please state the remaining useful life of the proposed project at the conclusion of the

abatement period. Please attach a spreadsheet to your application with this calculation, showing the formula used in the calculation. This spreadsheet should show expected revenues to the County both during the requested abatement period, as well as for each subsequent year after the expiration of the abatement period for the duration of the expected useful life of the facilities constructed or installed within the proposed reinvestment zone. See attached schedule of Estimated values and tax amounts

9. Please provide a comparison between any proposed abatement of taxes based upon a percentage of abatement and resulting PILOT (Payment in Lieu of Taxes) that might result from the county approving the requested abatement. Cage Ranch Solar, LLC is requesting an annual PILOT payment of \$1,000/MW of installed capacity. Attached is the requested comparison.
10. Please provide a time schedule for undertaking and completing the planned improvements. This timeline should include an anticipated commencement of construction, commercial operations commencement date, and date of first payment of any PILOT or ad valorem tax payment. Full construction of the Project is anticipated to begin at the earliest in the 1st Quarter of 2021 with completion by December 31, 2021 or as soon thereafter as feasible. The first payment, as currently anticipated, would be for the 2022 tax year.
11. Please provide certification from the County Appraisal District that any property owned by the Applicant is current in ad valorem tax obligations. N/A
12. Please attach a non-refundable application fee of \$1,000.00 to the completed application.

Date: July 8, 2019



J. Weston Jackson

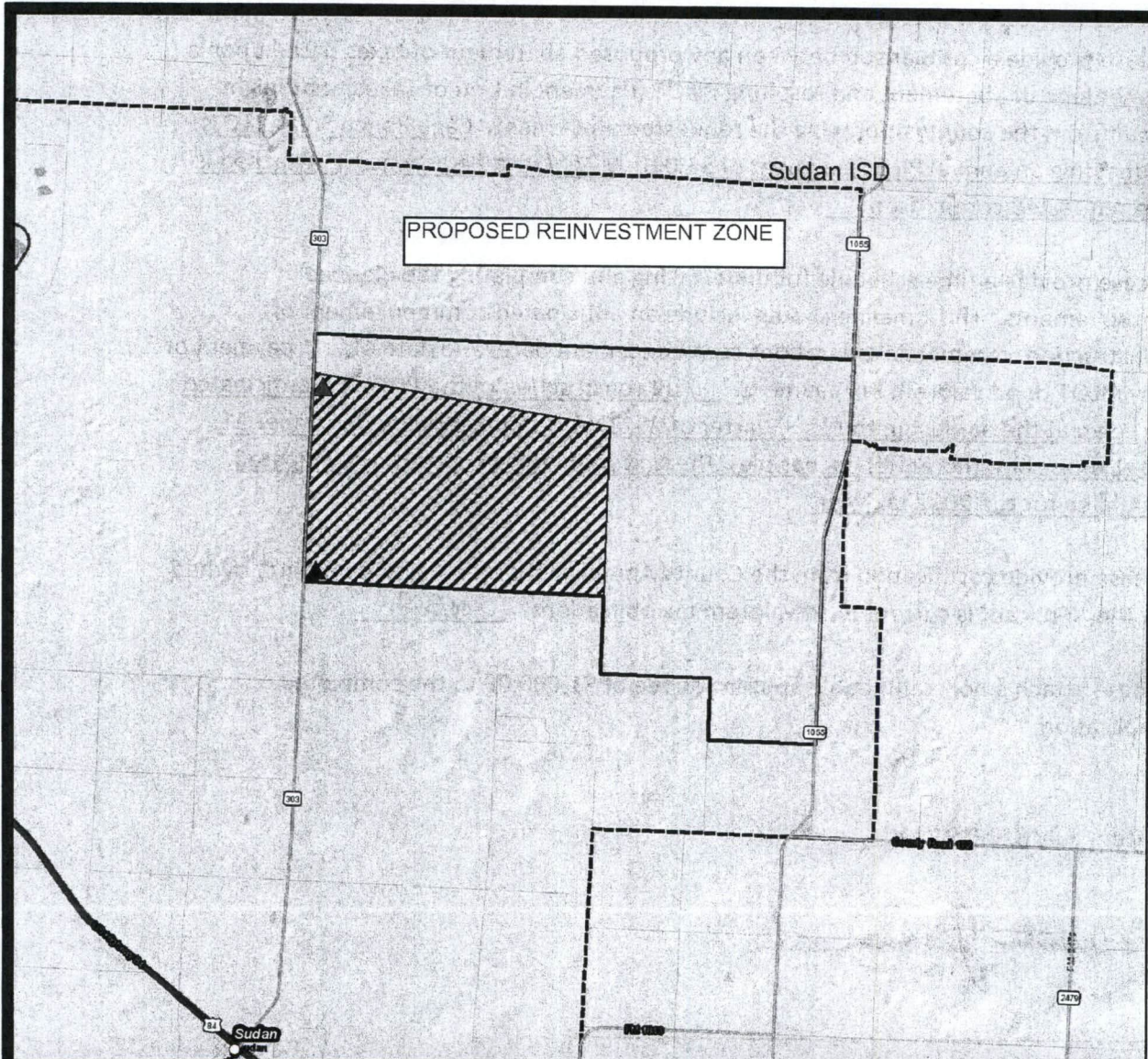
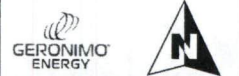
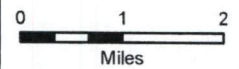
Cummings Westlake LLC

Authorized Representative or Agent

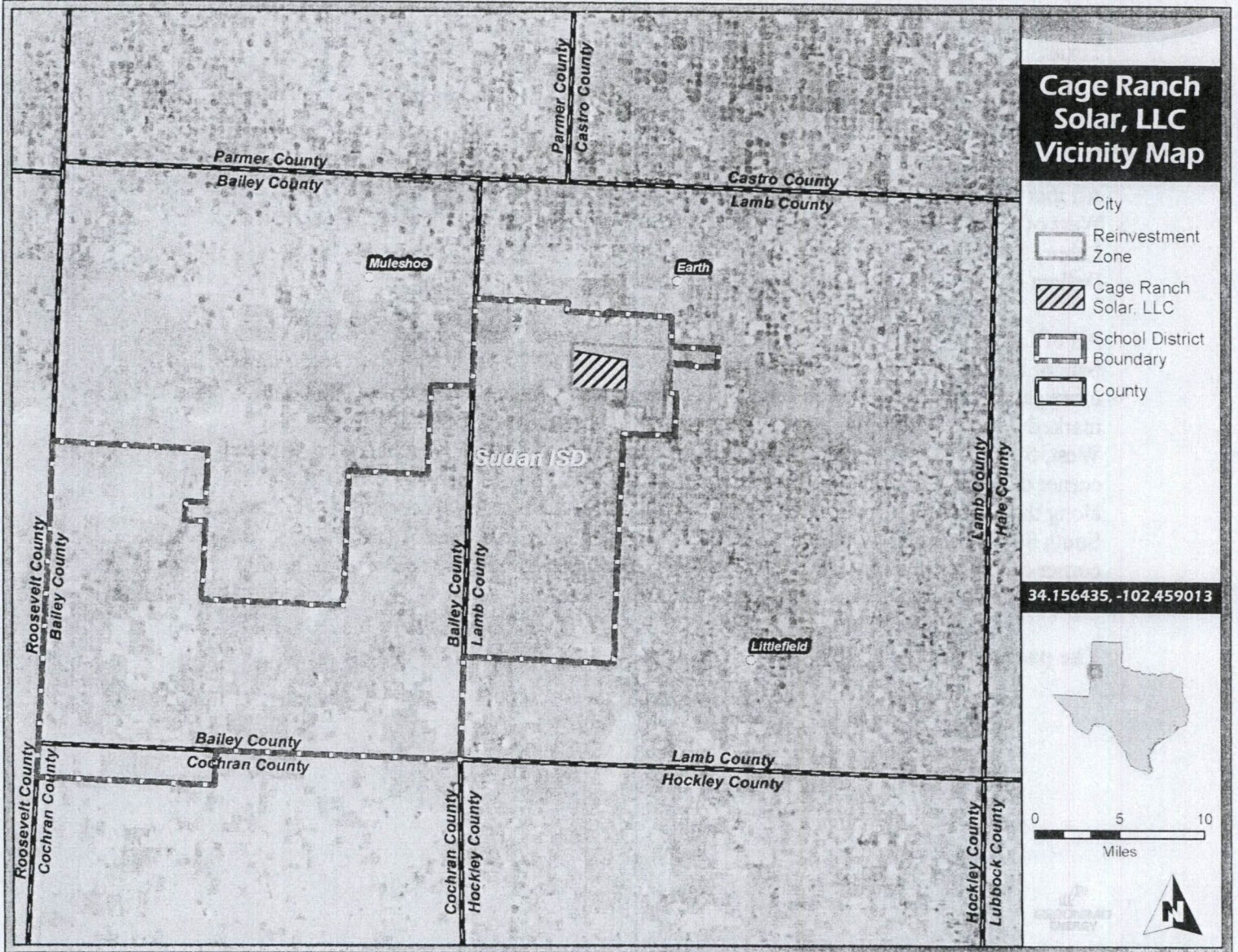
Cage Ranch Solar, LLC Improvements Map

- City
- ▲ O&M
- ▲ Project Substation
- Reinvestment Zone
- ▨ Cage Ranch Solar, LLC
- ⋯ School District Boundary

34.156435, -102.459013



REINVESTMENT ZONE



LEGAL DESCRIPTIONS OF
PROPOSED REINVESTMENT ZONE

EXHIBIT A

DESCRIPTION OF PROPERTY

Tax Parcel No.: 10988 (Geo ID: 00000-09290-001); 10993 (Geo ID: 00000-09340-001); 10983 (Geo ID: 00000-09240-001); 10609 (Geo ID: 00000-05700-001)

Labors 1, 10, 11, 20, and 21, in League 221 in Castro County School Land, Lamb County, Texas.

Labors 1 through 25, inclusive, in League 234 in Dallam County School Land, Lamb County, Texas.

All that part of Labors 1, 10, 11, 20, and 21, League 237, Dallam County School Land, lying West of Farm to Markey Highway 1055, and all of Labors 2 through 9 inclusive, and all of Labors 12 through 19 inclusive, and all of Labors 22 through 25 inclusive, in League 237, Dallam County School Land, Lamb County, Texas.

All of Labors 2, 3, 4, 5, 8, 9, 12, and 13 and all of Labors 6 and 7, in League 238, Cottle County School Land, Lamb County, Texas, SAVE AND EXCEPT 131.367 acres of said Labors 6 and 7 more particularly described as follows: Beginning at a concrete monument with a brass cap marked 7, 8, 13, 14 for the Southeast corner of the herein described tract; thence North 89° 42' West, 6184.64 feet along the South lines of Labors 6 and 7 to a 3/8" rebar set at the Southwest corner of Labor 6 for the Southwest corner of this tract; thence North 0°36'30" East, 926.0 feet along the West line of Labor 6, to a 3/8" rebar set for the Northwest corner of this tract; thence South 89°42' East, 6174.68 feet to a 2" iron pipe set in the East line of Labor 7, for the Northeast corner of this tract; thence South 0°14' West, 926.0 feet to the place of beginning; All in League 238, Cottle County School Land, Lamb County, Texas.

The parcels contain 11,116.70 acres more or less.

