

**South Texas College**  
**Board of Trustees**  
**Finance, Audit, and Human Resources Committee**  
**Ann Richards Administration Building Board Room**  
**Pecan Campus, McAllen, Texas**  
**Tuesday, March 5, 2019 @ 5:30 p.m.**

“At anytime during the course of this meeting, the Board of Trustees may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the Board of Trustees under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at anytime during the course of this meeting, the Board of Trustees may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code.”

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**Approval of February 12, 2019 Finance, Audit, and Human Resources Committee  
Minutes**

The Minutes for the Finance, Audit, and Human Resources Committee Meeting of February 12, 2019 are presented for Committee approval.

**South Texas College  
Board of Trustees  
Finance, Audit, and Human Resources Committee  
Ann Richards Administration Building Board Room  
Pecan Campus, McAllen, Texas  
Tuesday, February 12, 2019 @ 5:30 p.m.**

**Minutes**

The Finance, Audit, and Human Resources Committee Meeting was held on Tuesday, February 12, 2019 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 5:47 p.m. with Mr. Roy de León presiding.

Members present: Mr. Roy de León

Other Trustees Present: Mr. Gary Gurwitz and Dr. Alejo Salinas, Jr.

Members absent: Ms. Rose Benavidez, Mr. Paul R. Rodriguez, and Mr. Rene Guajardo

Also present: Dr. Shirley A. Reed, Mrs. Mary Elizondo, Mrs. Becky Cavazos, Ms. Katarina Bugariu, Mr. Paul Varville, Mr. Lucio Gonzalez, Mr. Khalil Abdullah, Mr. Bill Starnes, and Mr. Andrew Fish

**Approval of January 15, 2019 Finance, Audit, and Human Resources  
Committee Minutes**

As the sole present committee member, Mr. Roy de León moved that the Minutes for the Finance, Audit, and Human Resources Committee Meeting of January 15, 2019 be approved as written. The motion carried.

**Discussion and Action as Necessary on Electric Power Service**

Review and action as necessary on electric power service was scheduled for the February 12, 2019 Board meeting.

Purpose – It was necessary to rescind the previous approval to contract with the Texas General Land Office (GLO) State Power Program for the purchase of electric power services and also to either enter into a newly proposed interlocal agreement with the General Land Office (Option

1) or authorize administration to solicit competitive sealed proposals and contract with a consultant (Option 2).

Due to the anticipated lack of quorum at the Special Board Meeting on February 12, 2019, the Board would not be able to approve pricing offered on that day. The trustees in attendance proposed a Special Board Meeting for Tuesday, February 19, 2019, to discuss this issue.

The Committee asked Mr. Bill Starnes what the risks would be in delaying the action for one week. Mr. Starnes noted that he could not accurately predict the pricing, but observed that the pricing would tend to increase once temperatures began to rise appreciably and began to impact demand, especially around the heavily populated markets in northern and eastern Texas. Mr. Starnes noted that the weather forecasts at that time indicated mild temperatures in the coming week, and speculated that the pricing should not increase significantly in the following week.

The Committee requested that pricing be delivered to the Board on Tuesday, February 19, 2019. No action was taken.

### **Review and Recommend Action on Award of Proposals, Purchases, Renewals, Interlocal Agreements, and Rescind of Award**

As the sole present committee member, Mr. Roy de León moved that the Finance, Audit, and Human Resources Committee recommend Board approval of the award of proposals, purchases, renewals, interlocal agreements, and rescission of award as listed below:

#### **A. Award of Proposals**

- 1) Purchase of Medium Duty Trucks (Award):** award the proposal for the purchase of medium duty trucks to **Weslaco Motors, LP.** (Weslaco, TX), at a total amount of \$89,716.82;
- 2) Security Cameras (Award):** award the proposal for security cameras to **Security Solutions of DFW** (Dallas, TX), at a total amount of \$94,850.00;

#### **B. Instructional Items**

- 3) Clinical Skills Mannequins (Purchase):** purchase clinical skills mannequins from **CAE Healthcare, Inc.** (Sarasota, FL), a sole source vendor, at a total amount of \$79,796.72;
- 4) Training Simulator (Purchase):** purchase a training simulator from **CAE Healthcare, Inc.** (Sarasota, FL), a sole source vendor, at a total amount of \$56,280.85;

#### **C. Non-Instructional Items**

- 5) Police and Security Vehicle Emergency Lighting and Equipment (Purchase):** purchase of police and security vehicle emergency lighting and equipment from **Fleet Safety Equipment** (La Feria, TX), a Texas Association of School Boards – Buyboard

approved vendor, for the period beginning February 27, 2019 through August 31, 2019, at a total amount of \$89,500.00;

- 6) Shuttle Bus (Purchase):** purchase a shuttle bus from **Creative Bus Sales, Inc.** (Irving, TX), a Houston-Galveston Area Council (HGAC) approved vendor, at a total amount of \$85,860.00;
- 7) Food and Related Non-Food Products (Renewal):** renew the food and related non-food products contracts for the period beginning April 27, 2019 through April 26, 2020, at an estimated amount of \$320,000.00, based on prior year expenditures. The vendors are as follows:
- **Devin Distributing & Packaging, Inc.** (Palmhurst, TX)
  - **Labatt Food Service** (Harlingen, TX)
  - **Sysco Central Texas, Inc.** (New Braunfels, TX)
  - **Valley Grocers, LLC.** (Brownsville, TX)
- 8) Risk Management and Consultant Services (Renewal):** renew the risk management and consultant services contract with **Cameron Investment Company/ dba Shepard Walton King Insurance Group** (McAllen, TX), for the period beginning May 1, 2019 through April 30, 2020, at an estimated amount of \$19,500.00;

#### **D. Technology Items**

- 9) Computers and Laptops (Purchase):** purchase computers and laptops from the State of Texas Department of Information Resources (DIR) approved vendor, **Dell Marketing, LP.** (Dallas, TX), at a total amount of \$88,211.56;
- 10) Network Equipment Replacements (Purchase):** purchase network equipment replacements from **Insight Public Sector** (Tempe, AZ/McAllen, TX), a Department of Information Resources (DIR) approved vendor, at a total amount of \$184,240.46;

#### **E. Interlocal Agreements**

- 11) Facility Usage Interlocal Agreements (Lease/Rental):** lease/rental facility usage interlocal agreements with the **City of Mission – Mission Event Center** (Mission, TX), for the period beginning June 14, 2019 and August 24, 2019, at an estimated amount of \$6,500.00;

#### **F. Rescission of Award**

- 12) Food Service - Starr County Campus (Rescind Award):** rescind the award to **Taqueria Hidalgo, LLC.** (Rio Grande City, TX) for the Food Service - Starr County Campus cafeteria. The awarded vendor indicated to College staff that he made an error on the commission proposed to the College. The vendor proposed a 10% commission to the College based on net sales. After the award notification was made, the vendor informed the College that his intent was to propose a commission based on net profit.

Recommend Action - The total for all award of proposals, purchases, renewals, interlocal agreements, and rescission of award was \$1,114,456.41.

The motion carried.

### **Review and Action as Necessary on Disposal of Surplus Property Valued at \$5,000 and Over**

Approval to dispose of surplus property valued at \$5,000 and over through a live auction will be requested at the February 26, 2019 Board of Trustees meeting.

Purpose – The Fixed Assets Department requested the disposal through a live auction of surplus property valued at \$5,000 and over. In addition, these capital assets would be removed from the College's fixed assets ledger.

Justification – It was necessary to dispose of obsolete, damaged, and not functioning property for safety purposes and due to the lack of storage area for surplus property.

Background – The surplus property goes through an evaluation process by the departments to determine if the items are damaged beyond repair and unable to be utilized district wide. After this evaluation process, the department submits a request to have the property removed from the department and relocated to the Shipping and Receiving Warehouse for auction.

The auction items were located at the South Texas College, Central Receiving, 3700 W. Military Hwy., McAllen, TX. The auction would be scheduled in the Spring at the auctioneers' site due to lack of space at the Central Receiving Warehouse.

Reviewers – These items were inspected by the Central Receiving staff and were pending disposal after Board approval.

The items valued over \$5,000 were included in the College's inventory through the Banner system.

Enclosed Documents - The listing of the items to be auctioned was provided in the packet for the Committee's review and information.

Mary Elizondo, Vice President for Finance and Administrative Services and Becky Cavazos, Director of Purchasing, attended the February 12, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

As the sole present committee member, Mr. Roy de León moved that the Finance, Audit, and Human Resources Committee recommend Board approval of the disposal of surplus property valued at \$5,000 and over through a live auction and for these capital assets to be removed from the College's fixed assets ledger as presented. The motion carried.

## **Review and Recommend Action on Disposal/Recycle of Technology and Electronic Items with an Original Value of \$5,000 and Over**

Approval will be requested at the February 26, 2019 Board of Trustees meeting for dispose/recycling of technology and electronic items with an original value of \$5,000 and over through the Texas Department of Criminal Justice (TDCJ), a state of Texas agency approved to properly recycle technology and electronic items.

Purpose – The Fixed Asset/Inventory Department requested the disposal/recycling of technology and electronic items to be in compliance with the Environmental Protection Agency (EPA) regulations. TDCJ provides an environmentally sound way to dispose of surplus technology equipment. In addition, these capital assets would be removed from the College's fixed assets ledger.

Justification – As technology and electronic items become obsolete, out of warranty or not functioning, it is disposed of according to South Texas Board Policy #5135 Disposal of Surplus Property. TDCJ is the method of disposal to comply with all EPA regulations. They will clean data from all systems, recycle systems that can be repaired for inmate training or donation to schools and damaged systems are properly disposed of.

Background – The surplus technology and electronics goes through an evaluation process by the departments to determine if the items are damaged beyond repair and unable to be utilized district wide. After this evaluation process, the department submits a request to have the property removed from the department and relocated to the Shipping and Receiving Warehouse. Central Receiving evaluates the technology and confirms that the technology is ready for recycling.

The technology and electronic items were located at the South Texas College, Technology Campus, Central Receiving, 3700 West Military Hwy Building D, McAllen, Texas.

Reviewers – These items were inspected by the Information Technology, Educational Technologies, and approved by the Vice President for Information Services, Planning and Strategic Initiatives to be disposed after Board approval.

Enclosed Documents - A listing of the technology and electronic items to be disposed/recycled was provided in the packet for Committee's information and review.

Mary Elizondo, Vice President for Finance and Administrative Services, Dr. David Plummer, Vice President for Information Services, Planning and Strategic Initiatives, and Becky Cavazos, Director of Purchasing, attended the February 12, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

As the sole present committee member, Mr. Roy de León moved that the Finance, Audit, and Human Resources Committee recommend Board approval of the disposal/recycle of

technology and electronic items with an original value of \$5,000 and over through the Texas Department of Criminal Justice (TDCJ), a State of Texas agency approved to properly recycle technology and electronic items and for these assets to be removed from the College's fixed assets ledger as presented. The motion carried.

### **Review and Action as Necessary on Award of Investment Advisory Services**

Approval of proposal for investment advisory services to Valley View Consulting, L.L.C. for the initial period of April 1, 2019 through March 31, 2021 with two one-year options to renew will be requested at the February 26, 2019 Board meeting.

Purpose - The services of an investment advisory firm provide the College with professional advice related to investments, yield rate, risks, accuracy and completeness of College's investment policy and other important information on an as needed basis. The firm would act as a strategic investment planner for the College and develop an investment portfolio plan that is diversified and consistent with the College's Investment Policy, objectives and guidelines and Texas State Law.

Justification - In order to properly and safely expand into new types of investments and maximize the yield rate on the College's investment, administration recommended that the services of an investment advisor provides professional guidance regarding the College's investment portfolio.

The investment advisor augments the College's effort to be fiscally responsible and minimize risk in its investment activities. The investment advisor stays abreast of investment markets and provides the investment options to the College for review by the Finance and Human Resource Committee and approval by the Board of Trustees, if applicable.

Background - Proposal documents were advertised on November 29, 2018 and December 6, 2018, and issued to seven (7) vendors. Four (4) responses were received on December 14, 2018 and evaluated by the Vice President for Finance and Administrative Services, Business Office, and Purchasing Department. The respondents were:

- First Southwest Asset Management, LLC
- Patterson & Associates
- Public Trust Advisors, LLC
- Valley View Consulting, LLC

The Committee evaluated the proposals submitted and determined that the top ranked firm is Valley View Consulting, L.L.C. They are a Securities and Exchange Commission (SEC) registered investment advisory firm serving public entities in a variety of cash and investment management and consulting role. They have a total of 9 senior managers and associates with



a combined Texas public funds experience exceeding 200 years. Each member would play an integral role in providing their expertise to fulfill the investment contract objectives of the College. Valley View Consulting, L.L.C.'s office of record and registration is in Virginia and maintains an office in Horseshoe Bay, Texas.

Additional positive information related to Valley View Consulting L.L.C. is as follows:

- Exclusively provided investment and consulting services to public entities since inception (1998).
- Two Investment Advisors, Richard Long and Susan Anderson, have proved Public Funds Investment Acct (PFIA) required public fund investor training through the University of North Texas for almost two decades and were involved with the original drafting of the PFIA and subsequent reviews of proposed amendments.
- Several of the Investment Advisors are Certified Government Finance Officer and members of the Government Finance Officers Association of Texas and Government Treasurers' Association of Texas.
- One of the Investment Advisors, Susan Anderson, held an officer position in the Government Treasurers' Organization of Texas and also chaired their Legislative Committee.
- Maintains an online reporting system that the College staff may access for real-time data.
- Maintains a client/consultant ratio of 8 to 1.
- The firm provides a customized client relationship.

Funds for this expenditure were budgeted in the Investment Advisor budget for FY 2018 – 2019 and FY 2019 -2020 pending Board approval of budget

Reviewers – Mary Elizondo, Vice President for Finance and Administrative Services, Becky Cavazos, Director of Purchasing, Myriam Lopez, Comptroller, Katarina Bugariu, Associate Comptroller and Dalinda Gamboa, Accounting Group Manager reviewed the four (4) responses.

Enclosed Documents – The Summary of Proposals and the Evaluation were provided in the packet for Committee's information and review.

Mary Elizondo, Vice President for Finance and Administrative Services, Becky Cavazos, Director of Purchasing and Myriam Lopez, Comptroller attended the February 12, 2019 Finance, Audit and Human Resources Committee meeting to address any questions by the committee.

As the sole present committee member, Mr. Roy de León moved that the Finance, Audit and Human Resources Committee recommend Board approval of the proposal for investment advisory services to Valley View Consulting, L.L.C. for the initial period beginning April 1, 2019 through March 31, 2021 with two one-year options to renew. The motion carried.

## **Presentation and Action as Necessary Regarding Acceptance of South Texas College Law Enforcement Racial Profiling Report for Calendar Year 2018**

Acceptance of the South Texas College Law Enforcement Racial Profiling Report for Calendar Year 2018 will be requested at the February 26, 2019 Board of Trustees meeting.

Purpose – The [Code of Criminal Procedure Article 2.131–2.138](#) requires Chief administrators of law enforcement agencies to submit the racial profiling reports to their governing body, in addition to the Texas Commission on Law Enforcement (TCOLE).

Justification – During calendar year 2018, the South Texas College Department of Public Safety conducted traffic stops within its jurisdiction in accordance with Texas Education Code section 51.203.

Background – Pursuant to Texas Occupations Code 1701.164, TCOLE is required to collect incident-based data, including racial profiling reports based upon vehicle traffic stops, in accordance with the [Code of Criminal Procedure Article 2.131–2.138](#). Chief administrators of law enforcement agencies must submit the racial profiling reports to their governing body and TCOLE.

The Code of Criminal Procedure Article 2.132 is shown below:

Title 1. Code Of Criminal Procedure, Chapter 2. General Duties Of Officers, Art. 2.132.  
Law Enforcement Policy On Racial Profiling.

- (7) Require the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:
- (A) The Texas Commission on Law Enforcement; and
  - (B) The governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

Explanation of Report Statistics – Additional information on the Racial Profiling Report is as follows:

- Race or Ethnicity known prior to stop

Traffic stops are conducted when a police officer observes an infraction and pulls over the vehicle to speak with the driver. Since infractions are normally observed when the police officer is behind the vehicle committing the infraction, the police officer is unaware of the ethnicity of the driver until the driver is approached.

The example of how to file a Racial Profiling Report on the Texas Commission on Law Enforcement (TCOLE) website shows a zero in the section to identify traffic stops in which the officer was aware of the ethnicity of the driver before the traffic stop was made. South Texas College police officers receive training in traffic stops and the racial profiling prohibition. The statistics of those who are stopped by South Texas College police documents that the ethnicity is in line with the population of the college and the Rio Grande Valley and that there is no racial profiling being conducted.

- Search Conducted

One of the traffic stops resulted in a search, when the operator was observed driving recklessly in circles at a high rate of speed on the Pecan Campus, losing control and nearly striking a vehicle in the opposite lane, endangering pedestrians, and other drivers. The operator, who had no driver's license or valid insurance, consented to a search of his person and vehicle, however no drugs were found. The driver was arrested for reckless driving in violation of Transportation Code Section 545.401.

- Street address or approximate location of the stop

Texas state law requires police officers to take action when they observe a danger to the public. The traffic stops on city streets were conducted when the officers observed violations that were a threat to the safety of the public, including driving to endanger and proceeding through red lights when required to stop. The location of traffic stops is as follows:

- ⇒ 90 stops were adjacent to campuses – On streets paralleling the campus to address safety threats to students.
- ⇒ 10 stops were on the entering/leaving campuses - Driving infractions on college property.

Reviewers – The Vice President for Finance and Administrative Services and the Chief Administrator of the Department of Public Safety have reviewed the information being presented.

Enclosed Documents – The South Texas College Department of Public Safety Racial Profiling Report for calendar year 2018 and the Comparative Analysis was provided in the packet for the Committee's information and review.

The state would utilize this report in any investigation of a complaint of racial profiling against a law enforcement agency. The South Texas College Department of Public Safety has received no racial profiling complaints.

South Texas College Chief Administrator for the Department of Public Safety, Paul Varville, attended the Committee Meeting to respond to questions.

As the sole present committee member, Mr. Roy de León moved that the Finance, Audit, and Human Resources Committee recommend Board approval of acceptance of the South Texas College Law Enforcement Racial Profiling Report for Calendar Year 2018 as presented.

### **Review and Discussion of Internal Audit Report in the Area of Accounts Payable Commercial Card Use**

Mr. Khalil Abdullah, Internal Auditor, attended the Committee meeting to discuss the procedures, findings, and recommendations of the internal audit report in the area of Accounts Payable Commercial Card Use. Mr. Abdullah noted that there were no findings in the audit report.

The Internal Audit Report was provided in the packet for the Committee's review.

No action was required from the Committee. This item was presented for information and feedback to staff.

### **Adjournment**

There being no further business to discuss, the Finance, Audit, and Human Resources Committee Meeting of the South Texas College Board of Trustees adjourned at 6:05 p.m.

I certify that the foregoing are the true and correct Minutes of the February 12, 2019 Finance, Audit, and Human Resources Committee Meeting of the South Texas College Board of Trustees.

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Mr. Roy de León  
Committee Chair

## **Review and Recommend Action on Award of Proposals, Purchases, and Renewals**

Approval of the following award of proposals, purchases, and renewals will be requested at the March 26, 2019 Board meeting as follows:

- A. Award of Proposals**
- B. Instructional Items**
- C. Non-Instructional Item**
- D. Technology Items**

### **A. Award of Proposals**

#### **1) Network Cabling Services for Building Renovation Projects (Award)**

Award the proposal for network cabling services for building renovation projects to **BridgeNet Communications** (Donna, TX) and **Telepro Communications** (Mission, TX), for the period beginning March 27, 2019 through March 26, 2020 with two one-year options to renew, at an estimated amount of \$592,000.00.

Purpose – Information Technology (IT) and Facilities Planning and Construction are requesting networking cabling services for building renovation projects throughout the district. The renovation projects are listed below:

- Pecan Campus
  - ⇒ Renovations: Ann Richards Administration Building A and D, Student Activities Center Building H, and Information Technology Building M
  - ⇒ Replacements: Ann Richards Administration Building X and South Academic Building J
- Mid Valley Campus
  - ⇒ Renovation: Student Services Building F
- Technology Campus
  - ⇒ Shipping and Receiving Building D
- Nursing and Allied Health Campus
  - ⇒ Renovations: Student Success Center and Student Services Building A
- Starr County Campus
  - ⇒ Student Services Building G

Justification and Benefit – The various renovation projects are scheduled for the up-coming year and due to the scope of the work during the building renovations data drops and network cabling will need to be replaced or added. The new data drops and network cabling will enhance the network/internet services in the buildings scheduled for renovation or upgrade.

Background – Proposal documents were advertised on January 30, 2019 and February 6, 2019, and issued to eight (8) vendors. Four (4) responses were received on February 14, 2019 and reviewed by Information Technology, Facilities Planning and Construction, and the Purchasing Department.

Funds for this expenditure are budgeted in various Construction – Renovation Project budgets for FY 2018 – 2019 and FY 2019 – 2020 pending Board approval of the budget.

## **2) Pecan Campus Building J Analog to Digital Audiovisual Upgrade – Phase II (Award)**

Award the proposal for the Pecan Campus Building J analog to digital audiovisual upgrade – phase II to **Audio Visual Aids** (San Antonio, TX), at a total amount of \$474,249.00.

**Purpose** – Educational Technologies is requesting the purchase and installation of equipment and materials for the analog to digital audiovisual upgrade at the Pecan Campus Building J - 2<sup>nd</sup> and 3<sup>rd</sup> floors instructional classrooms. This is part of a multi-year initiative to upgrade equipment district wide to support the quickly moving trend to digital signals.

**Justification and Benefit** – The audio visual equipment will be replacing existing outdated analog equipment with newer digital signal equipment in twenty-nine (29) instructional classrooms and seven (7) science labs to complete the transition in the Pecan Campus Building J - 2<sup>nd</sup> and 3<sup>rd</sup> floors. This extensive upgrade will support the newer digital technology used by faculty for student classroom instruction and/or student presentations while at the same time, still supporting existing analog technology. The complex project has a two-week timeline; therefore, few companies are able to respond.

**Background** – Proposal documents were advertised on January 30, 2019 and February 6, 2019, and issued to ten (10) vendors. One (1) response was received on February 14, 2019 and reviewed by Educational Technologies and the Purchasing Department.

Funds for this expenditure are budgeted in the Educational Technologies budget for FY 2018 - 2019.

## **3) Purchase of Utility Terrain Vehicles (Award)**

Award the proposal for the purchase of utility terrain vehicles to **Amigo Power Equipment** (Edinburg, TX), at a total amount of \$49,947.00.

**Purpose** – The Department of Public Safety is requesting the purchase of four (4) utility all-terrain vehicles to replace similar vehicles that have been in operation for nine and ten years and are no longer usable.

**Justification and Benefits** – All-terrain vehicles are used to provide security patrols and responses to incidents at all College campuses. Four vehicles currently in inventory no longer work properly and require new engines and other expensive components that, given the age of the vehicles, do not warrant repair. The requested vehicles are for use at the new Regional Training Center for Public Safety Excellence, Mid Valley, and Pecan Campuses.

**Background** – Proposal documents were advertised on February 6, 2019, and February 13, 2019, and issued to four (4) vendors. Two (2) responses were received on February 21, 2019 and reviewed by Central Receiving and the Purchasing Department.

Funds for this expenditure are budgeted in the Campus Police and Safety and Security budgets for FY 2018 - 2019.

**4) Pecan Campus Athletic Field Fence Enclosure (Reject)**

Reject all proposals received for the Pecan Campus athletic field fence enclosure due to the re-advertisement of the project with multiple options.

**B. Instructional Items**

**5) Classroom Instructional Podiums (Purchase)**

Purchase classroom instructional podiums from **Computer Comforts, Inc.** (Kemah, TX), from The Interlocal Purchasing System (TIPS) purchasing cooperative approved vendor, at a total amount of \$77,677.05.

Purpose – Educational Technologies is requesting the purchase of thirty-seven (37) classrooms and science labs instructional podiums as part of the Pecan Campus Building J - 2<sup>nd</sup> and 3<sup>rd</sup> floors instructional classrooms audiovisual upgrade.

Justification and Benefit – This will allow for all classrooms involved in the project to have an official instructor/student presentation podium (approximately half do not), the opportunity for an instructor/student to sit or stand while teaching or presenting as well as providing full ADA compliance. The purchase will also match the equipment standard utilized in the new bond construction buildings allowing classroom and science lab consistency for faculty.

Funds for this expenditure are budgeted in the Educational Technologies budget for FY 2018 - 2019.

**6) Instructional Equipment (Purchase)**

Purchase of instructional equipment from **Snap-On Industrial** (Crystal Lake, IL), a sole source vendor, at a total amount of \$65,577.20.

Purpose – The Advanced Manufacturing Technology program is requesting the purchase of instructional equipment for student instruction and certification in the Precision Tools and Measurements courses. It will replace aging precision tools equipment such as micrometers, calipers and gage block sets.

Justification and Benefit – This purchase consists of a set of precision measurement instruments and accessories used to calibrate them. There is specialized curriculum included and opportunities for additional student certifications through the SNAP-ON Advanced Measuring Instruments (AMI) certification. This TOOLS FOR LIFE curriculum enables students to gain experience and expertise with the instruments used in precision manufacturing environments. Those who acquire this certification will demonstrate their competency through hands-on application of advanced measuring instruments and successful completion of an online exam.

The content of this certification is designed to meet the standards of Starrett, Snap-on, the National Coalition of Certification Centers (NC3), and critical industries like aerospace, engineering, manufacturing, power generation, and natural resources. Upon successful completion of the curriculum, the learner acquires a stackable credential from Snap-on and Starrett, a global leader in the manufacture and use of precision measurement instruments.

Funds for this expenditure are budgeted in the Maintenance and Operations Taxes (M&O) Furniture, Fixtures, and Equipment (FFE) budget for FY 2018 – 2019.

**7) Ultrasound Equipment and Radiology Equipment Maintenance (Purchase)**

Purchase ultrasound equipment and radiology equipment maintenance from **GE Healthcare/ dba GE Medical Systems Ultrasound & Primary Care Diagnostic, LLC. and GE Precision Healthcare, LLC.** (Chicago, IL), a sole source vendor, at an equipment amount of \$19,440.00 and maintenance amount of \$32,345.00 for the period beginning February 1, 2019 through March 14, 2021, at a total amount of \$51,785.00.

Purpose – The Diagnostic Medical Program in the Division of Nursing and Allied Health is requesting the purchase of three (3) ultrasound probes for the new ultrasound equipment. In addition, the purchase of maintenance for portable ultrasound equipment and x-ray machines. The maintenance is necessary for the new bond Nursing and Allied Health building radiology equipment that were previously purchased.

Justification and Benefit - The imaging ultrasound system probes are used with the ultrasound machines for students to complete their required clinical training in the radiographic program. This equipment is needed to develop the procedural skills required within the scope of practice as a certified sonographer.

The maintenance and repair is for two (2) x-ray machines and four (4) ultrasound machines which includes the DVR, external DVD R/W, printers, probes, table, devices, power supplies, detectors, and workstation. The equipment must be in working order to best serve the student and provide appropriate training and instruction.

Funds for this expenditure are budgeted in the Radiology program budget for FY 2018 – 2019.

**8) Metal Products for Welding Programs (Renewal)**

Renew the contracts for metal products for welding programs for the period beginning May 29, 2019 through May 28, 2020, at an estimated amount of \$50,000.00, based on prior year expenditures. The vendors are as follows:

- a. **Alamo Iron Works** (Brownsville, TX)
- b. **Industrial Supplier Larey, Inc. / dba International Industrial Supply, Co.** (Brownsville, TX)
- c. **Rio Grande Steel** (Edinburg, TX)

Purpose – The Welding programs are requesting the purchase of different types of metal products, which will be used by students during class. The products will include some of the following items: aluminum plates, stainless steel plates, black iron pipe, square tubing, flat, and round bar stock.

Justification and Benefit – The metal products for the welding programs will be used for student instruction in the credit and non-credit Welding Programs in the Division of Technology and Continuing, Professional, and Workforce Education.



Background – The Board awarded the contract for metal products for welding programs at the April 24, 2018 Board of Trustees meeting for one-year with two one-year annual renewals. The first renewal period begins on May 29, 2019 through May 28, 2020.

Award	Board Meeting Date	Original Term	Renewal Term
Original	4/24/18	5/29/18 – 5/28/19	2 – one year options
1 <sup>st</sup> Renewal	3/26/19		5/29/19 – 5/28/20

The vendors have complied with all the terms and conditions of the contract and services have been satisfactory.

Funds for this expenditure are budgeted in the Welding Program and Continuing Education budgets for FY 2018 - 2019 and FY 2019 - 2020 pending Board approval of the budget.

### C. Non – Instructional Item

#### 9) Travel Services (Renewal)

Renew the contract for travel services with **Shands-Brooks Travel** (McAllen, TX) for the period beginning May 20, 2019 through May 19, 2020, at a service fee of \$25.00 per airline ticket.

Purpose – The Purchasing Department is requesting renewal of the travel service contract, which provides airline tickets to all the faculty and staff that travel for professional development and students that travel for educational purposes.

Justification and Benefit – The travel services will include processing of airline reservations, automobile rental reservations, hotel reservations, charter services, delivery of ticket to South Texas College, emergency services, and group travel rates.

Background – The Board awarded the contract travel services at the March 28, 2017 Board of Trustees meeting for one-year with two one-year annual renewals. The last renewal period begins on May 20, 2019 through May 31, 2020.

Award	Board Meeting Date	Original Term	Renewal Term
Original	3/28/17	5/20/17 – 5/19/18	2 – one year options
1 <sup>st</sup> Renewal	3/27/18		5/20/18 – 5/19/19
2 <sup>nd</sup> Renewal	3/26/19		5/20/19 – 5/19/20

The vendor has complied with all the terms and conditions of the contract and services have been satisfactory.

Funds for this expenditure are budgeted in various department budgets for FY 2018 - 2019 and FY 2019 - 2020 pending Board approval of the budget.

## **D. Technology Items**

### **10)Computers, Laptops, and Tablets (Purchase)**

Purchase of computers, laptops, and tablets from the State of Texas Department of Information Resources (DIR) approved vendor **Dell Marketing, LP.** (Dallas, TX), and **CDW Government, Inc.** (Vernon, IL) a Sourcewell approved vendor, in the total amount of \$183,941.61.

All purchase requests for computers, laptops, and tablets have been evaluated by Information Technology and the Chief Information Officer. Information Technology does not have refurbished systems available for new hires. Instructional and/or business need must be clearly identified/justified for any equipment that is outside standard configuration or does not replace existing office systems. (Ex. mobile devices)

An itemized list with justification is included for your review and information.

Information Technology used the following criteria when recommending the purchase of technology:

- Systems being requested meet the South Texas College standard configuration
- The new systems will replace an older model (5+ years and out of warranty)
- Software requirements exceed the system capacity

The purchases can be summarized as follows:

- Faculty Computers
  - ⇒ 1 Computer for Computer Science Program
  - ⇒ 1 Computer for Kinesiology Program
- Student Computers
  - ⇒ 108 Computers for Learning Commons & Open Labs
  - ⇒ 22 Computers for Carl Perkins Grant/AEDT Program
- Staff Laptops
  - ⇒ 2 Laptops for Central Receiving
- Faculty Laptops
  - ⇒ 2 Laptops for Computer Science Program
  - ⇒ 2 Laptops for Psychological Science Program
  - ⇒ 2 Laptops for History Program
- Staff Tablets
  - ⇒ 10 Tablets for Student Transportation Services
  - ⇒ 20 Tablets for Facility Maintenance Department

Funds for these expenditure are budgeted in the requesting program and/or department budgets for FY 2018 - 2019 as follows: Central Receiving, Computer Science, Kinesiology, Learning Commons & Open Labs, Carl Perkins Grant, Psychological Science, History, Student Transportation Services, and Facility Maintenance Department.

**11) Adobe License Subscription Agreement (Renewal/Purchase)**

Renew/purchase the Adobe license subscription agreement with **Software House International (SHI) Government Solutions** (Austin, TX), a State of Texas Department of Information Resources (DIR), Texas Association of School Boards – Buyboard and/or Purchasing Cooperative of America (PCA) approved vendors, for the period beginning April 6, 2019 through April 5, 2020, at an estimated amount of \$60,000.00.

Purpose – Various South Texas College departments are requesting to renew two hundred eighty-six (286) existing licenses and purchase new licenses as needed of a non-perpetual license with a one-year software assurance that includes upgrades for the currently used Adobe software that will be expiring soon. The software is used throughout the district by faculty, staff, and students Therefore the renewal is required to remain in compliance.

Justification and Benefit – These licenses are used for student instruction by faculty in the Art Program, CADD Program and by students in the CADD Program labs for assignments, the Center for Learning Excellence, and student open labs. Staff in Public Relations and Marketing, Client Services, Vice President for Finance and Administrative Services, Nursing and Allied Health, Purchasing, Financial Aid Office, Institute for Advanced Manufacturing and various other instructional programs and departments also use the licenses.

Funds for this expenditure are budgeted in the various departments' budgets for FY 2018 – 2019 and 2019 – 2020 pending Board approval of the budget.

**Recommendation:**

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the March 26, 2019 Board meeting the award of proposals, purchases, and renewals as listed below:

- A. Award of Proposals**
- B. Instructional Items**
- C. Non-Instructional Item**
- D. Technology Items**

**A. Award of Proposals**

- 1) Network Cabling Services for Building Renovation Projects (Award):** award the proposal for network cabling services for building renovation projects to **BridgeNet Communications** (Donna, TX) and **Telepro Communications** (Mission, TX), for the period beginning March 27, 2019 through March 26, 2020 with two one-year options to renew, at an estimated amount of \$592,000.00;

- 2) **Pecan Campus Building J Analog to Digital Audiovisual Upgrade – Phase II (Award):** award the proposal for the Pecan Campus Building J analog to digital audiovisual upgrade – phase II to **Audio Visual Aids** (San Antonio, TX), at a total amount of \$474,249.00;
- 3) **Purchase of Utility Terrain Vehicles (Award):** award the proposal for the purchase of utility terrain vehicles to **Amigo Power Equipment** (Edinburg, TX), at a total amount of \$49,947.00;
- 4) **Pecan Campus Athletic Field Fence Enclosure (Reject):** reject all proposals received for the Pecan Campus athletic field fence enclosure due to the re-advertisement of the project with multiple options;

#### B. Instructional Items

- 5) **Classroom Instructional Podiums (Purchase):** purchase classroom instructional podiums from **Computer Comforts, Inc.** (Kemah, TX), from The Interlocal Purchasing System (TIPS) purchasing cooperative approved vendor, at a total amount of \$77,677.05;
- 6) **Instructional Equipment (Purchase):** purchase of instructional equipment from **Snap-On Industrial** (Crystal Lake, IL), a sole source vendor, at a total amount of \$65,577.20;
- 7) **Ultrasound Equipment and Radiology Equipment Maintenance (Purchase):** purchase ultrasound equipment and radiology equipment maintenance from **GE Healthcare/ dba GE Medical Systems Ultrasound & Primary Care Diagnostic, LLC. and GE Precision Healthcare, LLC.** (Chicago, IL), a sole source vendor, at an equipment amount of \$19,440.00 and maintenance amount of \$32,345.00 for the period beginning February 1, 2019 through March 14, 2021, at a total amount of \$51,785.00;
- 8) **Metal Products for Welding Programs (Renewal):** renew the contracts for metal products for welding programs for the period beginning May 29, 2019 through May 28, 2020, at an estimated amount of \$50,000.00, based on prior year expenditures. The vendors are as follows:
  - **Alamo Iron Works** (Brownsville, TX)
  - **Industrial Supplier Larey, Inc. / dba International Industrial Supply, Co.** (Brownsville, TX)
  - **Rio Grande Steel** (Edinburg, TX)

#### C. Non-Instructional Item

- 9) **Travel Services (Renewal):** renew the contract for travel services with **Shands-Brooks Travel** (McAllen, TX), for the period beginning May 20, 2019 through May 19, 2020, at a service fee of \$25.00 per airline ticket;

#### D. Technology Items

- 10) **Computers, Laptops, and Tablets (Purchase):** purchase of computers, laptops, and tablets from the State of Texas Department of Information Resources (DIR) approved vendor **Dell Marketing, LP.** (Dallas, TX), and **CDW Government, Inc.** (Vernon, IL) a Sourcwell approved vendor, in the total amount of \$183,941.61;
- 11) **Adobe License Subscription Agreement (Renewal/Purchase):** renew/purchase the Adobe license subscription agreement with **Software House International (SHI) Government Solutions** (Austin, TX), a State of Texas Department of Information

Resources (DIR), Texas Association of School Boards – Buyboard and/or Purchasing Cooperative of America (PCA) approved vendors, for the period beginning April 6, 2019 through April 5, 2020, at an estimated amount of \$60,000.00.

Recommend Action - The total for all award of proposals, purchases, and renewals is \$1,605,176.86.

**SOUTH TEXAS COLLEGE**  
**1. NETWORK CABLING SERVICES FOR BUILDING RENOVATION PROJECTS**  
**PROJECT NO. 18-19-1047**

<b>VENDOR</b>		BridgeNet Communications	Lexine, Inc.	Network Cabling Services, Inc.	Telepro Communications
<b>ADDRESS</b>		1314 Stites Rd	322 N 3rd St	12626 Fuqua St	12005 N Bryan Rd
<b>CITY/STATE/ZIP</b>		Donna, TX 78537	McAllen, TX 78501	Houston, TX 77034	Mission, TX 78573
<b>PHONE</b>		956-461-3335	956-992-0690	281-484-1777	956-618-2360
<b>FAX</b>					956-686-0422
<b>CONTACT</b>		Marco Ramirez	Frank Martinez	Greg Brittain	Daniel Backhaus
<b>#</b>	<b>Description</b>	<b>Proposed</b>	<b>Proposed</b>	<b>Proposed</b>	<b>Proposed</b>
1	Labor per drop on Cable Installation, Cat 6A (under 100 ft.)	\$85.00/drop	\$75.00/drop	\$128.00/drop	\$85.00/drop
2	Labor per drop on Cable Installation, Cat 6A (100-200 ft.)	\$115.00/drop	\$125.00/drop	\$208.00/drop	\$100.00/drop
3	Labor per drop on Cable Installation, Cat 6A (200-300 ft.)	\$135.00/drop	\$165.00/drop	\$288.00/drop	\$115.00/drop
4	Labor and Material per drop on Cable Installation, Cat 6A (under 100 ft.)	\$195.00/drop	\$170.00/drop		\$175.00/drop
5	Labor and 100' of CAT 6A Cable Only			\$239.00/drop	
6	Labor and Material per drop on Cable Installation, Cat 6A (100-200 ft.)	\$245.00/drop	\$289.00/drop		\$225.00/drop
7	Labor and 200' of CAT 6A Cable Only			\$430.00/drop	
8	Labor and Material per drop on Cable Installation, Cat 6A (200-300 ft.)	\$295.00/drop	\$399.00/drop		\$293.00/drop
9	Labor and 300' of CAT 6A Cable Only			\$620.00/drop	
10	Labor and Material per Ft. on Multimode 12/24 strand	\$7.63/\$11.06 strand**	\$5.75/ft		\$8.13/12 strand \$13.25/24 strand
11	Labor and 1' of 12/24 Strand MM Cable Only			\$52.00/12 strand \$55.00/24 strand	
12	Labor and Material per Ft. on Single mode fiber 12/24 strand	\$6.48/\$10.35 strand**	\$4.60/ft		\$7.59/12 strand \$12.75/24 strand
13	Labor and 1' of 12/24 Strand SM Cable Only			\$50.00/12 strand \$53.00/24 strand	
14	Labor and Material per Ft OS plant Single Mode fiber 12/24 strand	\$6.78/\$10.73 strand**	\$7.75/ft		\$7.59/12 strand \$12.75/24 strand
15	Labor and 1' of 12/24 Strand SM OSP Cable Only			\$50.00/12 strand \$53.00/24 strand	
16	Labor and Material per Ft OS plant Multi Mode fiber 12/24 strand	\$6.90/\$10.94 strand**	\$8.80/ft		\$7.59/12 strand \$12.30/24 strand
17	Labor and 1' of 12/24 Strand MM OSP Cable Only			\$50.00/12 strand \$54.00/24 strand	
18	Materials Markup Percentage	15%	27%	15%	15%
<b>Escalation</b>					
19	2nd Year	5%	0%	15%	5%
20	3rd Year	5%	0%	15%	5%
<b>TOTAL EVALUATION POINTS</b>		93.92	55.6	65.8	93.6
<b>RANKING</b>		1	4	3	2

\*\* Fiber cost is designed at a 500' minimum quantity, hardware included.

**SOUTH TEXAS COLLEGE**  
**1. NETWORK CABLING SERVICES FOR BUILDING RENOVATION PROJECTS**  
**PROJECT NO. 18-19-1047**  
**EVALUATION SUMMARY**

VENDOR		BridgeNet Communications		Lexine, Inc.		Network Cabling Services, Inc.		Telepro Communications	
ADDRESS		1314 Stites Rd		322 N 3rd St		12626 Fuqua St		12005 N Bryan Rd	
CITY/STATE/ZIP		Donna, TX 78537		McAllen, TX 78501		Houston, TX 77034		Mission, TX 78573	
PHONE		956-461-3335		956-992-0690		281-484-1777		956-618-2360	
FAX								956-686-0422	
CONTACT		Marco Ramirez		Frank Martinez		Greg Brittain		Daniel Backhaus	
1	The purchase price. (up to 40 points)	38	38	36	36	30	30	40	40
		38		36		30		40	
		38		36		30		40	
		38		36		30		40	
		38		36		30		40	
2	The reputation of the vendor and the vendor's goods or services. (up to 15 points)	13.6	14.32	4	5	13	11.2	14	14.2
		14		5		10		14	
		14		6		13		13	
		15		5		10		15	
		15		5		10		15	
3	The quality of the vendor's goods or services. (up to 16 points)	14	15.2	2	3.2	12	10.2	15	14.4
		15		4		12		14	
		15		2		11		13	
		16		2		8		15	
		16		6		8		15	
4	The extent to which the vendor's goods or services meet the College's needs. (up to 20 points)	18	18.6	4	4.8	12	11.6	18.5	18.7
		16		7		12		18	
		19		5		12		17	
		20		6		11		20	
		20		2		11		20	
5	The vendor's past relationship with the College. (up to 3 points)	3	3	2	1.6	2	1.6	2.5	2.5
		3		2		2		2	
		3		2		2		2	
		3		2		1		3	
		3		0		1		3	
6	The impact on the ability of the College to comply with laws and rules relating to Historically Underutilized Businesses. (up to 1 point)	1	1	0	0	0	0	0	0
		1		0		0		0	
		1		0		0		0	
		1		0		0		0	
		1		0		0		0	
7	The total long-term cost to the College to acquire the vendor's goods or services. (up to 5 points)	4	3.8	5	5	2	1.2	4	3.8
		3		5		1		3	
		4		5		1		4	
		4		5		1		4	
		4		5		1		4	
TOTAL EVALUATION POINTS		93.92		55.6		65.8		93.6	
RANKING		1		4		3		2	

**SOUTH TEXAS COLLEGE**  
**2. PECAN CAMPUS BUILDING J ANALOG TO DIGITAL**  
**AUDIOVISUAL UPGRADE - PHASE II**  
**PROJECT NO. 18-19-1045**

<b>NAME</b>		Audio Visual Aids
<b>ADDRESS</b>		2903 N Flores St
<b>CITY/STATE/ZIP</b>		San Antonio, TX 78212
<b>PHONE</b>		800-422-1282
<b>FAX</b>		800-854-8140
<b>CONTACT</b>		Ernest Mendez
<b>#</b>	<b>Description</b>	<b>Proposed</b>
1	Pecan Campus Building J Analog to Digital Audiovisual Upgrade - Phase II	\$ 474,249.00
<b>TOTAL AMOUNT PROPOSED</b>		\$ 474,249.00
<b>TOTAL EVALUATION POINTS</b>		97.32
<b>RANKING</b>		1



**SOUTH TEXAS COLLEGE**  
**2. PECAN CAMPUS BUILDING J ANALOG TO DIGITAL AUDIOVISUAL**  
**UPGRADE - PHASE II**  
**PROJECT NO. 18-19-1045**  
**EVALUATION SUMMARY**

VENDOR		Audio Visual Aids	
ADDRESS		2903 N Flores St	
CITY/STATE/ZIP		San Antonio, TX 78212	
PHONE		800-422-1282	
FAX		800-854-8140	
CONTACT		Ernest Mendez	
1	The purchase price. (up to 45 points)	45	45
		45	
		45	
2	The reputation of the vendor and the vendor's goods and/or services. (up to 15 points)	15	14.33
		14	
		14	
3	The quality of the vendor's goods or services. (up to 16 points)	15	15.33
		16	
		15	
4	The extent to which the vendor's goods or services meet the College's needs. (up to 20 points)	19	18.66
		18	
		19	
5	The vendor's past relationship with the College. (up to 3 points)	3	3
		3	
		3	
6	The impact on the ability of the College to comply with laws and rules relating to Historically Underutilized Businesses. (up to 1 point)	1	1
		1	
		1	
TOTAL EVALUATION POINTS		97.32	
RANKING		1	

**SOUTH TEXAS COLLEGE**  
**3. PURCHASE OF UTILITY TERRAIN VEHICLES**  
**PROJECT NO. 18-19-1048**

<b>VENDOR</b>			Amigo Power Equipment		Brownsville Sports Center, Inc.	
<b>ADDRESS</b>			304 W Monte Cristo		345 Paredes Line Rd	
<b>CITY/STATE/ZIP</b>			Edinburg, TX 78541		Brownsville, TX 78521	
<b>PHONE</b>			956-383-6289		956-546-3055	
<b>FAX</b>			956-383-0787		956-546-3546	
<b>CONTACT</b>			J.P. English		Thomas James	
<b>#</b>	<b>Qty</b>	<b>Description</b>	<b>Unit Price</b>	<b>Extension</b>	<b>Unit Price</b>	<b>Extension</b>
1	3	Utility Terrain Vehicle 875 CC Displacement Engine	\$ 11,789.00	\$ 35,367.00	\$ 12,160.62	\$ 36,481.86
2	1	Utility Terrain Vehicle 999 CC Displacement Engine	\$ 14,180.00	\$ 14,180.00	\$ 16,078.93	\$ 16,078.93
3	1	Shipping/Handling	\$ 400.00	\$ 400.00	\$ -	\$ -
<b>TOTAL PROPOSAL AMOUNT</b>			\$ 49,947.00		\$ 52,560.79	
<b>TOTAL EVALUATION POINTS</b>			96.32		93.5	
<b>RANKING</b>			1		2	

**SOUTH TEXAS COLLEGE**  
**3. PURCHASE OF UTILITY TERRAIN VEHICLES**  
**PROJECT NO. 18-19-1048**  
**EVALUATION SUMMARY**

VENDOR		Amigo Power Equipment		Brownsville Sports Center, Inc.	
ADDRESS		304 W Monte Cristo		345 Paredes Line Rd	
CITY/STATE/ZIP		Edinburg, TX 78541		Brownsville, TX 78521	
PHONE/FAX		956-383-6289		956-546-3055	
FAX		956-383-0787		956-546-3546	
CONTACT		J.P. English		Thomas James	
1	The purchase price and the long cost to the College to acquire the vendor's goods and/or services. (up to 50 points)	50	50	47.51	47.51
		50		47.51	
		50		47.51	
2	The reputation of the vendor's goods or services. (up to 10 points)	9	8.66	9	8.66
		9		9	
		8		8	
3	The quality of the goods or services. (up to 18 points)	17	17.33	17	17.33
		17		17	
		18		18	
4	The extent to which the vendor's goods or services meet the College's needs. (up to 18 points)	17	17.33	17	17
		17		16	
		18		18	
5	The vendor's past relationship with the College. (up to 3 points)	3	3	3	3
		3		3	
		3		3	
6	The impact on the ability of the College to comply with laws relating to Historically Underutilized Businesses. (up to 1 point)	0	0	0	0
		0		0	
		0		0	
TOTAL EVALUATION POINTS		96.32		93.5	
RANKING		1		2	

# **NO BACKUP FOR**

**4. Pecan Campus  
Athletic Field Fence  
Enclosure  
(Reject)**

**SOUTH TEXAS COLLEGE**  
**5. CLASSROOM INSTRUCTIONAL PODIUMS**

<b>NAME</b>			Computer Comforts, Inc.	
<b>ADDRESS</b>			367 Columbia Memorial Pkwy	
<b>CITY/STATE/ZIP</b>			Kemah, TX 77565	
<b>PHONE</b>			281-535-2288	
<b>FAX</b>			281-535-7083	
<b>CONTACT</b>			Vince Barletta	
#	Qty	Description	Unit Price	Extension
1	30	Power Lift Tables w/3-leg stage leg 60 x 30 w/modesty panel	\$ 1,690.74	\$ 50,722.20
2	30	Cable cut-out in wood w/grommet - left	\$ 18.41	\$ 552.30
3	30	Cable cut-out in wood w/grommet - rear	\$ 18.41	\$ 552.30
4	30	Cable cut-out in wood w/grommet - right	\$ 18.41	\$ 552.30
5	60	Cable cut-out in wood w/grommet - center	\$ 18.41	\$ 1,104.60
6	30	Factory Assembly Fee	\$ 25.00	\$ 750.00
7	30	Rack box 24 x 30 laminate top and rear access door	\$ 390.04	\$ 11,701.20
8	30	Factory Assembly Fee	\$ 10.00	\$ 300.00
9	7	Instructor Table 30 x 30 top - 2 basic legs	\$ 572.68	\$ 4,008.76
10	7	Flip up side surface 28 x 20 - left	\$ 130.57	\$ 913.99
11	7	Flip up side surface 28 x 20 - right	\$ 130.57	\$ 913.99
12	7	Cable cut-out in wood w/grommet left	\$ 18.41	\$ 128.87
13	14	Custom cut-out in table top for cabling	\$ 25.11	\$ 351.54
14	7	Factory Assembly Fee	\$ 25.00	\$ 175.00
15	1	Shipping and Handling	\$ 4,950.00	\$ 4,950.00
<b>TOTAL AMOUNT</b>			\$ 77,677.05	

**SOUTH TEXAS COLLEGE**  
**6. INSTRUCTIONAL EQUIPMENT**

<b>NAME</b>			Snap-On Industrial	
<b>ADDRESS</b>			P O Box 9004	
<b>CITY/STATE/ZIP</b>			Crystal Lake, IL 60014	
<b>PHONE</b>			877-740-1900	
<b>CONTACT</b>			Lance Williams	
#	Qty	Description	Unit Price	Extension
1	1	Advanced Measurement Certification Kit	\$ 63,998.00	\$ 63,998.00
2	1	Gauge Block	\$ 95.52	\$ 955.20
3	1	Electric Disp Upgrade 3814 Tester	\$ 624.00	\$ 624.00
<b>TOTAL AMOUNT</b>			\$ 65,577.20	

**SOUTH TEXAS COLLEGE**  
**7. ULTRASOUND EQUIPMENT AND RADIOLOGY EQUIPMENT**  
**MAINTENANCE**

<b>NAME</b>			GE Healthcare/ dba GE Medical Systems Ultrasound & Primary Care Diagnostic, LLC. and GE Precision Healthcare, LLC.	
<b>ADDRESS</b>			P O Box 74008831	
<b>CITY/STATE/ZIP</b>			Chicago, IL 606748831	
<b>PHONE</b>			281-312-9864	
<b>CONTACT</b>			Kirk Henrich	
#	Qty	Description	Unit Price	Extension
1	3	Purchase - Ultrasound Phased Array Probe	\$ 6,480.00	\$ 19,440.00
2	1	Maintenance - GE UL Logiq E9 ID: LE9R201091US5; Period: 3/4/19 - 3/3/20	\$ 9,234.00	\$ 9,234.00
3	1	Maintenance - GE UL Logiq S8 ID: LS8501418; Period: 3/4/20 - 3/3/21	\$ 5,639.00	\$ 5,639.00
4	1	Maintenance - GE XR Optima XR646 ID: 956872XR646; Period: 2/1/19 - 1/31/20	\$ 6,466.00	\$ 6,466.00
5	1	Maintenance - GE XR FlashPad - Digital Wireless Detector ID: 956872DET; Period: 3/15/19 - 3/14/20	\$ 3,000.00	\$ 3,000.00
6	1	Maintenance - GE XR Optima XR240AMX Digital Mobile X-Ray ID: 956872OPT1; Period: 3/15/20 - 3/14/21	\$ 5,006.00	\$ 5,006.00
7	1	Maintenance - GE XR FlashPad - Digital Wireless Detector ID: 956872OPTFP; Period: 3/15/19 - 3/14/20	\$ 3,000.00	\$ 3,000.00
<b>TOTAL AMOUNT</b>			\$ 51,785.00	



Purchasing and Distribution Services  
3200 W. Pecan Blvd., McAllen TX 78501

t (956) 872-4681  
f (956) 872-4688

8a

P.O. Box 9701, McAllen, TX 78502-9701  
[www.SouthTexasCollege.edu](http://www.SouthTexasCollege.edu)

February 19, 2019

Alamo Iron Works  
Attn: Robert N. Garcia  
2771 Robindale Road  
Brownsville, TX 78526

Dear Mr. Garcia:

On April 24, 2018, South Texas College awarded a contract to Alamo Iron Works for Metal Products for Welding Programs. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from May 29, 2019 through May 28, 2020.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be return via fax at (956) 872-4688 or email to Becky Cavazos at [beckyc@southtexascollege.edu](mailto:beckyc@southtexascollege.edu).

Sincerely,

Rebecca R. Cavazos  
Director of Purchasing

Renewal of contract accepted through May 28, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature:

Name Printed: TERRY A. LEENER

Date: 2-19-19





Purchasing and Distribution Services  
3202 W. Second Street, Brownsville, TX 78521

Phone: (361) 724-6881  
Fax: (361) 724-6883

Phone: (361) 724-6881  
Fax: (361) 724-6883

February 19, 2019

Industrial Supplier Larey, Inc./dba International Industrial Supply, Co.  
Attn: Moises Lara  
3620 East 14<sup>th</sup> Street  
Brownsville, TX 78521

Dear Mr. Lara:

On April 24, 2018, South Texas College awarded a contract to Industrial Supplier Larey, Inc./dba International Industrial Supply, Co. for Metal Products for Welding Programs. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from May 29, 2019 through May 28, 2020.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be returned via fax at (956) 872-4688 or email to Becky Cavazos at [beckyc@southtexascollege.edu](mailto:beckyc@southtexascollege.edu).

Sincerely,

Rebecca R. Cavazos  
Director of Purchasing

Renewal of contract accepted through May 28, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: Moises Lara

Name Printed: MOISES LARA

Date: 02/18/19



Purchasing and Distribution Services  
3200 W. Pecan Blvd, McAllen TX 78501

t (956) 872-4681  
f (956) 872-4688

P.O Box 9701, McAllen, TX 78502-9701  
[www.SouthTexasCollege.edu](http://www.SouthTexasCollege.edu)

February 19, 2019

Rio Grande Steel  
Attn: Mr. Gene Espinoza  
213 East Owassa  
Edinburg, TX 78539

Dear Mr. Espinoza:

On April 24, 2018, South Texas College awarded a contract to Rio Grande Steel for Metal Products for Welding Programs. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the first year of the contract and would like to renew for an additional one-year period. The first renewal period will be from May 29, 2019 through May 28, 2020.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be returned via fax at (956) 872-4688 or email to Becky Cavazos at [beckyc@southtexascollege.edu](mailto:beckyc@southtexascollege.edu).

Sincerely,

Rebecca R. Cavazos  
Director of Purchasing

Renewal of contract accepted through May 28, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: \_\_\_\_\_

Name Printed: \_\_\_\_\_

Date: \_\_\_\_\_

2-22-19



Purchasing and Distribution Services  
3200 W. Pecan Blvd., McAllen TX 78501

t (956) 872-4681  
f (956) 872-4688

9

P.O. Box 9701, McAllen, TX 78502-9701  
[www.SouthTexasCollege.edu](http://www.SouthTexasCollege.edu)

February 14, 2019

Shands-Brooks Travel  
Attn: Ms. Debra Brooks  
730 West Nolana, Suite 100  
McAllen, TX 78501

Dear Ms. Brooks:

On March 28, 2017, South Texas College awarded a contract to Shands-Brooks Travel for Travel Services. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the second year of the contract and would like to renew for an additional one-year period. The last renewal period will be from May 20, 2019 through May 19, 2020.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be returned via fax at (956) 872-4688 or email to Becky Cavazos at [beckyc@southtexascollege.edu](mailto:beckyc@southtexascollege.edu).

Sincerely,

Rebecca R. Cavazos  
Director of Purchasing

Renewal of contract accepted through May 19, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: Debra Brooks

Name Printed: Debra Brooks

Date: 2/14/2019

**SOUTH TEXAS COLLEGE**  
**10. DISTRICT WIDE TECHNOLOGY REQUEST**  
**MARCH 26, 2019**

<b>COMPUTERS</b>					
#	Qty	Description	Unit Price	Extension	Requesting Department
1	1	Precision 5820 Tower XCTO Base, Intel Xeon W-2133, 8GB Memory, 256GB Hard Drive, Warranty	\$1,853.13	\$ 1,853.13	Computer Science Program - Saeed Molki New system for dept faculty
2	108	Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory Intel Integrated Graphics, 20" Monitors, Warranty	\$705.00	\$ 76,140.00	Learning Commons & Open Labs - Leila Salinas Replacement of out of warranty systems for student lab
3	1	Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory Intel Integrated Graphics, 20" Monitors, Warranty	\$705.00	\$ 705.00	Kinesiology Program - Rebecca De Los Santos Replacement of non-working system for dept faculty
4	19	Precision 5720 AIO XCTO Base, 7th Gen Intel Core i7-7700, 500GB Hard Drive, 64GB Memory, 25" Monitor, Keyboard and Stylus Pen, Warranty	\$3,182.27	\$ 60,463.13	Carl Perkins Grant - Samantha Uriegas New systems for students in the AEDT Program
5	3	Precision 7920 Tower XCTO Base, Intel Xeon Gold 5122, 500GB Hard Drive, 64GB Memory, 24" Monitor, Keyboard and Stylus Pen, Warranty	\$4,526.67	\$ 13,580.01	Carl Perkins Grant - Samantha Uriegas New systems for students in the AEDT Program
<b>COMPUTER TOTAL</b>				<b>\$152,741.27</b>	
<b>LAPTOPS</b>					
6	2	Precision 5530 XCTO Base, Intel Core Xeon E-2176M, 16GB Memory, 512GB Hard Drive, Intel Dual Band Wireless Driver, Briefcase, Adapter, Warranty	\$2,666.67	\$ 5,333.34	Computer Science Program - Saeed Molki New systems for dept faculty
7	2	Laptop Latitude 5490 BTX, Intel Core i5-8350U, 256GB Hard Drive Battery, 8GB Memory, Intel Dual Band Wireless Driver, Warranty	\$925.00	\$ 1,850.00	Central Receiving - Becky Cavazos Replacement of out of warranty systems for dept staff
8	2	Laptop Latitude 5490 BTX, Intel Core i5-8350U, 256GB Hard Drive Battery, 8GB Memory, Intel Dual Band Wireless Driver, Warranty	\$925.00	\$ 1,850.00	Psychological Science Program - Eric Reittinger Replacement of out of warranty systems for dept faculty
9	1	Laptop Latitude 5490 XCTO, 8th Gen Intel Core i7-8650U, 512GB Hard Drive Battery, 16GB Memory, Intel Dual Band Wireless Driver, Mouse, Adapter, Warranty	\$925.00	\$ 925.00	History Program - Robert Kennedy New system for dept faculty
10	1	Laptop Latitude 5290 2-in-1 BTX Base, Intel Core i5-8350U, 256GB Hard Drive Battery, 8GB Memory, Intel Dual Band Wireless Driver, Warranty	\$1,417.00	\$ 1,417.00	History Program - Robert Kennedy New system for dept faculty
<b>LAPTOP TOTAL</b>				<b>\$ 11,375.34</b>	
<b>TABLETS</b>					
11	10	DoubleMap Rugged Tablet (MDT), AVL Hardware Installation, Mobile Apps (iOS & Android), Web Apps, Application Program Interface	\$ 1,610.00	\$ 16,100.00	Student Transportation Services - Paul Varville Replacement of non-working systems for shuttle buses
12	20	Samsung Galaxy Tab A - Tablet Android 5.1 - 8GB - 7" Travel Adapter, MicroUSB Cable, Protective Cover	186.25	\$ 3,725.00	Facility Maintenance - Luis De La Garza New systems for dept staff
<b>TABLET TOTAL</b>				<b>\$ 19,825.00</b>	
<b>COMPUTER/LAPTOP/TABLET TOTAL</b>				<b>\$183,941.61</b>	

**SOUTH TEXAS COLLEGE**  
**11. ADOBE LICENSE SUBSCRIPTION AGREEMENT**

<b>NAME</b>			Software House International (SHI) Government Solutions	
<b>ADDRESS</b>			1301 S MoPac Expway Ste 375	
<b>CITY/STATE/ZIP</b>			Austin, TX 78746	
<b>PHONE</b>			800-527-6389	
<b>FAX</b>			512-732-0232	
<b>CONTACT</b>			Michael Lipere	
<b>#</b>	<b>Qty</b>	<b>Description</b>	<b>Unit Price</b>	<b>Extension</b>
1	1	Adobe Creative Cloud - Team Licensing Subscription Period: 4/6/19 - 4/5/20	\$ 60,000.00	\$ 60,000.00
<b>TOTAL AMOUNT</b>			\$ 60,000.00	

**Discussion and Action as Necessary on Proposed Tuition, Differential Tuition,  
and Fees for FY 2019 - 2020**

- a. Tuition and Fees**
- b. Differential Tuition**
- c. Projected Student Cost Increase Scenarios**
- d. Proposed Base Expenditures**
- e. Salary Adjustment Information**
- f. Projected Budget Summary Scenarios**

Approval of proposed Tuition, Differential Tuition, and Fees for FY 2019 - 2020 for traditional students will be requested at the March 26, 2019 Board meeting.

For Fiscal Year 2019 - 2020, instructional program costs were analyzed and differential tuition revenues were evaluated against program expenditures. Adjustments to differential tuition rates are proposed to reduce sustainability gaps.

In addition, a tuition rate increase of \$5 per semester credit hour and a change to the Registration Fee from two rates based on payment date of \$100 and \$160 to one rate of \$150 per student per semester is proposed. The In-District tuition rate was previously increased by \$2 per semester credit hour in Fiscal Year 2016. The Out-of-District tuition rate was previously increased by \$2 per semester credit hour in Fiscal Year 2006.

The proposed changes for FY 2019 - 2020 follow on the enclosed worksheets.

**a. Tuition and Fees**

- Increase the FY 2019 – FY 2020 tuition rates for In-District and Out-of-District by \$5 per semester credit hour
- Change the Registration Fee from two rates based on payment date of \$100 and \$160 to one rate of \$150 per student per semester

**b. Differential Tuition**

- Increase differential tuition rates per credit hour for FY 2019 – FY 2020 for 17 programs
- Add new differential tuition rates per credit hour for FY 2019 – FY 2020 for four programs

**c. Projected Student Cost Increase Scenarios**

- Examples of the proposed tuition, differential tuition, and fee rates impact on students in three different programs for FY 2019 – FY 2020.
  - ⇒ C1 - Associate Degree Nursing
  - ⇒ C2 - Chemistry
  - ⇒ C3 - Computer Aided Drafting & Design

**d. Proposed Base Expenditures**

- Establish FY 2019 – FY 2020 salary and benefit expenditure budgets for a Student Direct Wage Pool of \$200,000 and \$18,000, respectively.
- Increase the FY 2019 – FY 2020 salary and benefits expenditure budgets for a \$1 increase in the direct wage salary rate by \$120,000 and \$10,800, respectively.
- Increase the FY 2019 – FY 2020 operating expenditure budget for temporary agency staff and information technology maintenance and other increased costs by \$600,000 and \$1,236,968 (or 3.5% of total operating expenditures), respectively.

**e. Salary Adjustment Information**

- Information on the estimated additional expenditures for salary adjustment options for FY 2019 – FY 2020 are enclosed.

**f. Projected Budget Summary Scenarios**

- The impact of the proposed changes on revenues and expenditures for FY 2019 – FY 2020 are enclosed.

⇒ F1

- Revenues – Projected state appropriation revenue increase and property tax revenue increase
- Expenditures – Increase of salary and benefit budget for Student Direct Wage Pool, \$1 increase in the direct wage rate, increase of temporary agency staff in operating budget, and increase of 3.5% in operating budget

⇒ F2

- Revenues – Projected state appropriation revenue increase, and property tax revenue increase, In-District and Out-of-District tuition rate of \$5, and Registration Fee of \$150 increase
- Expenditures – Increase of salary and benefit budget for Student Direct Wage Pool, \$1 increase in the direct wage rate, increase of temporary agency staff in operating budget, and increase of 3.5% in operating budget

⇒ F3

- Revenues – Projected state appropriation revenue increase, property tax revenue increase, In-District and Out-of-District tuition rate of \$5, increase Differential Tuition rates, and Registration Fee of \$150 increase
- Expenditures – Increase of salary and benefit budget for Student Direct Wage Pool, \$1 increase in the direct wage rate, increase of temporary agency staff in operating budget, and increase of 3.5% in operating budget

Reviewers - The proposed tuition, differential tuition, and fees for FY 2019 – 2020 have been reviewed by staff, the President's Cabinet, and President's Administrative Staff.

It is requested that the Finance, Audit, and Human Resources Committee provide recommendations on tuition, differential tuition, and fees for Board approval, at the March 26, 2019 Board meeting.

**Summary of Tuition and Fee Revenue Scenarios  
For Fiscal Year 2020**

**A**

**Tuition Revenue Scenarios**

In District and Out of District Tuition Rate Increase	Additional Revenue \$1 Tuition Rate Increase	Additional Revenue \$5 Tuition Rate Increase	Additional Revenue \$10 Tuition Rate Increase
In District	\$ 349,968	\$ 1,749,842	\$ 3,499,685
Out of District	\$ 14,229	\$ 71,143	\$ 142,285

**Fee Revenue Scenario**

	Additional Revenue
Student Registration Fee-one rate of \$150	\$ 1,470,580

**Proposed Tuition Rates**

	Current Rate	Increase	Proposed Rate
In-District Tuition Rate Per Semester Credit Hour	\$ 70	\$ 5	\$ 75
Out of District Tuition Rate Per Semester Credit Hour	\$ 80	\$ 5	\$ 85



**Summary of Differential Tuition Revenue Scenario  
For Fiscal Year 2020**

**B**

**Differential Tuition Revenue Scenarios**

	<u>Additional Revenue</u>
Differential Tuition Rate Increase (Various Programs)	\$ 745,650

South Texas College  
Instructional Program Cost Analysis  
FY 2017

B1

Summary of Programs Generating Loss (Expenditures Exceed Revenues)

	Division	Program	Contact Hour	Semester Credit Hours (SCH)	Program Profit/(Loss)	FY 2018-2019 Differential Tuition Rate	Breakeven Rate	\$1 Differential Tuition Rate Increase	Estimated Program Profit/(Loss) w-\$1 Increase	\$5 Differential Tuition Rate Increase	Estimated Program Profit/(Loss) w-\$5 Increase	\$10 Differential Tuition Rate Increase	Estimated Program Profit/(Loss) w-\$10 Increase	
1	M&S	Physical Sciences ( CHEMISTRY)	201,520	8,405	(160,216.54)	15.00	34.06	8,405.00	(151,811.54)	42,025.00	(118,191.54)	84,050.00	(76,166.54)	
2	NAH	Associate Degree Nursing	327,520	9,605	(1,362,581.36)	55.00	196.86	9,605.00	(1,352,976.36)	48,025.00	(1,314,556.36)	96,050.00	(1,266,531.36)	
3	NAH	Emergency Medical Technology	132,704	3,821	(176,396.35)	45.00	91.16	3,821.00	(172,575.35)	19,105.00	(157,291.35)	38,210.00	(138,186.35)	
4	NAH	Occupational Therapy Assisting	36,304	972	(182,605.43)	45.00	232.87	972.00	(181,633.43)	4,860.00	(177,745.43)	9,720.00	(172,885.43)	
5	NAH	Patient Care Assistant	61,600	1,606	(197,976.62)	25.00	148.27	1,606.00	(196,370.62)	8,030.00	(189,946.62)	16,060.00	(181,916.62)	
6	NAH	Pharmacy Technology	14,752	684	(174,002.84)	45.00	299.39	684.00	(173,318.84)	3,420.00	(170,582.84)	6,840.00	(167,162.84)	
7	NAH	Physical Therapy Assisting	28,960	851	(195,762.68)	45.00	275.04	851.00	(194,911.68)	4,255.00	(191,507.68)	8,510.00	(187,252.68)	
8	NAH	Radiologic Technology	53,456	1,066	(457,518.33)	45.00	474.19	1,066.00	(456,452.33)	5,330.00	(452,188.33)	10,660.00	(446,858.33)	
9	NAH	Respiratory Therapy	37,376	874	(262,135.44)	45.00	344.93	874.00	(261,261.44)	4,370.00	(257,765.44)	8,740.00	(253,395.44)	
10	NAH	Vocational Nursing	119,968	3,466	(995,020.21)	55.00	342.08	3,466.00	(991,554.21)	17,330.00	(977,690.21)	34,660.00	(960,360.21)	
11	B&T	Computer Aided Drafting & Design	96,672	3,677	(146,136.12)	20.00	59.74	3,677.00	(142,459.12)	18,385.00	(127,751.12)	36,770.00	(109,366.12)	
12	B&T	Automotive & Diesel Technology	193,360	5,146	(238,133.61)	10.00	56.28	5,146.00	(232,987.61)	25,730.00	(212,403.61)	51,460.00	(186,673.61)	
13	B&T	Electronic Equip. & Computer Maint.	114,464	4,518	(20,319.47)	15.00	19.50	4,518.00	(15,801.47)	22,590.00	2,270.53			
14	B&T	Fire Science	25,280	959	(289,398.93)	5.00	306.77	959.00	(288,439.93)	4,795.00	(284,603.93)	9,590.00	(279,808.93)	
15	B&T	Heating, Ventilation & A/C Tech.	84,896	3,032	(121,524.51)	10.00	50.08	3,032.00	(118,492.51)	15,160.00	(106,364.51)	30,320.00	(91,204.51)	
16	B&T	Legal Assisting	24,032	797	(102,515.67)		128.63	797.00	(101,718.67)	3,985.00	(98,530.67)	7,970.00	(94,545.67)	
17	B&T	Manufacturing Technology	136,496	4,971	(197,219.00)		39.67	4,971.00	(192,248.00)	24,855.00	(172,364.00)	49,710.00	(147,509.00)	
18	B&T	Professional Office Technology	112,112	3,809	(30,363.27)		7.97	3,809.00	(26,554.27)	19,045.00	(11,318.27)	38,090.00	7,726.73	
19	LASS	Child Care and Development	83,584	4,108	(332,473.58)		80.93	4,108.00	(328,365.58)	20,540.00	(311,933.58)	41,080.00	(291,393.58)	
20	LASS	Drama	24,944	1,411	(60,972.13)		43.21	1,411.00	(59,561.13)	7,055.00	(53,917.13)	14,110.00	(46,862.13)	
21	LASS	Developmental Reading	161,360	7,593	(183,674.88)		24.19	7,593.00	(176,081.88)	37,965.00	(145,709.88)	75,930.00	(107,744.88)	
22	LASS	Music	109,696	6,222	(253,521.70)		40.75	6,222.00	(247,299.70)	31,110.00	(222,411.70)	62,220.00	(191,301.70)	
23	LASS	Kinesiology, Wellness & Dance	74,288	3,025	(134,629.82)		44.51	3,025.00	(131,604.82)	15,125.00	(119,504.82)	30,250.00	(104,379.82)	
24	LASS	Philosophy	122,016	7,626	(21,246.73)		2.79	7,626.00	(13,620.73)	38,130.00	16,883.27			
25	M&S	Developmental Mathematics	321,408	13,389	(153,149.26)		11.44	13,389.00	(139,760.26)	66,945.00	(86,204.26)	133,890.00	(19,259.26)	
26	NAH	Health & Medical Admin. Svcs.	92,448	4,604	(27,900.22)		6.06	4,604.00	(23,296.22)	23,020.00	(4,880.22)	46,040.00	18,139.78	
					\$ (6,477,394.70)			\$ 106,237.00			\$ 531,185.00			\$ 940,930.00

South Texas College  
Instructional Program Cost Analysis  
FY 2017

B2

Proposed Rates

Division	Program	Contact Hour	Semester Credit Hours (SCH)	Program Profit/(Loss)	FY 2018-2019 Differential Tuition Rate	Proposed Rate Increases	FY 2019-2020 Rate	Additional Differential Tuition Revenue	Estimated Program Profit/(Loss)
NAH	Associate Degree Nursing	327,520	9,605	(1,362,581.36)	55.00	20.00	75.00	192,100.00	(1,170,481.36)
NAH	Emergency Medical Technology	132,704	3,821	(176,396.35)	45.00	10.00	55.00	38,210.00	(138,186.35)
NAH	Occupational Therapy Assisting	36,304	972	(182,605.43)	45.00	10.00	55.00	9,720.00	(172,885.43)
NAH	Patient Care Assistant	61,600	1,606	(197,976.62)	25.00	10.00	35.00	16,060.00	(181,916.62)
NAH	Pharmacy Technology	14,752	684	(174,002.84)	45.00	10.00	55.00	6,840.00	(167,162.84)
NAH	Physical Therapy Assisting	28,960	851	(195,762.68)	45.00	10.00	55.00	8,510.00	(187,252.68)
NAH	Radiologic Technology	53,456	1,066	(457,518.33)	45.00	20.00	65.00	21,320.00	(436,198.33)
NAH	Respiratory Therapy	37,376	874	(262,135.44)	45.00	20.00	65.00	17,480.00	(244,655.44)
NAH	Vocational Nursing	119,968	3,466	(995,020.21)	55.00	20.00	75.00	69,320.00	(925,700.21)
B&T	Computer Aided Drafting & Design	96,672	3,677	(146,136.12)	20.00	10.00	30.00	36,770.00	(109,366.12)
B&T	Automotive & Diesel Technology	193,360	5,146	(238,133.61)	10.00	10.00	20.00	51,460.00	(186,673.61)
B&T	Electronic Equip. & Computer Maint.	114,464	4,518	(20,319.47)	15.00	-	15.00	0.00	(20,319.47)
B&T	Fire Science	25,280	959	(289,398.93)	5.00	-	5.00	0.00	(289,398.93)
B&T	Heating, Ventilation & A/C Tech.	84,896	3,032	(121,524.51)	10.00	10.00	20.00	30,320.00	(91,204.51)
B&T	Legal Assisting	24,032	797	(102,515.67)		10.00	10.00	7,970.00	(94,545.67)
B&T	Manufacturing Technology	136,496	4,971	(197,219.00)		10.00	10.00	49,710.00	(147,509.00)
B&T	Professional Office Technology	112,112	3,809	(30,363.27)		-	-	0.00	(30,363.27)
LASS	Child Care and Development	83,584	4,108	(332,473.58)		20.00	20.00	82,160.00	(250,313.58)
LASS	Drama	24,944	1,411	(60,972.13)		10.00	10.00	14,110.00	(46,862.13)
LASS	Developmental Reading	161,360	7,593	(183,674.88)		-	-	0.00	(183,674.88)
LASS	Music	109,696	6,222	(253,521.70)		-	-	0.00	(253,521.70)
LASS	Kinesiology, Wellness & Dance	74,288	3,025	(134,629.82)		-	-	0.00	(134,629.82)
LASS	Philosophy	122,016	7,626	(21,246.73)		-	-	0.00	(21,246.73)
M&S	Developmental Mathematics	321,408	13,389	(153,149.26)		-	-	0.00	(153,149.26)
NAH	Health & Medical Admin. Svcs.	92,448	4,604	(27,900.22)		-	-	0.00	(27,900.22)
Combine Physical Science Programs									
M&S	Physical Sciences	153,504	6,396	115,552.80	15.00	5.00	20.00	31,980.00	147,532.80
M&S	Physical Sciences ( CHEMISTRY)	201,520	8,405	(160,216.54)	15.00	5.00	20.00	42,025.00	(118,191.54)
M&S	Physical Sciences (PHYSICS)	69,696	2,904	12,210.55	10.00	10.00	20.00	29,040.00	41,250.55
M&S	Physical Sciences (ENGINEERING)	58,240	2,430	35,011.04	10.00	10.00	20.00	24,300.00	59,311.04
M&S	Physical Sciences (GEOLOGY)	66,432	2,768	30,527.73	15.00	5.00	20.00	13,840.00	44,367.73

	<b>793,245.00</b>
TPEG (6%)	(47,595.00)
Additional Differential Tuition Net of TPEG	<b>\$ 745,650.00</b>

## Tuition, Fees, and Differential Tuition Current and Proposed 2019-2020 Analysis

*Examples of impact that proposed tuition, fees, and differential tuition will have on students at 1, 3 and 12 semester credit hours*

### Example #1: Associate Degree Nursing

#### Proposed changes for FY 2019-2020:

- \* Tuition rate increase of \$5.00 per semester credit hour
- \* Increase differential tuition for Associate Degree Nursing from \$55.00 to \$75.00 per credit hour
- \* Change the Registration Fee from two rates based on payment date of \$100.00 and \$160.00 to one rate of \$150.00 per student per semester

Tuition and Differential Tuition									
	Rate	Current			Proposed				
		1 Hr	3 Hrs	12 Hrs	1 Hr	3 Hrs	12 Hrs		
Tuition	\$ 70	\$ 70	\$ 210	\$ 840	\$ 75	\$ 225	\$ 900		
Differential Tuition	\$ 55	\$ 55	\$ 165	\$ 660	\$ 75	\$ 225	\$ 900		
Total		\$ 125	\$ 375	\$ 1,500	\$ 150	\$ 450	\$ 1,800		
Tuition Increase					\$ 5	\$ 15	\$ 60		
Differential Tuition Increase					\$ 20	\$ 60	\$ 240		
Total Increase					\$ 25	\$ 75	\$ 300		
Percent Change					20.00%	20.00%	20.00%		

Tuition, Differential Tuition, and Mandatory Fees									
	Rate	Current			Proposed				
		1 Hr	3 Hrs	12 Hrs	1 Hr	3 Hrs	12 Hrs		
Tuition	\$ 70	\$ 70	\$ 210	\$ 840	\$ 75	\$ 225	\$ 900		
Differential Tuition	\$ 55	\$ 55	\$ 165	\$ 660	\$ 75	\$ 225	\$ 900		
Mandatory Fees (1)		\$ 146	\$ 238	\$ 652	\$ 196	\$ 288	\$ 702		
Total		\$ 271	\$ 613	\$ 2,152	\$ 346	\$ 738	\$ 2,502		
Tuition Increase					\$ 5	\$ 15	\$ 60		
Differential Tuition Increase					\$ 20	\$ 60	\$ 240		
Fee Increase					\$ 50	\$ 50	\$ 50		
Total Increase					\$ 75	\$ 125	\$ 350		
Percent Change					27.68%	20.39%	16.26%		

#### (1) Detail of Mandatory Fees:

Mandatory fees consist of the fees that are assessed to all students. The College's mandatory fees are:

	Current			Proposed		
	1 Hr	3 Hrs	12 Hrs	1 Hr	3 Hrs	12 Hrs
Student Registration Fee	\$ 100	\$ 100	\$ 100	\$ 150	\$ 150	\$ 150
Information Technology Fee	\$ 30	\$ 90	\$ 360	\$ 30	\$ 90	\$ 360
Learning Support Fee	\$ 12	\$ 36	\$ 144	\$ 12	\$ 36	\$ 144
Student Activity Fee	\$ 4	\$ 12	\$ 48	\$ 4	\$ 12	\$ 48
	\$ 146	\$ 238	\$ 652	\$ 196	\$ 288	\$ 702

## Tuition, Fees, and Differential Tuition Current and Proposed 2019-2020 Analysis

*Examples of impact that proposed tuition, fees, and differential tuition will have on students at 1, 4 and 13 semester credit hours*

### Example #2: Chemistry

#### Proposed changes for FY 2019-2020:

- \* Tuition rate increase of \$5.00 per semester credit hour
- \* Increase differential tuition for Chemistry from from \$15.00 to \$20.00 per credit hour
- \* Change the Registration Fee from two rates based on payment date of \$100.00 and \$160.00 to one rate of \$150.00 per student per semester

Tuition and Differential Tuition									
	Rate	Current			Proposed				
		1 Hr	4 Hrs	13 Hrs	1 Hr	4 Hrs	13 Hrs		
Tuition	\$ 70	\$ 70	\$ 280	\$ 910	\$ 75	\$ 300	\$ 975		
Differential Tuition	\$ 15	\$ 15	\$ 60	\$ 195	\$ 20	\$ 80	\$ 260		
Total		\$ 85	\$ 340	\$ 1,105	\$ 95	\$ 380	\$ 1,235		
Tuition Increase					\$ 5	\$ 20	\$ 65		
Differential Tuition Increase					\$ 5	\$ 20	\$ 65		
Total Increase					\$ 10	\$ 40	\$ 130		
Percent Change					11.76%	11.76%	11.76%		

Tuition, Differential Tuition, and Mandatory Fees									
	Rate	Current			Proposed				
		1 Hr	4 Hrs	13 Hrs	1 Hr	4 Hrs	13 Hrs		
Tuition	\$ 70	\$ 70	\$ 280	\$ 910	\$ 75	\$ 300	\$ 975		
Differential Tuition	\$ 15	\$ 15	\$ 60	\$ 195	\$ 20	\$ 80	\$ 260		
Mandatory Fees (1)		\$ 146	\$ 284	\$ 698	\$ 196	\$ 334	\$ 748		
Total		\$ 231	\$ 624	\$ 1,803	\$ 291	\$ 714	\$ 1,983		
Tuition Increase					\$ 5	\$ 20	\$ 65		
Differential Tuition Increase					\$ 5	\$ 20	\$ 65		
Fee Increase					\$ 50	\$ 50	\$ 50		
Total Increase					\$ 60	\$ 90	\$ 180		
Percent Change					25.97%	14.42%	9.98%		

#### (1) Detail of Mandatory Fees:

Mandatory fees consist of the fees that are assessed to all students. The College's mandatory fees are:

	Current			Proposed		
	1 Hr	4 Hrs	13 Hrs	1 Hr	4 Hrs	13 Hrs
Student Registration Fee	\$ 100	\$ 100	\$ 100	\$ 150	\$ 150	\$ 150
Information Technology Fee	\$ 30	\$ 120	\$ 390	\$ 30	\$ 120	\$ 390
Learning Support Fee	\$ 12	\$ 48	\$ 156	\$ 12	\$ 48	\$ 156
Student Activity Fee	\$ 4	\$ 16	\$ 52	\$ 4	\$ 16	\$ 52
	\$ 146	\$ 284	\$ 698	\$ 196	\$ 334	\$ 748

### Tuition, Fees, and Differential Tuition Current and Proposed 2019-2020 Analysis

*Examples of impact that proposed tuition, fees, and differential tuition will have on students at 1, 4 and 12 semester credit hours*

#### Example #3: Computer Aided Drafting & Design

##### Proposed changes for FY 2019-2020:

- \* Tuition rate increase of \$5.00 per semester credit hour
- \* Increase differential tuition for Computer Aided Drafting & Design from from \$20.00 to \$30.00 per credit hour
- \* Change the Registration Fee from two rates based on payment date of \$100.00 and \$160.00 to one rate of \$150.00 per student per semester

Tuition and Differential Tuition									
	Rate	Current			Proposed				
		1 Hr	4 Hrs	12 Hrs	1 Hr	4 Hrs	12 Hrs		
Tuition	\$ 70	\$ 70	\$ 280	\$ 840	\$ 75	\$ 300	\$ 900		
Differential Tuition	\$ 20	\$ 20	\$ 80	\$ 240	\$ 30	\$ 120	\$ 360		
Total		\$ 90	\$ 360	\$ 1,080	\$ 105	\$ 420	\$ 1,260		
Tuition Increase					\$ 5	\$ 20	\$ 60		
Differential Tuition Increase					\$ 10	\$ 40	\$ 120		
Total Increase					\$ 15	\$ 60	\$ 180		
Percent Change					16.67%	16.67%	16.67%		

Tuition, Differential Tuition, and Mandatory Fees									
	Rate	Current			Proposed				
		1 Hr	4 Hrs	12 Hrs	1 Hr	4 Hrs	12 Hrs		
Tuition	\$ 70	\$ 70	\$ 280	\$ 840	\$ 75	\$ 300	\$ 900		
Differential Tuition	\$ 20	\$ 20	\$ 80	\$ 240	\$ 30	\$ 120	\$ 360		
Mandatory Fees (1)		\$ 146	\$ 284	\$ 652	\$ 196	\$ 334	\$ 702		
Total		\$ 236	\$ 644	\$ 1,732	\$ 301	\$ 754	\$ 1,962		
Tuition Increase					\$ 5	\$ 20	\$ 60		
Differential Tuition Increase					\$ 10	\$ 40	\$ 120		
Fee Increase					\$ 50	\$ 50	\$ 50		
Total Increase					\$ 65	\$ 110	\$ 230		
Percent Change					27.54%	17.08%	13.28%		

##### (1) Detail of Mandatory Fees:

Mandatory fees consist of the fees that are assessed to all students. The College's mandatory fees are:

	Current			Proposed		
	1 Hr	4 Hrs	12 Hrs	1 Hr	4 Hrs	12 Hrs
Student Registration Fee	\$ 100	\$ 100	\$ 100	\$ 150	\$ 150	\$ 150
Information Technology Fee	\$ 30	\$ 120	\$ 360	\$ 30	\$ 120	\$ 360
Learning Support Fee	\$ 12	\$ 48	\$ 144	\$ 12	\$ 48	\$ 144
Student Activity Fee	\$ 4	\$ 16	\$ 48	\$ 4	\$ 16	\$ 48
	\$ 146	\$ 284	\$ 652	\$ 196	\$ 334	\$ 702

**Summary of Proposed Base Expenditure Scenarios  
For Fiscal Year 2020**

**D**

**Expenditure Scenarios**

<b>Salaries &amp; Benefits</b>	<b>Additional Expenditures</b>	
1. Salaries-Student Direct Wage Pool	\$	200,000
2. Salaries-Increase hourly rate for direct wage employees from \$8 to \$9	\$	120,000
3. Benefits-Student Direct Wage Pool	\$	18,000
4. Benefits-Increase hourly rate for direct wage employees from \$8 to \$9	\$	10,800
<b>Operating</b>		
5. Operating expenditures for temporary agency staff	\$	600,000
6. Operating expenditures for information technology maintenance and other increased costs	\$	1,236,968

**Summary of Salary Adjustment Scenarios  
For Fiscal Year 2020**

**E**

**Expenditure Scenarios**

**Salaries & Benefits**

Salary increase options (Includes salary and benefits)	Additional Expenditures	
1%	\$	874,973
1.5%	\$	1,312,460
2%	\$	1,749,946
2.5%	\$	2,187,433
3%	\$	2,624,919



**South Texas College**  
**Summary of Revenues and Expenditures**  
FY 2019 Approved and FY 2020 Forecast

**F1**

Revenue: Projected State Appropriations Revenue Increase, Property Tax Revenue Increase, No Tuition Increases, No Differential Tuition Increases, and No Student Registration Fee Increase

Expenditures: Increase of 3.5% in Operating Budget, Increase in Student Direct Wage Pool, Increase in Direct Wage Hourly Rate and Temporary Personnel Pool

Summary of Revenues	FY 2019 Budget (Approved)	FY 2020 (Forecast)	Increase/ (Decrease)
<b>State Contact Hour Appropriation</b>			
Contact Hour	\$ 34,383,650	\$ 34,222,327	\$ (161,323)
Core Operations	680,406	680,406	-
Student Success	4,089,967	4,268,530	178,563
BAT	1,071,990	1,254,750	182,760
State Contact Hour Appropriation Subtotal	40,226,013	40,426,013	200,000
<b>Other State Appropriations</b>			
ORP	556,134	556,134	-
TRS	2,287,161	2,287,161	-
HEGI	5,481,778	5,536,596	54,818
Other State Appropriations Subtotal	8,325,073	8,379,891	54,818
<b>Total State Appropriations</b>	<b>48,551,086</b>	<b>48,805,904</b>	<b>254,818</b>
<b>Total Tuition</b>	<b>34,347,564</b>	<b>33,400,650</b>	<b>(946,914)</b>
<b>Total Fees</b>	<b>27,915,959</b>	<b>27,817,405</b>	<b>(98,554)</b>
<b>Total Other Revenues</b>	<b>7,870,236</b>	<b>7,870,236</b>	<b>-</b>
<b>Total M&amp;O Property Taxes</b>	<b>50,516,741</b>	<b>51,207,955</b>	<b>691,214</b>
<b>Total Carryover Allocations</b>	<b>7,404,510</b>	<b>7,404,510</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 176,606,096</b>	<b>\$ 176,506,660</b>	<b>\$ (99,436)</b>
<b>Summary of Expenditures</b>	<b>FY 2019 Budget (Approved)</b>	<b>FY 2020 (Forecast)</b>	<b>Increase/ (Decrease)</b>
<b>Total Salaries</b>	<b>\$ 101,465,780</b>	<b>\$ 101,785,780</b>	<b>\$ 320,000</b>
<b>Total Benefits</b>	<b>29,074,300</b>	<b>29,103,100</b>	<b>28,800</b>
<b>Total Operating</b>	<b>35,313,365</b>	<b>37,150,333</b>	<b>1,836,968</b>
<b>Total Travel</b>	<b>2,378,838</b>	<b>2,378,838</b>	<b>-</b>
<b>Total Capital Outlay</b>	<b>1,793,628</b>	<b>1,793,628</b>	<b>-</b>
<b>Total Expenditures</b>	<b>170,025,911</b>	<b>172,211,679</b>	<b>2,185,768</b>
<b>Transfers &amp; Reserves</b>			
Debt Service	395,200	-	(395,200)
Transfer to Unexpended Plant Fund	3,000,000	3,000,000	-
Transfer to Office of ITED	1,184,985	1,184,985	-
Contingency Fund	2,000,000	2,000,000	-
<b>Total Transfers &amp; Reserves</b>	<b>6,580,185</b>	<b>6,184,985</b>	<b>(395,200)</b>
<b>Total Expenditures, Transfers, &amp; Reserves</b>	<b>\$ 176,606,096</b>	<b>\$ 178,396,664</b>	<b>\$ 1,790,568</b>
<b>Revenues over Expenditures</b>	<b>\$ -</b>	<b>\$ (1,890,004)</b>	<b>\$ (1,890,004)</b>

**South Texas College**  
**Summary of Revenues and Expenditures**  
FY 2019 Approved and FY 2020 Forecast

**F2**

Revenue: Projected State Appropriations Revenue Increase, Property Tax Revenue Increase, In-District and Out-of-District Tuition Rate Increase of \$5.00, Registration Fee of \$150.00, No Differential Tuition Increases

Expenditures: Increase of 3.5% in Operating Budget, Increase in Student Direct Wage Pool, increase in Direct Wage Hourly Rate and Temporary Personnel Pool

Summary of Revenues	FY 2019 Budget (Approved)	FY 2020 (Forecast)	Increase/ (Decrease)
<b>State Contact Hour Appropriation</b>			
Contact Hour	\$ 34,383,650	\$ 34,222,327	\$ (161,323)
Core Operations	680,406	680,406	-
Student Success	4,089,967	4,268,530	178,563
BAT	1,071,990	1,254,750	182,760
State Contact Hour Appropriation Subtotal	40,226,013	40,426,013	200,000
<b>Other State Appropriations</b>			
ORP	556,134	556,134	-
TRS	2,287,161	2,287,161	-
HEGI	5,481,778	5,536,596	54,818
Other State Appropriations Subtotal	8,325,073	8,379,891	54,818
<b>Total State Appropriations</b>	<b>48,551,086</b>	<b>48,805,904</b>	<b>254,818</b>
<b>Total Tuition</b>	<b>34,347,564</b>	<b>35,221,635</b>	<b>874,071</b>
<b>Total Fees</b>	<b>27,915,959</b>	<b>29,287,985</b>	<b>1,372,026</b>
<b>Total Other Revenues</b>	<b>7,870,236</b>	<b>7,870,236</b>	<b>-</b>
<b>Total M&amp;O Property Taxes</b>	<b>50,516,741</b>	<b>51,207,955</b>	<b>691,214</b>
<b>Total Carryover Allocations</b>	<b>7,404,510</b>	<b>7,404,510</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 176,606,096</b>	<b>\$ 179,798,225</b>	<b>\$ 3,192,129</b>
<b>Summary of Expenditures</b>	<b>FY 2019 Budget (Approved)</b>	<b>FY 2020 (Forecast)</b>	<b>Increase/ (Decrease)</b>
<b>Total Salaries</b>	<b>\$ 101,465,780</b>	<b>\$ 101,785,780</b>	<b>\$ 320,000</b>
<b>Total Benefits</b>	<b>29,074,300</b>	<b>29,103,100</b>	<b>28,800</b>
<b>Total Operating</b>	<b>35,313,365</b>	<b>37,150,333</b>	<b>1,836,968</b>
<b>Total Travel</b>	<b>2,378,838</b>	<b>2,378,838</b>	<b>-</b>
<b>Total Capital Outlay</b>	<b>1,793,628</b>	<b>1,793,628</b>	<b>-</b>
<b>Total Expenditures</b>	<b>170,025,911</b>	<b>172,211,679</b>	<b>2,185,768</b>
<b>Transfers &amp; Reserves</b>			
Debt Service	395,200	-	(395,200)
Transfer to Unexpended Plant Fund	3,000,000	3,000,000	-
Transfer to Office of ITED	1,184,985	1,184,985	-
Contingency Fund	2,000,000	2,000,000	-
<b>Total Transfers &amp; Reserves</b>	<b>6,580,185</b>	<b>6,184,985</b>	<b>(395,200)</b>
<b>Total Expenditures, Transfers, &amp; Reserves</b>	<b>\$ 176,606,096</b>	<b>\$ 178,396,664</b>	<b>\$ 1,790,568</b>
<b>Revenues over Expenditures</b>	<b>\$ -</b>	<b>\$ 1,401,561</b>	<b>\$ 1,401,561</b>

**South Texas College**  
**Summary of Revenues and Expenditures**  
FY 2019 Approved and FY 2020 Forecast

**F3**

Revenue: Projected State Appropriations Revenue Increase, Property Tax Revenue Increase, In-District and Out-of-District Tuition Rate Increase of \$5.00, Differential Tuition Rate Increases, Registration Fee of \$150.00

Expenditures: Increase of 3.5% in Operating Budget, Increase in Student Direct Wage Pool, Increase in Direct Wage Hourly Rate and Temporary Personnel Pool

Summary of Revenues	FY 2019 Budget (Approved)	FY 2020 (Forecast)	Increase/ (Decrease)
<b>State Contact Hour Appropriation</b>			
Contact Hour	\$ 34,383,650	\$ 34,222,327	\$ (161,323)
Core Operations	680,406	680,406	-
Student Success	4,089,967	4,268,530	178,563
BAT	1,071,990	1,254,750	182,760
State Contact Hour Appropriation Subtotal	40,226,013	40,426,013	200,000
<b>Other State Appropriations</b>			
ORP	556,134	556,134	-
TRS	2,287,161	2,287,161	-
HEGI	5,481,778	5,536,596	54,818
Other State Appropriations Subtotal	8,325,073	8,379,891	54,818
<b>Total State Appropriations</b>	<b>48,551,086</b>	<b>48,805,904</b>	<b>254,818</b>
<b>Total Tuition</b>	<b>34,347,564</b>	<b>35,967,285</b>	<b>1,619,721</b>
<b>Total Fees</b>	<b>27,915,959</b>	<b>29,287,985</b>	<b>1,372,026</b>
<b>Total Other Revenues</b>	<b>7,870,236</b>	<b>7,870,236</b>	<b>-</b>
<b>Total M&amp;O Property Taxes</b>	<b>50,516,741</b>	<b>51,207,955</b>	<b>691,214</b>
<b>Total Carryover Allocations</b>	<b>7,404,510</b>	<b>7,404,510</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 176,606,096</b>	<b>\$ 180,543,875</b>	<b>\$ 3,937,779</b>
<b>Summary of Expenditures</b>	<b>FY 2019 Budget (Approved)</b>	<b>FY 2020 (Forecast)</b>	<b>Increase/ (Decrease)</b>
<b>Total Salaries</b>	<b>\$ 101,465,780</b>	<b>\$ 101,785,780</b>	<b>\$ 320,000</b>
<b>Total Benefits</b>	<b>29,074,300</b>	<b>29,103,100</b>	<b>28,800</b>
<b>Total Operating</b>	<b>35,313,365</b>	<b>37,150,333</b>	<b>1,836,968</b>
<b>Total Travel</b>	<b>2,378,838</b>	<b>2,378,838</b>	<b>-</b>
<b>Total Capital Outlay</b>	<b>1,793,628</b>	<b>1,793,628</b>	<b>-</b>
<b>Total Expenditures</b>	<b>170,025,911</b>	<b>172,211,679</b>	<b>2,185,768</b>
<b>Transfers &amp; Reserves</b>			
Debt Service	395,200	-	(395,200)
Transfer to Unexpended Plant Fund	3,000,000	3,000,000	-
Transfer to Office of ITED	1,184,985	1,184,985	-
Contingency Fund	2,000,000	2,000,000	-
<b>Total Transfers &amp; Reserves</b>	<b>6,580,185</b>	<b>6,184,985</b>	<b>(395,200)</b>
<b>Total Expenditures, Transfers, &amp; Reserves</b>	<b>\$ 176,606,096</b>	<b>\$ 178,396,664</b>	<b>\$ 1,790,568</b>
<b>Revenues over Expenditures</b>	<b>\$ -</b>	<b>\$ 2,147,211</b>	<b>\$ 2,147,211</b>

### **Discussion and Action as Necessary on Terra-Gen Development Company, LLC, Tax Abatement Applications**

Approval of the Terra-Gen Development Company, LLC, Tax Abatement Applications will be requested at the March 26, 2019 Board meeting.

Purpose – Terra-Gen Development Company, LLC, has submitted four (4) applications for tax abatements for their wind powered electric generating facilities in Hidalgo County, Starr County, and Cameron County. Approval of the tax abatement applications is needed in order for the College to participate in a tax abatement agreement with a wind power renewable energy company.

Justification – Property Tax Code Chapter 312 authorizes a taxing unit to enter into a tax abatement agreement in order to offer a temporary real property and/or tangible personal property tax abatement for a limited period of time as an inducement for financial investment in the development or redevelopment of certain taxable property. The property tax code requires that a taxing unit establish guidelines and criteria governing tax abatement agreements and approve a resolution to allow the College to participate in tax abatements.

Background – The Board of Trustees adopted the current guidelines and criteria, and resolution electing to participate in Tax Abatement Agreements on November 28, 2017. The College's Guidelines and Criteria for Granting Tax Abatements are effective for a two-year period from the adoption date. The current New Capital Investment minimum threshold is \$200 million.

The Board of Trustees approved the Mesteño Windpower, LLC tax abatement on October 30, 2018. The tax agreement with Mesteño Windpower, LLC included a 75% abatement of taxes with an estimated project value of \$159,800,000, an up-front scholarship payment in the amount of \$50,000, and Annual Payments in Lieu of Taxes in the amount of \$25,805 for ten (10) years.

Terra-Gen Development Company, LLC, is the exclusive developer of four (4) projects: Buenos Aires Windpower, LLC, Monte Cristo Windpower, LLC, La Joya Windpower, LLC and West Willacy Windpower, LLC (Monte Alto). Terra-Gen Development Company, LLC has submitted tax abatement applications for each of the projects.

The improvements for Buenos Aires Windpower, LLC and Monte Cristo Windpower, LLC will consist of proposed wind power generation facilities, expected to be comprised of 201 megawatts of nameplate capacity located in Hidalgo County. Each project will begin construction no later than the 2<sup>nd</sup> quarter of 2020 and it is currently anticipated that construction will be completed by the 3<sup>rd</sup> quarter of 2021. The improvements are expected to have an estimated value of approximately \$223,388,000 each, although the actual value will be determined by an appraisal from the Hidalgo County Appraisal District.

The improvements for Buenos Aires Windpower, LLC and Monte Cristo Windpower, LLC are expected to include approximately 88 wind turbines; 82 with a nameplate capacity of 2.2 megawatts and 6 with a nameplate capacity of 3.45 megawatts, although the exact number

may vary substantially depending on factors such as the type of turbines used and site wind characteristics.

The improvements for La Joya Windpower, LLC, will consist of a proposed wind power generation facility located in Hidalgo and Starr Counties, expected to be comprised of 210 megawatts of power of which 203 megawatts of the proposed wind power generation facility will be located in Hidalgo County. Construction will begin no later than 4<sup>th</sup> quarter of 2019 and it is currently anticipated that construction will be completed by the 4<sup>th</sup> quarter of 2020. The improvements are expected to have an estimated value of approximately \$223,388,000 although the actual value will be determined by an appraisal from the Hidalgo County and Starr County Appraisal Districts.

The improvements for La Joya Windpower, LLC are expected to include approximately 90 wind turbines; 83 with a nameplate capacity of 2.2 megawatts and 7 with a nameplate capacity of 3.45 megawatts, although the exact number may vary substantially depending on factors such as the type of turbines used and site wind characteristics.

The improvements for West Willacy Windpower, LLC (Monte Alto), will consist of a proposed wind power generation facility located in Hidalgo and Cameron Counties, expected to be comprised of 201 megawatts of power of which 143 megawatts of nameplate capacity will be located in Hidalgo County. Construction will begin no later than 4<sup>th</sup> quarter of 2019 and it is currently anticipated that construction will be completed by the 4<sup>th</sup> quarter of 2020. The improvements are expected to have an estimated total value of approximately \$223,388,000 of which approximately \$175,000,000 will be in Hidalgo County and approximately \$48,388,000 will be in Cameron County. The actual value of the improvements will be determined by an appraisal from the Hidalgo County and Cameron County Appraisal Districts.

The improvements for West Willacy Windpower, LLC (Monte Alto) are expected to include approximately 61 wind turbines; 54 with a nameplate capacity of 2.2 megawatts and 7 with a nameplate capacity of 3.45 megawatts, although the exact number may vary substantially depending on factors such as the type of turbines used and site wind characteristics.

The West Willacy Windpower, LLC (Monte Alto) New Capital Investment of \$175 million in Hidalgo County does not meet the estimated New Capital Investment minimum threshold of \$200 million per the College's Guidelines and Criteria for Granting Tax Abatements. Approval for an exception to the College's guidelines is required from the Board of Trustees because the estimated value of the proposed tax abatement project is below the minimum threshold.

Proceeding with the approval of the applications for the proposed tax abatements for the Terra-Gen Development Company, LLC projects would allow College staff to move forward with getting additional information such as the tax abatement agreements and tax abatement resolutions for Board of Trustees approval in April.

Mr. Tyler Pierce, Associate Developer for Terra-Gen Development Company LLC and Robert Pena, Local Developer/Consultant – President of Texas Energy will be present at the Committee meeting to discuss their proposal and answer any questions.

Reviewers – Mr. Jesus Ramirez, South Texas College's Legal Counsel, and Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, have reviewed this item and will discuss and provide additional information and address questions by the Committee as needed.

Enclosed Documents – The Terra-Gen Development Company Presentation, the Estimated Market and Taxable Value spreadsheets prepared by Terra-Gen Development Company, LLC, and the four (4) tax abatement applications follow in the packet for the Committee's information and review.

It is requested that the Finance, Audit, and Human Resources committee recommend for Board feedback and approval at the March 26, 2019 Board meeting, the Terra-Gen Development Company, LLC, Tax Abatement Applications, as presented.



## South Texas College:

Hidalgo County  
Terra-Gen Wind Projects

February, 2019



## Terra-Gen, LLC

**Terra-Gen (TG) is a renewable energy company focused on developing, owning and operating utility-scale wind, solar, geothermal generation and energy storage.**

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**Private equity backed by Energy Capital Partners (ECP), who has *raised over \$13 Billion* in commitments focused on North America's energy infrastructure.**

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**TG owns 1,051 MWs (net) and operates 2,000 MWs of renewable generating capacity across 25 facilities; *TG developed/constructed the world's largest onshore windfarm.***

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**TG creates successful projects by identifying and developing premium project sites, investing in local relationships, and constructing and operating top notch facilities.**

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**TG qualified (Safe Harbored) 1,600 MW of future wind projects for the Federal Production Investment Tax Credit by pre-purchasing wind turbine equipment.**

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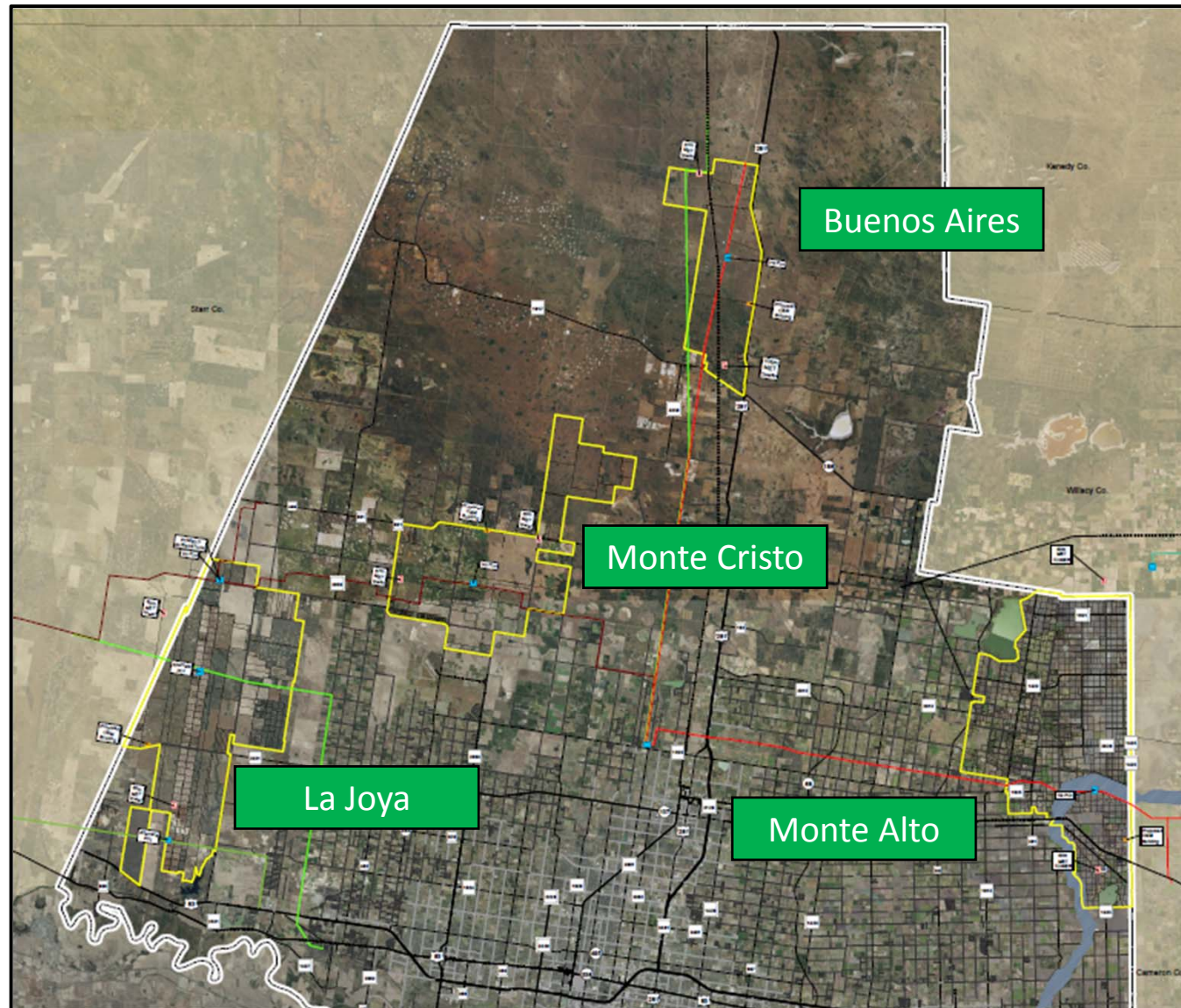
**U.S. based, owned and operated.**



## South Texas Project Areas – 800 MW



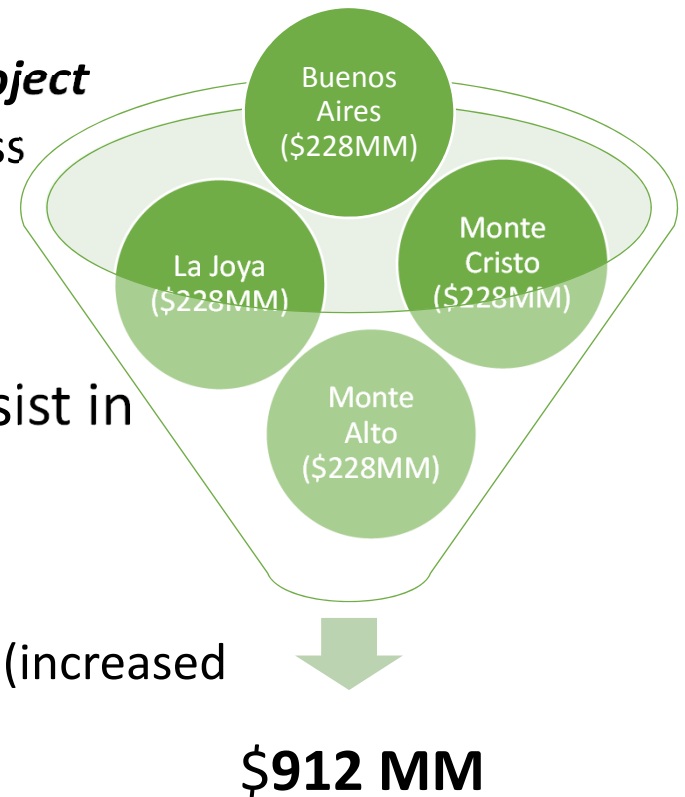
- 25 miles,  
North to  
South
- 35 miles,  
West to East
- Approx.  
55,000 acres  
to date



## Objective – Wind Project Tax Abatement

- Single **largest** investment in Hidalgo County

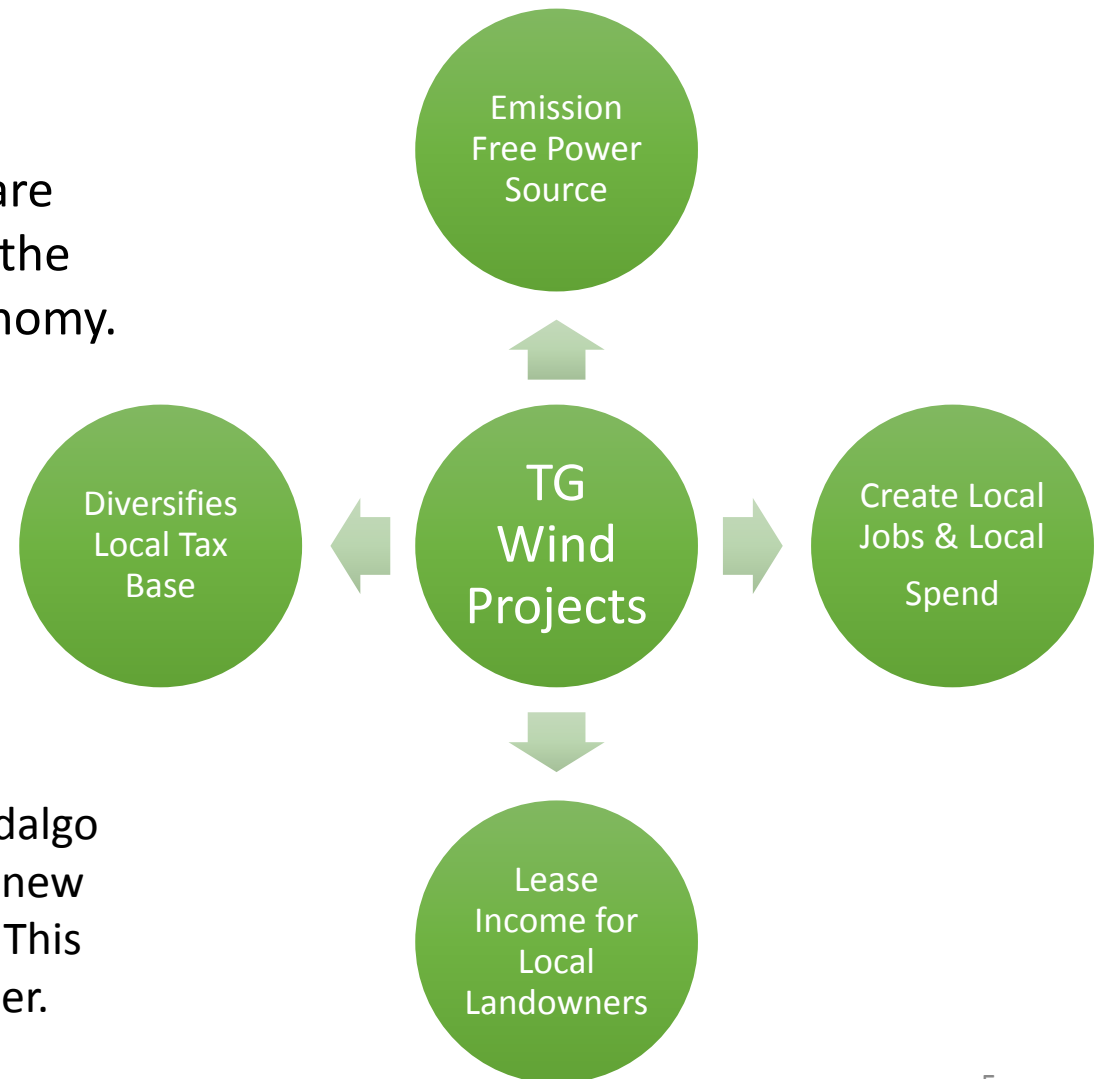
- Approximately \$228 million in capital, ***per project***
- **\$912 million** in total capital investment, across all four sites



- Securing the Abatement will insure and assist in project financing
- Low power prices and high construction costs (increased demand) **require property tax assistance** to improve our ability to finance the project.

## Value for Hidalgo County

- Terra-Gen wind projects are valuable for landowners, the County and the local economy.



- By investing in local wind, Hidalgo County will be creating jobs, new services and a new tax base. This creates an economic multiplier.



## Prior Success in Texas

**Los Vientos Wind Projects** - \$1.28 Billion invested in Willacy & Starr Counties (2012-2016).

- ***Terra-Gen recruited the Team that developed the largest wind project in Texas to date.***

59

### South Texas Team

Milt Howard, Lead Developer

Vice President of Development, Terra-Gen

Tyler Pierce, Developer

Associate Developer, Terra-Gen

Robert Peña, Local Developer/Consultant

President of Texas Energy



# South Texas Projects Summary

## **Land Control**

- 30+ land owners
- Long term leases
- Over 85,000 acres currently leased

## **Wind Data**

- On peak wind resource
- 9 met towers & 2 sodar units
- 19 months of site specific data

## **Environmental/Permitting**

- USFWS - Habitat Assessments and Avian Point Counts
- US COE - Waters of the US Assessment
- Submitted FAA applications

## **Interconnection**

- Full Interconnection Study (FIS) Executed
- AEP 345kV & 138kV
- ETT 138kV
- LCRA 138kV

## **Turbine Technology**

- Vestas, GE, Nordex and or Acciona

## Project Details

### **Turbine Type(s)**

- Vestas V120 2.2 MW, V112 3.45 MW
- GE 127 2.5 MW, GE 127 2.3 MW
- Nordex 149, 4.5 MW
- Acciona 132, 3.465 MW

### **Met Towers**

- 9 meteorological towers over four project areas

### **Electrical Infrastructure**

- 4 x 345 kV project substations
- 8 power collection circuits per project, with total combined length of approximately 180 miles of underground lines

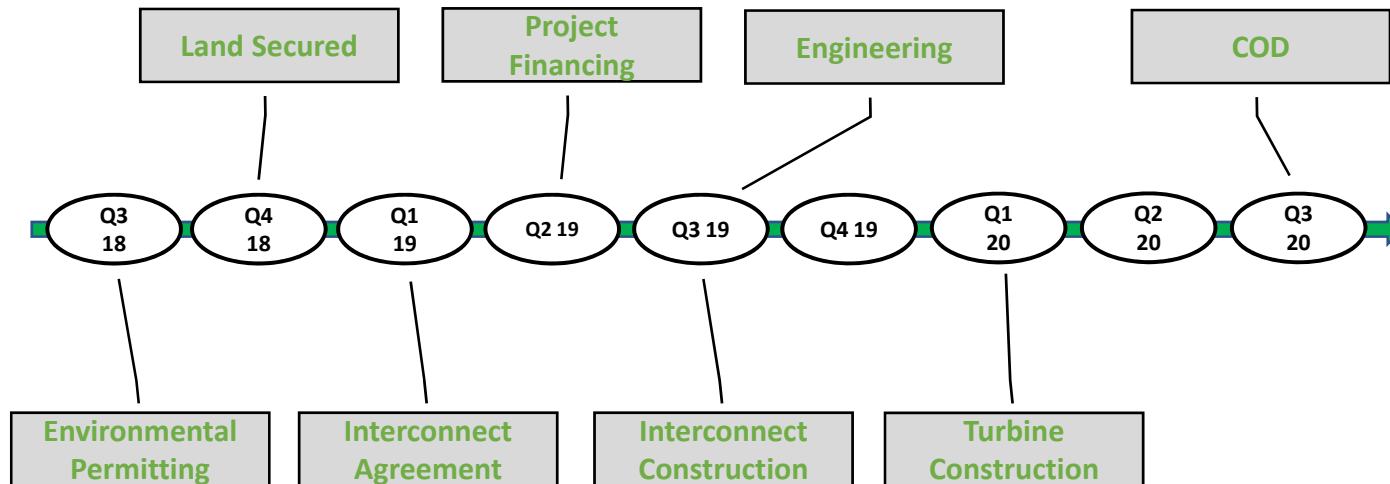
### **Jobs**

- Creation of 150 to 200 construction jobs, per project
- 8 to 10 full-time O&M jobs during operations, per project with an average starting salary of \$40,150 per job.

# Development Schedule



***We are on schedule for a Commercial Operations Date (COD) of Q2 2020 for 400 MW and the remaining 400 MW by Q4 2020.***





Questions?

Thank you!





**Estimated Market And Taxable Value (of Qualified Property Only)**

**Date** 2/28/2019  
**Applicant Name** TERRA GEN WIND - Buenos Aires Wind Project  
Hidalgo County

	Year	Tax Year	Project Cost/Investment Amount	Trend Factor	% Good Factor	Qualified Property				
						Estimated Total Market Value of ALL tangible property, turbines, project improvements, etc.	South Texas College I&S Tax @ Rate of 0.038/100	South Texas College M&O Tax @ Rate of 0.1400/100	Abatement Factor	South Texas College M&O Tax @ 80% Abatemet
Investment/Construction Period	1 2	2020 2021	235,145,300			235,145,300				
Abatement Period	1	2022	235,145,300	1.00	0.95	223,388,035	\$ 84,887.45	\$ 312,743.25	0.20	\$ 62,548.65
	2	2023	235,145,300	1.03	0.90	217,979,693	\$ 82,832.28	\$ 305,171.57	0.20	\$ 61,034.31
	3	2024	235,145,300	1.03	0.85	205,869,710	\$ 78,230.49	\$ 288,217.59	0.20	\$ 57,643.52
	4	2025	235,145,300	1.06	0.80	199,403,214	\$ 75,773.22	\$ 279,164.50	0.20	\$ 55,832.90
	5	2026	235,145,300	1.08	0.75	190,467,693	\$ 72,377.72	\$ 266,654.77	0.20	\$ 53,330.95
	6	2027	235,145,300	1.14	0.70	187,645,949	\$ 71,305.46	\$ 262,704.33	0.20	\$ 52,540.87
	7	2028	235,145,300	1.19	0.65	181,884,890	\$ 69,116.26	\$ 254,638.85	0.20	\$ 50,927.77
	8	2029	235,145,300	1.21	0.60	170,715,488	\$ 64,871.89	\$ 239,001.68	0.20	\$ 47,800.34
	9	2030	235,145,300	1.23	0.55	159,075,795	\$ 60,448.80	\$ 222,706.11	0.20	\$ 44,541.22
	10	2031	235,145,300	1.25	0.50	146,965,813	\$ 55,847.01	\$ 205,752.14	0.20	\$ 41,150.43
Maintain viable presence	11	2032	235,145,300	1.29	0.45	136,501,847	\$ 51,870.70	\$ 191,102.59	1.00	\$ 191,102.59
	12	2033	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	13	2034	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	14	2035	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	15	2036	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
Additional years - 25 Year economic impact	16	2037	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	17	2038	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	18	2039	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
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	23	2044	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	24	2045	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	25	2046	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
<b>TOTAL TAXES</b>										
						<b>Total Tax Paid</b>	<b>\$ 1,510,639.25</b>	<b>\$ 5,565,513.02</b>		<b>\$3,456,109.18</b>

**Estimated Market And Taxable Value (of Qualified Property Only)**

Date **2/28/2019**  
 Applicant Name **TERRA GEN WIND - Monte Cristo Wind Project**  
**Hidalgo County**

	Year	Tax Year	Project Cost/Investment Amount	Trend Factor	% Good Factor	Qualified Property				
						Estimated Total Market Value of ALL tangible property, turbines, project improvements, etc.	South Texas College I&S Tax @ Rate of 0.038/100	South Texas College M&O Tax @ Rate of 0.1400/100	Abatement Factor	South Texas College M&O Tax @ 80% Abatemet
Investment/Construction Period	1 2	2020 2021	235,145,300			235,145,300				
Abatement Period	1	2022	235,145,300	1.00	0.95	223,388,035	\$ 84,887.45	\$ 312,743.25	0.20	\$ 62,548.65
	2	2023	235,145,300	1.03	0.90	217,979,693	\$ 82,832.28	\$ 305,171.57	0.20	\$ 61,034.31
	3	2024	235,145,300	1.03	0.85	205,869,710	\$ 78,230.49	\$ 288,217.59	0.20	\$ 57,643.52
	4	2025	235,145,300	1.06	0.80	199,403,214	\$ 75,773.22	\$ 279,164.50	0.20	\$ 55,832.90
	5	2026	235,145,300	1.08	0.75	190,467,693	\$ 72,377.72	\$ 266,654.77	0.20	\$ 53,330.95
	6	2027	235,145,300	1.14	0.70	187,645,949	\$ 71,305.46	\$ 262,704.33	0.20	\$ 52,540.87
	7	2028	235,145,300	1.19	0.65	181,884,890	\$ 69,116.26	\$ 254,638.85	0.20	\$ 50,927.77
	8	2029	235,145,300	1.21	0.60	170,715,488	\$ 64,871.89	\$ 239,001.68	0.20	\$ 47,800.34
	9	2030	235,145,300	1.23	0.55	159,075,795	\$ 60,448.80	\$ 222,706.11	0.20	\$ 44,541.22
	10	2031	235,145,300	1.25	0.50	146,965,813	\$ 55,847.01	\$ 205,752.14	0.20	\$ 41,150.43
Maintain viable presence	11	2032	235,145,300	1.29	0.45	136,501,847	\$ 51,870.70	\$ 191,102.59	1.00	\$ 191,102.59
	12	2033	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
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	22	2043	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	23	2044	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	24	2045	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	25	2046	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
<b>TOTAL TAXES</b>										
						<b>Total Tax Paid</b>	<b>\$ 1,510,639.25</b>	<b>\$ 5,565,513.02</b>		<b>\$3,456,109.18</b>

**Estimated Market And Taxable Value (of Qualified Property Only)**

Date **2/28/2019**  
 Applicant Name **TERRA GEN WIND - La Joya Wind Project**  
**Hidalgo County**

	Year	Tax Year	Project Cost/Investment Amount	Trend Factor	% Good Factor	Qualified Property				
						Estimated Total Market Value of ALL tangible property, turbines, project improvements, etc.	South Texas College I&S Tax @ Rate of 0.038/100	South Texas College M&O Tax @ Rate of 0.1400/100	Abatement Factor	South Texas College M&O Tax @ 80% Abatemet
Investment/Construction Period	1 2	2019 2020	235,145,300			235,145,300				
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	3	2023	235,145,300	1.03	0.85	205,869,710	\$ 78,230.49	\$ 288,217.59	0.20	\$ 57,643.52
	4	2024	235,145,300	1.06	0.80	199,403,214	\$ 75,773.22	\$ 279,164.50	0.20	\$ 55,832.90
	5	2025	235,145,300	1.08	0.75	190,467,693	\$ 72,377.72	\$ 266,654.77	0.20	\$ 53,330.95
	6	2026	235,145,300	1.14	0.70	187,645,949	\$ 71,305.46	\$ 262,704.33	0.20	\$ 52,540.87
	7	2027	235,145,300	1.19	0.65	181,884,890	\$ 69,116.26	\$ 254,638.85	0.20	\$ 50,927.77
	8	2028	235,145,300	1.21	0.60	170,715,488	\$ 64,871.89	\$ 239,001.68	0.20	\$ 47,800.34
	9	2029	235,145,300	1.23	0.55	159,075,795	\$ 60,448.80	\$ 222,706.11	0.20	\$ 44,541.22
	10	2030	235,145,300	1.25	0.50	146,965,813	\$ 55,847.01	\$ 205,752.14	0.20	\$ 41,150.43
Maintain viable presence	11	2031	235,145,300	1.29	0.45	136,501,847	\$ 51,870.70	\$ 191,102.59	1.00	\$ 191,102.59
	12	2032	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	13	2033	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	14	2034	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	15	2035	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
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	17	2037	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	18	2038	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	19	2039	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	20	2040	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	21	2041	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	22	2042	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	23	2043	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	24	2044	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
	25	2045	235,145,300	1.32	0.45	139,676,308	\$ 53,077.00	\$ 195,546.83	1.00	\$ 195,546.83
<b>TOTAL TAXES</b>										
						<b>Total Tax Paid</b>	<b>\$ 1,510,639.25</b>	<b>\$ 5,565,513.02</b>		<b>\$3,456,109.18</b>

**Estimated Market And Taxable Value (of Qualified Property Only)**

Date **2/28/2019**  
 Applicant Name **TERRA GEN WIND - Monte Alto Wind Project**  
**Hidalgo County**

	Year	Tax Year	Project Cost/Investment Amount	Trend Factor	% Good Factor	Qualified Property				
						Estimated Total Market Value of ALL tangible property, turbines, project improvements, etc.	South Texas College I&S Tax @ Rate of 0.038/100	South Texas College M&O Tax @ Rate of 0.1400/100	Abatement Factor	South Texas College M&O Tax @ 80% Abatemet
Investment/Construction Period	1 2	2019 2020	184,211,000			184,211,000				
Abatement Period	1	2021	184,211,000	1.00	0.95	175,000,450	\$ 66,500.17	\$ 245,000.63	0.20	\$ 49,000.13
	2	2022	184,211,000	1.03	0.90	170,763,597	\$ 64,890.17	\$ 239,069.04	0.20	\$ 47,813.81
	3	2023	184,211,000	1.03	0.85	161,276,731	\$ 61,285.16	\$ 225,787.42	0.20	\$ 45,157.48
	4	2024	184,211,000	1.06	0.80	156,210,928	\$ 59,360.15	\$ 218,695.30	0.20	\$ 43,739.06
	5	2025	184,211,000	1.08	0.75	149,210,910	\$ 56,700.15	\$ 208,895.27	0.20	\$ 41,779.05
	6	2026	184,211,000	1.14	0.70	147,000,378	\$ 55,860.14	\$ 205,800.53	0.20	\$ 41,160.11
	7	2027	184,211,000	1.19	0.65	142,487,209	\$ 54,145.14	\$ 199,482.09	0.20	\$ 39,896.42
	8	2028	184,211,000	1.21	0.60	133,737,186	\$ 50,820.13	\$ 187,232.06	0.20	\$ 37,446.41
	9	2029	184,211,000	1.23	0.55	124,618,742	\$ 47,355.12	\$ 174,466.24	0.20	\$ 34,893.25
	10	2030	184,211,000	1.25	0.50	115,131,875	\$ 43,750.11	\$ 161,184.63	0.20	\$ 32,236.93
Maintain viable presence	11	2031	184,211,000	1.29	0.45	106,934,486	\$ 40,635.10	\$ 149,708.28	1.00	\$ 149,708.28
	12	2032	184,211,000	1.32	0.45	109,421,334	\$ 41,580.11	\$ 153,189.87	1.00	\$ 153,189.87
	13	2033	184,211,000	1.32	0.45	109,421,334	\$ 41,580.11	\$ 153,189.87	1.00	\$ 153,189.87
	14	2034	184,211,000	1.32	0.45	109,421,334	\$ 41,580.11	\$ 153,189.87	1.00	\$ 153,189.87
	15	2035	184,211,000	1.32	0.45	109,421,334	\$ 41,580.11	\$ 153,189.87	1.00	\$ 153,189.87
Additional years - 25 Year economic impact	16	2036	184,211,000	1.32	0.45	109,421,334	\$ 41,580.11	\$ 153,189.87	1.00	\$ 153,189.87
	17	2037	184,211,000	1.32	0.45	109,421,334	\$ 41,580.11	\$ 153,189.87	1.00	\$ 153,189.87
	18	2038	184,211,000	1.32	0.45	109,421,334	\$ 41,580.11	\$ 153,189.87	1.00	\$ 153,189.87
	19	2039	184,211,000	1.32	0.45	109,421,334	\$ 41,580.11	\$ 153,189.87	1.00	\$ 153,189.87
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	23	2043	184,211,000	1.32	0.45	109,421,334	\$ 41,580.11	\$ 153,189.87	1.00	\$ 153,189.87
	24	2044	184,211,000	1.32	0.45	109,421,334	\$ 41,580.11	\$ 153,189.87	1.00	\$ 153,189.87
	25	2045	184,211,000	1.32	0.45	109,421,334	\$ 41,580.11	\$ 153,189.87	1.00	\$ 153,189.87
<b>TOTAL TAXES</b>										
						<b>Total Tax Paid \$ 1,183,423.04</b>		<b>\$ 4,359,979.63</b>		<b>\$ 2,707,489.07</b>

# Application for Chapter 312 Tax Abatement Agreement by Buenos Aires Windpower, LLC



Submitted by:

Terra-Gen, LLC



## February 28, 2019 SCHEDULE I

### “Buy Local” Annual Reports

The following information shall be reported to the College on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials\* (local): \$500,000
2. Dollar amount spent for materials\* (total): \$500,000
3. Dollar amount spent for labor\*\* (local): \$325,000
4. Dollar amount spent for labor\*\* (total): \$325,000
5. Number of jobs created in the construction of the Facility (local): 150 FTE's
6. Number of jobs created in the construction of the Facility (total): 200 FTEs
7. Number of jobs created on a permanent basis (local): 8 per site
8. Number of jobs created on a permanent basis (total): 8 per site

\* The term “materials” is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

\*\* The term “labor” is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the design of the Facility.

The term “local” as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either Hidalgo County or Starr County.

## **SCHEDULE II**

### **ADDITIONAL INFORMATION REQUIRED OF APPLICANT FOR TAX ABATEMENT**

#### **Section 1. Eligibility Criteria**

1. To be eligible for consideration by College for a tax abatement under these Guidelines, an Owner of the Facility must meet or exceed all of the criteria described below:
  - The Facility must be one that will generate renewable energy;
  - The minimum amount of new real and/or personal property capital investment shall exceed \$200 million (at start of project or by year 2017);
  - Shall exceed minimum levels of full-time job creation;
  - Provide employee and dependent access to health care benefits;
  - Provide a minimum living and all-industry wage requirements for new and existing employees at project site;

Terra-Gen Development Company, LLC, ("Terra-Gen") is the exclusive developer of Buenos Aires, Monte Cristo, La Joya & Monte Alto Windpower projects (The Projects). Each aforementioned entity is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. Terra-Gen is in the business of initiating, developing, producing and owning and operating electricity from renewable energy projects including wind, solar, and geothermal. Each project is anticipating total capital costs of \$223,388,000. However, it is anticipated that \$175,000,000 of capital costs for Monte Alto will be located within Hidalgo County and South Texas College boundaries. The Projects are expected to have a total investment of \$845,164,000 within Hidalgo County, all of which falls within the South Texas College boundaries. The Projects will be providing 200 construction jobs for Hidalgo County residents and 8 permanent operations jobs which include: wind turbine technicians, electrical engineers and other management positions with a starting salary of \$40,154.40 with access to employee/dependent health care benefits.

#### **Section 2. Amount and Terms of Tax Abatement Subject to Additional Commitments**

- 2.1 The amount and term of the tax abatement offered will be dependent upon the Owner's commitment to exceed the minimum eligibility criteria, consideration of other public incentives offered for the same project and the overall benefit to the College and the community.
- 2.2 What resources will the Owner commit to, of the following:
  - (a) Sponsorship of scientific events, teacher research grants to the College; materials

and equipment, teaching materials to the College; R&D collaboration with local college;

- (b) Total number of jobs created and maintained in the area;
- (c) Number of high-wage jobs.

Terra Gen, LLC is committed to the continuing education of local workforce and employees through local scholarship and or student support services.

Each Project will maintain 8 permanent jobs for the project for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay

### Section 3. Wage Requirements

Companies receiving a tax abatement from the College must meet certain minimum wage requirements for all new and existing (i.e., retained) jobs at the project site.

- 3.1 Living Hourly Wage Requirement: In order to be eligible for a tax abatement, one hundred percent (100%) of the company’s new and existing employees ***at the project location*** must earn no less than a “living wage” throughout the full term of the Tax Abatement Agreement. This wage is based on the poverty level for a family of four, as determined annually (January) by the U.S. Department of Health and Human Services (HHS). As of January 22, 2015, the living wage requirement is \$11.66 per hour.
- 3.2 All Industries Median Hourly Wage Requirement: In addition to the “Living Wage” requirement, after one year of initiating full operations at the project location, but not more than two years after execution of the Tax Abatement Agreement with the College, at least seventy percent (70%) of all new and existing employees, with at least one year of full employment with the company at the project location, must earn a cash wage at or exceeding the annual Edinburg, Pharr McAllen Metropolitan Statistical Area (MSA) Median Hourly Wage for All Industries (Companies) for the most recent year available. This wage is compiled by the Bureau of Labor Statistics (BLS) Occupational Employment Survey and published annually by the Texas Workforce Commission (TWC). This wage is updated annually, and for 2014 the current applicable wage is \$11.32 per hour.

High-Wage Jobs: High-wage jobs are either: (I) Qualified professional jobs reported in high-wage industries (e.g., advanced business services, aerospace, life sciences, renewable energy, high-tech/IT); or (2) Jobs for which earnings are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017).

- 3.3 If the company does not meet and maintain these wage requirements for all new and



existing employees at the project location, the company will be in default of its Tax Abatement Agreement, which could result in termination of the Agreement and the recapture of all or a portion of the previously abated property taxes.

The Projects are committed to creating 8 permanent jobs each for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay.

#### **Section 4. Targeted and Qualifying Industries/Business Activities or Project team**

The majority of the company’s business at the project location must be engaged in one of the following qualifying industries, business activities, or Project team:

Targeted Industries:

- Energy

Each special purpose entity is an entity created for the sole purpose of interconnecting 200-240 Megawatts (“MW”) of renewable energy into the ERCOT market.

#### **Section 5. Local Assessment: County and Community:**

- 5.1 Describe how has the company’s plan been prepared in consultation with the local community, property owners and local political leaders?
  - (a) Local Community:  
The projects are located in rural portions of Hidalgo Co & do not have immediate impact on local communities other than the acquisition of goods & services, and employment.
  - (b) Property Owners:  
During leasing and prior to construction Terra-Gen has consulted with each individual landowner to ensure the development meets the desired goals of each party.
  - (c) Local Political Leaders:  
The projects have been introduced to Hidalgo County leadership and have already sought the guidance of County’s permitting office, fire marshal, and drainage/irrigation entities.
- 5.2 Identify the local, state and federal bodies that have jurisdiction over the design, construction, licensing, regulation and operation of the Facility and here any public records of review of the Facility may be accessed by the College and the public:
  - (a) Local: Hidalgo County Permit, Fire Marshall, Solid Waste, Irrigation/Drainage Offices.
  - (b) State: TCEQ, Tx Parks & Wildlife, State Comptroller
  - (c) Federal: Federal Aviation Admin (FAA), U.S. Fish & Wildlife
- 5.3 Outline what processes, if any, were followed for community consultation for the Facility’s development.  
Per requirements of Hidalgo County permitting office, Terra Gen will be applying for County

Permit for construction of the wind farm at each location. At their request, each permit will be routed for approval to the County's fire marshal, solid waste and irrigation/drainage districts.

- 5.4 Is there an Environmental Impact Statement and Clearance required for the Facility? If so, identify where any public records of environmental review may be assessed by the College and members of the public.

Neither an EIS or Clearance is required for the wind farm facilities by any state or federal regulatory agency.

- 5.5 If the Facility is a wind farm, did the assessment of the Facility by any governmental agency measure and assess potential environmental noise impacts from wind turbines? If so, please provide copies of any records with the Application.

To date, there have been no requirements or requests by any governmental agency for the assessment of environmental noise impacts.

- 5.6 Identify the Texas agency, if any, which has on-going regulatory authority over the Facility. Describe any approval process which has taken place in connection with locating the Facility.

There is no state regulatory agency currently required to oversee or monitor the wind farm projects.

- 5.7 Please state whether any of the following were considered in the assessment and location of wind turbines, and if so, how any negative impacts have/or will be addressed:

- landscape and visual amenity:
- noise impacts (have noise guidelines been developed to assess regulate noise):
- health issues (what health issues, if any, have been identified and what guidelines or policies have been adopted to address potential health impacts, if any:
- economic issues, including potential impacts on property values:
- ecological issues, including potential impacts on threatened species:
- decommissioning and rehabilitation:

Terra Gen, LLC as developer of the projects will rely on the review of the applicable County and State agencies with regulatory responsibility over the compatibility of the Facility site(s) with the surrounding uses, to include aviation, noise impacts, visual amenity and ecological issues.

## **Section 6. Life of Facility and Decommissioning**

Include life projections for the Facility, depreciation schedules for income tax purposes and the decommissioning plan. State if the Owner on the Application is a "pass-through" owner or intends to assign its interest in the Facility and the Abatement Agreement, include proposed contractual

language that obligates Owner and any future assignee to comply with the decommissioning plan. To assure the College that the Owner, or Owner's assignee, will perform the decommissioning plan, what financial security, bond or enforceable pledge does the Owner proposed.

The wind turbine generators that will make up the Projects have an estimated life expectancy of 25 years. In the signed leases with the landowners, Terra-Gen has included a Removal Bond to assure each land owner that when the project is decommissioned, each and every turbine, foundation & infrastructure will be removed from their location. The leases with the land owner do allow for Terra-Gen to assign its interests to an interested party, however the lease also obligates the interested party to comply with all aspects of the lease including the removal bond, term of lease, and payments structures to the land owner.

### **Section 7. Noise Auditing and compliance:**

Has applicant developed a plan or procedure to undertake compliance monitoring and auditing. If so, please describe and submit relevant documents.

- Does Owner propose to maintain noise monitoring facilities? Will Special audible characteristics such as excessive amplitude modulation (including the van den Berg effect) together with cumulative impacts be considered?
- What noise standards and reporting of noise records have been developed? Does Owner propose to prepare and submit a noise compliance report on a regular basis? If so, to whom? Will Owner make noise compliance reports publicly available?

At this time there are no state or federal regulatory compliance regulations that require the developer to maintain noise monitoring facilities.

## EXHIBIT A

### Application for Tax Abatement South Texas College

Please submit the answers to the following questions and attach any additional pages as needed. Please complete and attach to the application along with completed Schedules I and II.

#### **Part I. Applicant Information**

**Application Date:** 02/12/2019

Applicant Name: Buenos Aires Windpower, LLC

Applicant's address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Applicant's phone number: 858-764-3754

Applicant's organization: Terra-Gen, LLC

Type of Business: Renewable Energy

Organization address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Organization's phone number: 858-764-3754

Authorized Representative: Milton Howard

Authorized Representative's address (if different than above): Same as above

Authorized Representative's phone number: 713-703-7044

#### **Part II. Project Information**

Proposed project or facility address: (see specifics for each Project below)

1. Provide brief description of project or facility for which tax abatement is sought.

##### **Project 1-Buenos Aires Windpower, LLC:**

Buenos Aires Windpower, LLC ("Buenos Aires") is a Renewable Energy project located in Hidalgo County, Texas within the Edinburg CISD boundaries to be located at the northwest corner of FM 1017 & north I-69 (US Hwy 281). Buenos Aires seeks to develop and interconnect 201 megawatts ("MW") of power into the ERCOT market via interconnect into the AEP 345 kV Lon C Hill line.

The improvements for Buenos Aires will consist of a proposed wind power generation facility, comprised of 201 megawatts ("MW") of nameplate capacity located in the Hidalgo County Enterprise Zone. Construction is anticipated to begin no later than the 2<sup>nd</sup> quarter of 2020 and it is currently anticipated that construction will be complete by the 3<sup>rd</sup> quarter of 2021.

The improvements are expected to have an estimated value of at least \$223,388,000 upon completion, although the actual value will be determined by the Hidalgo County Appraisal District. The Project is expected to include approximately 88 wind turbines; 82 with a nameplate capacity of 2.2 MW and 6 with a nameplate capacity of 3.45 MW, although the exact number

may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. The improvements shall also include any other property in the Enterprise Zone meeting the definition of "Eligible Property" contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

2. Does this property fall under the definition of "Eligible Property" provided in the Hidalgo County Guidelines & Criteria?

☒ Yes  
☐ No

3. This application is for (*choose one*):

☒ New plant  
☐ Expansion  
☐ Modernization

4. Please list all the taxing jurisdictions in which the proposed projects or facilities will be located.

Taxing Entity #1: Hidalgo/Starr/Cameron County

Taxing Entity #2: EMS District #03

Taxing Entity #3: South Texas College

Taxing Entity #4: South Texas ISD

Taxing Entity #5: Edinburg CISD

- a. Are applications for tax abatement being submitted to all these jurisdictions?

☐ Yes  
☒ No

Buenos Aires will not be applying for tax abatement/values limitation agreements with EMS District #03 or South Texas ISD. Tax abatement and Value Limitation agreements with Hidalgo County and Edinburg CISD have already been approved.

5. Please describe the nature and scope of the tax abatement that is sought. What is the total estimated taxable value or total range of taxable values of the project or facility for which abatement is sought?

Buenos Aires is seeking an 80 % abatement of taxes effective for ten (10) full calendar years for the projects beginning on January 1 of the tax year following the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of

construction of Projects, outlining the Improvements included in the Projects, and stipulating the overall turbine capacity.

Buenos Aires is anticipating capital costs of at least \$223,388,000. The improvements for The Project will consist of the proposed wind power generation facility, comprised of approximately 200 megawatts ("MW") of nameplate capacity located within the Hidalgo County Enterprise Zone.

The improvements for Buenos Aires are expected to have an estimated value of at least \$223,388,000 upon completion, although the actual value will be determined by the Hidalgo County Appraisal District. The Project is expected to include approximately 88 wind turbines; 82 with a nameplate capacity of 2.2 MW and 6 with a nameplate capacity of 3.45 MW, although the exact number may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. Improvements should also include any other property in the Enterprise Zones meeting the definition of "Eligible Property" contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

a. What is the extent of the abatement being requested?

Buenos Aires Windpower, LLC, seeks an abatement of taxes of the cited project effective for ten (10) full calendar years for the project beginning on January 1 of the next tax year, after the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction of Project, outlining the Improvements included in the Project, and stipulating the overall turbine capacity.

b. Does applicant contemplate that the Project will be completed in Phases?

☐ Yes

☒ No

6. What will be the total estimated taxable value or total range of taxable values of the project or facility in the first year after the expiration of the abatement? (*The amount represents 5% depreciation over 10 years*)

The initial estimated taxable value of the Project when completed is expected to be \$223,388,000 within Hidalgo County. Although the actual value after year 10 will depend upon an annual appraisal by the Hidalgo County Appraisal District and specific decisions to be made by Terra Gen, LLC in the future, the developer estimates the project, will have retained a value of approximately \$136,501,847.

7. Please attach information describing how the proposed project or facility meets the minimum Requirement for tax abatement outlined in the Guidelines & Criteria.

The Project will contribute to the expansion of employment, attract major investment to Hidalgo County, benefit the property on which it is constructed, and contribute to the economic development of the County.

Buenos Aires Windpower, LLC intends to construct a wind powered electric generating facility with an expected value greater than \$223,388,000 in Hidalgo County. At a minimum, the Project will result in a wind power facility with an estimated 201-megawatt nameplate capacity.

Buenos Aires Windpower, LLC estimates that installing the wind turbines will create 150 to 200 temporary construction jobs over the course of the Project's construction, which is estimated to last twelve months of construction. Buenos Aires further anticipates the creation of eight full-time jobs at each project location for a total of 32 full time jobs for the operation and maintenance of the Project. Continuing operations and maintenance activities in Hidalgo County will create opportunities for purchase of contracting services and supplies from Hidalgo County businesses. Over the course of construction of the Project, Terra Gen will make an effort to use local labor and purchase services and materials local businesses where practicable.

The Project will make use of land that is currently used for agricultural and ranching purposes. The location of the Project is remote and not ideal for industrial or commercial development but is well suited for a wind farm. Without the Project, the land could remain in its current state and would be unlikely to attract new investment to the area.

The wind farm will provide "clean" power to customers served by Terra Gen, LLC. Wind energy creates little or no emissions impacting the environment. The project will provide this clean energy source.

The addition of full-time and contract-related jobs, the purchase of local services, supplies and materials, and the productive use of land to generate revenue and spur investment are examples of the kind of economic benefit that the proposed wind farm will bring to Hidalgo County.

8. Please attach information on the following aspects of the proposed project or facility:

- (1) current value of land and existing improvements, if any;
- (2) type, value and purpose of proposed improvements;
- (3) productive life of proposed improvements;
- (4) impact of proposed improvements and other expenditures on existing jobs;
- (5) number and type of new jobs, if any, to be created by proposed improvements and expenditures;
- (6) costs to be incurred by County, if any, to provide facilities or services directly resulting from the new improvements;
- (7) types and values of public improvements, if any, to be made by applicant seeking abatement;
- (8) estimation of the amount of ad valorem property taxes to be paid to County after expiration of the abatement agreement;
- (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
- (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area;
- (11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to County.

9. Please attach the following information to this application:

- (1) A map and description of the property for which abatement is sought;  
[See page 16-19](#)
- (2) A time schedule for completing the planned improvements; and,  
[Buenos Aires Windpower, LLC is anticipating that construction will begin no later than the 2<sup>nd</sup> Quarter of 2020 and will be completed by the 3<sup>rd</sup> Quarter of 2021.](#)
- (3) Basic financial information about yourself and your organization sufficient to enable evaluation of the applicant's financial capacity.  
Please see: <https://www.ecpartners.com/> and <https://www.terra-gen.com/>

10. Please describe the proposed or existing Investment Zone in which this project will be located.

[Please see Attachment. The Project are located within the designated Hidalgo County Enterprise Zone. Hidalgo County Commissioners Court has previously recognized the existing enterprise zones for purposes of The Project.](#)

11. Please attach a copy of the County's approved Tax Abatement Agreement with applicant, or, if not yet approved, a copy of the proposed County's Tax Abatement Agreement.

[Please see Attachment.](#)

I attest that the information provided in this application is true and correct to the best of my knowledge.

Authorized Representative's Signature:



Milton Howard  
Vice President of Development  
Terra-Gen, LLC

Date of application submission: 02-14-2019



## **Exhibit A**

### **Legal Descriptions of Investment Zones Containing Proposed Projects**

*Please attach a copy of the map of the Counties Zones and the locations of the facilities*

#### **Project 1-Buenos Aires Windpower, LLC:**

The legal descriptions for Buenos Aires Windpower, LLC located in Hidalgo County, Texas are as follows:

DEL TULE-1.0AC FOR IMPS-SHR A-32.45AC TR 2 GUERRA PART R-S OF SE 100ACS-TR 8 & 9 1.0AC NET

DEL TULE 466.29AC OUT OF SH B-TR 901.24AC R/S OF DEL TU & SANTA ANITA 466.29 AC NET

DEL TULE SHR.B-901.24 AC. TR.1 GUERRA PARTITION.RESUBDV. OF SH. A RESUB OF DEL TULE & SANTA ANITA

DEL TULE-SHR A-32.45ACS TR 2 GUERRA PART R-S OF SE 100ACS-TR 8 & 9 EXC 1AC FOR IMPS 4921.73AC NET

DEL TULE 40.08 AC -S H C TR 1 AKA S H A TR 2- 901.24 AC R/S DEL TULE & SANTA ANITA 40.08 AC NET

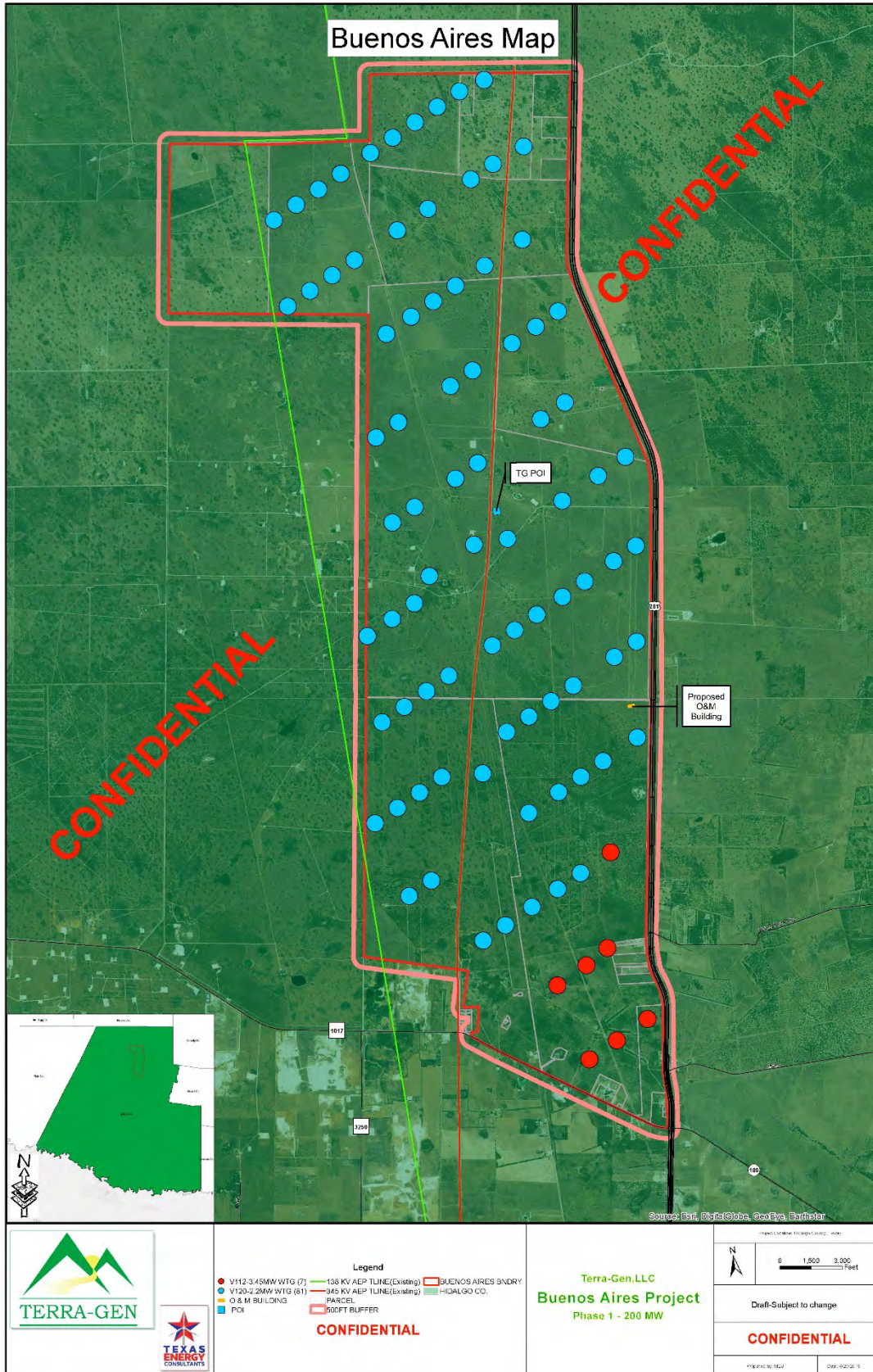
DEL TULE PART-1,2&3 SHR B-EXC 1AC R/S OF DEL TULE & SANTA ANITA 2176AC

DEL TULE AN IRR TR W6076.65'-TR 84 & WPT-T86 EXC 9.00 AC 2343.93AC GR 2334.93 AC NET

DEL TULE AN IRR TR E7490.38'-TR 84 & EPT-86 EXC VAR'S TRS 2568.44 AC NET

**Exhibit B**  
**Maps of Project Areas**

CONFIDENTIAL-PLEASE SEE ATTACHED



- (a) **Written Application.** Any current or potential owner of taxable property may request Abatement by filing a written application with the President of the College. **Exhibit A**
- (b) **Contents of Application.**
  - a. The application shall consist of a completed application form (Exhibit A) accompanied by:
  - b. a general description of the new improvements to be undertaken;
  - c. a descriptive list of the improvements for which Abatement is requested;
  - d. a list of the kind, number and location of all proposed improvements of the property;
  - e. a map and property description; proposed turbine location (if a wind turbine Facility);
  - f. and a time schedule for undertaking and completing the proposed improvements.
  - g. In the case of a Modernization or Expansion Project, a statement of the Appraised Value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application.

\*\*The application form may require such financial and other information as the College or other Eligible Jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.
- (c) **Local Employment and Procurement.** Owner shall, as part of the Application, provide: (i) a list and description of all component parts and equipment which are included in the construction and/or installation of the Facility, (ii) a list of maintenance and operations personnel or professional services anticipated or required for the operation and maintenance of the Facility on an on-going basis; and (iii) the identify of all persons or firms in Starr County and Hidalgo County, or within 100 miles thereof, with the capability of providing these services (a complete Schedule I and Schedule II).
- (d) **Written Notification.** Upon receipt of a completed application, the President shall evaluate the application for a determination of the proposed Facility's compliance with these Guidelines.
- (e) **Feasibility.** After receipt of an application for Abatement, the College shall consider the feasibility and the impact of the proposed Abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the College and the Facility to be covered by such Abatement.
- (f) **No Abatement if Construction has been Completed.** No Agreement shall be approved if the application for the Abatement was filed after the completion of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.
- (g) **Variance.** Requests for variance from the provisions of these Guidelines and Criteria may be made in written form; provided, however, that no variance may extend the term of Abatement beyond five (5) years after completion of the Construction Phase. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4ths) vote of the board of trustees of the College.

**Project Descriptions:****Project 1-Buenos Aires Windpower, LLC:**

Buenos Aires Windpower, LLC is requesting an appraised value limitation on all of the property constructed or placed upon the real property within South Texas College, which is located in Hidalgo County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 88 wind turbines, with a combined make up of 82 wind turbines with a nameplate capacity of 2.2 MW wind turbines and 6 wind turbines with a nameplate capacity of 3.45 MW wind turbines and a combined total generating capacity of approximately 201 MW; up to 88 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 88 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the AEP Lon C. Hill to North Edinburg, 345kV transmission line located in central Hidalgo County.

Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Map Exhibit B.

The Applicant intends to construct a shared Maintenance and Operations building to house equipment i.e. junction boxes, transformer equipment, and turbine electronic controls for Buenos Aires and Monte Cristo Projects. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

Construction of the wind farm is proposed to begin in the 2<sup>nd</sup> Quarter of 2020 with an estimated commercial operations date no later than the 3<sup>rd</sup> Quarter of 2021, contingent upon favorable economics for the project.

**Descriptive List for which Abatement is being requested:****Project 1-Buenos Aires Windpower, LLC:**

Buenos Aires Windpower, LLC plans to construct an estimated 201 MW wind farm in Hidalgo County, located entirely within South Texas College boundaries. Additional improvements of Qualified Property include:

- 88 Wind Turbines: 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45MW;
- 88 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- Additional meteorological towers;
- All weather Road work sloped for drainage;
- Operations and maintenance building for storage of control systems necessary for commercial generation of electricity;
- Electric substation including power transformers, associated circuit breakers, switches, reactive power compensation equipment and control building & fencing of perimeter.

For purposes of this application, the Project anticipates using 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45 MW. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within South Texas College boundaries. Current plans are to install turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. However, any changes in the number and location of turbines will not have a significant impact on the total investment. Buenos Aires intends to connect to AEP Lon C. Hill to North Edinburg, 345kV transmission line internal to the Project, located within South Texas College boundaries. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Exhibit B shows the proposed project area with the anticipated improvement locations.

### **Enterprise Zones:**

Hidalgo County is designated enterprise zone county as defined under the Texas Governor's "[Governor's Economic Development Finance department online](#)" link provided by Texas Comptroller website under "[The Texas Enterprise Zone Program](#)." The Governor's website "Texas Enterprise Zone Program"- "[Economic Zone Program Rules, 10 TAC 176](#)" according to section (b), subsection (11); which defines a distressed county as: "a county that has a poverty rate above 15.4 percent based on the most recent decennial census; in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate based on the most recent decennial census; and that has an unemployment rate that has remained above 4.9 percent during the preceding five years, based on Texas Workforce Commission data."

Source: <https://businessintexas.com/services/tax-incentives?view=texas%20enterprise%20zone%20program>

Hidalgo County meets the guidelines as "Distressed County" under Texas Government Code Chapter 2303.003 (1-c). Where a "Distressed County" means a County:

(A) The Poverty rate in Hidalgo County is currently 31.2%

All Topics	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Income & Poverty		
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Per capita income in past 12 months (in 2016 dollars), 2012-2016	\$15,240	\$29,829
Persons in poverty, percent	31.2%	12.7%

Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>



(B) The adult population that does not hold a high school diploma or high school equivalency certificate in Hidalgo County; persons of age 25 years+ were: 36.7% during 2012-2016.

All Topics ▾	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
<b>Education</b>		
High school graduate or higher, percent of persons age 25 years+, 2012-2016	63.3%	87.0%
Bachelor's degree or higher, percent of persons age 25 years+, 2012-2016	17.4%	30.3%

Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(C) The unemployment rate in Hidalgo County during the preceding 5 years has been from 2013 at 9.8% to 2017 at 7.10%.

Hidalgo County, TX Unemployment Rate Chart

[View Full Chart](#)

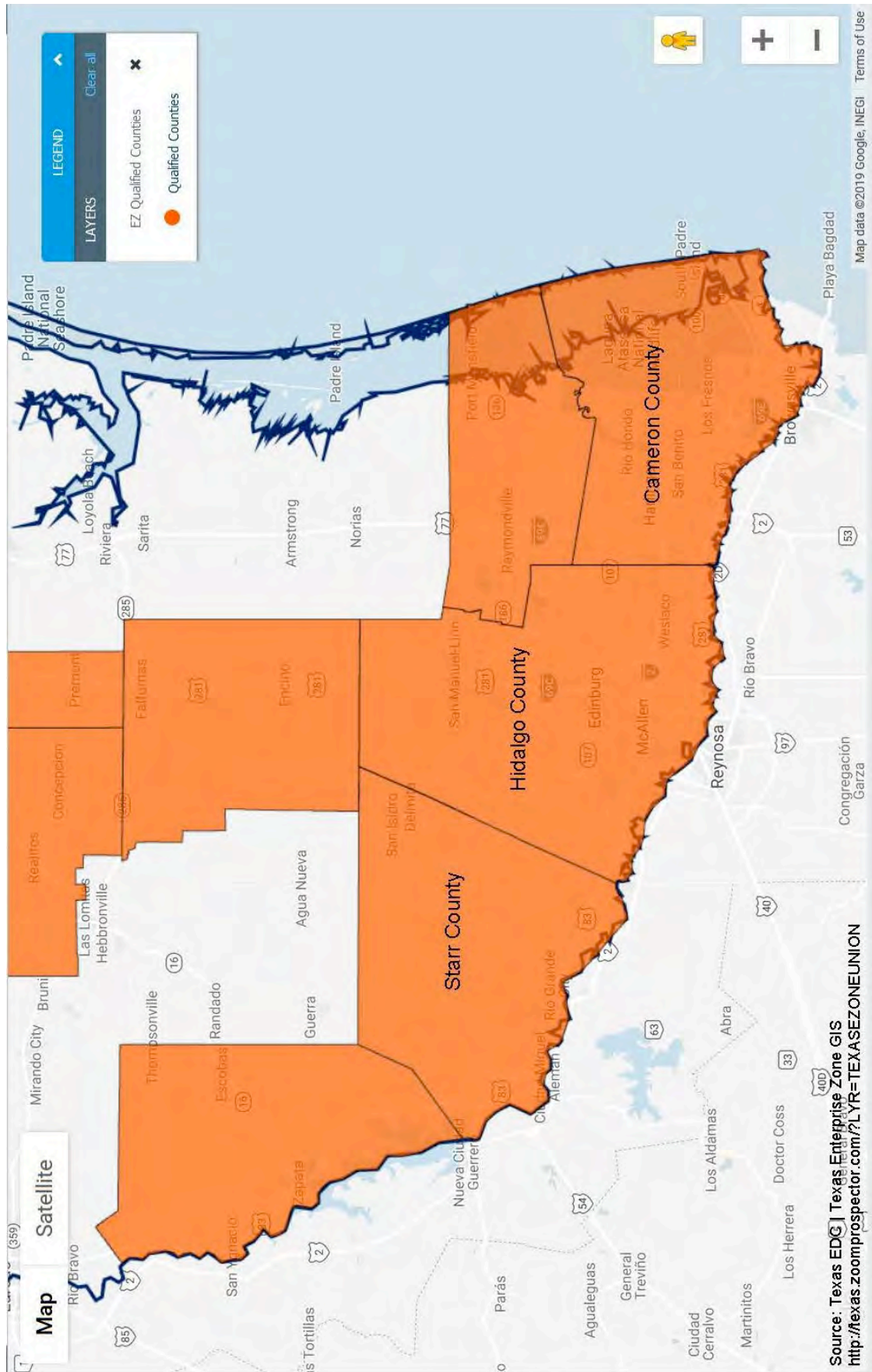
5d 1m 3m 6m YTD 1y 5y 10y Max

Export Data Save Image Print Image



Source: [https://ycharts.com/indicators/hidalgo\\_county\\_tx\\_unemployment\\_rate](https://ycharts.com/indicators/hidalgo_county_tx_unemployment_rate)

## Enterprise Zone Map





# Application for Chapter 312 Tax Abatement Agreement by Monte Cristo Windpower, LLC



Submitted by:

Terra-Gen, LLC



February 28, 2019

## SCHEDULE I

### “Buy Local” Annual Reports

The following information shall be reported to the College on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials\* (local): \$500,000
2. Dollar amount spent for materials\* (total): \$500,000
3. Dollar amount spent for labor\*\* (local): \$325,000
4. Dollar amount spent for labor\*\* (total): \$325,000
5. Number of jobs created in the construction of the Facility (local): 150 FTE's
6. Number of jobs created in the construction of the Facility (total): 200 FTEs
7. Number of jobs created on a permanent basis (local): 8 per site
8. Number of jobs created on a permanent basis (total): 8 per site

\* The term “materials” is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

\*\* The term “labor” is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the design of the Facility.

The term “local” as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either Hidalgo County or Starr County.

## **SCHEDULE II**

### **ADDITIONAL INFORMATION REQUIRED OF APPLICANT FOR TAX ABATEMENT**

#### **Section 1. Eligibility Criteria**

1. To be eligible for consideration by College for a tax abatement under these Guidelines, an Owner of the Facility must meet or exceed all of the criteria described below:
  - The Facility must be one that will generate renewable energy;
  - The minimum amount of new real and/or personal property capital investment shall exceed \$200 million (at start of project or by year 2017);
  - Shall exceed minimum levels of full-time job creation;
  - Provide employee and dependent access to health care benefits;
  - Provide a minimum living and all-industry wage requirements for new and existing employees at project site;

Terra-Gen Development Company, LLC, ("Terra-Gen") is the exclusive developer of Buenos Aires, Monte Cristo, La Joya & Monte Alto Windpower projects (The Projects). Each aforementioned entity is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. Terra-Gen is in the business of initiating, developing, producing and owning and operating electricity from renewable energy projects including wind, solar, and geothermal. Each project is anticipating total capital costs of \$223,388,000. However, it is anticipated that \$175,000,000 of capital costs for Monte Alto will be located within Hidalgo County and South Texas College boundaries. The Projects are expected to have a total investment of \$845,164,000 within Hidalgo County, all of which falls within the South Texas College boundaries. The Projects will be providing 200 construction jobs for Hidalgo County residents and 8 permanent operations jobs which include: wind turbine technicians, electrical engineers and other management positions with a starting salary of \$40,154.40 with access to employee/dependent health care benefits.

#### **Section 2. Amount and Terms of Tax Abatement Subject to Additional Commitments**

- 2.1 The amount and term of the tax abatement offered will be dependent upon the Owner's commitment to exceed the minimum eligibility criteria, consideration of other public incentives offered for the same project and the overall benefit to the College and the community.
- 2.2 What resources will the Owner commit to, of the following:
  - (a) Sponsorship of scientific events, teacher research grants to the College; materials

and equipment, teaching materials to the College; R&D collaboration with local college;

- (b) Total number of jobs created and maintained in the area;
- (c) Number of high-wage jobs.

Terra Gen, LLC is committed to the continuing education of local workforce and employees through local scholarship and or student support services.

Each Project will maintain 8 permanent jobs for the project for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay

### Section 3. Wage Requirements

Companies receiving a tax abatement from the College must meet certain minimum wage requirements for all new and existing (i.e., retained) jobs at the project site.

- 3.1 Living Hourly Wage Requirement: In order to be eligible for a tax abatement, one hundred percent (100%) of the company’s new and existing employees ***at the project location*** must earn no less than a “living wage” throughout the full term of the Tax Abatement Agreement. This wage is based on the poverty level for a family of four, as determined annually (January) by the U.S. Department of Health and Human Services (HHS). As of January 22, 2015, the living wage requirement is \$11.66 per hour.
- 3.2 All Industries Median Hourly Wage Requirement: In addition to the “Living Wage” requirement, after one year of initiating full operations at the project location, but not more than two years after execution of the Tax Abatement Agreement with the College, at least seventy percent (70%) of all new and existing employees, with at least one year of full employment with the company at the project location, must earn a cash wage at or exceeding the annual Edinburg, Pharr McAllen Metropolitan Statistical Area (MSA) Median Hourly Wage for All Industries (Companies) for the most recent year available. This wage is compiled by the Bureau of Labor Statistics (BLS) Occupational Employment Survey and published annually by the Texas Workforce Commission (TWC). This wage is updated annually, and for 2014 the current applicable wage is \$11.32 per hour.

High-Wage Jobs: High-wage jobs are either: (I) Qualified professional jobs reported in high-wage industries (e.g., advanced business services, aerospace, life sciences, renewable energy, high-tech/IT); or (2) Jobs for which earnings are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017).

- 3.3 If the company does not meet and maintain these wage requirements for all new and

existing employees at the project location, the company will be in default of its Tax Abatement Agreement, which could result in termination of the Agreement and the recapture of all or a portion of the previously abated property taxes.

The Projects are committed to creating 8 permanent jobs each for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay.

#### **Section 4. Targeted and Qualifying Industries/Business Activities or Project team**

The majority of the company’s business at the project location must be engaged in one of the following qualifying industries, business activities, or Project team:

Targeted Industries:

- Energy

Each special purpose entity is an entity created for the sole purpose of interconnecting 200-240 Megawatts (“MW”) of renewable energy into the ERCOT market.

#### **Section 5. Local Assessment: County and Community:**

- 5.1 Describe how has the company’s plan been prepared in consultation with the local community, property owners and local political leaders?
  - (a) Local Community:  
The projects are located in rural portions of Hidalgo Co & do not have immediate impact on local communities other than the acquisition of goods & services, and employment.
  - (b) Property Owners:  
During leasing and prior to construction Terra-Gen has consulted with each individual landowner to ensure the development meets the desired goals of each party.
  - (c) Local Political Leaders:  
The projects have been introduced to Hidalgo County leadership and have already sought the guidance of County’s permitting office, fire marshal, and drainage/irrigation entities.
- 5.2 Identify the local, state and federal bodies that have jurisdiction over the design, construction, licensing, regulation and operation of the Facility and here any public records of review of the Facility may be accessed by the College and the public:
  - (a) Local: Hidalgo County Permit, Fire Marshall, Solid Waste, Irrigation/Drainage Offices.
  - (b) State: TCEQ, Tx Parks & Wildlife, State Comptroller
  - (c) Federal: Federal Aviation Admin (FAA), U.S. Fish & Wildlife
- 5.3 Outline what processes, if any, were followed for community consultation for the Facility’s development.

Per requirements of Hidalgo County permitting office, Terra Gen will be applying for County Permit for construction of the wind farm at each location. At their request, each permit will be routed for approval to the County's fire marshal, solid waste and irrigation/drainage districts.

- 5.4 Is there an Environmental Impact Statement and Clearance required for the Facility? If so, identify where any public records of environmental review may be assessed by the College and members of the public.

Neither an EIS or Clearance is required for the wind farm facilities by any state or federal regulatory agency.

- 5.5 If the Facility is a wind farm, did the assessment of the Facility by any governmental agency measure and assess potential environmental noise impacts from wind turbines? If so, please provide copies of any records with the Application.

To date, there have been no requirements or requests by any governmental agency for the assessment of environmental noise impacts.

- 5.6 Identify the Texas agency, if any, which has on-going regulatory authority over the Facility. Describe any approval process which has taken place in connection with locating the Facility.

There is no state regulatory agency currently required to oversee or monitor the wind farm projects.

- 5.7 Please state whether any of the following were considered in the assessment and location of wind turbines, and if so, how any negative impacts have/or will be addressed:

- landscape and visual amenity:
- noise impacts (have noise guidelines been developed to assess regulate noise):
- health issues (what health issues, if any, have been identified and what guidelines or policies have been adopted to address potential health impacts, if any:
- economic issues, including potential impacts on property values:
- ecological issues, including potential impacts on threatened species:
- decommissioning and rehabilitation:

Terra Gen, LLC as developer of the projects will rely on the review of the applicable County and State agencies with regulatory responsibility over the compatibility of the Facility site(s) with the surrounding uses, to include aviation, noise impacts, visual amenity and ecological issues.

## **Section 6. Life of Facility and Decommissioning**

Include life projections for the Facility, depreciation schedules for income tax purposes and the decommissioning plan. State if the Owner on the Application is a "pass-through" owner or intends

to assign its interest in the Facility and the Abatement Agreement, include proposed contractual language that obligates Owner and any future assignee to comply with the decommissioning plan. To assure the College that the Owner, or Owner's assignee, will perform the decommissioning plan, what financial security, bond or enforceable pledge does the Owner proposed.

The wind turbine generators that will make up the Projects have an estimated life expectancy of 25 years. In the signed leases with the landowners, Terra-Gen has included a Removal Bond to assure each land owner that when the project is decommissioned, each and every turbine, foundation & infrastructure will be removed from their location. The leases with the land owner do allow for Terra-Gen to assign its interests to an interested party, however the lease also obligates the interested party to comply with all aspects of the lease including the removal bond, term of lease, and payments structures to the land owner.

### **Section 7. Noise Auditing and compliance:**

Has applicant developed a plan or procedure to undertake compliance monitoring and auditing. If so, please describe and submit relevant documents.

- Does Owner propose to maintain noise monitoring facilities? Will Special audible characteristics such as excessive amplitude modulation (including the van den Berg effect) together with cumulative impacts be considered?
- What noise standards and reporting of noise records have been developed? Does Owner propose to prepare and submit a noise compliance report on a regular basis? If so, to whom? Will Owner make noise compliance reports publicly available?

At this time there are no state or federal regulatory compliance regulations that require the developer to maintain noise monitoring facilities.

## EXHIBIT A

### Application for Tax Abatement South Texas College

Please submit the answers to the following questions and attach any additional pages as needed. Please complete and attach to the application along with completed Schedules I and II.

#### **Part I. Applicant Information**

**Application Date:** 02/12/2019

Applicant Name: Monte Cristo Windpower, LLC

Applicant's address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Applicant's phone number: 858-764-3754

Applicant's organization: Terra-Gen, LLC

Type of Business: Renewable Energy

Organization address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Organization's phone number: 858-764-3754

Authorized Representative: Milton Howard

Authorized Representative's address (if different than above): Same as above

Authorized Representative's phone number: 713-703-7044

#### **Part II. Project Information**

Proposed project or facility address: (see specifics for each Project below)

1. Provide brief description of project or facility for which tax abatement is sought.

##### **Project 2-Monte Cristo Windpower, LLC:**

Monte Cristo Windpower, LLC ("Monte Cristo") is a Renewable Energy project located in Hidalgo County, Texas within the Edinburg CISD boundaries to be located on FM 490, 2 miles west of north I-69 (US Hwy 281). Monte Cristo seeks to develop and interconnect 201 megawatts ("MW") of power into the ERCOT market via interconnect into the AEP 345 kV Lon C Hill line.

The improvements for Monte Cristo will consist of a proposed wind power generation facility, comprised of 201 megawatts ("MW") of nameplate capacity located in the Hidalgo County Enterprise Zone. Construction is anticipated to begin no later than the 2<sup>nd</sup> quarter of 2020 and it is currently anticipated that construction will be complete by the 3<sup>rd</sup> quarter of 2021.

The improvements are expected to have an estimated value of at least \$223,388,000 upon completion, although the actual value will be determined by the Hidalgo County Appraisal District. The Project is expected to include approximately 88 wind turbines; 82 turbines with a nameplate capacity of 2.2 MW and 6 turbines with a nameplate capacity of 3.45 MW, although



the exact number may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. The improvements shall also include any other property in the Enterprise Zone meeting the definition of "Eligible Property" contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

2. Does this property fall under the definition of "Eligible Property" provided in the Hidalgo County Guidelines & Criteria?

☒ Yes  
☐ No

3. This application is for (*choose one*):

☒ New plant  
☐ Expansion  
☐ Modernization

4. Please list all the taxing jurisdictions in which the proposed projects or facilities will be located.

Taxing Entity #1: Hidalgo County

Taxing Entity #2: South Texas College

Taxing Entity #3: South Texas ISD

Taxing Entity #4: Edinburg CISD

- a. Are applications for tax abatement being submitted to all these jurisdictions?

☐ Yes  
☒ No

Monte Cristo will not be applying for values limitation agreement with South Texas ISD. Tax abatement and Value Limitation agreements with Hidalgo County and Edinburg CISD have already been approved.

5. Please describe the nature and scope of the tax abatement that is sought. What is the total estimated taxable value or total range of taxable values of the project or facility for which abatement is sought?

Monte Cristo is seeking an 80 % abatement of taxes effective for ten (10) full calendar years for the projects beginning on January 1 of the tax year following the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of

construction of Projects, outlining the Improvements included in the Projects, and stipulating the overall turbine capacity.

Monte Cristo is anticipating capital costs of at least \$223,388,000. The improvements for The Project will consist of the proposed wind power generation facility, comprised of approximately 200 megawatts ("MW") of nameplate capacity located within the Hidalgo County Enterprise Zone.

The improvements for Monte Alto are expected to have an estimated value of at least \$223,388,000 upon completion, although the actual value will be determined by the Hidalgo County Appraisal District. The Project is expected to include approximately 88 wind turbines; 82 with a nameplate capacity of 2.2 MW and 6 with a nameplate capacity of 3.45 MW, although the exact number may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. Improvements should also include any other property in the Enterprise Zones meeting the definition of "Eligible Property" contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

a. What is the extent of the abatement being requested?

Monte Cristo Windpower, LLC, seeks an abatement of taxes of the cited project effective for ten (10) full calendar years for the project beginning on January 1 of the next tax year, after the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction of Project, outlining the Improvements included in the Project, and stipulating the overall turbine capacity.

b. Does applicant contemplate that the Project will be completed in Phases?

☐ Yes

☒ No

6. What will be the total estimated taxable value or total range of taxable values of the project or facility in the first year after the expiration of the abatement? (*The amount represents 5% depreciation over 10 years*)

The initial estimated taxable value of the Project when completed is expected to be \$223,388,000 within Hidalgo County. Although the actual value after year 10 will depend upon an annual appraisal by the Hidalgo County Appraisal District and specific decisions to be made by Terra Gen, LLC in the future, the developer estimates the project, will have retained a value of approximately \$136,501,847.

7. Please attach information describing how the proposed project or facility meets the minimum Requirement for tax abatement outlined in the Guidelines & Criteria.

The Project will contribute to the expansion of employment, attract major investment to Hidalgo County, benefit the property on which it is constructed, and contribute to the economic development of the County.

Monte Cristo Windpower, LLC intends to construct a wind powered electric generating facility with an expected value greater than \$223,388,000 in Hidalgo County. At a minimum, the Project will result in a wind power facility with an estimated 201-megawatt nameplate capacity.

Monte Cristo Windpower, LLC estimates that installing the wind turbines will create 150 to 200 temporary construction jobs over the course of the Project's construction, which is estimated to last twelve months of construction. Monte Cristo further anticipates the creation of eight full-time jobs at each project location for a total of 32 full time jobs for the operation and maintenance of the Project. Continuing operations and maintenance activities in Hidalgo County will create opportunities for purchase of contracting services and supplies from Hidalgo County businesses. Over the course of construction of the Project, Terra Gen will make an effort to use local labor and purchase services and materials local businesses where practicable.

The Project will make use of land that is currently used for agricultural and ranching purposes. The location of the Project is remote and not ideal for industrial or commercial development but is well suited for a wind farm. Without the Project, the land could remain in its current state and would be unlikely to attract new investment to the area.

The wind farm will provide "clean" power to customers served by Terra Gen, LLC. Wind energy creates little or no emissions impacting the environment. The project will provide this clean energy source.

The addition of full-time and contract-related jobs, the purchase of local services, supplies and materials, and the productive use of land to generate revenue and spur investment are examples of the kind of economic benefit that the proposed wind farm will bring to Hidalgo County.

8. Please attach information on the following aspects of the proposed project or facility:

- (1) current value of land and existing improvements, if any;
- (2) type, value and purpose of proposed improvements;
- (3) productive life of proposed improvements;
- (4) impact of proposed improvements and other expenditures on existing jobs;
- (5) number and type of new jobs, if any, to be created by proposed improvements and expenditures;
- (6) costs to be incurred by County, if any, to provide facilities or services directly resulting from the new improvements;
- (7) types and values of public improvements, if any, to be made by applicant seeking abatement;
- (8) estimation of the amount of ad valorem property taxes to be paid to County after expiration of the abatement agreement;
- (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
- (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area;
- (11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to County.

9. Please attach the following information to this application:

- (1) A map and description of the property for which abatement is sought;  
[See page 16-19](#)
- (2) A time schedule for completing the planned improvements; and,  
[Monte Cristo Windpower, LLC is anticipating that construction will begin no later than the 2<sup>nd</sup> Quarter of 2020 and will be completed by the 3<sup>rd</sup> Quarter of 2021.](#)
- (3) Basic financial information about yourself and your organization sufficient to enable evaluation of the applicant's financial capacity.  
Please see: <https://www.ecpartners.com/> and <https://www.terra-gen.com/>

10. Please describe the proposed or existing Investment Zone in which this project will be located.

[Please see Attachment. The Project are located within the designated Hidalgo County Enterprise Zone. Hidalgo County Commissioners Court has previously recognized the existing enterprise zones for purposes of The Project.](#)

11. Please attach a copy of the County's approved Tax Abatement Agreement with applicant, or, if not yet approved, a copy of the proposed County's Tax Abatement Agreement.

[Please see Attachment.](#)

I attest that the information provided in this application is true and correct to the best of my knowledge.

Authorized Representative's Signature:



Milton Howard  
Vice President of Development  
Terra-Gen, LLC

Date of application submission: 02-14-2019

## Exhibit A

### Legal Descriptions of Investment Zones Containing Proposed Projects

*Please attach a copy of the map of the Counties Zones and the locations of the facilities*

#### **Project 2-Monte Cristo Windpower, LLC:**

The legal descriptions for Monte Cristo Windpower, LLC located in Hidalgo County, Texas are as follows:

##### **Del Tule**

Tracts 149-151

##### **Desierto-La Jamaica Los Potrillos**

Tracts 1-4

##### **Jackson Tract**

Blk 97, lots 5-8

Blk 98-99, lots 5-8

Blk 100 lots, 7-12

Blk 101-103, all lots

Blk 104, lots 1-8

Blk 117, all lots

Blks 118-119, lots 1-8

Blk 120, lots 5-8

Blks 121-123, lots 5-8

Blk 124, all lots

Blk 134-138, all lots

Blk 139, lots 1-8

Blk 140-147, all lots

Blk 147, lots 2-7

Blks 154-159, all lots

Blk 160, lots 1-12

Blks 161-165, all lots

Blk 167, all lots

Blks 174-180, all lots

Blk 181-182, all lots

Blk 183, lots 1-8

Blk 184, lots 3-7

Blks 185-187, all lots

Blks 196, lots 1 & 8

BLKS 198-200, all lots

Blk 201, lots 1-6

Blks 202-207, all lots

Blks 214-227 all lots

Blks 234-247 all lots

Blks 254-267 all lots

##### **Laguna Seca**

##### **Pummil Strip**

##### **Retama & Brazil**

Tract 160

##### **Rio Grande Dev Co**

Blk 1, lots 1-3

Blk 2-3, lots 1-4

Blk 4, lots 1 & 2

Blk 5, lots 1-5

Blks 6-11, 1-12

Blks 13 -16

##### **Rio Grande Securities**

Blks 6-7, lots 1-38

Blk 8, lots 20-38

##### **Santa Anita**

J.J. Young Tract

##### **Tex-Mex Survey**

Secs 202-212

**Exhibit B**  
**Maps of Project Areas**

CONFIDENTIAL-PLEASE SEE ATTACHED





- (a) **Written Application.** Any current or potential owner of taxable property may request Abatement by filing a written application with the President of the College. **Exhibit A**
- (b) **Contents of Application.**
- a. The application shall consist of a completed application form (Exhibit A) accompanied by:
  - b. a general description of the new improvements to be undertaken;
  - c. a descriptive list of the improvements for which Abatement is requested;
  - d. a list of the kind, number and location of all proposed improvements of the property;
  - e. a map and property description; proposed turbine location (if a wind turbine Facility);
  - f. and a time schedule for undertaking and completing the proposed improvements.
  - g. In the case of a Modernization or Expansion Project, a statement of the Appraised Value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application.
- \*\*The application form may require such financial and other information as the College or other Eligible Jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.
- (c) **Local Employment and Procurement.** Owner shall, as part of the Application, provide: (i) a list and description of all component parts and equipment which are included in the construction and/or installation of the Facility, (ii) a list of maintenance and operations personnel or professional services anticipated or required for the operation and maintenance of the Facility on an on-going basis; and (iii) the identify of all persons or firms in Starr County and Hidalgo County, or within 100 miles thereof, with the capability of providing these services (a complete Schedule I and Schedule II).
- (d) **Written Notification.** Upon receipt of a completed application, the President shall evaluate the application for a determination of the proposed Facility's compliance with these Guidelines.
- (e) **Feasibility.** After receipt of an application for Abatement, the College shall consider the feasibility and the impact of the proposed Abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the College and the Facility to be covered by such Abatement.
- (f) **No Abatement if Construction has been Completed.** No Agreement shall be approved if the application for the Abatement was filed after the completion of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.
- (g) **Variance.** Requests for variance from the provisions of these Guidelines and Criteria may be made in written form; provided, however, that no variance may extend the term of Abatement beyond five (5) years after completion of the Construction Phase. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4ths) vote of the board of trustees of the College.



**Project Descriptions:****Project 2-Monte Cristo Windpower, LLC:**

Monte Cristo Windpower, LLC is requesting an appraised value limitation on all of the property constructed or placed upon the real property within South Texas College, which is located in Hidalgo County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 88 wind turbines, with a combined make up of 82 wind turbines with a nameplate capacity of 2.2 MW wind turbines and 6 wind turbines with a nameplate capacity of 3.45 MW wind turbines and a combined total generating capacity of approximately 201 MW; up to 88 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 88 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the ETT Lobo to North Edinburg, 345kV transmission line located in central Hidalgo County.

Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Map Exhibit B.

The Applicant intends to construct a shared Maintenance and Operations building to house equipment i.e. junction boxes, transformer equipment, and turbine electronic controls for Buenos Aires and Monte Cristo Projects. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

Construction of the wind farm is proposed to begin in the 2<sup>nd</sup> Quarter of 2020 with an estimated commercial operations date no later than the 3<sup>rd</sup> Quarter of 2021, contingent upon favorable economics for the project.

**Descriptive List for which Abatement is being requested:****Project 2-Monte Cristo Windpower, LLC:**

Monte Cristo Windpower, LLC plans to construct an estimated 201 MW wind farm in Hidalgo County, located entirely within Edinburg CISD. Additional improvements of Qualified Property include:

- 88 Wind Turbines 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45MW;
- 88 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- Additional meteorological towers;
- All-weather Road work sloped for drainage;
- Operations and maintenance building for storage of control systems necessary for commercial generation of electricity;
- Electric substation including power transformers, associated circuit breakers, switches, reactive power compensation equipment and control building & fencing of perimeter.

For purposes of this application, the Project anticipates using 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45 MW. Although final turbine selection

and location of the infrastructure may change, all equipment outlined above is expected to be located within South Texas College boundaries. Current plans are to install turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. However, any changes in the number and location of turbines will not have a significant impact on the total investment. Monte Cristo intends to connect to AEP Lon C. Hill to North Edinburg, 345kV transmission line, located within South Texas College boundaries. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Exhibit B shows the proposed project area with the anticipated improvement locations.

#### **Enterprise Zones:**

Hidalgo, County is designated enterprise zone county as defined under the Texas Governor's "[Governor's Economic Development Finance department online](#)" link provided by Texas Comptroller website under "[The Texas Enterprise Zone Program](#)." The Governor's website "Texas Enterprise Zone Program"- "[Economic Zone Program Rules, 10 TAC 176](#)" according to section (b), subsection (11); which defines a distressed county as: "a county that has a poverty rate above 15.4 percent based on the most recent decennial census; in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate based on the most recent decennial census; and that has an unemployment rate that has remained above 4.9 percent during the preceding five years, based on Texas Workforce Commission data."

Source: <https://businessintexas.com/services/tax-incentives?view=texas%20enterprise%20zone%20program>

Hidalgo County meets the guidelines as "Distressed County" under Texas Government Code Chapter 2303.003 (1-c). Where a "Distressed County" means a County:

(A) The Poverty rate in Hidalgo County is currently 31.2%

All Topics ▼	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Income & Poverty		
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Per capita income in past 12 months (in 2016 dollars), 2012-2016	\$15,240	\$29,829
Persons in poverty, percent	31.2%	12.7%

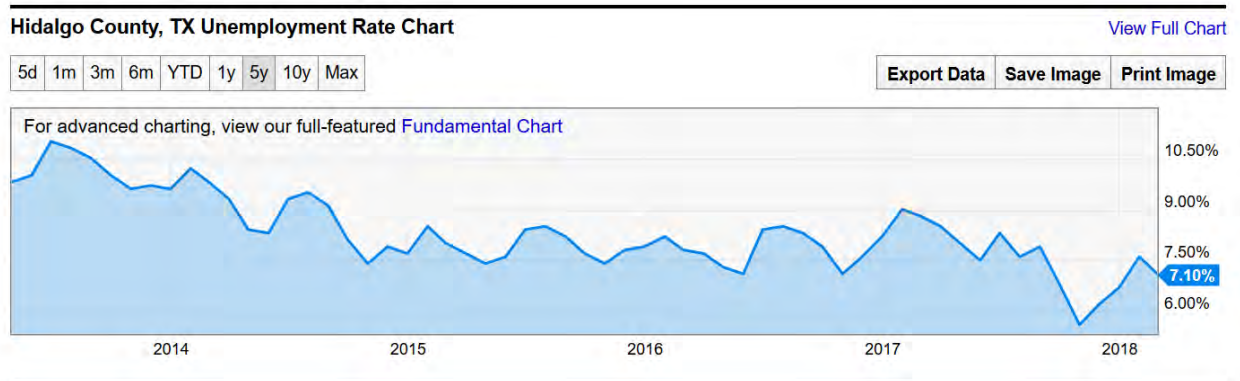
Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(B) The adult population that does not hold a high school diploma or high school equivalency certificate in Hidalgo County; persons of age 25 years+ were: 36.7% during 2012-2016.

All Topics ▾	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Education		
High school graduate or higher, percent of persons age 25 years+, 2012-2016	63.3%	87.0%
Bachelor's degree or higher, percent of persons age 25 years+, 2012-2016	17.4%	30.3%

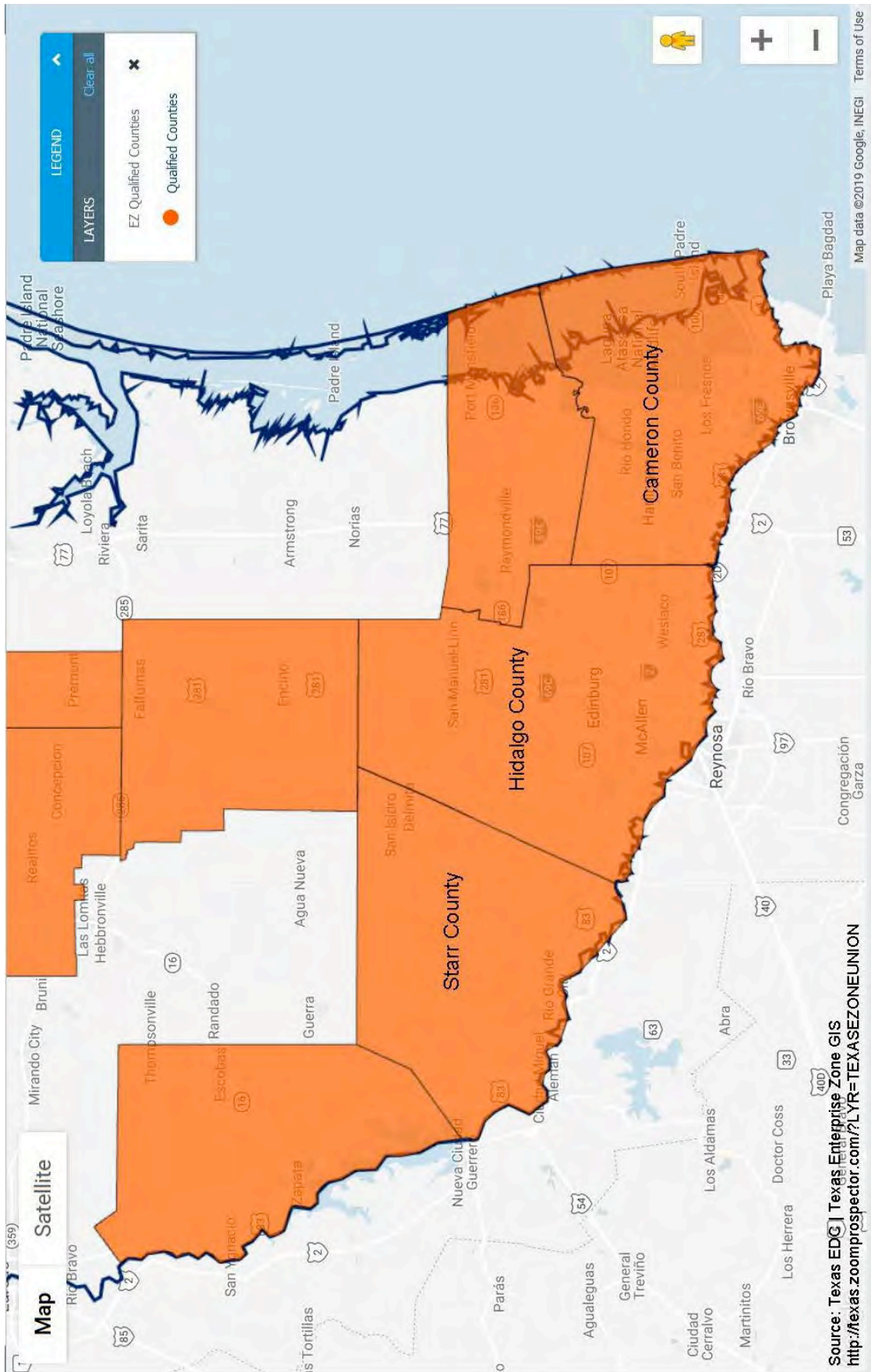
Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(C) The unemployment rate in Hidalgo County during the preceding 5 years has been from 2013 at 9.8% to 2017 at 7.10%.



Source: [https://ycharts.com/indicators/hidalgo\\_county\\_tx\\_unemployment\\_rate](https://ycharts.com/indicators/hidalgo_county_tx_unemployment_rate)

## Enterprise Zone Map



# Application for Chapter 312 Tax Abatement Agreement by La Joya Windpower, LLC



Submitted by:

Terra-Gen, LLC



February 28, 2019

## SCHEDULE I

### “Buy Local” Annual Reports

The following information shall be reported to the College on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials\* (local): \$500,000
2. Dollar amount spent for materials\* (total): \$500,000
3. Dollar amount spent for labor\*\* (local): \$325,000
4. Dollar amount spent for labor\*\* (total): \$325,000
5. Number of jobs created in the construction of the Facility (local): 150 FTE's
6. Number of jobs created in the construction of the Facility (total): 200 FTEs
7. Number of jobs created on a permanent basis (local): 8 per site
8. Number of jobs created on a permanent basis (total): 8 per site

\* The term “materials” is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

\*\* The term “labor” is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the design of the Facility.

The term “local” as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either Hidalgo County or Starr County.

## **SCHEDULE II**

### **ADDITIONAL INFORMATION REQUIRED OF APPLICANT FOR TAX ABATEMENT**

#### **Section 1. Eligibility Criteria**

1. To be eligible for consideration by College for a tax abatement under these Guidelines, an Owner of the Facility must meet or exceed all of the criteria described below:
  - The Facility must be one that will generate renewable energy;
  - The minimum amount of new real and/or personal property capital investment shall exceed \$200 million (at start of project or by year 2017);
  - Shall exceed minimum levels of full-time job creation;
  - Provide employee and dependent access to health care benefits;
  - Provide a minimum living and all-industry wage requirements for new and existing employees at project site;

Terra-Gen Development Company, LLC, ("Terra-Gen") is the exclusive developer of Buenos Aires, Monte Cristo, La Joya & Monte Alto Windpower projects (The Projects). Each aforementioned entity is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. Terra-Gen is in the business of initiating, developing, producing and owning and operating electricity from renewable energy projects including wind, solar, and geothermal. Each project is anticipating total capital costs of \$223,388,000. However, it is anticipated that \$175,000,000 of capital costs for Monte Alto will be located within Hidalgo County and South Texas College boundaries. The Projects are expected to have a total investment of \$845,164,000 within Hidalgo County, all of which falls within the South Texas College boundaries. The Projects will be providing 200 construction jobs for Hidalgo County residents and 8 permanent operations jobs which include: wind turbine technicians, electrical engineers and other management positions with a starting salary of \$40,154.40 with access to employee/dependent health care benefits.

#### **Section 2. Amount and Terms of Tax Abatement Subject to Additional Commitments**

- 2.1 The amount and term of the tax abatement offered will be dependent upon the Owner's commitment to exceed the minimum eligibility criteria, consideration of other public incentives offered for the same project and the overall benefit to the College and the community.
- 2.2 What resources will the Owner commit to, of the following:
  - (a) Sponsorship of scientific events, teacher research grants to the College; materials

and equipment, teaching materials to the College; R&D collaboration with local college;

- (b) Total number of jobs created and maintained in the area;
- (c) Number of high-wage jobs.

Terra Gen, LLC is committed to the continuing education of local workforce and employees through local scholarship and or student support services.

Each Project will maintain 8 permanent jobs for the project for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay

### Section 3. Wage Requirements

Companies receiving a tax abatement from the College must meet certain minimum wage requirements for all new and existing (i.e., retained) jobs at the project site.

- 3.1 Living Hourly Wage Requirement: In order to be eligible for a tax abatement, one hundred percent (100%) of the company’s new and existing employees ***at the project location*** must earn no less than a “living wage” throughout the full term of the Tax Abatement Agreement. This wage is based on the poverty level for a family of four, as determined annually (January) by the U.S. Department of Health and Human Services (HHS). As of January 22, 2015, the living wage requirement is \$11.66 per hour.
- 3.2 All Industries Median Hourly Wage Requirement: In addition to the “Living Wage” requirement, after one year of initiating full operations at the project location, but not more than two years after execution of the Tax Abatement Agreement with the College, at least seventy percent (70%) of all new and existing employees, with at least one year of full employment with the company at the project location, must earn a cash wage at or exceeding the annual Edinburg, Pharr McAllen Metropolitan Statistical Area (MSA) Median Hourly Wage for All Industries (Companies) for the most recent year available. This wage is compiled by the Bureau of Labor Statistics (BLS) Occupational Employment Survey and published annually by the Texas Workforce Commission (TWC). This wage is updated annually, and for 2014 the current applicable wage is \$11.32 per hour.

High-Wage Jobs: High-wage jobs are either: (I) Qualified professional jobs reported in high-wage industries (e.g., advanced business services, aerospace, life sciences, renewable energy, high-tech/IT); or (2) Jobs for which earnings are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017).

- 3.3 If the company does not meet and maintain these wage requirements for all new and



existing employees at the project location, the company will be in default of its Tax Abatement Agreement, which could result in termination of the Agreement and the recapture of all or a portion of the previously abated property taxes.

The Projects are committed to creating 8 permanent jobs each for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay.

#### **Section 4. Targeted and Qualifying Industries/Business Activities or Project team**

The majority of the company’s business at the project location must be engaged in one of the following qualifying industries, business activities, or Project team:

Targeted Industries:

- Energy

Each special purpose entity is an entity created for the sole purpose of interconnecting 200-240 Megawatts (“MW”) of renewable energy into the ERCOT market.

#### **Section 5. Local Assessment: County and Community:**

- 5.1 Describe how has the company’s plan been prepared in consultation with the local community, property owners and local political leaders?
- (a) Local Community:  
The projects are located in rural portions of Hidalgo Co & do not have immediate impact on local communities other than the acquisition of goods & services, and employment.
  - (b) Property Owners:  
During leasing and prior to construction Terra-Gen has consulted with each individual landowner to ensure the development meets the desired goals of each party.
  - (c) Local Political Leaders:  
The projects have been introduced to Hidalgo County leadership and have already sought the guidance of County’s permitting office, fire marshal, and drainage/irrigation entities.
- 5.2 Identify the local, state and federal bodies that have jurisdiction over the design, construction, licensing, regulation and operation of the Facility and here any public records of review of the Facility may be accessed by the College and the public:
- (a) Local: Hidalgo County Permit, Fire Marshall, Solid Waste, Irrigation/Drainage Offices.
  - (b) State: TCEQ, Tx Parks & Wildlife, State Comptroller
  - (c) Federal: Federal Aviation Admin (FAA), U.S. Fish & Wildlife
- 5.3 Outline what processes, if any, were followed for community consultation for the Facility’s development.

Per requirements of Hidalgo County permitting office, Terra Gen will be applying for County Permit for construction of the wind farm at each location. At their request, each permit will be routed for approval to the County's fire marshal, solid waste and irrigation/drainage districts.

- 5.4 Is there an Environmental Impact Statement and Clearance required for the Facility? If so, identify where any public records of environmental review may be assessed by the College and members of the public.

Neither an EIS or Clearance is required for the wind farm facilities by any state or federal regulatory agency.

- 5.5 If the Facility is a wind farm, did the assessment of the Facility by any governmental agency measure and assess potential environmental noise impacts from wind turbines? If so, please provide copies of any records with the Application.

To date, there have been no requirements or requests by any governmental agency for the assessment of environmental noise impacts.

- 5.6 Identify the Texas agency, if any, which has on-going regulatory authority over the Facility. Describe any approval process which has taken place in connection with locating the Facility.

There is no state regulatory agency currently required to oversee or monitor the wind farm projects.

- 5.7 Please state whether any of the following were considered in the assessment and location of wind turbines, and if so, how any negative impacts have/or will be addressed:

- landscape and visual amenity:
- noise impacts (have noise guidelines been developed to assess regulate noise):
- health issues (what health issues, if any, have been identified and what guidelines or policies have been adopted to address potential health impacts, if any:
- economic issues, including potential impacts on property values:
- ecological issues, including potential impacts on threatened species:
- decommissioning and rehabilitation:

Terra Gen, LLC as developer of the projects will rely on the review of the applicable County and State agencies with regulatory responsibility over the compatibility of the Facility site(s) with the surrounding uses, to include aviation, noise impacts, visual amenity and ecological issues.

## **Section 6. Life of Facility and Decommissioning**

Include life projections for the Facility, depreciation schedules for income tax purposes and the decommissioning plan. State if the Owner on the Application is a "pass-through" owner or intends

to assign its interest in the Facility and the Abatement Agreement, include proposed contractual language that obligates Owner and any future assignee to comply with the decommissioning plan. To assure the College that the Owner, or Owner's assignee, will perform the decommissioning plan, what financial security, bond or enforceable pledge does the Owner proposed.

The wind turbine generators that will make up the Projects have an estimated life expectancy of 25 years. In the signed leases with the landowners, Terra-Gen has included a Removal Bond to assure each land owner that when the project is decommissioned, each and every turbine, foundation & infrastructure will be removed from their location. The leases with the land owner do allow for Terra-Gen to assign its interests to an interested party, however the lease also obligates the interested party to comply with all aspects of the lease including the removal bond, term of lease, and payments structures to the land owner.

### **Section 7. Noise Auditing and compliance:**

Has applicant developed a plan or procedure to undertake compliance monitoring and auditing. If so, please describe and submit relevant documents.

- Does Owner propose to maintain noise monitoring facilities? Will Special audible characteristics such as excessive amplitude modulation (including the van den Berg effect) together with cumulative impacts be considered?
- What noise standards and reporting of noise records have been developed? Does Owner propose to prepare and submit a noise compliance report on a regular basis? If so, to whom? Will Owner make noise compliance reports publicly available?

At this time there are no state or federal regulatory compliance regulations that require the developer to maintain noise monitoring facilities.

## EXHIBIT A

### Application for Tax Abatement South Texas College

Please submit the answers to the following questions and attach any additional pages as needed. Please complete and attach to the application along with completed Schedules I and II.

#### **Part I. Applicant Information**

**Application Date:** 02/12/2019

Applicant Name: La Joya Windpower, LLC

Applicant's address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Applicant's phone number: 858-764-3754

Applicant's organization: Terra-Gen, LLC

Type of Business: Renewable Energy

Organization address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Organization's phone number: 858-764-3754

Authorized Representative: Milton Howard

Authorized Representative's address (if different than above): Same as above

Authorized Representative's phone number: 713-703-7044

#### **Part II. Project Information**

Proposed project or facility address: (see specifics for each Project below)

1. Provide brief description of project or facility for which tax abatement is sought.

##### **Project 3-La Joya Windpower, LLC:**

La Joya Windpower, LLC ("La Joya Windpower") is a Renewable Energy project located in Hidalgo & Starr Counties, Texas within the Edinburg CISD, and La Joya ISD boundaries to be located west of the intersection of FM 2221-Jara Chinas Road & Mile 7 (State Hwy 107). La Joya seeks to develop and interconnect 210 megawatts ("MW") of power into the ERCOT market via interconnect into the ETT 345 kV line to the Palmetto Substation.

The portion of improvements for La Joya Windpower located within Hidalgo will consist of 203 MW of the proposed wind power generation facility located in the Hidalgo Enterprise Zone. Construction is anticipated to begin no later than the 4<sup>th</sup> quarter of 2019 and it is currently anticipated that construction will be complete by the 4<sup>th</sup> quarter of 2020.

The improvements are expected to have an estimated value of at least \$223,388,000 upon completion, although the actual value will be determined by the Hidalgo & Starr County Appraisal Districts. The Project is expected to include approximately 90 wind turbines; 83 turbines with a

nameplate capacity of 2.2 MW and 7 turbines with a nameplate capacity of 3.45 MW, although the exact number may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. The improvements shall also include any other property in the Enterprise Zones meeting the definition of “Eligible Property” contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

2. Does this property fall under the definition of “Eligible Property” provided in the Hidalgo County Guidelines & Criteria?

☒ Yes  
☐ No

3. This application is for (*choose one*):

☒ New plant  
☐ Expansion  
☐ Modernization

4. Please list all the taxing jurisdictions in which the proposed projects or facilities will be located.

Taxing Entity #1: Hidalgo/Starr County

Taxing Entity #2: South Texas College

Taxing Entity #3: South Texas ISD

Taxing Entity #4: Edinburg CISD

Taxing Entity #5: Rio Grande City CISD

Taxing Entity #6: La Joya ISD

- a. Are applications for tax abatement being submitted to all these jurisdictions?

☐ Yes  
☒ No

La Joya will not be applying for values limitation agreement with South Texas ISD, Edinburg CISD or Rio Grande City CISD. Tax abatement and Value Limitation agreements with Hidalgo County have already been approved. La Joya has submitted applications for Value Limitation agreements (Ch 313) with La Joya ISD.

5. Please describe the nature and scope of the tax abatement that is sought. What is the total estimated taxable value or total range of taxable values of the project or facility for which abatement is sought?

La Joya is seeking an 80 % abatement of taxes effective for ten (10) full calendar years for the projects beginning on January 1 of the tax year following the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction of Projects, outlining the Improvements included in the Projects, and stipulating the overall turbine capacity.

La Joya is anticipating capital costs of at least \$223,388,000. The improvements for The Project will consist of the proposed wind power generation facility, comprised of approximately 206 megawatts ("MW") of nameplate capacity located within the Hidalgo County Enterprise Zone.

The improvements for La Joya are expected to have an estimated value of at least \$223,388,000 upon completion, although the actual value will be determined by the Hidalgo County Appraisal District. The Project is expected to include approximately 90 wind turbines; 83 with a nameplate capacity of 2.2 MW and 7 with a nameplate capacity of 3.45 MW, although the exact number may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. Improvements should also include any other property in the Enterprise Zones meeting the definition of "Eligible Property" contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

a. What is the extent of the abatement being requested?

La Joya Windpower, LLC, seeks an abatement of taxes of the cited project effective for ten (10) full calendar years for the project beginning on January 1 of the next tax year, after the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction of Project, outlining the Improvements included in the Project, and stipulating the overall turbine capacity.

b. Does applicant contemplate that the Project will be completed in Phases?

☐ Yes

☒ No

6. What will be the total estimated taxable value or total range of taxable values of the project or facility in the first year after the expiration of the abatement? (*The amount represents 5% depreciation over 10 years*)

The initial estimated taxable value of the Project when completed is expected to be \$223,388,000 within Hidalgo County. Although the actual value after year 10 will depend upon an annual appraisal by the Hidalgo County Appraisal District and specific decisions to be made by Terra Gen, LLC in the future, the developer estimates the project, will have retained a value of approximately \$136,501,847.

7. Please attach information describing how the proposed project or facility meets the minimum Requirement for tax abatement outlined in the Guidelines & Criteria.

The Project will contribute to the expansion of employment, attract major investment to Hidalgo County, benefit the property on which it is constructed, and contribute to the economic development of the County.

La Joya Windpower, LLC intends to construct a wind powered electric generating facility with an expected value greater than \$223,388,000 in Hidalgo County. At a minimum, the Project will result in a wind power facility with an estimated 210 -megawatt nameplate capacity.

La Joya Windpower, LLC estimates that installing the wind turbines will create 150 to 200 temporary construction jobs over the course of the Project's construction, which is estimated to last twelve months of construction. La Joya further anticipates the creation of eight full-time jobs at each project location for a total of 32 full time jobs for the operation and maintenance of the Project. Continuing operations and maintenance activities in Hidalgo County will create opportunities for purchase of contracting services and supplies from Hidalgo County businesses. Over the course of construction of the Project, Terra Gen will make an effort to use local labor and purchase services and materials local businesses where practicable.

The Project will make use of land that is currently used for agricultural and ranching purposes. The location of the Project is remote and not ideal for industrial or commercial development but is well suited for a wind farm. Without the Project, the land could remain in its current state and would be unlikely to attract new investment to the area.

The wind farm will provide "clean" power to customers served by Terra Gen, LLC. Wind energy creates little or no emissions impacting the environment. The project will provide this clean energy source.

The addition of full-time and contract-related jobs, the purchase of local services, supplies and materials, and the productive use of land to generate revenue and spur investment are examples of the kind of economic benefit that the proposed wind farm will bring to Hidalgo County.

8. Please attach information on the following aspects of the proposed project or facility:

- (1) current value of land and existing improvements, if any;
- (2) type, value and purpose of proposed improvements;
- (3) productive life of proposed improvements;
- (4) impact of proposed improvements and other expenditures on existing jobs;
- (5) number and type of new jobs, if any, to be created by proposed improvements and expenditures;
- (6) costs to be incurred by County, if any, to provide facilities or services directly resulting from the new improvements;
- (7) types and values of public improvements, if any, to be made by applicant seeking abatement;
- (8) estimation of the amount of ad valorem property taxes to be paid to County after expiration of the abatement agreement;
- (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
- (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any,

- for the area;
- (11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to County.

9. Please attach the following information to this application:

- (1) A map and description of the property for which abatement is sought;  
[See page 16-19](#)
- (2) A time schedule for completing the planned improvements; and,  
[La Joya Windpower, LLC is anticipating that construction will begin no later than the 4<sup>th</sup> Quarter of 2019 and will be completed by the 4<sup>th</sup> Quarter of 2020.](#)
- (3) Basic financial information about yourself and your organization sufficient to enable evaluation of the applicant's financial capacity.  
Please see: <https://www.ecpartners.com/> and <https://www.terra-gen.com/>

10. Please describe the proposed or existing Investment Zone in which this project will be located.

[Please see Attachment. The Project are located within the designated Hidalgo County Enterprise Zone. Hidalgo County Commissioners Court has previously recognized the existing enterprise zones for purposes of The Project.](#)

11. Please attach a copy of the County's approved Tax Abatement Agreement with applicant, or, if not yet approved, a copy of the proposed County's Tax Abatement Agreement.

[Please see Attachment.](#)

I attest that the information provided in this application is true and correct to the best of my knowledge.

Authorized Representative's Signature:

*Milt Howard*

Milton Howard  
Vice President of Development  
Terra-Gen, LLC

Date of application submission: 02-14-2019



## Exhibit A

### Legal Descriptions of Investment Zones Containing Proposed Projects

*Please attach a copy of the map of the Counties Zones and the locations of the facilities*

#### **Project 3-La Joya Windpower, LLC:**

Legal Descriptions for La Joya Windpower, LLC are as follows:

PORCION 42 & 43 IN HIDALGO CO OUT OF W4123.57'-N3683.67' 345.78 AC NET  
PORCION 45 W 61.445 LOT 1 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 LOT 2 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 LOT 3 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 AC LOT 4 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 LOT 5 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 AC LOT 6 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 LOT 7 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 LOT 8 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 AC LOT 9 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 AC LOT 10 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 LOT 11 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 LOT 12 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 AC LOT 13 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 AC LOT 14 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 AC LOT 15 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 AC LOT 16 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 AC LOT 17 61.45AC GR 56.35AC NET  
PORCION 45 W 61.445 AC LOT 18 61.45AC GR 56.35AC NET  
PORCION 45 N1012.99'-W1849.50' LOT 19 37.67 AC NET  
LOS GUAGES & MAGUELLES E1486.75'-W2973.5' SEC 38 160AC  
STRATTON TRACT LT 20 POR 74 75 40.0 AC  
STRATTON TRACT LT 21 POR 74 75 40.0 AC  
STRATTON TRACT W 60.00 AC LT 22 POR 74 75  
STRATTON TRACT LT 30 POR 74 120.0 AC  
PORCION 47 W3800.3'-N6718.2'-S OF MILE 7-600AC-3002.5AC TR EXC 4.21ACS IN AN IRR TR 600 AC GR 595.79 AC NET  
JUAN L GARZA S1050.2'-R/S LT 17 LT 8 POR 46 EXC E29' 28.60AC NET  
PORCION 47 W3890.3'-S6718.2'-N12381.2' EXC 1AC H/S 599AC NET  
PORCION 46 AN IRR TR N10931.03' N OF EXPWY 83 530.04AC NET  
JUAN L GARZA R/S LT 17 LT 7 POR 46 R/S OF LT 17 69.96 AC  
LOS GUAGES & MAGUELLES W1486.75' EXC S932.83'-W1401.62' SEC 38 129.98AC NET  
SCHUNIOR S1363.72' SH 11 & W1010.8'-S1123.72' SH 13

171.93AC GR 170.68AC NET A/K/A TR 1  
SCHUNIOR N1365.72'-SH 11,S250'-SH 12 & W1010.8'-N1114.88'-S2238.6' SH 13 171.93AC GR 170.68AC NET A/K/A TR 2  
SCHUNIOR N1277.17' SH 12 & W3004.94'-S533.72' IRR TR SH 13 171.93AC GR 170.78AC NET A/K/A TR 3  
PORCION 42 & 43 AN IRR TR S11, 642.60'-N34, 150.24' - W4123.57 1044.28 AC GR 1040.20 AC NET  
PORCION 76 BNG AN IRR IR E1915.11'-W3360.8'-S22915'-N32570' 947AC  
STRATTON TRACT S134.12AC-LOT 3 POR 75  
PORCION 42 & 43 SE 139.44AC IN HIDALGO CO OUT OF N11,369.02'-W3,963.50' 139.44AC  
AB 414 POR 43 A VILLARREAL 7620-00010-01  
AB 415 POR 42 D ZAMORA 7630-00010-01  
LOS GUAGES & MAGUELLES AN IRR TR E2644'- N2878.44'-SEC 37 203AC GR 201.79AC NET  
STRATTON TRACT LT 10 POR 74 75 20.00 AC  
STRATTON TRACT LT 13 POR 74 75  
STRATTON TRACT LT 14 POR 74 75 20.0 AC  
STRATTON TRACT LT 15 POR 74 75 20.0 AC  
STRATTON TRACT LT 16 POR 74 75 EXC S457.10' 26.67 AC NET  
STRATTON TRACT EXC S457.10' LT 18 POR 74 26.67 AC NET  
STRATTON TRACT LOT 7 POR 75 40.0AC  
STRATTON TRACT LOT 12 POR 75 40.00AC  
STRATTON TRACT LT 17 POR 75 EXC S457.10' 26.67 AC NET  
STRATTON TRACT LOT 8 & 11 POR 75 40.00AC  
LOS GUAGES & MAGUELLES E1/2 SEC 38 320AC  
PORCION 45 S 10 AC OF W 61.445 AC OF LT 22  
PORCION 45 W 61.445 LT 23  
PORCION 45 E 61.445 AC LT 23  
PORCION 45 W 61.445 AC LT 24  
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PORCION 45 W 61.445 AC LT 32  
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 PORCION 45 W 61.445 AC LT 34  
 PORCION 45 E 61.445 AC LOT 34  
 PORCION 45 W 61.445 AC LT 35  
 PORCION 45 E 61.445 AC LOT 35  
 PORCION 45 W 61.445 AC LT 36  
 PORCION 45 E 61.445 AC LT 36  
 PORCION 45 W 61.445 AC LT 37  
 PORCION 45 E 61.445 LT 37  
 PORCION 45 W 61.445 AC LT 38  
 PORCION 45 E 61.445 AC LT 38  
 PORCION 45 W 61.445 AC LOT 39  
 PORCION 45 E 61.445 AC LT 39  
 PORCION 45 W 61.445 AC LT 40  
 PORCION 45 E 61.445 AC LOT 40  
 PORCION 45 LT 41 122.89 AC NET  
 PORCION 42 & 43 AN IRR TR S6967.61'-N18337.08'-  
 W4038.83' 488.45 AC NET  
 PORCION 45 E 61.445 AC LT 5  
 PORCION 45 E 61.445 AC LT 10  
 PORCION 45 E 61.445 LT 1  
 PORCION 45 E 61.445 AC LT 6  
 PORCION 45 E 61.445 AC LT 8  
 PORCION 45 E 61.445 AC LT 9  
 PORCION 45 SE 30.722AC LOT 11 29.97AC NET  
 PORCION 45 E 61.445 AC LT 17

PORCION 45 E 61.445 AC LT 19  
 PORCION 45 E 61.445 LT 7  
 PORCION 45 E 61.445 AC LT 20  
 PORCION 45 E 61.445 AC LT 18  
 PORCION 45 E 61.445 AC LT 15  
 PORCION 45 E 61.445 AC LT 21  
 PORCION 45 E 61.445 AC LT 4  
 PORCION 45 E 61.445 LT 3  
 PORCION 45 E 61.445 LT 2  
 PORCION 45 E 61.445 AC LT 12  
 PORCION 45 E 61.445 AC LT 13  
 PORCION 45 E 61.445 AC LT 14  
 PORCION 45 E 61.445 LT 16  
 PORCION 46 AN IRR TR S5041'-N12 515'-W3485.6'  
 595.22AC  
 PORCION 46 N7 473.8'-W3 568.2' & E106.2'-W3 587.7'-N1  
 330.7' 600AC NET  
 SCHUNIOR LT 1 SH 5 164.75 AC  
 SCHUNIOR LT 2 SH 5 164.75 AC  
 SCHUNIOR W1/2-164.75AC LOT 3 SH 5 82.37AC  
 SCHUNIOR E1/2-164.75AC LOT 3 SH 5 82.38AC  
 SCHUNIOR LT 4 SH 5 164.75 AC  
 SCHUNIOR W886.33'SH 5 117.61AC GR 117AC NET  
 PORCION 47 TR 2 496.95 AC EXC 1.0 AC 495.95 AC  
 SCHUNIOR SH 15 1650.00 AC  
 SCHUNIOR 441.26AC EXC 1AC 440.26AC NET  
 TEX-MEX SURVEY ABST 658 1281.34AC - ABST 658 &  
 211.64AC N OF ABST 658 & S OF LOT 38-39 LOS GUAJES  
 1492.98AC NET

**Exhibit B**  
**Maps of Project Areas**

CONFIDENTIAL-PLEASE SEE ATTACHED



- (a) **Written Application.** Any current or potential owner of taxable property may request Abatement by filing a written application with the President of the College. **Exhibit A**
- (b) **Contents of Application.**
- a. The application shall consist of a completed application form (Exhibit A) accompanied by:
  - b. a general description of the new improvements to be undertaken;
  - c. a descriptive list of the improvements for which Abatement is requested;
  - d. a list of the kind, number and location of all proposed improvements of the property;
  - e. a map and property description; proposed turbine location (if a wind turbine Facility);
  - f. and a time schedule for undertaking and completing the proposed improvements.
  - g. In the case of a Modernization or Expansion Project, a statement of the Appraised Value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application.
- \*\*The application form may require such financial and other information as the College or other Eligible Jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.
- (c) **Local Employment and Procurement.** Owner shall, as part of the Application, provide: (i) a list and description of all component parts and equipment which are included in the construction and/or installation of the Facility, (ii) a list of maintenance and operations personnel or professional services anticipated or required for the operation and maintenance of the Facility on an on-going basis; and (iii) the identify of all persons or firms in Starr County and Hidalgo County, or within 100 miles thereof, with the capability of providing these services (a complete Schedule I and Schedule II).
- (d) **Written Notification.** Upon receipt of a completed application, the President shall evaluate the application for a determination of the proposed Facility's compliance with these Guidelines.
- (e) **Feasibility.** After receipt of an application for Abatement, the College shall consider the feasibility and the impact of the proposed Abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the College and the Facility to be covered by such Abatement.
- (f) **No Abatement if Construction has been Completed.** No Agreement shall be approved if the application for the Abatement was filed after the completion of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.
- (g) **Variance.** Requests for variance from the provisions of these Guidelines and Criteria may be made in written form; provided, however, that no variance may extend the term of Abatement beyond five (5) years after completion of the Construction Phase. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4ths) vote of the board of trustees of the College.

**Project Descriptions:****Project 3-La Joya Windpower, LLC:**

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property within South Texas College boundaries, which is located in Hidalgo County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 90 wind turbines, with a combined make up of 83- 2.2 MW wind turbines and 7- 3.45 MW wind turbines and a combined total generating capacity of approximately 203 MW; up to 90 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 90 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the ETT Lobo to Palmetto, 345kV transmission line located in Hidalgo County.

Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Map Exhibit B.

The Applicant intends to construct a Maintenance and Operations building to house equipment i.e. junction boxes, transformer equipment, and turbine electronic controls. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

Construction is anticipated to begin no later than the 4<sup>th</sup> Quarter of 2019 and it is currently anticipated that construction will be complete by the 4<sup>th</sup> Quarter of 2020.

**Descriptive List for which Abatement is being requested:****Project 2-Monte Cristo Windpower, LLC:**

Monte Cristo Windpower, LLC plans to construct an estimated 201 MW wind farm in Hidalgo County, located entirely within South Texas College boundaries. Additional improvements of Qualified Property include:

- 88 Wind Turbines 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45MW;
- 88 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- Additional meteorological towers;
- All-weather Road work sloped for drainage;
- Operations and maintenance building for storage of control systems necessary for commercial generation of electricity;
- Electric substation including power transformers, associated circuit breakers, switches, reactive power compensation equipment and control building & fencing of perimeter.

For purposes of this application, the Project anticipates using 82 wind turbines with a nameplate capacity of 2.2 MW and 6 wind turbines with a nameplate capacity of 3.45 MW. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within South Texas College boundaries. Current plans are to install turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. However, any changes in the number and location of turbines will not have a significant impact on the total investment. Monte Cristo intends to connect to AEP Lon C. Hill to North Edinburg, 345kV transmission line, located within South Texas College boundaries. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Exhibit B shows the proposed project area with the anticipated improvement locations.

### **Enterprise Zones:**

Hidalgo, County is designated enterprise zone county as defined under the Texas Governor's "[Governor's Economic Development Finance department online](#)" link provided by Texas Comptroller website under "[The Texas Enterprise Zone Program](#)." The Governor's website "Texas Enterprise Zone Program"- "[Economic Zone Program Rules, 10 TAC 176](#)" according to section (b), subsection (11); which defines a distressed county as: "a county that has a poverty rate above 15.4 percent based on the most recent decennial census; in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate based on the most recent decennial census; and that has an unemployment rate that has remained above 4.9 percent during the preceding five years, based on Texas Workforce Commission data."

Source: <https://businessintexas.com/services/tax-incentives?view=texas%20enterprise%20zone%20program>

Hidalgo County meets the guidelines as "Distressed County" under Texas Government Code Chapter 2303.003 (1-c). Where a "Distressed County" means a County:

(A) The Poverty rate in Hidalgo County is currently 31.2%

All Topics ▾	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
<b>Income &amp; Poverty</b>		
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Per capita income in past 12 months (in 2016 dollars), 2012-2016	\$15,240	\$29,829
Persons in poverty, percent	31.2%	12.7%

Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

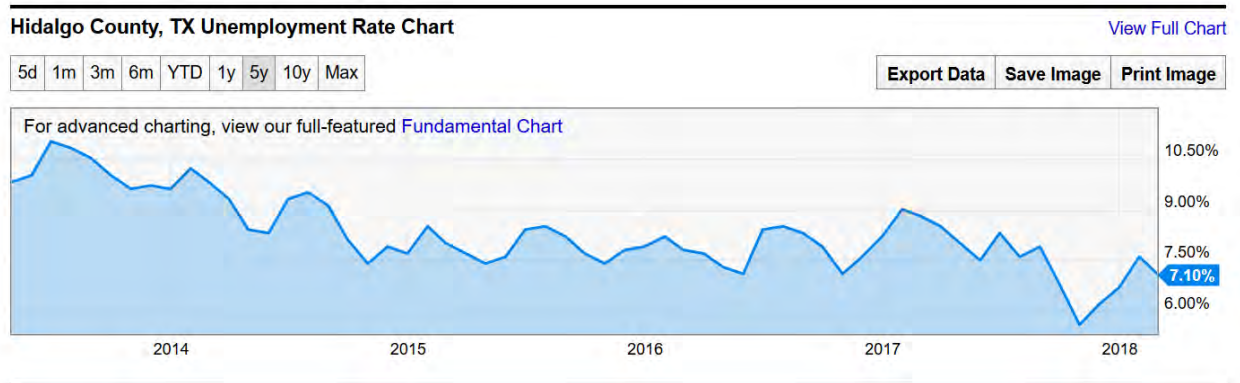
(B) The adult population that does not hold a high school diploma or high school equivalency certificate in Hidalgo County; persons of age 25 years+ were: 36.7% during 2012-2016.

All Topics ▾	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
<b>Education</b>		
High school graduate or higher, percent of persons age 25 years+, 2012-2016	63.3%	87.0%
Bachelor's degree or higher, percent of persons age 25 years+, 2012-2016	17.4%	30.3%

Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>



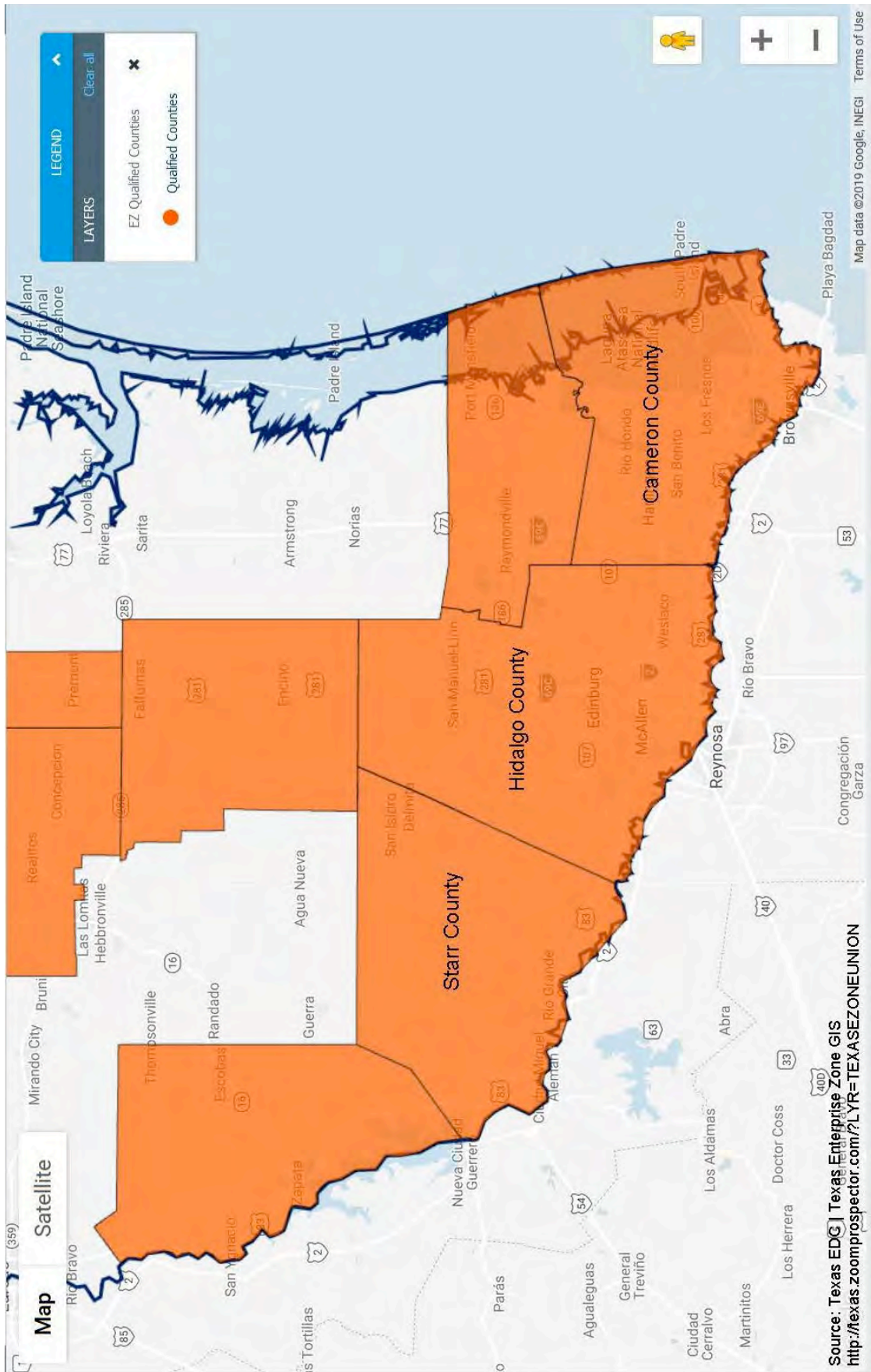
(C) The unemployment rate in Hidalgo County during the preceding 5 years has been from 2013 at 9.8% to 2017 at 7.10%.



Source: [https://ycharts.com/indicators/hidalgo\\_county\\_tx\\_unemployment\\_rate](https://ycharts.com/indicators/hidalgo_county_tx_unemployment_rate)



## Enterprise Zone Map



# Application for Chapter 312 Tax Abatement Agreement by Monte Alto Windpower, LLC



Submitted by:

Terra-Gen, LLC



February 28, 2019

## **SCHEDULE I**

### **“Buy Local” Annual Reports**

The following information shall be reported to the College on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials\* (local): \$500,000
2. Dollar amount spent for materials\* (total): \$500,000
3. Dollar amount spent for labor\*\* (local): \$325,000
4. Dollar amount spent for labor\*\* (total): \$325,000
5. Number of jobs created in the construction of the Facility (local): 150 FTE's
6. Number of jobs created in the construction of the Facility (total): 200 FTEs
7. Number of jobs created on a permanent basis (local): 8 per site
8. Number of jobs created on a permanent basis (total): 8 per site

\* The term “materials” is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

\*\* The term “labor” is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the design of the Facility.

The term “local” as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either Hidalgo County or Starr County.

## **SCHEDULE II**

### **ADDITIONAL INFORMATION REQUIRED OF APPLICANT FOR TAX ABATEMENT**

#### **Section 1. Eligibility Criteria**

1. To be eligible for consideration by College for a tax abatement under these Guidelines, an Owner of the Facility must meet or exceed all of the criteria described

below:

- The Facility must be one that will generate renewable energy;
- The minimum amount of new real and/or personal property capital investment shall exceed \$200 million (at start of project or by year 2017);
- Shall exceed minimum levels of full-time job creation;
- Provide employee and dependent access to health care benefits;
- Provide a minimum living and all-industry wage requirements for new and existing employees at project site;

Terra-Gen Development Company, LLC, ("Terra-Gen") is the exclusive developer of Buenos Aires, Monte Cristo, La Joya & Monte Alto Windpower projects (The Projects). Each aforementioned entity is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. Terra-Gen is in the business of initiating, developing, producing and owning and operating electricity from renewable energy projects including wind, solar, and geothermal. Each project is anticipating total capital costs of \$223,388,000. However, it is anticipated that \$175,000,000 of capital costs for Monte Alto will be located within Hidalgo County and South Texas College boundaries. The Projects are expected to have a total investment of \$845,164,000 within Hidalgo County, all of which falls within the South Texas College boundaries. The Projects will be providing 200 construction jobs for Hidalgo County residents and 8 permanent operations jobs which include: wind turbine technicians, electrical engineers and other management positions with a starting salary of \$40,154.40 with access to employee/dependent health care benefits.

## **Section 2. Amount and Terms of Tax Abatement Subject to Additional Commitments**

- 2.1 The amount and term of the tax abatement offered will be dependent upon the Owner's commitment to exceed the minimum eligibility criteria, consideration of other public incentives offered for the same project and the overall benefit to the College and the community.
- 2.2 What resources will the Owner commit to, of the following:
  - (a) Sponsorship of scientific events, teacher research grants to the College; materials and equipment, teaching materials to the College; R&D collaboration with local college;
  - (b) Total number of jobs created and maintained in the area;
  - (c) Number of high-wage jobs.

Terra Gen, LLC is committed to the continuing education of local workforce and employees through local scholarship and or student support services.

Each Project will maintain 8 permanent jobs for the project for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay

### Section 3. Wage Requirements

Companies receiving a tax abatement from the College must meet certain minimum wage requirements for all new and existing (i.e., retained) jobs at the project site.

- 3.1 Living Hourly Wage Requirement: In order to be eligible for a tax abatement, one hundred percent (100%) of the company’s new and existing employees ***at the project location*** must earn no less than a “living wage” throughout the full term of the Tax Abatement Agreement. This wage is based on the poverty level for a family of four, as determined annually (January) by the U.S. Department of Health and Human Services (HHS). As of January 22, 2015, the living wage requirement is \$11.66 per hour.
- 3.2 All Industries Median Hourly Wage Requirement: In addition to the “Living Wage” requirement, after one year of initiating full operations at the project location, but not more than two years after execution of the Tax Abatement Agreement with the College, at least seventy percent (70%) of all new and existing employees, with at least one year of full employment with the company at the project location, must earn a cash wage at or exceeding the annual Edinburg, Pharr McAllen Metropolitan Statistical Area (MSA) Median Hourly Wage for All Industries (Companies) for the most recent year available. This wage is compiled by the Bureau of Labor Statistics (BLS) Occupational Employment Survey and published annually by the Texas Workforce Commission (TWC). This wage is updated annually, and for 2014 the current applicable wage is \$11.32 per hour.

High-Wage Jobs: High-wage jobs are either: (I) Qualified professional jobs reported in high-wage industries (e.g., advanced business services, aerospace, life sciences, renewable energy, high-tech/IT); or (2) Jobs for which earnings are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017).

- 3.3 If the company does not meet and maintain these wage requirements for all new and existing employees at the project location, the company will be in default of its Tax Abatement Agreement, which could result in termination of the Agreement and the recapture of all or a portion of the previously abated property taxes.

The Projects are committed to creating 8 permanent jobs each for a total of 32 new jobs with a base salary of \$40,154.40, which exceeds the current County average earnings which are above the Hidalgo County average weekly wage (average for the most recent four quarters) as reported

quarterly by the Bureau of Labor Statistics (currently \$33,592 in 2017) qualifying as a “High-Wage Job”, in addition to health care benefits, retirement, & leave time with pay.

#### **Section 4. Targeted and Qualifying Industries/Business Activities or Project team**

The majority of the company’s business at the project location must be engaged in one of the following qualifying industries, business activities, or Project team:

Targeted Industries:

- Energy

Each special purpose entity is an entity created for the sole purpose of interconnecting 200-240 Megawatts (“MW”) of renewable energy into the ERCOT market.

#### **Section 5. Local Assessment: County and Community:**

5.1 Describe how has the company’s plan been prepared in consultation with the local community, property owners and local political leaders?

(a) Local Community:

The projects are located in rural portions of Hidalgo Co & do not have immediate impact on local communities other than the acquisition of goods & services, and employment.

(b) Property Owners:

During leasing and prior to construction Terra-Gen has consulted with each individual landowner to ensure the development meets the desired goals of each party.

(c) Local Political Leaders:

The projects have been introduced to Hidalgo County leadership and have already sought the guidance of County’s permitting office, fire marshal, and drainage/irrigation entities.

5.2 Identify the local, state and federal bodies that have jurisdiction over the design, construction, licensing, regulation and operation of the Facility and here any public records of review of the Facility may be accessed by the College and the public:

(a) Local: Hidalgo County Permit, Fire Marshall, Solid Waste, Irrigation/Drainage Offices.

(b) State: TCEQ, Tx Parks & Wildlife, State Comptroller

(c) Federal: Federal Aviation Admin (FAA), U.S. Fish & Wildlife

5.3 Outline what processes, if any, were followed for community consultation for the Facility’s development.

Per requirements of Hidalgo County permitting office, Terra Gen will be applying for County Permit for construction of the wind farm at each location. At their request, each permit will be routed for approval to the County’s fire marshal, solid waste and irrigation/drainage districts.

5.4 Is there an Environmental Impact Statement and Clearance required for the Facility? If so, identify where any public records of environmental review may be assessed by the College and members of the public.

Neither an EIS or Clearance is required for the wind farm facilities by any state or federal regulatory agency.

- 5.5 If the Facility is a wind farm, did the assessment of the Facility by any governmental agency measure and assess potential environmental noise impacts from wind turbines? If so, please provide copies of any records with the Application.

To date, there have been no requirements or requests by any governmental agency for the assessment of environmental noise impacts.

- 5.6 Identify the Texas agency, if any, which has on-going regulatory authority over the Facility. Describe any approval process which has taken place in connection with locating the Facility.

There is no state regulatory agency currently required to oversee or monitor the wind farm projects.

- 5.7 Please state whether any of the following were considered in the assessment and location of wind turbines, and if so, how any negative impacts have/or will be addressed:

- landscape and visual amenity:
- noise impacts (have noise guidelines been developed to assess regulate noise):
- health issues (what health issues, if any, have been identified and what guidelines or policies have been adopted to address potential health impacts, if any:
- economic issues, including potential impacts on property values:
- ecological issues, including potential impacts on threatened species:
- decommissioning and rehabilitation:

Terra Gen, LLC as developer of the projects will rely on the review of the applicable County and State agencies with regulatory responsibility over the compatibility of the Facility site(s) with the surrounding uses, to include aviation, noise impacts, visual amenity and ecological issues.

## **Section 6. Life of Facility and Decommissioning**

Include life projections for the Facility, depreciation schedules for income tax purposes and the decommissioning plan. State if the Owner on the Application is a “pass-through” owner or intends to assign its interest in the Facility and the Abatement Agreement, include proposed contractual language that obligates Owner and any future assignee to comply with the decommissioning plan. To assure the College that the Owner, or Owner’s assignee, will perform the decommissioning plan, what financial security, bond or enforceable pledge does the Owner proposed.

The wind turbine generators that will make up the Projects have an estimated life expectancy of 25 years. In the signed leases with the landowners, Terra-Gen has included a Removal Bond to assure each land



owner that when the project is decommissioned, each and every turbine, foundation & infrastructure will be removed from their location. The leases with the land owner do allow for Terra-Gen to assign its interests to an interested party, however the lease also obligates the interested party to comply with all aspects of the lease including the removal bond, term of lease, and payments structures to the land owner.

### **Section 7. Noise Auditing and compliance:**

Has applicant developed a plan or procedure to undertake compliance monitoring and auditing. If so, please describe and submit relevant documents.

- Does Owner propose to maintain noise monitoring facilities? Will Special audible characteristics such as excessive amplitude modulation (including the van den Berg effect) together with cumulative impacts be considered?
- What noise standards and reporting of noise records have been developed? Does Owner propose to prepare and submit a noise compliance report on a regular basis? If so, to whom? Will Owner make noise compliance reports publicly available?

At this time there are no state or federal regulatory compliance regulations that require the developer to maintain noise monitoring facilities.



## EXHIBIT A

### Application for Tax Abatement South Texas College

Please submit the answers to the following questions and attach any additional pages as needed. Please complete and attach to the application along with completed Schedules I and II.

#### **Part I. Applicant Information**

**Application Date:** 02/12/2019

Applicant Name: Monte Alto Windpower, LLC

Applicant's address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Applicant's phone number: 858-764-3754

Applicant's organization: Terra-Gen, LLC

Type of Business: Renewable Energy

Organization address: 11455 El Camino Real, Suite 160 San Diego, CA 92130

Organization's phone number: 858-764-3754

Authorized Representative: Milton Howard

Authorized Representative's address (if different than above): Same as above

Authorized Representative's phone number: 713-703-7044

#### **Part II. Project Information**

Proposed project or facility address: (see specifics for each Project below)

1. Provide brief description of project or facility for which tax abatement is sought.

##### **Project 4-West Willacy Windpower, LLC ("Monte Alto"):**

West Willacy Windpower, LLC ("Monte Alto") is a Renewable Energy project located in Hidalgo & Cameron Counties, Texas within the Mercedes ISD, Santa Rosa ISD, La Villa ISD and La Feria ISD boundaries to be located central to State Hwy 107 & FM 1425 ("Kika De La Garza"). Monte Alto seeks to develop and interconnect 201 megawatts ("MW") of power into the ERCOT market via interconnect into the AEP 345 kV Rio Hondo line to North Edinburg Substation.

The improvements for Monte Alto within the Hidalgo County portion of the project will consist of a proposed wind power generation facility, comprised of 143 megawatts ("MW") of nameplate capacity located in the Hidalgo Enterprise Zones. Construction is anticipated to begin no later than the 4<sup>th</sup> quarter of 2019 and it is currently anticipated that construction will be complete by the 4<sup>th</sup> quarter of 2020.

The improvements are expected to have an estimated value of at least \$175,000,000 upon

completion, although the actual value will be determined by the Hidalgo County Appraisal Districts. The portion of the Project within Hidalgo County, Texas is expected to include approximately 61 wind turbines; 54 turbines with a nameplate capacity of 2.2 MW and 7 turbines with a nameplate capacity of 3.45 MW, although the exact number may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. The improvements shall also include any other property in the Enterprise Zones meeting the definition of "Eligible Property" contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

2. Does this property fall under the definition of "Eligible Property" provided in the Hidalgo County Guidelines & Criteria?

☒ Yes  
☐ No

3. This application is for (*choose one*):

☒ New plant  
☐ Expansion  
☐ Modernization

4. Please list all the taxing jurisdictions in which the proposed projects or facilities will be located.

Taxing Entity #1: Hidalgo/Cameron County

Taxing Entity #2: South Texas College

Taxing Entity #3: South Texas ISD

Taxing Entity #4: La Villa CISD

Taxing Entity #5: Mercedes CISD

Taxing Entity #6: Santa Rosa ISD

Taxing Entity #7: La Feria ISD

- a. Are applications for tax abatement being submitted to all these jurisdictions?

☐ Yes  
☒ No

Monte Alto will not be applying for values limitation agreement with South Texas ISD or La Feria ISD. Tax abatement with Hidalgo County has already been approved. La Joya has submitted applications for Value Limitation agreements (Ch 313) with La Villa ISD, Santa Rosa

ISD, and Mercedes ISD.

5. Please describe the nature and scope of the tax abatement that is sought. What is the total estimated taxable value or total range of taxable values of the project or facility for which abatement is sought?

Monte Alto is seeking an 80 % abatement of taxes effective for ten (10) full calendar years for the project beginning on January 1 of the tax year following the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction of Project, outlining the Improvements included in the Project, and stipulating the overall turbine capacity.

Monte Alto is anticipating capital costs within Hidalgo County of at least \$175,000,000. The improvements for The Project will consist of the proposed wind power generation facility, comprised of approximately 119 megawatts ("MW") of nameplate capacity located within the Hidalgo County Enterprise Zone.

The improvements for Monte Alto are expected to have an estimated value of at least \$175,000,000 upon completion, although the actual value will be determined by the Hidalgo County Appraisal District. The Project is expected to include approximately 61 wind turbines; 54 with a nameplate capacity of 2.2 MW and 7 with a nameplate capacity of 3.45 MW, although the exact number may vary depending on factors such as the type of turbines used and site wind characteristics. However, such factors will not pose a significant impact on the anticipated investment amount. Improvements should also include any other property in the Enterprise Zones meeting the definition of "Eligible Property" contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

- a. What is the extent of the abatement being requested?

Monte Alto Windpower, LLC, seeks an abatement of taxes of the cited project effective for ten (10) full calendar years for the project beginning on January 1 of the next tax year, after the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction of Project, outlining the Improvements included in the Project, and stipulating the overall turbine capacity.

- b. Does applicant contemplate that the Project will be completed in Phases?

☐ Yes

☒ No

6. What will be the total estimated taxable value or total range of taxable values of the project or facility in the first year after the expiration of the abatement? (*The amount represents 5% depreciation over 10 years*)

The initial estimated taxable value of the Project when completed is expected to be \$175,000,000 within Hidalgo County. Although the actual value after year 10 will depend upon an annual appraisal by the Hidalgo County Appraisal District and specific decisions to be made by Terra Gen, LLC in the future, the developer estimates the project, will have

retained a value of approximately \$106,934,486.

7. Please attach information describing how the proposed project or facility meets the minimum Requirement for tax abatement outlined in the Guidelines & Criteria.

The Project will contribute to the expansion of employment, attract major investment to Hidalgo County, benefit the property on which it is constructed, and contribute to the economic development of the County.

Monte Alto Windpower, LLC intends to construct a wind powered electric generating facility with a total expected value of \$223,388,000; \$175,000,000 in Hidalgo County and \$48,388,000 in Cameron County. At a minimum, the Project will result in a wind power facility with an estimated 201 -megawatt nameplate capacity, of which, 119 MW will be located within Hidalgo County.

Monte Alto Windpower, LLC estimates that installing the wind turbines will create 150 to 200 temporary construction jobs over the course of the Project's construction, which is estimated to last twelve months of construction. Monte Alto further anticipates the creation of eight full-time jobs at each project location for a total of 32 full time jobs for the operation and maintenance of the Project. Continuing operations and maintenance activities in Hidalgo County will create opportunities for purchase of contracting services and supplies from Hidalgo County businesses. Over the course of construction of the Project, Terra Gen will make an effort to use local labor and purchase services and materials local businesses where practicable.

The Project will make use of land that is currently used for agricultural and ranching purposes. The location of the Project is remote and not ideal for industrial or commercial development but is well suited for a wind farm. Without the Project, the land could remain in its current state and would be unlikely to attract new investment to the area.

The wind farm will provide "clean" power to customers served by Terra Gen, LLC. Wind energy creates little or no emissions impacting the environment. The project will provide this clean energy source.

The addition of full-time and contract-related jobs, the purchase of local services, supplies and materials, and the productive use of land to generate revenue and spur investment are examples of the kind of economic benefit that the proposed wind farm will bring to Hidalgo County.

8. Please attach information on the following aspects of the proposed project or facility:

- (1) current value of land and existing improvements, if any;
- (2) type, value and purpose of proposed improvements;
- (3) productive life of proposed improvements;
- (4) impact of proposed improvements and other expenditures on existing jobs;
- (5) number and type of new jobs, if any, to be created by proposed improvements and expenditures;
- (6) costs to be incurred by County, if any, to provide facilities or services directly resulting from the new improvements;

- (7) types and values of public improvements, if any, to be made by applicant seeking abatement;
- (8) estimation of the amount of ad valorem property taxes to be paid to County after expiration of the abatement agreement;
- (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
- (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area;
- (11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to County.

9. Please attach the following information to this application:

- (1) A map and description of the property for which abatement is sought;  
[See page 16-19](#)
- (2) A time schedule for completing the planned improvements; and,  
[Monte Alto Windpower, LLC is anticipating that construction will begin no later than the 4<sup>th</sup> Quarter of 2019 and will be completed by the 4<sup>th</sup> Quarter of 2020.](#)
- (3) Basic financial information about yourself and your organization sufficient to enable evaluation of the applicant's financial capacity.  
Please see: <https://www.ecpartners.com/> and <https://www.terra-gen.com/>

10. Please describe the proposed or existing Investment Zone in which this project will be located.

[Please see Attachment. The Project are located within the designated Hidalgo County Enterprise Zone. Hidalgo County Commissioners Court has previously recognized the existing enterprise zones for purposes of The Project.](#)

11. Please attach a copy of the County's approved Tax Abatement Agreement with applicant, or, if not yet approved, a copy of the proposed County's Tax Abatement Agreement.

[Please see Attachment.](#)

I attest that the information provided in this application is true and correct to the best of my knowledge.

Authorized Representative's Signature:

*Milt Howard*

Milton Howard  
Vice President of Development  
Terra-Gen, LLC

Date of application submission: 02-14-2019

## Exhibit A

### Legal Descriptions of Investment Zones Containing Proposed Projects

*Please attach a copy of the map of the Counties Zones and the locations of the facilities*

#### **Project 4-West Willacy Windpower, LLC (“Monte Alto”):**

Legal Descriptions for West Willacy Windpower, LLC are as follows:

VALENCIA LOTS 1 4 13 & 16 40.0AC NET A/K/A CAPISALLO CITY  
NORTH CAPISALLO BLKS 2353 TO 2363 2365 2366 & 2369 TO 2371 SW31.18AC BLK 2372 ALL 2373 TO 2375 455.97AC NET  
NORTH CAPISALLO ALL BKS2405-2410 SE25.89 BK2411 SE0.41 BK2414 SW27.84BK2415 ALL BKS2416 & 2417 SW31.39 BK2418 195.71AC NET  
NORTH CAPISALLO SE COR 2.82AC-BLK 2529 AN IRR 10.66AC TR-BLK 2539 15.90AC BEING ALL OF BLK 2540&3.59AC IN CANAL R/O/W 32.97AC GR 31.77AC NET  
NORTH CAPISALLO NE PT 2347 & 2348 ALL 2349-2352;PT 2393-2396;ALL 2397 & 2398 & 2400 THRU 2404 & SW PT 2487 224.81AC  
NORTH CAPISALLO-BLKS 2475 THRU 2486 & W627.50'-N777.60'-S984.6' BLK 2587 574.64 AC GR 571.14 AC NET  
NORTH CAPISALLO BLKS 2660 2661 2662 2663 2664 2665 2666 2667 TO 2670 2671 2681 2682 BEING 398.52AC NET  
NORTH CAPISALLO BLKS 2629 THRU 2637 AND BLKS 2638 THRU 2646 BEING 594.15 ACRES  
NORTH CAPISALLO 33.78 BK 2598 ALL 2599 TO 2603 NE 4.36 2604 NE 28.72 2605 ALL 2606 2607 & 2611 W19.51 BK 2613 384.84AC NET  
NORTH CAPISALLO BLK 2317 31.00 AC OF EXEMPT VALLEY ACRES RESERVOIR  
NORTH CAPISALLO BLK 2318 40.00 AC EXEMPT VALLEY ACRES RESERVOIR  
NORTH CAPISALLO BLK 2529 EXC SE COR 2.82AC; PT BLK 2532 THRU 2536; PT BLK 2539; ALL 2542 THRU 2545 BLK 2562 2563 SW 36.54AC BLK 2564 & SW 3.67 AC -BLK 2565; SW 7.07AC BLK 2568;SW 2.16AC BLK 2569; ALL 2570-2572; 3.43AC BLK 2574 & SE PT 2581 ALL BLK 2582 4  
NORTH CAPISALLO BLK 2321 16.68 AC EXEMPT VALLEY ACRES RESERVIOR  
NORTH CAPISALLO BLK 2325 8.90 AC EXEMPT VALLEY ACRES RESERVIOR  
NORTH CAPISALLO BK 2390 21.06 AC  
NORTH CAPISALLO BK 2609 20 AC  
NORTH CAPISALLO BK 2615 23.95 AC  
NORTH CAPISALLO NE 4.73AC N OF HWY 107 FOR IMPS BLK 2372 4.73AC  
NORTH CAPISALLO BLK 2326 31.06 AC WATER DISTRICT RESERVIOR XMPT  
NORTH CAPISALLO BK 2647 40 AC  
NORTH CAPISALLO BK 2610 20 AC  
NORTH CAPISALLO BK 2577 23.39 AC  
NORTH CAPISALLO BK 2576 38.33 AC  
NORTH CAPISALLO BK 2574 23.72 AC

NORTH CAPISALLO BK 2392 8.31 AC  
NORTH CAPISALLO BLK 2374 7.00 AC EXEMPT WATER DIST RESERVOIR  
NORTH CAPISALLO BLK 2375 43.61 AC EXEMPT WATER DIST RESERVOIR  
NORTH CAPISALLO BK 2579 42.06 AC  
NORTH CAPISALLO BK 2575 38.33 AC  
NORTH CAPISALLO BK 2580 24.09 AC  
NORTH CAPISALLO BK 2581 42.57 AC  
NORTH CAPISALLO BK 2389 9.44 AC  
NORTH CAPISALLO BK 2388 8.87 AC  
NORTH CAPISALLO ALL BK 2597 EXC 1AC-IMPS SW1.22 BK 2598 S35.50 BK 2604 & W11.56AC-S20.56 BK 2605 71.38AC NET  
NORTH CAPISALLO BK 2614 15 AC  
NORTH CAPISALLO BK 2578 3.87 AC  
NORTH CAPISALLO BK 2612 1.03 AC  
NORTH CAPISALLO-NE19.64 BK 2434 NE2.07 BK 2436 ALL BKS 2437&2442 NE1.61 BK 2396 35.58 BK 2443 NE11.19 BK 2487 NE9.37 BK 2488 157.04AC NET  
NORTH CAPISALLO BK 2569 10.21 AC  
NORTH CAPISALLO BLK 2533 PT 10.99 AC EXEMPT WATER DIST RESERVOIR  
NORTH CAPISALLO BLK 2327 25.00 AC WATER DISTRICT RESERVOIR XMPT  
NORTH CAPISALLO BLK 2328 48.24 AC WATER DISTRICT RESERVIOR XMPT  
NORTH CAPISALLO BK 2344 16.51 AC  
NORTH CAPISALLO BK 2345 14.45 AC  
NORTH CAPISALLO BK 2582 7.17 AC  
NORTH CAPISALLO-SW15.94AC BK 2434 NE19.62AC BK 2435 SW16.72AC BK 2436 SW6.86AC BK 2488 & 68.59AC NET  
NORTH CAPISALLO BK 2394 15.72 AC  
NORTH CAPISALLO BLK 2320 16.06 AC EXEMPT VALLEY ACRES RESERVIOR  
NORTH CAPISALLO BLK 2360 35.86 AC EXEMPT WATER DIST RESERVOIR  
NORTH CAPISALLO-SE4.02 BLK 2467 S10.73 BK2468 E12.11 BK2469 SE4.82 BK2470 SE20.92 BK2472 39.12 BK2473 ALL BKS 2474 & 2489 145.90AC NET  
NORTH CAPISALLO BLK 2361 5.23 AC EXEMPT WATER DIST RESERVOIR  
NORTH CAPISALLO BLK 2368 25.88 AC EXEMPT WATER DIST RESERVOIR  
NORTH CAPISALLO BLK 2369 PT 4.73 AC EXEMPT WATER DIST RESERVOIR  
NORTH CAPISALLO BLK 2366 PT 10.53 AC EXEMPT WATER DIST RESERVOIR

NORTH CAPISALLO BLK 2367 16.67 AC EXEMPT WATER DIST  
 RESERVOIR  
 NORTH CAPISALLO BLK 2319 40.00 AC OF EXECPT VALLEY  
 ACRES RESERVIOR  
 NORTH CAPISALLO BLK 2539 38.13 AC EXEMPT WATER DIST  
 RESERVOIR  
 NORTH CAPISALLO O.32AC BLK 2468  
 NORTH CAPISALLO BK 2470 13.54 AC  
 NORTH CAPISALLO NE10.90AC BK 2411 37.62AC BK 2412  
 ALL BK 2413 38.45AC BK 2414 NE9.30AC BK 2415 N20.84  
 AC -BLK 2418 ALL BLK 2419-2423 27.46AC-BK 2424 NW 6.0  
 AC BK 2425 346.88 AC NET  
 NORTH CAPISALLO SE 7.40AC FOR GIN BLK 2425 21.15 AC  
 NORTH CAPISALLO BK 2467 30.35 AC  
 NORTH CAPISALLO BK 2472 N 19.37 AC  
 NORTH CAPISALLO S 5.00AC BLK 2608 5AC NET  
 NORTH CAPISALLO BK 2613 4.29 AC  
 NORTH CAPISALLO BK 2605 7.78 AC  
 NORTH CAPISALLO .82AC TRNG TR-SE COR FT 2424 &  
 11.68AC IRR TR-NE PT FT 2425 12.50AC GR 12.11AC NET  
 NORTH CAPISALLO-E21.97AC BK 2432 E31.82AC BK 2433  
 ALL BLKS 2438 THRU 2441 2444 THRU 2460 845.55 AC NET  
 NORTH CAPISALLO BLK 2322 9.43 AC EXEMPT VALLEY ACRES  
 RESERVIOR  
 NORTH CAPISALLO-NW 8.31AC BLK 2312 7.93AC NET  
 NORTH CAPISALLO-SW3.77AC BLK 2359 3.39AC NET  
 NORTH CAPISALLO BLK 2541 2546 2547 & BLK 2548  
 105.77AC GR 101.28AC NET  
 NORTH CAPISALLO BLK 2312 5.59 AC OF LEVEE  
 NORTH CAPISALLO BLK 2314 E 18.49 AC OF LEVEE  
 NORTH CAPISALLO W14.41AC-FT2348 14.41 AC GR 1.39AC  
 NET  
 NORTH CAPISALLO-W PT BLKS 2517 THRU 2520 & W PT  
 BLKS 2549 THRU 2553 117.72AC NET  
 NORTH CAPISALLO BLK 2359 4.23 AC LEVEE  
 NORTH CAPISALLO 2.61 AC OF LEVEE BLK 2347  
 NORTH CAPISALLO-W6.92AC-NE 10.61AC BLK 2347 6.17AC  
 NET  
 NORTH CAPISALLO BLK 2314 5.45 AC OF LEVEE  
 NORTH CAPISALLO NE PT-BLK 2276 2281 2282 PT 2283 ALL  
 2284 2285 2286 N16.52AC 2287 N23.04 2288 2289 2290 &  
 ALL BLK 2291;PT BLK 2314 2315 ALL-2316 PT BLK 2317 PT  
 BLK 2322 ALL 2323 & PT BLK 2330 455.67AC  
 NORTH CAPISALLO S6.93AC-BLK 2304 ALL BLK 2305 2306  
 2307 2308 2309 2310 2311 PT BLK 2312 PT BLK 2313 PT BLK  
 2314 PT BLK 2315 223.34GR 170.12NET  
 NORTH CAPISALLO BLK 2313 W 5.45 AC OF LEVEE  
 NORTH CAPISALLO BLK 2315 5.55 AC OF LEVEE  
 JOHNSTON AND YOUNG LOT 6 48.38 AC  
 JOHNSTON AND YOUNG LOT 7 72.49AC GR 54.04AC NET  
 NORTH CAPISALLO BLK 2670 6.17 AC LEVEE  
 JOHNSTON AND YOUNG LT 8 PT 17.26 AC LEVEE  
 JOHNSTON AND YOUNG 65.24AC LOT 8 54.44AC NET  
 JOHNSTON AND YOUNG LOT 15 .04 AC  
 CAPISALLO S30AC LOT 7 BLK 45  
 CAPISALLO AN IRR TR N470'- W330' EXC E63'- W330'- S103'-  
 N293' & EXC E2'- W267'- S177'- N470' LOT 13 BLK 23 3.17AC  
 GR 2.74AC NET

CAPISALLO S627.98'-N1016.67' EXC N81.31'-W265' LOT 13  
 BLK 23 17.38 AC NET  
 CAPISALLO N497.64' EXC W265'-N470' BEING AN IRR TR  
 &S2.13AC LOT 13 BLK23 9.78AC GR 9.76AC NET  
 CAPISALLO LOT 13 BLK 23 S303.27' 9.19AC GR 8.03AC NET  
 CAPISALLO E733'-S1254' EXC E233'-S449' LOT 2 BLK 46  
 18.70AC  
 CAPISALLO S1254'-W587' EXC 0.77AC LOT 2 BLK 46 16.13AC  
 CAPISALLO UND 4/9 INT IN N2.0AC OF LOT 2 BLK 46 0.89 AC  
 CAPISALLO UND 1/9 INT IN 2.00AC OF LOT 2 BLK 46 0.22 AC  
 CAPISALLO UND 4/9 INT IN N2.0AC LOT 2 BLK 46 0.89AC  
 CAPISALLO W30AC LOT 15 BLK 46 29.54AC NET  
 CAPISALLO 40AC EXC 1.0 AC BLK 45 39.0 AC NET  
 CAPISALLO W 10 AC -S 20 AC LOT 14 BLK 45  
 CAPISALLO N 20 AC -LOT 14 BLK 45  
 CAPISALLO E 10 AC -S 20 AC LOT 14 BLK 45  
 CAPISALLO 40AC EXC 2AC LOT 3 BLK 45 38AC NET  
 CAPISALLO LOT 6 BLK 45 EXC E445'-N247' AN IRR TR 40.0 AC  
 GR 37-96 AC NET  
 CAPISALLO AN IRR TR E445' - N247' 2.04 AC NET LT 6 BLK 45  
 CAPISALLO W680' LOT 15 BLK 24 EXC 1.50AC H/S & EXC  
 E300'-W680'-S215' 17.63AC GR 17.30AC NET  
 NORTH CAPISALLO S542.40' FT 2287 & 2288 32.37 AC GR  
 30.77AC NET  
 CAPISALLO E10AC-N14.63AC LOT 8 BLK 62 10.00AC  
 CAPISALLO SE 26.10 AC LOT 10 BLK 62  
 CAPISALLO S25.37AC EXC NW 0.67AC LOT 8 BLK 62 24.31AC  
 NET  
 CAPISALLO 40ACS LOT 9 BLK 62 39.39AC NET  
 CAPISALLO 40 AC -LOT 16 BLK 62  
 CAPISALLO 40.0AC OF LOT 13 BLK 24 36.43AC NET  
 CAPISALLO S 20 AC LOT 4 BLK 45  
 CAPISALLO 40 AC LOT 15 BLK 45  
 CAPISALLO 40 AC LOT 12 BLK 45  
 CAPISALLO LOT 16 BLK 45 40.00 ACS NET  
 CAPISALLO BLK 46 LOT 10 N 20.00 ACS NET CAPISALLO  
 CAPISALLO 40 AC LOT 5 BLK 45  
 CAPISALLO S 20 AC GR-LOT 8 BLK 45 19.39 AC NET  
 CAPISALLO 1AC-SE 10AC LOT 9 BLK 45 1AC NET  
 CAPISALLO 40 AC -LOT 10 BLK 45  
 CAPISALLO LOT 10 BLK 46 20.00 ACS NET  
 CAPISALLO N 10 AC LOT 7 BLK 45  
 CAPISALLO N 20 AC -LOT 8 BLK 45  
 CAPISALLO 2AC-40AC LOT 3 BLK 45 2AC NET  
 CAPISALLO E 20 AC GR-LOT 14 BLK 46 18.94AC NET  
 CAPISALLO 40AC LOT 11 BLK 45 39.39AC NET  
 CAPISALLO 40 AC -LOT 13 BLK 45  
 CAPISALLO 40.0AC OF LOT 8 BLK 23 39.39AC NET  
 CAPISALLO N20.0AC OF LOT 7 BLK 23 19.77AC NET  
 CAPISALLO 40.0AC OF LOT 9 BLK 24 38.84AC NET  
 CAPISALLO S165'-N495' LOT 10 BLK 24 5.0AC GR 4.94AC NET  
 CAPISALLO 40AC EXC S 290.4' LOT 16 BLK 24 31.20AC NET  
 CAPISALLO E580'-S550.06' EXC E450'-S290.4' LOT 15 BLK 24  
 4.32AC GR 4.23AC NET  
 CAPISALLO 40.0AC OF LOT 2 BLK 23 36.56AC NET  
 CAPISALLO 40.0AC OF LOT 8 BLK 24 37.02AC NET  
 CAPISALLO 40.0AC OF LOT 2 BLK 24 38.66AC NET

CAPISALLO S165'-N330' LOT 10 BLK 24 5.00 AC GR 4.94 AC NET  
 CAPISALLO S20.0AC OF LOT 10 BLK 24 19.75AC NET  
 CAPISALLO 40 AC LOT 7 BLK 46  
 CAPISALLO 40 AC LOT 9 BLK 46  
 CAPISALLO E 20 AC -LOT 16 BLK 46  
 CAPISALLO W 20 AC GR-LOT 16 BLK 46 19.55AC NET  
 CAPISALLO 40.0AC OF LOT 11 BLK 23 35.61AC NET  
 CAPISALLO ALL LOT 12 BLK 23 31.80AC NET  
 CAPISALLO S145'-E233' LOT 2 BLK 46 0.77AC NET  
 CAPISALLO E 10 AC -LOT 15 BLK 46  
 CAPISALLO 40.0AC OF LOT 3 BLK 24 37.62AC NET  
 CAPISALLO 38.25AC OF LOT 12 BLK 24 37.30AC NET  
 CAPISALLO 40.0AC OF LOT 6 BLK 23 38.53AC NET  
 CAPISALLO 40.0AC OF LOT 5 BLK 23 38.79AC NET  
 CAPISALLO LOT 14 BLK 23 34.32 AC NET  
 CAPISALLO 40 AC LOT 8 BLK 46  
 CAPISALLO N20.0AC OF LOT 6 BLK 24 18.80AC NET  
 CAPISALLO S20.0AC OF LOT 7 BLK 23 19.78AC NET  
 CAPISALLO 40.0AC OF LOT 14 BLK 24 36.05AC NET  
 CAPISALLO W60'-E640'-S550' & E640'-N770' LOT 15 BLK 24 12.07AC GR 12.03AC NET  
 CAPISALLO S165'-N660' LOT 10 BLK 24 5.00AC  
 CAPISALLO N5AC LOT 10 BLK 24 5AC GR 4.04AC NET  
 CAPISALLO 1AC-40AC TR LOT 4 BLK 23  
 CAPISALLO 40.0AC OF LOT 3 BLK 23 36.70AC NET  
 CAPISALLO 39.0AC-40.0AC OF LOT 4 BLK 23 37.27AC NET  
 CAPISALLO N304'-S449'-E233' LOT 2 BLK 46 1.63AC NET  
 CAPISALLO 40.0AC OF LOT 4 BLK 24 37.93AC NET  
 CAPISALLO N20.0AC OF LOT 5 BLK 24 19.0AC NET  
 CAPISALLO 40.0AC OF LOT 11 BLK 24 37.64AC NET  
 CAPISALLO W280'-S270' LOT 12 BLK 24 1.74AC GR 1.49AC NET  
 CAPISALLO W242'-N871'-LOT 1 BLK 46 4.84AC GR 4.67AC NET  
 CAPISALLO SE 2.63AC LOT 7 BLK 62  
 CAPISALLO 40.0AC OF LOT 1 BLK 23 36.56AC NET  
 CAPISALLO S660' LOT 5 & S660' LOT 6 BLK 24 40 AC GR 37.80 AC NET  
 CAPISALLO S224.50'-W210' LOT 7 BLK 24 1.0AC GR 0.73AC NET  
 CAPISALLO 39.0AC OF LOT 7 BLK 24 35.85AC NET  
 CAPISALLO 40.0AC OF LOT 1 BLK 24 37.31AC NET  
 CAPISALLO 40 AC -LOT 1 BLK 46 EXC W242'-N871' 35.16AC  
 CAPISALLO 40 AC LOT 1 BLK 45  
 CAPISALLO AN IRR TR S885'-E437.8' LOT 14 BLK 62 3.43 AC NET  
 CAPISALLO 38.10 AC -LOT 15 BLK 62  
 CAPISALLO N 20 AC -LOT 4 BLK 45  
 CAPISALLO W20AC EXC AN IRR TR E345.65'- W660'- S162.42' LOT 14 BLK 46 18.23 AC  
 CAPISALLO AN IRR TR E345.65' - W660'- S162.42' LOT 14 BLK 46 1.32 AC  
 CAPISALLO E464' LOT 6 BLK 46 14.06AC GR 13.45AC NET  
 CAPISALLO N140'-E379.43' & S775'-E379.43' EXC N142.64'-E198.50' LOT 3 BLK 46 7.32AC GR 6.97AC NET  
 CAPISALLO E198.50'-S142.64'-N687.64' LOT 3 BLK 46 0.65AC GR 0.58AC NET

CAPISALLO LOTS 11 & 12 BLK 46 EAST OF FLOODWAY 29.59AC GR 28.98AC NET  
 CAPISALLO W202'-E226'-N273' LOT 2 BLK 45 1.27 AC GR 1.18 AC NET  
 CAPISALLO LOT 2 BLK 45 EXC W202'-E226'-N273' 38.73 AC GR 37.62 AC NET  
 CAPISALLO S21.97'-LT 9 AN IRR TR S399.05' LT 10 AN IRR TR N273.54' LT 15 & N106.5' LT 16 BLK 23 13.36 AC GR 13.09 AC NET  
 CAPISALLO 40.0AC EXC 1.0AC & EXC AN IRR TR N273.54' LOT 15 BLK 23 34.98 AC GR 33.64 AC NET  
 CAPISALLO S1213.50' LOT 16 BLK 23 36.80 AC GR 35.37 AC NET  
 CAPISALLO N 1298' LOT 9 BLK 23 39.34 AC GR 38.74 AC NET  
 CAPISALLO 40.0AC OF LOT 10 BLK 23 EXC AN IRR TR S399.05' 35.79 AC GR 35.34 AC NET  
 CAPISALLO LOT 11.87 AC OF 4 BLK 8 ACREAGE 11.87  
 CAPISALLO LOT 11.21 AC OF 5 BLK 8 ACREAGE NET 11.21  
 CAPISALLO LOT 12 BLK 8 10.57 AC ACREAGE 10.57 NET  
 CAPISALLO LOT 13 BLK 8 9.93 AC NET AC 9.93  
 CAPISALLO LOT 9.39 AC OF 4 BLK 7 ACREAGE 9.39  
 CAPISALLO LOT 8.64 AC OF 5 BLK 7 ACREAGE 8.64  
 CAPISALLO 8.01AC OF LOT 12 BLK 7 7.40AC NET  
 CAPISALLO LOT 7.37 AC OF 13 BLK 7 ACREAGE 7.37  
 CAPISALLO LOT 13 AN IRR TR E1236.81'-LOT 13 BLK 46 19.83AC GR 18.98AC NET  
 CAPISALLO E24.92AC LOT 1 BLK 62 EXC N2.63AC-S7.44AC-W15AC 22.28AC NET  
 CAPISALLO E 1.35AC BEING AN IRR TRACT - W507.47'-E836.87'-N225.95'- S639.2'- LOT 1 BLK 62 1.35AC NET  
 CAPISALLO W 1.28AC BEING AN IRR TRACT- W507.47'-E836.87'-N225.95'- S639.2'-LOT 1 BLK 62 1.28AC NET  
 NORTH CAPISALLO BK 2504 37.42AC EXC .65AC 36.77  
 NORTH CAPISALLO E711.46'-TR 2506-2508 & ALL OF BLKS 2509-2516 302AC  
 NORTH CAPISALLO ALL BLK 2501-2503 & ALL BLK 2505 & BLK 2512 & 2513 W399.3'-BLK 2506-BLK 2508 263.13AC  
 NORTH CAPISALLO E200'-W608.54'-TR 2506 2507 & 2508 18.49AC GR 17.45AC NET  
 CAPISALLO N 20 -LOT 10 BLK 44  
 CAPISALLO 10.5AC-NE 20.5AC LOT 6 BLK 44 10.5AC  
 CAPISALLO 17.92 AC -LOT 6 BLK 44  
 CAPISALLO SE 10AC-NE 22.08- LT 6 BLK 44 (8.85 AC NET)  
 CAPISALLO AN IRR TR N285.33'-W594.79' LOT 4 BLK 44 2.78 AC GR 2.05 AC NET  
 CAPISALLO S11.98AC-SW26.57AC LOT 4 BLK 44 11.28AC NET  
 CAPISALLO N11.98AC-S23.96AC-SW26.57AC LOT 4 BLK 44 10.95AC NET  
 CAPISALLO 40 AC ALL LOT 3 BLK 44 NE 13.32 AC LOT 4 BLK 44 53.32 AC NET  
 CAPISALLO LOT 1 BLK 63  
 CAPISALLO 40.0AC OF LOT 4 BLK 25 37.91AC NET  
 CAPISALLO LOT 12 BLK 25 N10.00AC  
 CAPISALLO 40 AC -LOT 7 BLK 44  
 CAPISALLO 40 AC -LOT 5 BLK 44  
 CAPISALLO 40.0AC OF LOT 6 BLK 25 39.55AC NET  
 CAPISALLO 40.0AC OF LOT 7 BLK 25 39.55AC NET  
 CAPISALLO E660' LOT 16 BLK 25 20.00 AC GR 19.62 AC NET

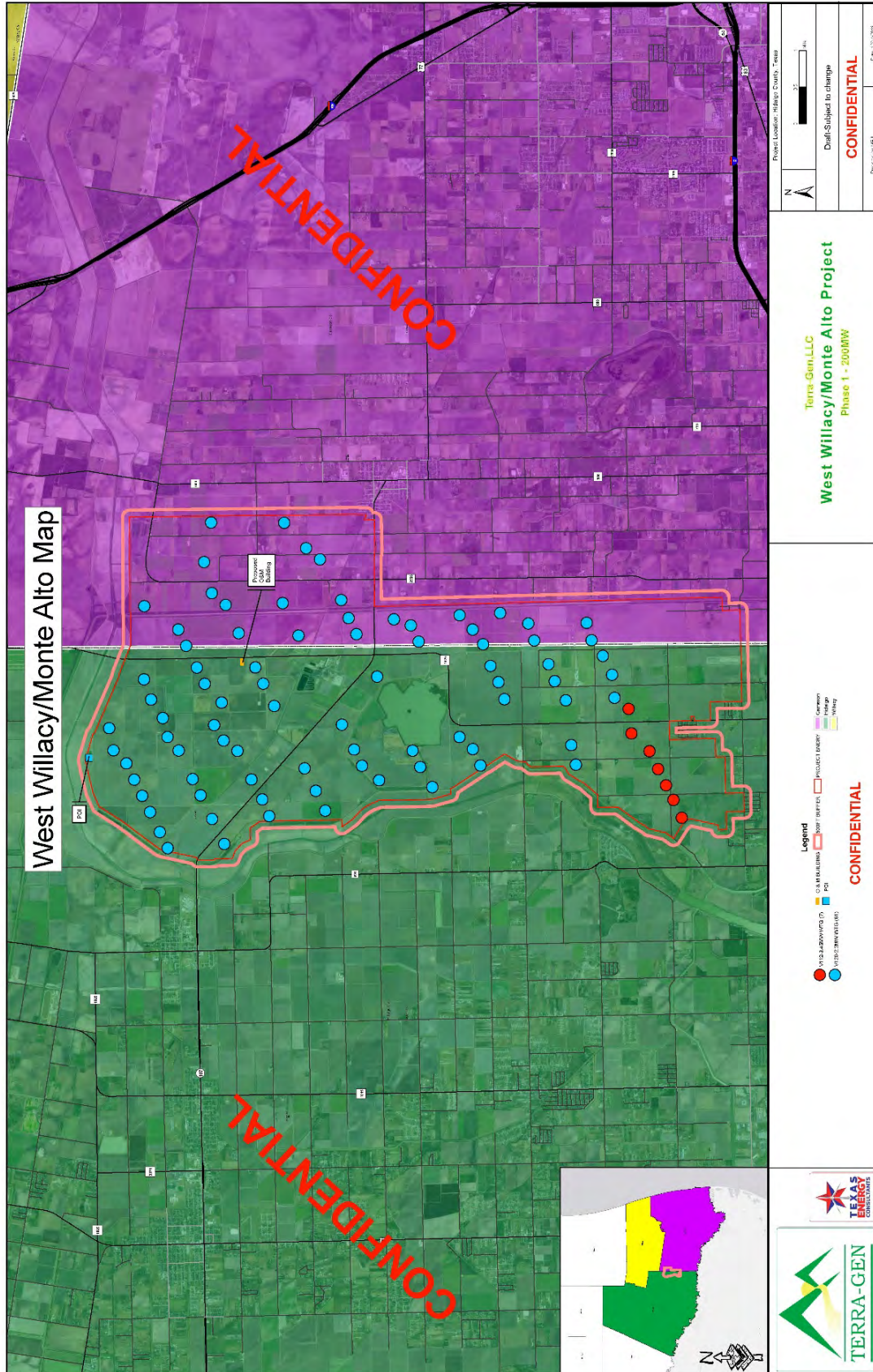


CAPISSALLO LOT 11 BLK 25 40.00AC GR 37.60AC NET  
 CAPISSALLO W 20 AC -LOT 2 BLK 44  
 CAPISSALLO LOT 2 BLK 25 37.90 AC NET  
 CAPISSALLO 40.0AC OF LOT 3 BLK 25 38.66AC NET  
 CAPISSALLO 40.0AC OF LOT 8 BLK 25 39.39AC NET  
 CAPISSALLO E660'- LOT 9 BLK 25 20 AC GR 17.73 AC NET  
 CAPISSALLO 40.0AC OF LOT 10 BLK 25 35.75AC NET  
 CAPISSALLO LOT 15 BLK 25 36.40 AC NET  
 CAPISSALLO -N30AC LOT 12 BK 44 30.00AC NET  
 CAPISSALLO S330'-N165' LOT 12 BLK 44 5AC  
 CAPISSALLO E660' EXC E153'-W162'-N284.70' LOT 2 BLK 44  
 19.00AC GR 18.55AC NET  
 CAPISSALLO 1AC-E20AC LOT 2 BLK 44 1AC NET  
 CAPISSALLO 40.0 AC EXC 1.0 AC LOT 5 BLK 25 39AC GR  
 33.20AC NET  
 CAPISSALLO LOT 1 BLK 25 40AC GR 37.70AC NET  
 CAPISSALLO 29.96 AC LOT 10 BLK 63  
 CAPISSALLO 39.98 AC LOT 9 BLK 63  
 CAPISSALLO 37.06 AC LOT 16 BLK 63  
 CAPISSALLO 38.66 AC -LOT 8 BLK 63  
 CAPISSALLO 18.30 AC -LT 7 BLK 63  
 CAPISSALLO 30.51 AC LOT 2 BLK 63 30.00AC NET  
 CAPISSALLO NE 4.23AC LOT 3 BLK 63 4.20AC NET  
 ANGELICA LOT 2  
 CAPISSALLO S 20 AC -LOT 11 BLK 44  
 CAPISSALLO N20AC EXC NE IRR TR 0.15AC 19.85AC NET  
 CAPISSALLO E440' LOT 14 BLK 25 13.33AC GR 12.68AC NET  
 CAPISSALLO W660' LOT 9 & W660' LOT 16 BLK 25 40.00 AC  
 GR 39.62 AC NET

CAPISSALLO E440'-W880' LOT 14 BLK 25 13.33 NET  
 CAPISSALLO W440' LOT 14 BLK 25 13.33 NET  
 CAPISSALLO E300-W680'-S215' LOT 15 BLK 24 1.48AC GR  
 1.34AC NET  
 TRIPLE 'M' LOT 1 BLK 1  
 CAPISSALLO W150'-E300'-S290.4' LOT 15 BLK 24 1AC GR  
 0.90AC NET  
 CAPISSALLO W136.3'-E722.6'-S290.4' LOT 16 BLK 24 0.91AC  
 NET  
 CAPISSALLO W150'-E450'-S290.4' LOT 16 BLK 24 1.00AC NET  
 CAPISSALLO E150'-S290' LOT 15 BLK 24 1AC GR 0.90AC NET  
 TRIPLE 'M' LOT 2 BLK 1  
 TRIPLE 'M' LOT 3 BLK 1  
 CAPISSALLO S 290.4'-W 300' LT 16 BK 24 2AC NET  
 CAPISSALLO E150'-W450'-S290.4' LOT 16 BLK 24 1AC NET  
 CAPISSALLO E150'-W600'-S290.4' LOT 16 BLK 24 1.00AC 1AC  
 NET  
 CAPISSALLO 1.50AC-LOT 15 BLK 24  
 CAPISSALLO W150'-E450'-S290.4' LOT 15 BLK 24 1AC GR  
 0.90AC NET  
 CAPISSALLO N50'-S240.4'-W136.3'E586.3' LOT 16 BLK 24  
 0.156AC  
 CAPISSALLO W136.3'-E586.3'-N50'-S190' LOT 16 BLK 24 .156  
 AC  
 CAPISSALLO N50'-S290'-W136.3'-E586.3' & S140'-W136.3'-  
 E586.3' LOT 16 BLK 24  
 NORTH CAPISSALLO-W22.96AC BK 2648,W23.32AC BK  
 2649,W23.96AC BK 2650,W24.59AC BK 2651,W25.88AC BK  
 2672,SW11.41AC BK 2673 132.12GR 126.45NT

**Exhibit B**  
**Maps of Project Areas**

CONFIDENTIAL-PLEASE SEE ATTACHED



- (a) **Written Application.** Any current or potential owner of taxable property may request Abatement by filing a written application with the President of the College. **Exhibit A**
- (b) **Contents of Application.**
- a. The application shall consist of a completed application form (Exhibit A) accompanied by:
  - b. a general description of the new improvements to be undertaken;
  - c. a descriptive list of the improvements for which Abatement is requested;
  - d. a list of the kind, number and location of all proposed improvements of the property;
  - e. a map and property description; proposed turbine location (if a wind turbine Facility);
  - f. and a time schedule for undertaking and completing the proposed improvements.
  - g. In the case of a Modernization or Expansion Project, a statement of the Appraised Value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application.
- \*\*The application form may require such financial and other information as the College or other Eligible Jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.
- (c) **Local Employment and Procurement.** Owner shall, as part of the Application, provide: (i) a list and description of all component parts and equipment which are included in the construction and/or installation of the Facility, (ii) a list of maintenance and operations personnel or professional services anticipated or required for the operation and maintenance of the Facility on an on-going basis; and (iii) the identify of all persons or firms in Starr County and Hidalgo County, or within 100 miles thereof, with the capability of providing these services (a complete Schedule I and Schedule II).
- (d) **Written Notification.** Upon receipt of a completed application, the President shall evaluate the application for a determination of the proposed Facility's compliance with these Guidelines.
- (e) **Feasibility.** After receipt of an application for Abatement, the College shall consider the feasibility and the impact of the proposed Abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the College and the Facility to be covered by such Abatement.
- (f) **No Abatement if Construction has been Completed.** No Agreement shall be approved if the application for the Abatement was filed after the completion of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.
- (g) **Variance.** Requests for variance from the provisions of these Guidelines and Criteria may be made in written form; provided, however, that no variance may extend the term of Abatement beyond five (5) years after completion of the Construction Phase. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4ths) vote of the board of trustees of the College.

**Project Descriptions:****Project 4-Monte Alto Windpower, LLC:**

Monte Alto Windpower, LLC is requesting an appraised value limitation on all of the property constructed or placed upon the real property within South Texas College boundaries, which is located in Hidalgo County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 61 wind turbines; 54 wind turbines with a nameplate capacity of 2.2 MW and 7 with a nameplate capacity of 3.45 MW for a combined total generating capacity of approximately 119 MW; up to 61 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 61 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the AEP Rio Hondo to North Edinburg, 345kV transmission line located in Cameron and Hidalgo Counties.

Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Investment Area as shown on Map Exhibit B.

The Applicant intends to construct a Maintenance and Operations building to house equipment i.e. junction boxes, transformer equipment, and turbine electronic controls. The Applicant will also be constructing an electrical substation facility for integration and transmission of power into the electrical grid.

Construction of the wind farm is proposed to begin in the 4<sup>th</sup> Quarter of 2019 with an estimated commercial operations date no later than the 4<sup>th</sup> Quarter of 2020, contingent upon favorable economics for the project.

**Descriptive List for which Abatement is being requested:****Project 4-Monte Alto Windpower, LLC:**

Monte Alto Windpower, LLC plans to construct an estimated 201 MW wind farm in Hidalgo and Cameron County, located within La Villa ISD, Mercedes ISD, Santa Rosa ISD, and La Feria ISD boundaries. Monte Alto is seeking abatement for the portion of the project located within Hidalgo County and South Texas College boundaries. 119 MW will be located within Hidalgo County and South Texas College boundaries. Additional improvements of Qualified Property located within the Hidalgo County and South Texas College boundary include:

- 61 Wind Turbines; 54 with a nameplate capacity of 2.2 MW and 7 with a nameplate capacity of 3.45 MW;
- 61 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- Meteorological towers;
- All weather Road work sloped for drainage;
- Operations and maintenance building for storage of control systems necessary for commercial generation of electricity;
- Electric substation including power transformers, associated circuit breakers, switches, reactive power compensation equipment and control building & fencing of perimeter.

Monte Alto anticipates using 54 wind turbines with a nameplate capacity of 2.2 MW and 7 wind turbines with a nameplate capacity of 3.45 MW. Although final turbine selection and location of the infrastructure may change. Current plans are to install turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. However, any changes in the number and location of turbines will not have a significant impact on the total investment. Monte Alto intends to connect to AEP Rio Hondo to North Edinburg, 345kV transmission line internal to the Project, located within La Villa ISD, Mercedes ISD, Santa Rosa ISD, and La Feria ISD boundaries. All of the infrastructure will remain within the project boundary and within the Hidalgo and Cameron County Enterprise Zones.

Construction is anticipated to begin no later than the 4<sup>th</sup> Quarter of 2019 and it is currently anticipated that construction will be complete by the 4<sup>th</sup> Quarter of 2020.

#### **Enterprise Zones:**

Hidalgo, County is designated enterprise zone county as defined under the Texas Governor's "[Governor's Economic Development Finance department online](#)" link provided by Texas Comptroller website under "[The Texas Enterprise Zone Program](#)." The Governor's website "Texas Enterprise Zone Program"- "[Economic Zone Program Rules, 10 TAC 176](#)" according to section (b), subsection (11); which defines a distressed county as: "a county that has a poverty rate above 15.4 percent based on the most recent decennial census; in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate based on the most recent decennial census; and that has an unemployment rate that has remained above 4.9 percent during the preceding five years, based on Texas Workforce Commission data."

Source: <https://businessintexas.com/services/tax-incentives?view=texas%20enterprise%20zone%20program>

Hidalgo County meets the guidelines as "Distressed County" under Texas Government Code Chapter 2303.003 (1-c). Where a "Distressed County" means a County:

(A) The Poverty rate in Hidalgo County is currently 31.2%

All Topics	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
<b>Income &amp; Poverty</b>		
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
Per capita income in past 12 months (in 2016 dollars), 2012-2016	\$15,240	\$29,829
Persons in poverty, percent	31.2%	12.7%

Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

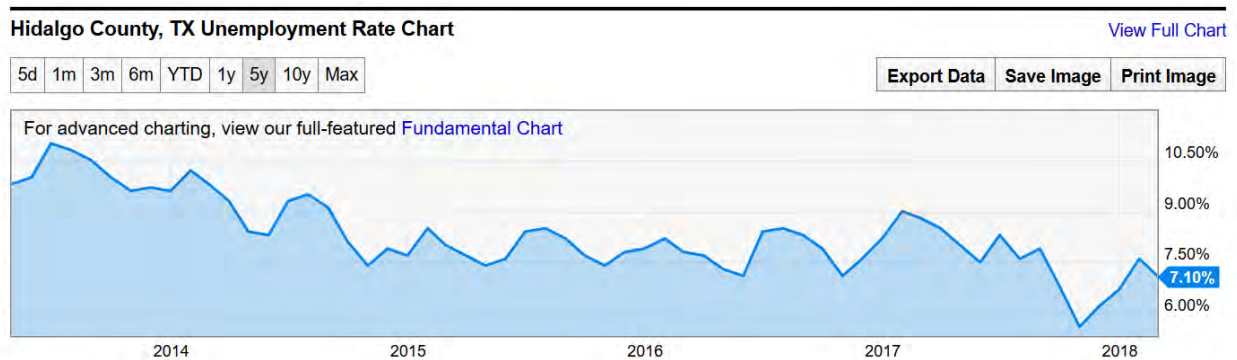


(B) The adult population that does not hold a high school diploma or high school equivalency certificate in Hidalgo County; persons of age 25 years+ were: 36.7% during 2012-2016.

All Topics ▾	Hidalgo County, Texas	UNITED STATES
Median household income (in 2016 dollars), 2012-2016	\$36,094	\$55,322
<b>Education</b>		
High school graduate or higher, percent of persons age 25 years+, 2012-2016	63.3%	87.0%
Bachelor's degree or higher, percent of persons age 25 years+, 2012-2016	17.4%	30.3%

Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(C) The unemployment rate in Hidalgo County during the preceding 5 years has been from 2013 at 9.8% to 2017 at 7.10%.



Source: [https://ycharts.com/indicators/hidalgo\\_county\\_tx\\_unemployment\\_rate](https://ycharts.com/indicators/hidalgo_county_tx_unemployment_rate)

## Enterprise Zone Map

