

**South Texas College**  
**Board of Trustees**  
**Finance, Audit, and Human Resources Committee**  
**Ann Richards Administration Building Board Room**  
**Pecan Campus, McAllen, Texas**  
**Tuesday, May 14, 2019 @ 5:45 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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| I.    | Approval of April 9, 2019 Finance, Audit, and Human Resources Committee Minutes.....   | 1-16    |
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| VII.  | Discussion and Action as Necessary on Revisions to Current Agreements for Legal Counsel Services, Engagement of Legal Counsel when Contracted Legal Counsels Recuse Themselves, and the Engagement of Legal Counsel Services for Specialized Legal Needs ..... | 214-222 |
| VIII. | Review and Recommend Action on Revision of Policy and Proposed New Policies .....  | 223-227 |
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**Approval of April 9, 2019 Finance, Audit, and Human Resources Committee Minutes**

The Minutes for the Finance, Audit, and Human Resources Committee Meeting of April 9, 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, April 9, 2019 @ 5:30 p.m.**

**Minutes**

The Finance, Audit, and Human Resources Committee Meeting was held on Tuesday, April 9, 2019 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 6:43 p.m. with Mr. Roy de León presiding.

Members present: Mr. Roy de León and Mr. Rene Guajardo

Other Trustees Present: None

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

Also present: Mrs. Mary Elizondo, Mr. Matthew Hebbard, Mrs. Becky Cavazos, Mrs. Myriam Lopez, Mr. Paul Varville, Mr. Lucio Gonzalez, Dr. Jesus Campos, Mr. Mike Carranza, Mrs. Brenda Balderaz, Mr. Michael Cano, Ms. Gladys Ortega, and Mr. Andrew Fish

Due to a scheduling conflict, Dr. Shirley A. Reed, College President, was unable to attend the Finance, Audit, and Human Resources Committee Meeting on April 9, 2019. Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, represented administration and responded to the Committee's questions as necessary.

**Approval of March 19, 2019 Finance, Audit, and Human Resources  
Committee Minutes**

Upon a motion by Mr. Roy de León and a second by Mr. Rene Guajardo, the Minutes for the Finance, Audit, and Human Resources Committee Meeting of March 19, 2019 were approved as written. The motion carried.

**The Finance, Audit, and Human Resources Committee discussed the following items out of the posted agenda order:**

## **Discussion and Action as Necessary on Proposed Annual Salary Adjustment for Faculty and Non-Faculty Personnel for FY 2019 – 2020**

Approval of Proposed Annual Salary Adjustment for Faculty and Non-Faculty Personnel for FY 2019 – 2020 will be requested at the April 23, 2019 Board meeting.

### **1. Faculty Salary Adjustment**

The College has a Faculty Salary Schedule that includes steps based on degree attainment and years of service with the College.

The approved Faculty Salary Plan for FY 2018 - 2019 was based on an average increase of 3%. The base for a master's degree was increased from \$42,166 to \$42,657 or by an additional \$491.00. The average 3% increase and step adjustments were approved by the Board for FY 2018 - 2019 at a total cost of approximately \$926,280.

In keeping with the College's commitment to retain and recruit qualified Faculty, the proposed preliminary faculty salary increase for FY 2019 - 2020 was approximately \$934,072, which was based on an average increase of 3%. The proposed faculty salary increases may need to be adjusted prior to final approval of the Staffing Plan by the Board, based on final revenue projections.

| <b>Faculty Salary Increases</b> |                          |                                    |                                       |  |
|---------------------------------|--------------------------|------------------------------------|---------------------------------------|--|
| <b>Category</b>                 | <b>Number of Faculty</b> | <b>Average Increase Percentage</b> | <b>FY 2018 - 2019 Increase Amount</b> | <b>FY 2019 - 2020 Proposed Increase Amount</b> |
| Faculty                         | 533                      | 3%                                 | \$926,280                             | \$934,072                                      |

### **2. Non-Faculty Personnel Salary Adjustment**

In Fiscal Year 2018 - 2019, salary increases in the amount of approximately \$1,088,895 were awarded for existing non-faculty positions which were based on a 3% increase.

In keeping with the College's commitment to recruit and retain qualified non-faculty personnel, the following estimated salary increases for Fiscal Year 2019 - 2020 totaling \$1,185,859, based on 3% increase for eligible personnel, were proposed. The proposed salary increases may need to be adjusted prior to final approval of the Staffing Plan by the Board, based on final revenue projections.



| <b>Non-Faculty Personnel Salary Increases</b> |                            |                            |                                       |  |
|---|----------------------------|----------------------------|---------------------------------------|--|
| <b>Category</b>                               | <b>Number of Employees</b> | <b>Increase Percentage</b> | <b>FY 2018 - 2019 Increase Amount</b> | <b>FY 2019 - 2020 Proposed Increase Amount</b> |
| Classified                                    | 393                        | 3%                         | \$298,577                             | \$333,657                                      |
| Professional/Technical                        | 493                        | 3%                         | 635,797                               | 685,982  |
| Administrative                                | 52                         | 3%                         | 132,429                               | 140,760  |
| Executive                                     | 5                          | 3%                         | 22,092                                | 25,460   |
| <b>Total</b>                                  | <b>933</b>                 |                            | <b>\$1,088,895</b>                    | <b>\$1,185,859</b>                             |

The FY 2019 - 2020 proposed estimated annual salary increases totaled \$934,072 for Faculty and \$1,185,859 for Non-Faculty Personnel, for a grand total of \$2,119,931.

Proposed Annual Salary Adjustment for Faculty and Non-Faculty Personnel for FY 2019 - 2020 were subject to the availability of funding and Board approval of the final budget.

Mary Elizondo, Vice President for Finance and Administrative Services attended the Board meeting to address any questions by the Board.

Upon a motion by Mr. Rene Guajardo and a second by Mr. Roy de León, the Finance, Audit, and Human Resources Committee recommended Board approval of the Proposed Annual Salary Increases for Faculty and Non-Faculty Personnel for FY 2019 - 2020 as presented. The motion carried.

### **Discussion and Action as Necessary on Starr County Tax Resale Properties and Resolution Authorizing Tax Resale**

Approval of the Starr County Tax Resale Properties and the Resolution Authorizing the Tax Resale will be requested at the April 23, 2019, Board meeting.

Purpose – The law office of Linebarger Goggan Blair & Sampson, LLP requested consideration and possible action on the tax resale of ten (10) properties in Starr County.

Justification – The Texas Property Tax Code requires approval from all taxing entities for the resale of a property for an amount that is less than the appraised value on a resale auction.

Background - On December 4, 2018 Linebarger Goggan Blair & Sampson, LLP held a Tax Resale Auction at the Starr County Courthouse for twenty (20) struck off properties located within Starr County. Ten (10) properties were presented for consideration. The tax resale

auction was published in the Starr County Town Crier newspaper in Rio Grande City. Linebarger Goggan Blair & Sampson, LLP submitted the analysis of the bids received for the Board of Trustees' consideration. The total amount the College would receive was \$3,111.47 for Starr County properties.

As of the publication of the Finance, Audit, and Human Resources Committee packet, the bids were approved by the City of Rio Grande City, and were submitted to Starr County, Rio Grande City CISD, City of Roma, and Roma ISD for their consideration.

Enclosed Documents - The Resolutions Authorizing the Tax Resale, a listing of the bids, the legal description for each property, as well as the amount of the bid, the South Texas College amount, and the Analysis of Bids Received were provided in the packet for the Committee's information and review.

Mr. Michael Cano from Linebarger Goggan Blair & Sampson, LLP presented the proposal and addressed questions from the committee.

Upon a motion by Mr. Roy de León and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the Starr County Tax Resale Bids and the Resolution Authorizing the Tax Resale to Linebarger Goggan Blair & Sampson, LLP as presented. The motion carried.

### **Discussion and Action as Necessary on Hidalgo County Tax Resale Private Bid and Resolution Authorizing Tax Resale Bid**

Approval of the Hidalgo County Tax Resale Private Bid and the Resolution Authorizing the Tax Resale Bid will be requested at the April 23, 2019, Board meeting.

Purpose – The law office of Linebarger Goggan Blair & Sampson, LLP requested consideration and possible action on the tax resale private bid for one (1) property in Hidalgo County.

Justification – The Texas Property Tax Code requires approval from all taxing entities for the resale of a property for an amount that is less than the appraised value on a resale auction.

Background - On September 26, 2018, Linebarger Goggan Blair & Sampson, LLP received a Private Bid from the City of Alamo for one (1) struck off property located within Hidalgo County and it is presented for consideration.

Linebarger Goggan Blair & Sampson, LLP submitted the analysis of the bid received for the Board of Trustees' consideration. The total amount the College would receive for this property was \$7.43.

In accordance with Texas Tax Code Sec. 34.05(i), any private bid received must have the approval of all taxing entities. As of the publication of the Finance, Audit, and Human Resources Committee packet, the private bid has been approved by Hidalgo County, South Texas Independent School District and Pharr-San Juan-Alamo ISD.

Enclosed Documents - The Resolution Authorizing the Tax Resale, a list of the bid, the legal description of the property, as well as the amount of the bid, the South Texas College amount, and the Analysis of the Bid Received were provided in the packet for the Committee's information and review.

Mr. Michael Cano from Linebarger Goggan Blair & Sampson, LLP presented the proposal and addressed questions from the committee.

Upon a motion by Mr. Rene Guajardo and a second by Mr. Roy de León, the Finance, Audit, and Human Resources Committee recommended Board approval of the Hidalgo County Tax Resale Private Bid and the Resolution Authorizing the Tax Resale to Linebarger Goggan Blair & Sampson, LLP as presented. The motion carried.

### **Review and Discussion of Mission Economic Development Authority (MEDA) Scholarship Fund Awards**

In 2012, the Mission Economic Development Authority (MEDA) developed a scholarship trust fund to be managed by Edward Jones and to provide scholarship benefits to City of Mission residents pursuing higher education and workforce training at South Texas College.

South Texas College administration prepared a report showing the history of scholarships awarded through the MEDA Scholarship Trust Fund. Administration also provided a summary of the benefit recipients' performance and demographic information.

The history of awards shows that since its inception the MEDA Scholarship benefited 420 individual students enrolled at South Texas College. These awards were made for each term from Fall 2013 through Spring 2019, resulting in a total of 653 scholarship awards to those 420 students, totaling \$782,500.00.

The packet included a PowerPoint providing a breakdown of graduation/enrollment status, showing that of these 420 students, 81% (340 students) had either graduated or were still enrolled, while the remaining 19% (80 students) were not enrolled in Spring 2019 and had not yet graduated. This was a greater retention rate than the general population, which may indicate the pivotal role these funds played in helping these students stay in their program of study through completion.

Mike Carranza, Interim Dean of Enrollment Services, presented an update on the revenue and distribution of the scholarship funds. Additional data was provided in the packet to

showcase the demographic profile of the MEDA Scholarship participants. These demographic profiles were provided to demonstrate the impact that the availability of these funds have in helping provide access to higher education for students who have a greater need for financial support, and were highly motivated and successful when that support is available.

Detailed reporting of the scholarship disbursements from the MEDA Scholarship Trust Fund distributions since Fall 2013 is provided for the Committee's review. These distributions were drawn from the income and corpus of the trust fund, as managed by Edward Jones. There was a balance of \$68,599.75 available for scholarship disbursements to support Mission students work toward their academic and workforce goals in Summer 2019.

The MEDA Scholarship was advertised to eligible students through the College's scholarship website, the Mission CISD, and announcements in various media outlets, as identified below:

- STC Scholarship website
- STC Social Media Accounts
- Texas Border Business
- Rio Grande Guardian
- Mission CISD
- 710 KURV
- Telemundo 40
- The Monitor
- Progress Times
- Direct Mail
- Email

Enclosed Documents – The PowerPoint presentation and additional student demographic information were provided in the packet for the Committee's information and review.

The two Summary of Activity Reports were reviewed by the Vice President for Finance and Administrative Services, the Comptroller, and the Interim Dean of Enrollment Services.

This information was provided to the Finance, Audit, and Human Resources Committee for review and discussion, and feedback to staff, and no action was requested at this time.

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

Upon a motion by Mr. Roy de León and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the award of proposals, purchases, renewals, and interlocal agreement as listed below:

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

- 1) Building Moving Services (Award):** award the proposal for building moving services to **Iglesias Bros. House Movers** (Edinburg, TX), and **Zuniga's House Mover, LLC.** (San Juan, TX), for the period beginning May 1, 2019 through April 30, 2020 with two one-year options to renew, at an estimated amount of \$70,000.00;

- 2) Online Continuing Education Services (Award):** award the proposal for online continuing education services for the period beginning May 1, 2019 through April 30, 2020 with two one-year options to renew, at an estimated amount cost of \$36.00 to \$4,595.00 per class. There are no deposits required, no minimum orders or any initial inventory to purchase;

**B. Instructional Item**

- 3) Birthing and Pediatric Simulator Manikins (Purchase):** purchase a birthing and a pediatric simulator manikin from **Gaumard** (Miami, FL), a sole source vendor, at a total amount of \$92,583.00;

**C. Non – Instructional Items**

- 4) Furniture (Purchase):** purchase furniture from the National Cooperative Purchasing Alliance (NCPA), OMNIA Partners formerly National Intergovernmental Purchasing Alliance (NIPA), The Interlocal Purchasing System (TIPS), and Sourcewell Purchasing Cooperatives approved vendors, at a total amount of \$189,318.75;

| #               | Vendor   | Amount       |
|-----------------|--|--------------|
| A               | <b>Allsteel, Inc./Broussard Group</b> (Muscatine, IA/San Antonio, TX)                                    | \$4,218.64   |
| B               | <b>Clarus Glassboards/Gateway Printing and Office Supply, Inc.</b> (Fort Worth, TX/Edinburg, TX)         | \$ 15,389.50 |
| C               | <b>Datum Filing Systems, Inc./Gateway Printing and Office Supply, Inc.</b> (Emigsville, PA/Edinburg, TX) | \$4,142.24   |
| D               | <b>Exemplis Corporation/Gateway Printing and Office Supply, Inc.</b> (Cypress, CA/Edinburg, TX)          | \$ 36,207.44 |
| E               | <b>The Hon Company/Gateway Printing and Office Supply, Inc.</b> (Muscatine, IA/Edinburg, TX)             | \$15,102.50  |
| F               | <b>Krueger International, Inc./Gateway Printing and Office Supply, Inc.</b> (Green Bay, WI/Edinburg, TX) | \$90,483.38  |
| G               | <b>National Office Furniture/Gateway Printing and Office Supply, Inc.</b> (Jasper, IN/Edinburg, TX)      | \$8,098.90   |
| H               | <b>Versteel/Gateway Printing and Office Supply, Inc.</b> (Jasper, IN/Edinburg, TX)                       | \$14,044.80  |
| I               | <b>Via Seating/Gateway Printing and Office Supply, Inc.</b> (Sparks, NV/Edinburg, TX)                    | \$1,631.35   |
| Furniture Total |  | \$189,318.75 |

- 5) Training Services (Purchase):** purchase training services from **Evolve High Performance Academy** (McAllen, TX), a sole source vendor, for the period

beginning May 1, 2019 through August 31, 2019, at an estimated amount of \$50,000.00;

- 6) **Engineering Services – Geotechnical and Materials Testing (Renewal):** renew the engineering services – geotechnical and materials testing contracts for the period beginning May 22, 2019 through May 21, 2020, with the following vendors:
  - a. **Millennium Engineers Group, Inc.** (Pharr, TX)
  - b. **Raba Kistner, Inc.** (McAllen, TX)
  - c. **Terracon Consultants, Inc.** (Pharr, TX)

#### D. Technology Items

- 7) **Computers, Laptops, and Printers (Purchase):** purchase computers, laptops, and printers from the State of Texas Department of Information Resources (DIR) approved vendors **Dell Marketing, LP.** (Dallas, TX) and **CRC Computer Repair Center** (McAllen, TX), at a total amount of \$445,706.95;
- 8) **Information Security Services (Purchase):** purchase information security services from **Software House International (SHI) Government Solutions** (Austin, TX), a State of Texas Department of Information Resources (DIR) and a Choice Partners Purchasing Cooperative approved vendor, for the period beginning May 1, 2019 through August 31, 2019, at an estimated amount of \$48,178.00;
- 9) **Network Hardware Equipment (Purchase):** purchase network hardware equipment from **Insight Public Sector** (Tempe, AZ/McAllen, TX), a State of Texas Department of Information Resources (DIR) and U. S. Communities Government Purchasing Alliance approved vendor, at a total amount of \$78,206.24;
- 10) **Servers and Phones (Purchase):** purchase servers and phones from **Netsync Network Solutions** (Houston, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total amount of \$215,574.10;
- 11) **Telephone Services (Purchase):** purchase telephone services from **Smartcom Telephone, LLC.** (McAllen, TX), for the period beginning May 1, 2019 through June 20, 2020, at an estimated monthly amount of \$11,700.00 and an estimated amount of \$163,800.00;
- 12) **VWware vRealize Operations Software (Purchase):** purchase VMware vRealize operations software from **Dell Marketing, L.P.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, at a total amount of \$30,658.88;
- 13) **Email Backup Online Subscription (Renewal):** renew the email backup online subscription from **Technogent** (Irving, CA), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning May 1, 2019 through August 31, 2020, at a total amount of \$49,304.64;
- 14) **Security Software (Renewal):** renew the security software contract with **Software House International (SHI) Government Solutions** (Austin, TX), for the period beginning March 15, 2019 through December 14, 2019, at a total amount of \$12,220.40;

- 15) Server Hardware Maintenance Agreement (Renewal):** renew the server hardware maintenance agreement with **Dell Marketing, L.P.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning May 5, 2019 through May 4, 2020, at a total amount of \$12,259.24;
- 16) Server Virtualization Management Console Maintenance Agreement (Renewal):** renew the server virtualization management console maintenance agreement with **Dell Marketing, L.P.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning May 1, 2019 through April 30, 2020, at a total amount of \$37,398.30;

**E. Interlocal Agreement**

- 17) Data Collection and Strategic Planning Support Services for Starr County Strategic Planning Project (Interlocal Agreement/Purchase):** purchase data collection and strategic planning support services for Starr County strategic planning project through an interlocal agreement between South Texas College and **The University of Texas – Rio Grande Valley (UTRGV) – Data and Information Services Center (DISC)** (Edinburg, TX), for the period beginning April 30, 2019 through December 31, 2019, at a total amount of \$40,000.00.

Recommend Action - The total for all award of proposals, purchases, renewals, and interlocal agreement was \$1,535,208.50.

The motion carried.

**Review and Recommend Action to Revise Policy #4714: Acceptable Use of Information Resources**

Approval to revise Policy #4714: Acceptable Use of Information Resources will be requested at the April 23, 2019 Board meeting.

Purpose – The proposed policy revisions updated the policy to be current and relevant.

Justification – The request for the revision to the policy was necessary for the following reasons:

- To include board members as a user under the scope section.
- To clarify users subject to the policy and better clarify user responsibilities and information monitoring.

Background – Policy #4714: Acceptable Use of Information Resources was approved by the Board of Trustees on March 27, 2018.

Reviewers – The revised policy was reviewed by staff, President’s Cabinet, and President’s Administrative Staff.

Enclosed Documents – The revised policy and the Information Resources Security Guidelines were provided in the packet for the Committee’s review and information.

The additions to the policy were highlighted in yellow and the deletions were designated with a red strikeout.

Upon a motion by Mr. Roy de León and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the proposed revisions to Policy #4714: *Acceptable Use of Information Resources* as presented and which supersede any previously adopted Board policy. The motion carried.

### **Review and Recommend Action to Renew the Hidalgo County Agreement for Tax Assessment Collection**

Approval to renew the Hidalgo County Agreement for Tax Assessment and Collection for current and delinquent taxes collected from September 1, 2019 through August 31, 2020 will be requested at the April 23, 2019 Board meeting.

Purpose – The Hidalgo County Agreement for Tax Assessment and Collection must be approved by the College by June 1, 2019. Approval of the tax assessment and collection fee was needed in order for the Hidalgo County Tax Assessor to assess and collect taxes levied.

Justification – Texas Property Tax Code, Sec. 6.27 (c) Compensation for Assessment and Collection indicates that, the assessor or collector is entitled to a reasonable fee, not to exceed actual costs incurred, for which it assesses and collects taxes. Texas Education Code, Sec. 130.121 (c) Tax Assessment and Collection indicates that, the tax assessor and tax collector shall receive compensation in an amount agreed on between the appropriate parties, but not to exceed two percent of the ad valorem taxes assessed. The Inter-Local Cooperation Agreement requires the County, after reviewing actual collection costs, to submit a proposed fee to the College, which may include a cost increase of no more than 5% per year, prior to May 1st. The College will then have until June 1st to accept the recommended fee.

Background – The Board of Trustees approved the Inter-Local Cooperation Agreement for Tax Assessment and Collection with Hidalgo County on March 11, 1996 with an option to renew for subsequent tax years. The contract was last renewed on April 24, 2018, and the annual fee approved was \$103,212.00. Mr. Pablo Villarreal, Jr., RTA for Hidalgo County, has



advised the College that the annual fee for tax year 2019 will remain at \$103,212.00. The monthly collection fee of approximately \$8,601.00 is reduced from taxes collected during the month and the remaining funds are wired to the South Texas College's bank depository account.

Below is a summary of fee increases charged by Hidalgo County during the period of FY 2010 – FY 2011 and FY 2019 – FY 2020. Also included is the percentage of the fee to the assessed levy.

| <b>Ten Year History of Fees for Hidalgo County Tax Assessment and Collection</b> |              |                                    |                       |                            |
|--|--------------|------------------------------------|-----------------------|----------------------------|
| <b>Year</b>  | <b>Fee</b>   | <b>Increase over Previous Year</b> | <b>Total Tax Levy</b> | <b>% of Total Tax Levy</b> |
| 2019 - 2020  | \$103,212.00 | 0%                                 | Not Available         | Not Available              |
| 2018 - 2019  | \$103,212.00 | 0%                                 | \$62,236,679.08       | 0.17%                      |
| 2017 - 2018  | \$103,212.00 | 5%                                 | \$62,624,834.26       | 0.16%                      |
| 2016 - 2017  | \$98,304.00  | 0%                                 | \$59,701,217.59       | 0.16%                      |
| 2015 - 2016  | \$98,304.00  | 0%                                 | \$56,408,070.41       | 0.17%                      |
| 2014 - 2015  | \$98,304.00  | 5%                                 | \$52,781,657.49       | 0.19%                      |
| 2013 - 2014  | \$93,626.00  | 0%                                 | \$42,343,115.93       | 0.23%                      |
| 2012 - 2013  | \$93,626.00  | 0%                                 | \$41,616,411.41       | 0.22%                      |
| 2011 - 2012  | \$93,626.00  | 0%                                 | \$41,248,920.80       | 0.23%                      |
| 2010 - 2011  | \$93,626.00  | 5%                                 | \$41,499,214.55       | 0.23%                      |

Funding Source – The annual collection fee would be reduced monthly from taxes collected during the month.

Enclosed Documents – The Hidalgo County Collection of Taxes Contract was provided in the packet for the Committee's information and review. The Inter-Local Cooperation Agreement for Tax Assessment and Collections was also included in the packet.

Upon a motion by Mr. Roy de León and a second by Mr. Rene Guajardo, the Finance and Human Resources Committee recommended Board approval of the renewal of the Hidalgo County Agreement for Tax Assessment and Collection for current and delinquent taxes collected at an annual fee of \$103,212.00 from September 1, 2019 through August 31, 2020 as presented. The motion carried.

## **Review and Recommend Action to Renew the Starr County Agreement for Tax Assessment Collection**

Approval to renew the Starr County Agreement for Tax Assessment and Collection for current and delinquent taxes collected from September 1, 2019 through August 31, 2020 will be requested at the April 23, 2019 Board meeting.

Purpose – The Starr County Agreement for Tax Assessment and Collection must be approved by the College by June 1, 2019. Approval of the tax assessment and collection fee was needed in order for the Starr County Tax Assessor to assess and collect taxes levied.

Justification – Texas Property Tax Code, Sec. 6.27 (c) Compensation for Assessment and Collection, the assessor or collector is entitled to a reasonable fee, not to exceed actual costs incurred, for which it assesses and collects taxes.

Background – The Board of Trustees approved the Inter-Local Cooperation Agreement for Tax Assessment and Collection with Starr County on August 14, 2017, with an option to renew for subsequent tax years. The contract was last renewed on April 24, 2018, and the annual fee approved was 3.5% of the College’s total tax collections for the period of September 1, 2018 through August 31, 2019 for tax year 2018.

The annual fee for Fiscal Year 2019 was estimated to be \$149,887.98. Ms. Maria Ameida Salinas, Tax Assessor-Collector for Starr County, advised the College that the annual fee for tax year 2019 would remain at 3.5% of the College’s total tax collections. The annual fee for Fiscal Year 2020 was estimated to be \$155,811.42. The monthly collection fee of approximately \$12,984.29 would be reduced from taxes collected during the month and the remaining funds collected are paid to the College.

Below is a summary of fees charged by Starr County each year for the past nine years and the estimated fee for Fiscal Year 2019 and Fiscal Year 2020 based on a rate of 3.5% of total tax collections.

| <b>Ten Year History of Fees for Starr County Tax Assessment and Collection</b> |   |                   |  |                       |                                  |
|--|---|-------------------|--|-----------------------|----------------------------------|
| <b>Year</b>  | <b>Flat Fee or Percent of Total Collections</b> | <b>Fee Amount</b> | <b>Percent Increase over Previous Year</b> | <b>Total Tax Levy</b> | <b>Percent of Total Tax Levy</b> |
| 2019 – 2020  | 3.5%  | \$155,811.42**    | 3.95%                                      | Not Available         | Not Available                    |
| 2018 – 2019  | 3.5%  | \$149,887.98**    | 1.37%                                      | \$4,058,100.49        | 3.69%                            |

| <b>Ten Year History of Fees for Starr County Tax Assessment and Collection</b> |   |                   |  |                       |                                  |
|--|---|-------------------|--|-----------------------|----------------------------------|
| <b>Year</b>  | <b>Flat Fee or Percent of Total Collections</b> | <b>Fee Amount</b> | <b>Percent Increase over Previous Year</b> | <b>Total Tax Levy</b> | <b>Percent of Total Tax Levy</b> |
| 2017 – 2018*   | 3.5%  | \$147,862.05      | 68.24%                                     | \$3,933,751.72        | 3.76%                            |
| 2016 - 2017  | Flat  | \$87,886.00       | 0%   | \$3,494,095.10        | 2.52%                            |
| 2015 - 2016  | Flat  | \$87,886.00       | 0%   | \$3,871,198.83        | 2.27%                            |
| 2014 - 2015  | Flat  | \$87,886.00       | 0%   | \$3,352,380.96        | 2.62%                            |
| 2013 - 2014  | Flat  | \$87,886.00       | 0%   | \$2,735,855.80        | 3.21%                            |
| 2012 - 2013  | Flat  | \$87,886.00       | 0%   | \$2,735,414.30        | 3.21%                            |
| 2011 - 2012  | Flat  | \$87,886.00       | 0%   | \$2,978,854.04        | 2.95%                            |
| 2010 - 2011  | Flat  | \$87,886.00       | 0%   | \$3,307,592.42        | 2.66%                            |

\*In Fiscal Year 2018, Starr County changed the annual fee from a flat rate to 3.5% of all current and delinquent base taxes collected. Prior to Fiscal Year 2018, Starr County assessed a flat rate fee of \$87,886.00

\*\*Estimated Fee Amount

Funding Source – The annual collection fee was reduced monthly from taxes collected during the month. Funds for these expenditures would be budgeted in the Starr Appraisal/Collection Fee budget for FY 2019 – 2020, pending Board approval of the budget.

Enclosed Documents – The Starr County Collection of Taxes Contract was provided in the packet for the Committee’s information and review.

Upon a motion by Mr. Roy de León and a second by Mr. Rene Guajardo, the Finance and Human Resources Committee recommended Board approval of the renewal of the Starr County Agreement for Tax Assessment and Collection for current and delinquent taxes collected at a fee of 3.5% of the College’s total tax collection, or approximately \$155,811.42, pending approval from the Starr County Commissioners Court from September 1, 2019 through August 31, 2020 as presented. The motion carried.

## **Discussion and Action as Necessary on South Texas College Education Foundation’s Form 802, Periodic Report of a Nonprofit Corporation with Revised Board of Directors**

Approval of South Texas College Education Foundation’s Form 802, Periodic Report of a Nonprofit Corporation with revised Board of Directors will be requested at the April 23, 2019 Board meeting.

Purpose – The College proposed an amendment to the Registered Directors on Form 802, Periodic Report of a Nonprofit Corporation on file with the Office of Secretary of State.

Justification – A nonprofit corporation is required by Section 22.357 of the Texas Business Organization Code to file a period report (Form 802, Periodic Report of a Nonprofit Corporation) every four years in order for the organization to stay active, that lists the names and addresses of the Registered Agent and all Directors and Officers of the corporation. A minimum of three Board of Directors is required and must include a President and a Secretary. Two of the Board of Directors listed for the South Texas College Education Foundation are no longer serving as the South Texas College Board of Directors’, the College would like to amend the Foundation’s Board of Directors to align with the Board of Directors currently serving South Texas College.

Background – The College amended the name of the foundation, Registered Agent/ Registered Office, and the Articles of Incorporation in May 2016 to align with the name change from South Texas Community College to South Texas College. The name of the Board members were also amended in Form 802, Periodic Report of a Non Profit Corporation in 2016.

The current proposed revisions to Form 802 were the following:

| <b><u>District</u></b> | <b><u>Previous</u></b>                      | <b><u>Current</u></b>                  |
|------------------------|---|--|
| 1                      | Ms. Rose Benavidez, <del>Member</del>       | Ms. Rose Benavidez, <b>Vice Chair</b>  |
| 2                      | <del>Mrs. Graciela Farias, Vice Chair</del> | <b>Mrs. Victoria Cantú, Member</b>     |
| 3                      | Mr. Paul R. Rodriguez, <del>Member</del>    | Mr. Paul R. Rodriguez, <b>Chairman</b> |
| 4                      | Mr. Gary Gurwitz, Member                    | Mr. Gary Gurwitz, Member               |
| 5                      | Dr. Alejo Salinas, Jr., <del>Chairman</del> | Dr. Alejo Salinas, Jr., <b>Member</b>  |
| 6                      | <del>Mr. Jesse Villarreal, Secretary</del>  | <b>Mr. Rene Guajardo, Member</b>       |
| 7                      | Mr. Roy de León, <del>Member</del>          | Mr. Roy de León, <b>Secretary</b>      |

Enclosed Documents – The Current Form 802 on file with the Office of Secretary of State and the proposed revisions to Form 802, Periodic Report of a Nonprofit Corporation were provided in the packet for the Committee’s information and review.

Mary Elizondo, Vice President for Finance and Administrative Services, attended the April 9, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

Upon a motion by Mr. Roy de León and a second by Mr. Rene Guajardo, the Finance, Audit, and Human Resources Committee recommended Board approval of the South Texas College Education Foundation's Form 802, Periodic Report of a Nonprofit Corporation with revised Board of Directors as presented. The motion carried.

### **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 7:17 p.m.

I certify that the foregoing are the true and correct Minutes of the April 9, 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 the Award of Proposal for the Student / Faculty Medical Professional Liability Insurance**

Approval will be requested at the May 28, 2019 Board meeting to award the proposal for the Student / Faculty Medical Professional Liability Insurance.

Purpose - The basic purpose of the Student / Faculty Medical Professional Liability Insurance is to provide coverage for those students enrolled in the Nursing Allied Health and Child Development Programs as well as associated faculty.

Justification - Every year, the College requests proposals for an insurance program that provides the broadest coverage at the most competitive price available in accordance with approved or acceptable insurance practices in the State of Texas.

The College's Risk Management Consultant, Mr. Raul Cabaza III, will attend the May 14, 2019 Finance, Audit, and Human Resources Committee meeting to address questions from the Committee. Mr. Cabaza recommends the following award:

- **Student / Faculty Medical Professional Liability Insurance:**  
Affinity Insurance Services Inc. / American Casualty Company of Reading, PA for the period beginning August 26, 2019 through August 26, 2020. The annual premium is \$23,550, which is \$10 per student. The recommendation is based on 2,355 students with limits of \$1,000,000 per occurrence / \$5,000,000 aggregate. **The cost for the Medical Professional Liability Insurance is paid by the students enrolled in the Nursing Allied Health and Child Development programs. The College and Faculty are insured parties at no cost to the student or to the College.**

Background - The request for proposals (RFP) for the insurance was advertised on April 8, 2019 and April 15, 2019 and issued to six (6) vendors. One (1) response was received on April 23, 2019 and reviewed by Mr. Raul Cabaza, III, Risk Management Consultant, Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, Frank Jason Gutierrez, Director of Accountability, Risk, & Compliance, Ken Lyons, Risk Manager, and the Purchasing Department.

Reviewers – This item was reviewed by Mr. Raul Cabaza, III, Risk Management Consultant, Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, Frank Jason Gutierrez, Director of Accountability, Risk, & Compliance, Ken Lyons, Risk Manager, the Purchasing Department, and South Texas College legal counsel.

Enclosed Documents - The recommendation provided by Mr. Raul Cabaza, III and the vendor's response to the request for proposal 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 approval at the May 28, 2019 Board meeting, to award the proposal for Student / Faculty Medical Professional Liability Insurance to Affinity Insurance Services Inc. / American Casualty Company of Reading, PA for the period beginning August 26, 2019 through August 26, 2020 at no cost to the College and as presented.

**SHEPARD WALTON KING**  
**INSURANCE GROUP**  
Bob Shepard • Raul Cabaza III • Chris Graham • Josh Fields • Cynthia Cabaza

April 26, 2019

Ms. Mary Elizondo  
Vice President for Finance & Administrative Services  
South Texas College  
PO Box 9701  
McAllen, TX 78501

Re: Medical Professional Liability RFP #18-19-1058

Dear Ms. Elizondo:

One proposal was received for Medical Professional Liability Insurance. The market place for such coverage is specialized and is cost effective when it is offered by national purchasing groups.

There are more than one million nurses, therapists and allied professionals insured in this program and it offers professional liability insurance to students, the faculty who instruct and supervise them, and the school.

Affinity Insurance Services, Inc. offered terms through American Casualty Company of Reading PA, Rated XV by A.M. Best. The following options based on 2,355 students were offered:

| Limits:                  | Premium: | Cost per Student: |
|--------------------------|----------|-------------------|
| \$1,000,000/\$5,000,000. | \$23,550 | \$10.00           |
| \$2,000,000/\$5,000,000. | \$28,995 | \$12.31           |

*Coverage Highlights:*

- Defense Costs (Legal Representation) – Outside the Liability Limits
- Zero Deductible

Recommendation: Purchase of coverage for the year August 26, 2019 to August 26, 2020 at an annual premium of \$23,550.00 from American Casualty Company of Reading PA. The limit of insurance is \$1,000,000 per occurrence/\$5,000,000 aggregate. The cost for the medical professional liability insurance is paid by the students enrolled in the allied health and child development programs.

Sincerely,



Raul Cabaza III, CIC  
President

April 16, 2019

Ms. Becky Cavazos  
Director of Purchasing  
Purchasing Department  
South Texas College  
3200 W. Pecan, Bldg. N, Ste. 145  
McAllen, TX 78501

Re: School Blanket Liability Insurance  
RFP Number 18-19-1058

Dear Ms. Cavazos:

I am pleased to present the following insurance proposal for your organization.

Named Insured: South Texas College

Policy Term: August 26, 2019 to August 26, 2020

Coverage: Professional Liability

**Explanation of Coverage:**

*Professional Liability* insurance protects the named insured against claims arising from real or alleged errors or omissions, including negligence, in the course of your professional activities. Because this is “*occurrence form*” coverage, it provides coverage for future claims arising from incidents which occurred while the policy was in force.





Ms. Becky Cavazos  
April 16, 2019  
Page Two

**Limits of Coverage:** See limits options below.

**Deductible:** \$0

**Defense Costs:** Outside the limits of liability

**Insurer:** American Casualty Company of  
Reading, PA (a CNA Company)  
Rated "A" (XV) by A.M. Best

It is the leading provider of individual and corporate professional liability coverage for allied healthcare professionals and firms.

### **Affinity Insurance Services, Inc. Profile:**

AIS (an AON company) is the largest provider of professional liability coverage for allied health care professionals, including nurses, therapists and allied healthcare students nationwide.

It insures over a million nurses, therapists, and other allied healthcare professionals on a program basis nationwide.

The Healthcare Providers Service Organization (HPSO) is an insurance purchasing group managed by the AIS and is endorsed by several professional associations.

### **Premium Quotations:**

|                         |                  |
|-------------------------|------------------|
| \$1,000,000/\$5,000,000 | <b>\$ 23,550</b> |
| \$2,000,000/\$5,000,000 | <b>\$ 28,995</b> |

Quotation is based on 2,355 allied healthcare students (compared to 2,227 in expiring) and contemplates 10% size of school discount, 10% claims free discount, and 5% longevity discount.



Ms. Becky Cavazos  
April 16, 2019  
Page Three

## Description of Coverages:

- **Professional Liability Limits**

*Students, the faculty who instruct and supervise them, and your school* are covered up to the limits of the policy for amounts that you become legally obligated to pay as a result of a professional liability claim arising out of a medical incident.

- **Legal Representation**

Legal fees will be paid for covered claims, in addition to your liability limits.

- **Personal Injury Protection**

Protects you, up to the applicable limits of liability, against covered claims arising from charges of privacy violation, slander, libel, assault and battery, and other alleged personal injuries.

- **School Grievance/Disciplinary Hearing**

Reimburses you up to \$10,000 aggregate, up to \$1,000 per proceeding for covered expenses incurred for your defense of a school grievance or academic disciplinary hearing/proceeding.

- **Damage To Property of Others**

Provides up to \$10,000 aggregate, up to \$250 per incident for damage caused accidentally by you to the property of others at your location.

- **Assault Coverage**

Covers your medical expenses or reimburses you for damage to your property up to \$25,000 aggregate, up to \$1,000 per incident if you are assaulted at your location. (Assault coverage not available in Texas.)

- **Medical Payments**

Pays up to \$100,000 aggregate, up to \$2,000 per person for reimbursement of medical expenses to others injured on your location.

- **First Aid Expenses**

Reimburses up to \$25,000 aggregate, up to \$500 per incident for expenses you incur in rendering first aid to others.



Ms. Becky Cavazos  
April 16, 2019  
Page Four

- **Defendant Expense Benefit**

Reimburses you up to \$10,000 aggregate for lost wages and covered expenses incurred when you attend a required trial, hearing or proceeding as a defendant in a covered claim.

- **Deposition Representation**

Reimburses you up to \$5,000 aggregate, up to \$1,000 per deposition for attorney's fees as a result of your required appearance at a deposition that arises out of professional services.

If you accept the proposal, please send along your acceptance along with the completed C N A application, which is enclosed.

Also enclosed is the specimen policy for this program.

Thank you for your interest in our program and the opportunity to participate in this RFP process.

Please call me to discuss any questions regarding the proposal at your convenience.

Regards,

Eul Mendoza, RPLU, ARM  
Vice President

South Texas College  
**Student Faculty Professional Liability**

Vendor Name AFFINITY INSURANCE SERVICES, INC.  
 Address 200 E. RANDOLPH STREET, 4TH FLOOR  
 City CHICAGO, IL 60601  
 Contact EUL MENDOZA  
 Carrier AMERICAN COSMETIC COMPANY OF READING, PA

| Program                          | Estimated # of Students |
|----------------------------------|-------------------------|
| Medical Assistant/MOS            | 110                     |
| Childcare Development            | 300                     |
| Coding / Medical Billing/HT      | 80                      |
| EMT Basic/Intermediate/Paramedic | 300                     |
| Nursing ADN                      | 950                     |
| Nursing VN                       | 250                     |
| PCA/EKG/Nurse Aide/Phleb (PTCA)  | 200                     |
| Pharmacy Tech                    | 25                      |
| OTA                              | 25                      |
| PTA                              | 25                      |
| Radiologic Tech                  | 25                      |
| DMS                              | 25                      |
| Respiratory Therapist            | 40                      |
| <b>Total</b>                     | <b>2,355</b>            |

We request a rate per student.

|  | Deductible | Premium                       | Rate Per Student |
|--|------------|-------------------------------|------------------|
| Limit : \$1,000,000 Occurrence<br><del>\$3,000,000</del> Aggregate or<br>\$5,000,000 | \$0        | \$23,550<br>PROPOSAL ATTACHED | \$10 PER STUDENT |

Cost to add school as additional insured? NONE  
 Is this an occurrence policy? YES  
 Is the faculty covered? If not, what is cost to add? YES, AT NO ADDITIONAL COST  
 Is it possible to pay the premium on a semester basis? NO  
 Is defense coverage in addition to the limit of liability or within the limit of liability? IN ADDITION TO  
 Does the policy provide coverage for HIPAA fines and penalties and notification costs? Yes  No. If  
 yes, advise limit: \_\_\_\_\_  
 (Based on final enrollment – need rate per student) \$ 10 PER STUDENT

**1.10 Agency Questionnaire**

**Each proposing agent must complete the following:**

1. Name of Agency: AFFINITY INSURANCE SERVICES, INC.
2. Did you attach a certificate showing the required limits of your errors & omissions policy?  
Yes  No
3. Have you disclosed the names of the service team assigned to this account? Yes  No
4. Have you attached information regarding your agency experience? Yes  No
5. Will you provide monthly claim reports? Yes  No
6. If applicable will you provide 2000 packets for registration? Yes  No
7. Did you include full policy and full explanation of Benefits information? Yes  No

**Agent Signature**

Eul Mendoza

Name EUL MENDOZA

Title VICE-PRESIDENT, SALES

Date of Signature 4/16/19



SCHOOL POLICY  
FOR HEALTHCARE PROVIDER STUDENTS

OCCURRENCE

---

**THIS IS AN OCCURRENCE POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO THOSE CLAIMS WHICH ARE THE RESULT OF MEDICAL INCIDENTS THAT OCCURRED ON OR AFTER THE EFFECTIVE DATE OF COVERAGE, AND BEFORE THE EXPIRATION DATE STATED ON THE CERTIFICATE OF INSURANCE. CLAIM EXPENSES SHALL BE IN ADDITION TO THE LIMIT OF LIABILITY.**

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"We" are the stock insurance company designated on the **certificate of insurance**. In consideration of the premium charged, and in reliance upon all statements made and information furnished to us, and subject to the provisions of this Policy, we agree that:

**I. COVERAGE AGREEMENT**

Coverage under any of the following coverage agreements apply only to acts, errors or omissions, including **medical incidents** or **personal injury**, which occurred on or after the effective date of coverage, and before the expiration date of the **policy period** stated on the **certificate of insurance**.

In addition to the limit of liability, we will also pay **claim expenses**.

**A. PROFESSIONAL LIABILITY**

We will pay all amounts, up to the Professional Liability limit of liability stated on the **certificate of insurance**, that **you** become legally obligated to pay as **damages** as a result of a **professional liability claim** arising out of a **medical incident** in the rendering of **professional services** by **you** or by someone for whose **professional services you** are legally responsible.

We will also pay all amounts, up to the Professional Liability limit of liability as stated on the **certificate of insurance**, that the **named insured** becomes legally obligated to pay as **damages**, but only as respects the **named insured's** liability for **your medical incidents** and solely to the extent that:

1. a **professional liability claim** is made against **you** and the **named insured**; and
2. in any ensuing litigation arising out of such **professional liability claim**, **you** and the **named insured** remain as co-defendants.

In no event is there any coverage provided under this Policy for a **medical incident** that is the direct liability of the **named insured**.

**B. PERSONAL INJURY LIABILITY**

We will pay all amounts, up to the **Personal Injury** Liability limit of liability stated on the **certificate of insurance**, that **you** become legally obligated to pay as **damages** as a result of a **personal injury claim** arising out of **personal injury**.

## II. COVERAGE EXTENSIONS

Although payment does not arise from **claims**, we will pay amounts provided by these Coverage Extensions as follows:

### A. GRIEVANCE PROCEEDINGS

We will pay **you** up to the **Grievance Proceedings** limit of liability stated on the **certificate of insurance**, for attorney fees incurred by **you**, for **your** investigation and defense of a **grievance proceeding**. **Notice** of such **grievance proceeding** must:

1. arise from a **medical incident** and must have occurred on or after the effective date and on or before the expiration date of the **policy period** stated on the **certificate of insurance**; and
2. be made to **you** by the **named insured**.

In no event shall the amount payable hereunder exceed the per proceeding and aggregate **grievance proceedings** limits of liability shown on the **certificate of insurance** regardless of the number of **you** or the number of such proceedings.

The amount payable for attorney fees will not exceed \$150 per hour.

**You** have the right to select **your** legal defense counsel, but only for the purpose of **your** defense of a covered **grievance proceeding** under this Coverage Extension.

### B. DEFENDANT EXPENSE BENEFIT

We will pay **you** or the **named insured** up to the Defendant Expense Benefit limit of liability stated on the **certificate of insurance**, for all **covered expenses** incurred by **you** or the **named insured** as a result of a covered **claim**.

These amounts must result from **you** or the **named insured** being required by us or by the defense attorney we designate, to attend a trial, hearing or proceeding. In no event shall the amount payable hereunder exceed the aggregate Defendant Expense Benefit limits of liability shown on the **certificate of insurance** regardless of the number of **you** or the number of such proceedings.

### C. DEPOSITION REPRESENTATION

We will pay up to the Deposition Representation limit of liability stated on the **certificate of insurance**, for attorney fees, charged by an attorney we designate, to prepare **you** for deposition provided:

1. **you** receive a subpoena, during the **policy period**, for documents or testimony arising out of **professional services**;
2. **you** provide us with a copy of the subpoena;
3. the subpoena arises out of a lawsuit to which **you** are not a party; and
4. **you** have not been engaged to provide advice or testimony in connection with the lawsuit, nor have **you** provided such advice or testimony in the past.

Any notice **you** give us of such subpoena shall be deemed notification of a potential **claim** under the **DUTIES IN THE EVENT OF A CLAIM** section of this Coverage Part.

### D. ASSAULT

We will pay **you** up to the **Assault** limit of liability stated on the **certificate of insurance**, for:

1. medical expenses **you** incur, for **injury to you**; or
2. reimbursement for **property damage to your personal property** resulting from an **assault** on **you** at the **insured location**, provided that:
  1. such **assault** occurs during the **policy period**;

2. **you**, or someone acting on **your** behalf, give us written proof of **claim** and as soon as practicable, under oath if required, and execute authorizations to allow us to obtain copies of all medical documents relating to such **assault**; and
3. **you** submit to physical examination by a physician(s) selected by us when, and as often as, we may reasonably require.

This coverage does not apply to **property damage** to any mode of transportation used by **you** or **property damage** to any business or **personal property** owned, leased or rented by any other person or business enterprise while in **your** possession.

This coverage does not apply to any **personal property** lost or stolen during an **assault** on **you**.

#### E. MEDICAL PAYMENTS

We will pay up to the Medical Payments limit of liability stated on the **certificate of insurance**, regardless of fault, for necessary medical expenses caused by an incident, other than a **medical incident**, provided that:

1. the incident occurs during the **policy period**;
2. the expenses are incurred or medically ascertained within a three (3) year period from the date of the incident;
3. the incident results in **injury** to a person other than **you**, while such person is:
  - a. at the **insured location** with the permission of the **named insured**; or
  - b. away from the **insured location** provided that the **injury** arises out of a condition at the **insured location**;
4. the injured person(s), or someone acting on their behalf gives us written proof of **claim** and as soon as practicable, under oath if required, and execute authorizations to allow us to obtain copies of all medical documents relating to such **injury**;
5. the injured person submits to physical examination by a physician(s) selected by us when, and as often as, we may reasonably require; and
6. **you** are not the injured party.

#### F. FIRST AID

We will pay **you** up to the First Aid limit of liability stated on the **certificate of insurance**, amounts for which **you** voluntarily make payment or incur for first aid rendered to a person, other than **you**, as a result of **injury** caused by an incident, other than a **medical incident**, that occurs during the **policy period** and that **you** promptly report to us. The first aid must be provided within a 48-hour period after the **injury** occurred.

#### G. DAMAGE TO PROPERTY OF OTHERS

We will pay up to the Damage to Property of Others limit of liability stated on the **certificate of insurance**, for **property damage** that occurs during the **policy period** and is caused by **you** to the property of others provided such **property damage**:

1. was not caused intentionally; and
2. occurred only at the **insured location**.

Within sixty (60) days from the date of **property damage**, **you** must submit a sworn statement of such loss to us. **You** must also exhibit the damaged or destroyed property if such property is in **your** possession or control.



### III. DEFENSE AND SETTLEMENT

We have the right and duty to defend any **claim** that is a **professional liability claim** or **personal injury claim**. We will:

- A. do this even if any of the charges of such **claim** are groundless, false or fraudulent; and
- B. investigate and settle any **claim**, as we feel appropriate.

Our payment of the applicable limit of liability ends our duty to defend or settle. We have no duty to defend any **claims** not covered by this Policy.

### IV. DEFINITIONS

For purposes of this Coverage Part only, words in bold have the meaning set forth below:

**“Application”** means all signed **applications** and any attachments thereto for this Policy and for any Policy in an uninterrupted series of policies issued by us, or one of our affiliated companies, or any predecessors of ours or their affiliated companies for which this Policy is a renewal or replacement and any materials submitted with such **applications**, which shall be maintained on file by us, and be deemed to be attached hereto as if physically attached.

**“Asbestos”** means the mineral in any form whether or not the **asbestos** was at any time:

1. airborne as a fiber, particle or dust;
2. contained in or formed a part of a product, structure or other real or personal property;
3. carried on clothing;
4. inhaled or ingested; or
5. transmitted by any other means.

**“Assault”** means any willful attempt to inflict physical harm on **you** by another, which results in **injury** or **property damage**.

**“Auto”** means a land motor vehicle, trailer or semi-trailer designed for use on public roads. Any attached apparatus or machinery is included. Mobile equipment is not included.

**“Certificate of Insurance”** means the page of the Policy, containing specific information about the **named insured**, including, but not limited to its **policy period**, limits of liability, premium, endorsements and Policy number.

**“Claim”** means a demand for money or services alleging **injury** or **property damage**. **Claim** also means the filing of a suit or the starting of arbitration proceedings naming **you** and alleging **injury** or **property damage**

**“Claim Expenses”** means:

1. fees charged by an attorney we designate; and
2. all other fees, costs and expenses which result from the investigation, adjustment, defense and appeal of a **claim**.

These expenses must be incurred by us, or by **you** or the **named insured** with our prior written consent.

**“Claim Expenses”** does not include:

1. salary charges of our regular **employees** or company officials; or
2. fees and expenses of independent adjusters.
3. Interest on any amount above the **named insured’s** limit of liability.

**“Covered Expenses”** means only expenses for travel, food, lodging, and wage loss. **You** must provide us with written documentation containing sufficient information and detail to identify **you**, the time, place and circumstances that resulted in such expenses. **You** must also identify the court and all parties to the action before the court.

**“Curriculum”** means a course or group of related courses of study offered by the **named insured** to **students** seeking a professional designation or a refresher course for healthcare providers, as listed on the **application** or amended by endorsement.

**“Damages”** means judgments, awards and settlements **you** or the **named insured** are legally obligated to pay because of a covered **claim** provided any settlement is made with our prior written consent.

**“Damages”** does not include:

1. the return or restitution of fees, expenses or costs;
2. the return or restitution of government payments imposed directly upon **you**;
3. civil or criminal fines, sanctions, penalties or forfeitures, whether pursuant to law, statute, regulation or court rule;
4. the multiplied portion of multiplied awards;
5. injunctive or declaratory relief;
6. punitive or exemplary amounts; or
7. **plaintiff’s attorneys fees associated with any of the above.**

**“Employee”** means an individual whose work is engaged and directed by the **named insured**.

**“Faculty and Advisors”** means individuals who train, advise or supervise **students** in the healthcare **curriculum** of the **named insured**.

**“Family Member”** means any person related to **you** by blood, marriage or adoption, whether or not living in **your** residence, including wards and foster children. It also means any person not related to **you** who is residing in **your** home.

**“Grievance Proceeding”** means a hearing or professional review arising from a **medical incident** conducted by the **named insured**.

**“Grievance Proceeding”** does not mean a complaint from the State Board of Medical Practice or State Licensing Board or any matters involving **your** license protection.

**“Hazardous Properties”** means any radioactive, toxic or explosive properties.

**“Hostile Fire”** means one that becomes uncontrollable or breaks out from where it was intended to be.

**“Injury”** means bodily **injury**, sickness, disease, mental or emotional distress sustained by a person, or death.

**“Insured Location”** means that part of any premises, structures, or grounds used by **you** in the course of participation in the **curriculum**, and used at the direction and permission of the **named insured**.

**“Medical Incident”** means any act, error or omission in **your** providing of **professional services** which results in **injury** or **property damage**. **Medical incident** does not include **personal injury**.

**“Named Insured”** means the school named on the **certificate of insurance**.

**“Notice”** means the official documentation **you** receive from the **named insured** which initiates a **grievance proceeding**.

**“Nuclear Facility”** means:

1. any **nuclear reactor**;
2. any equipment or device designed or used for:
  - a. separating the isotopes of uranium or plutonium,
  - b. processing or utilizing **spent fuel**, or
  - c. handling, processing or packaging **waste**;
3. any equipment or device used for the processing, fabricating or alloying of special **nuclear material** if at any time the total amount of such material in the **named insured’s** custody at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
4. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**;  
or
5. any site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

**“Nuclear Material”** means “byproduct material”, “source material”, and/or “special nuclear material” as defined in the Atomic Energy Act of 1954 and any of its amendments.

**“Nuclear Reactor”** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material. With respect to **property damage** to or destruction of property, the word **property damage** or destruction includes all forms of radioactive contamination of property or loss of use.

**“Personal Injury”** means **injury** arising out of one or more of the following offenses committed in the conduct of **your professional services**:

1. testimony given at or arising out of inquests;
2. malicious prosecution;
3. false arrest, detention, imprisonment, wrongful entry or eviction or other invasion of the right of private occupancy;
4. libel, slander or other disparaging materials;
5. a violation of an individual’s or entity’s right to privacy;
6. **assault**, battery, mental anguish, mental shock or humiliation;
7. misappropriation of advertising ideas, trade secrets, or style of doing business; or
8. infringement of patent, copyright, trademark, trade name, trade dress, service mark, service name, logo, title or slogan.

**“Personal Injury Claim”** means a **claim** arising out of **personal injury**.

**“Personal Property”** means those items owned and used by **you** in the **curriculum** of the **named insured**.

**“Policy Period”** means the time from 12:01 A.M. on the inception date of this Policy to the earlier of 12:01 A.M. of the expiration, termination or cancellation date of this Policy. All times are determined by the **named insured’s** address as set forth in the **certificate of insurance**.

**“Pollutants”** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and **waste**. **Waste** includes materials to be recycled, reconditioned or reclaimed. **Pollutants** do not mean heat, smoke or fumes from a **hostile fire**.

**"Professional Liability Claim"** means a **claim** arising out of a **medical incident**.

**"Professional Services"** means:

1. the furnishing of healthcare services, including the furnishing of food, beverages, medications or appliances in connection with such services, and the post-mortem handling of human bodies by a **student**; or
2. the training, advising or supervising of **students** by **faculty and advisors**.

**"Professional Services"** does not mean:

1. providing healthcare services as a licensed, certified, accredited, trained or qualified healthcare provider, except as noted above; or
2. services as a member of a formal accreditation, standards review, or similar professional board or committee, including the directives of such board or committee.

**"Property Damage"** means:

1. physical **injury** to tangible property, including all resulting loss of use of that property; or
2. loss of use of tangible property that is not physically injured.

**"Related Claim"** means all **claims** arising out of a single act, error or omission or arising out of **related acts, errors or omissions** in the rendering of **professional services**.

**"Related acts, errors or omissions"** mean all acts, errors or omissions in the rendering of **professional services** or placement services that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

**"Spent Fuel"** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.

**"Student"** means an individual who:

1. is enrolled and engaged in the healthcare **curriculum** of the **named insured** with the intent of receiving a professional designation;
2. has graduated from the **named insured** within the past six (6) months and is a candidate for certification and/or licensing as a healthcare provider; or
3. has already received a professional designation, but is enrolled and engaged in healthcare provider refresher courses with the **named insured**.

**"Waste"** means any product containing **nuclear material** other than the tailings produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **nuclear material** content; or resulting from the operation by any entity of any **nuclear facility** included under the first two paragraphs of the definition of **nuclear facility**.

**"You"** or **"Your"** means:

1. a **student**; or
2. the **faculty and advisors**.

## V. EXCLUSIONS

We will not defend any **claim** for, or pay any amounts, **damages** or **claim expenses**, based on, arising out of, or related to:

- A. **injury** to: an **employee** of the **faculty and advisors** or the **named insured** arising out of and in the course of employment by the **faculty and advisors** or the **named insured**; or
  1. a family member of that employee as a consequence of 1 above; or your family member;

This exclusion applies:

1. whether the **faculty and advisors** or the **named insured** may be liable as an employer or in any other capacity; or
  2. to any obligation to share amounts with or repay someone else who must pay amounts because of the **injury**;
- B. any **unemployment, workers' compensation, disability benefits, or other similar law**;
- C. any of **your** acts, errors or omissions in any professional capacity except that of a **student or faculty and advisors** .
- D. any **curriculum** other than that which is indicated on the **application**.
- E. any liability that the **you** or the **named insured** assume under any contract or agreement. This exclusion does not apply to:
1. liability **you** or the **named insured** assumes under a contract with a Health Maintenance Organization, Preferred Provider Organization, Independent Practice Association, or any other similar organization; but only for such liability as is attributable to **your** alleged negligence; or
  2. a warranty of fitness or quality of any therapeutic agents or supplies **you** or the **named insured** have furnished or supplied in connection with treatment **you** have performed;
- F. any liability **you** or the **named insured** has for a business or profession, other than that named on the **certificate of insurance**;
- G. a willful violation of a statute, ordinance or regulation imposing criminal penalties. We will defend any civil suit against **you** or the **named insured** seeking amounts, which would be covered if this exclusion did not apply. In such case, we will pay only **claim expenses**;
- H. **injury or property damage** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving **you** or the **named insured** owning, using, taking care of, operating, leasing or renting, loading or unloading of patients or property from, transporting patients in, or entrusting to others an **auto**, mobile equipment, watercraft or aircraft, including an **auto**, mobile equipment, watercraft or aircraft which is loaned to **you** or the **named insured** or which is operated for the **named insured** by **you**, including an **auto** owned by **you**.
- I. any **injury, or property damage**:
1. with respect to which **you** or the **named insured** are also an insured under a Nuclear Energy Liability Policy issued by:
    - a. Nuclear Energy Liability Insurance Association; or
    - b. Mutual Atomic Energy Liability Underwriters; or
    - c. Nuclear Insurance Association of Canada,or any of their successors, or would be an insured under any such Policy if it had not terminated due to exhaustion of its limits of liability; or
  2. resulting from the **hazardous properties of nuclear material** and with respect to which:
    - a. any person, organization or entity is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any of its amendments, or
    - b. **you** or the **named insured** are, or had this Policy not been issued would be, entitled to indemnity from the United States of America or any of its agencies, under any agreement entered into by the United States of America or any of its agencies with any person, organization or entity;
  3. resulting from the **hazardous properties of nuclear material** if:
    - a. the **nuclear material**:
      - i) is at any **nuclear facility** owned or operated by or on behalf of **you** or the **named insured**; or

- ii) has been discharged or dispersed therefrom; or
  - iii) is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of **you** or the **named insured**;
- b. the **injury** or destruction arises out of the furnishing by **you** or the **named insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**. If such facility is within the United States of America, its territories, possessions or Canada, this subparagraph 3.b. applies only to **injury** to or destruction of property at such **nuclear facility**.
- J. liability resulting from **professional services you** provide while **your** license or certification to practice is suspended, revoked, or no longer valid;
- K. **injury** or **property damage you** or the **named insured** expected or intended, or which a reasonable person would have expected. This exclusion does not apply to **injury** or **property damage** resulting from the use of reasonable force to protect persons or property;
- L. actual or alleged involvement in any:
- 1. federal or state anti-trust law violation; or
  - 2. agreement or conspiracy to restrain trade.
- This exclusion does not apply to **claims** arising from **your** activity as a member of any committee, panel, or board which provides underwriting or claims advice or recommendations, provided **your** activity is within the scope of the committee's, panel's, or board's established guidelines;
- M. any loss, cost or expense:
- 1. which would not have happened in whole or in part, but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time; or
  - 2. arising out of any:
    - a. **claim** or suit by or on behalf of a governmental authority for amounts because of testing for, monitoring, cleaning up, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**; or
    - b. request, demand or order that **you**, the **named insured**, or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of **pollutants**;
- N. any **claim** arising out of any act, error or omission, including a **medical incident** or **personal injury**, that happened before the effective date of this Policy;
- O. any **property damage** to, or loss of use of, tangible property unless caused by a **medical incident** during the **policy period**;
- P. any direct or consequential **injury** or **property damage** arising out of any:
- 1. refusal to employ; or
  - 2. termination of employment; or
  - 3. coercion, demotion, reassignment, defamation, harassment, humiliation, discrimination or other employment related practices, policies, acts or omissions;
- Q. any act of sexual intimacy, sexual molestation or sexual **assault**. We shall provide **you** or the **named insured** with a defense of such **claim** unless or until such act has been determined to have occurred, by any trial verdict, court ruling, regulatory ruling or legal admission, whether appealed or not. Such defense will not waive any of our rights under this Policy. Criminal proceedings are not covered under this Policy regardless of the allegations made against **you** or the **named insured**;
- R. any loss, cost or expense arising out of, relating to, or involving the actual, alleged or threatened exposure at any time to **asbestos**; or that may be awarded or incurred:
- 1. by reason of a **claim** or suit relating to **asbestos**; or

2. in complying with a governmental directive or request to test for, monitor, clean up, remove, contain, or dispose of **asbestos**.

## VI. LIMIT OF LIABILITY

### A. Each Claim

Our limits of liability for **damages** for each **claim** shall not exceed the amount stated on the **certificate of insurance as applicable to "each claim"**.

### B. Aggregate

Subject to provision A. above, our limits of liability for **damages** for all **claims** in the aggregate shall not exceed the amount stated on the **certificate of insurance as applicable to "all claims in the aggregate"**.

### C. Claim Expenses

**Claim expenses** are in addition to our limits of liability.

### D. Multiple Insureds, Claims and Claimants

The limits of liability shown on the **certificate of insurance** is the maximum amount we will pay regardless of the number of **you** insured under this Coverage Part, **claims** made or persons or entities making **claims**.

### E. Related Claims

If **related claims** are made against **you**, all such **related claims** shall be considered a single **claim**, and the limits of liability shall be the limits applicable to the policy period in force when the act, error or omission, or earliest of **related acts, errors or omissions**, occurred.

## VII. DUTIES IN THE EVENT OF A CLAIM

The **named insured** must notify us, or our program administrator, in writing, as soon as practicable, of any act, error or omission, including **medical incidents**, that may result in a **claim**. To the extent possible, notice should include:

- A. How, when and where such act, error or omission or **claim** took place;
- B. The names and addresses of any injured persons or witnesses; and
- C. The nature and location of any **injury** or **property damage** arising out of such act, error or omission or **claim**.

## VIII. GENERAL CONDITIONS

### A. DUTIES AS THE NAMED INSURED ON THE CERTIFICATE OF INSURANCE

The **named insured**, on behalf of all of **you**, will be:

1. authorized to make changes in the terms of this Policy with our consent;
2. the payee of any premiums we refund;
3. responsible for:
  - a. the payment of all premiums due;
  - b. keeping records of the information we need for premium computation, and sending us copies at such times as we may request;
  - c. notifying us that the **named insured** wants to cancel this Policy.

### B. ASSISTANCE AND COOPERATION

In the event of a **claim**, **you** and the **named insured** shall:

1. fully cooperate with us, or our designee, in the making of settlements, the conduct of suits or other proceedings, enforcing any right of contribution or indemnity against another who may be liable to **you** because of **injury or property damage**;
2. attend hearings, deposition and trials, assist in securing and giving of evidence, and assist in obtaining the attendance of witnesses;
3. refuse, except at **your** own cost to voluntarily make any payment, assume any obligation or incur any expense without our written consent.

#### **C. SEPARATION OF INSURED**

This Policy applies separately to each of **you** and the **named insured** against whom a **claim** is brought except with respect to:

1. the limits of liability; and
2. any of **your** duties as the **named insured** on the **certificate of insurance**.

#### **D. CHANGES**

Notice to any person, other than our program administrator, or knowledge possessed by such person, shall not act as a waiver or change any part of this Policy. It also will not prevent us from asserting any rights under the provisions of this Policy. None of the provisions of this Policy will be waived, changed or modified except by written endorsement issued to form a part of this Policy.

At some time, we may make changes in our insurance Policy forms. Where appropriate, these changes must conform to and be filed with state insurance supervisory authorities for approval. If, during the **policy period**, we make a Policy change that extends or broadens coverage, without increasing premium, coverage will automatically include such extension or broadening, on the effective date the change is approved in the **named insured's** state, except that this will not apply to **claims** that were reported to us prior to the effective date of such revision.

#### **E. TRANSFER OF INTEREST**

**You** and the **named insured** must first obtain our written consent to transfer or assign this Policy. If **you** die, the Policy will continue for the remaining part of the **policy period**; first, for the benefit of **your** legal representative while acting within their duties as such, and second, for the benefit of anyone having proper temporary custody of **your** property until a legal representative is appointed.

#### **F. CONCEALMENT, MISREPRESENTATION, FRAUD**

This Policy is void in any case of fraud by **you** or the **named insured** relating to it. It is also void if **you** or the **named insured** intentionally conceal or misrepresent a material fact or circumstance concerning:

1. this Policy;
2. any covered property or **your** interest in the covered property; or
3. this insurance.

#### **G. OTHER INSURANCE AND RISK TRANSFER ARRANGEMENTS**

If there is any other insurance Policy or risk transfer instrument, including but not limited to, self-insured **retentions, deductibles or other alternative arrangements** ("**other insurance**"), that applies to any amount payable under this Policy, such other insurance must pay first. It is the intent of this Policy to apply only to the amounts covered under this Policy which exceed the available limit of all deductibles, limits of liability or self-insured amounts of the other insurance, whether primary, contributory, excess, contingent, or otherwise. This insurance will not contribute with any other insurance. In no event will we pay more than our limit of liability.

These provisions do not apply to other insurance written as specific excess insurance over the limits of liability of this policy.



#### H. INSURANCE UNDER MORE THAN ONE COVERAGE

If more than one of this Policy's coverages apply to the same **injury or property damage**, we will not pay more than the limit of liability of the Coverage Part most applicable to the type of **injury or property damage** sustained, or the actual amount of the **injury or property damage**, whichever is less.

#### I. TRANSFER OF RIGHTS OF RECOVERY

If any of **you** for whom we make payment under this Policy have rights to recover amounts from another, those rights are transferred to us to the extent of our payment. **You** or the **named insured** must do everything necessary to secure our rights and must do nothing after **injury or property damage** to impair them.

#### J. LEGAL ACTION LIMITATION

**You** or the **named insured** may not bring any legal action against us concerning this Policy until:

1. **you** or the **named insured** have fully complied with all the provisions of this Policy; and
2. the amount of the **named insured** or **your** obligation to pay has been decided. Such amount can be set by judgment against **you** or the **named insured** after actual trial or by written agreement between **you**, the **named insured**, the claimant and us.

Any entity, or their legal representative, is entitled to recover under this Policy after they have secured a judgment or written agreement. Recovery is limited to the extent of the insurance afforded by this Policy. No entity has any right under this Policy to include us in any action against **you** or the **named insured** to determine the **named insured** or **your** liability, nor will we be brought into such an action by **you** or **your** or the **named insured's** representative. If **you** or **your** estate or the **named insured** becomes bankrupt or insolvent, it does not change any of our obligations under this Policy.

#### K. PREMIUM

All premium charges under this Policy will be computed according to our rules and rating plans that apply at the inception of the current **policy period**. All premiums are fixed and payable when due. They may be paid to us or our program administrator. The first premium is due on the inception date of the Policy. We compute the premium the **named insured** pays for this Policy using information available prior to the effective date of the Policy.

#### L. NON-RENEWAL/CANCELLATION

This Policy may be non-renewed or cancelled by us in accordance with requirements specified by the **named insured's** state insurance supervisory authorities and attached by amendatory endorsement to this Policy.

The **named insured** can cancel this Policy at any time. To do so, such **named insured** must mail a written notice to us, telling us when the cancellation is to be effective.

#### M. RIGHT TO CLAIM INFORMATION

Upon the written request of the **named insured**, we will provide the **named insured** with the following information relating to this and any preceding Policy we have issued to the **named insured** during the previous three years:

1. A list or other record of each **claim**, not previously reported to any other insurer, of which we were notified in accordance with these Policy Conditions. We will include the date and brief description of the **claim** if that information was in the notice we received.
2. A summary by Policy year, of **claim** status and payments made, stated separately, for each Aggregate Limit of Liability shown on the **certificate of insurance**.

The **named insured** must not disclose this information to any claimant or their representative without our written consent.

We compile **claim** information for our own business purposes and exercise reasonable care in doing so. In providing this information to the **named insured**, we and our program administrator make no

representations or warranties to insureds, insurers, or others to whom this information is furnished by or on the **named insured's** behalf. Cancellation or non-renewal will be effective even if we inadvertently provide inaccurate information.


**N. TERRITORY**

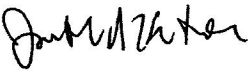
This Policy applies to **claims** brought against **you** or the **named insured** in the United States of America, including its territories and possessions, Puerto Rico or Canada.

**O. HEADINGS**

The descriptions in the headings and subheadings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

IN WITNESS WHEREOF, we have caused this Policy to be executed by our Chairperson and Secretary, but this Policy shall not be binding upon us unless completed by the attachment of the **Certificate of Insurance** and payment of the applicable premium.

Chairperson 

Secretary 

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

Approval of the following award of proposals, purchases, renewals, and interlocal agreement will be requested at the May 28, 2019 Board meeting.

The Director of Purchasing has reviewed each item, including the procurement procedures and evaluation of all responses, and recommends approval as follows:

- A. Award of Proposals**
- B. Instructional Items**
- C. Non-Instructional Items**
- D. Technology Items**
- E. Interlocal Agreement**

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

#### **1) Food Service – Starr County Campus (Award)**

Award the proposal for food service – Starr County Campus to **MUY Pizza Tejas, LLC.** (San Antonio, TX), for the period beginning August 1, 2019 through July 31, 2020 with two one-year options to renew, with a 0% commission.

Purpose – Food services must be available for the South Texas College faculty, staff, and students at the Starr County Campus.

Justification and Benefit – The Starr County Campus must have food service Monday through Friday for lunch. It will include some of the following items: pizza, pasta, and wings.

Background – Proposal documents were advertised on April 1, 2019 and April 8, 2019 and issued to twenty-four (24) vendors. One (1) response was received on April 16, 2019 and reviewed by the Vice President for Finance and Administrative Services, Starr County Campus Coordinator, Food Services, and Purchasing Department.

#### **2) Nursing and Allied Health Campus – Active Learning Classroom Audio Visual Project (Award)**

Award the proposal for the Nursing and Allied Health Campus – active learning classroom audio visual project to **Audio Visual Aids** (San Antonio, TX), at a total amount of \$39,241.50.

Purpose – The Title V Hispanic Serving Institute (HSI) grant is requesting the purchase of audio visual equipment for student instruction at an Active Learning Classroom (ALC) located at the Nursing and Allied Health campus.

Justification and Benefit – The equipment includes displays, wall mounts, speakers, keyboards, receiver, switcher, cables, click share response system, shipping/handling, and installation for seven (7) student pods, which will serve forty-two (42) students.

It will be used as both an ALC and a training room to improve efficiency of use when not scheduled for courses. The ALCs have proven to provide higher student success rates when compared to the same courses taught in traditional classrooms. Students and faculty have expressed that the rooms elevate the teaching learning experience and promote a sense of belonging. Faculty shared that level of student questions and discussion was higher in an ALC than a traditional classroom due to the collaborative design of the room. Better attendance and increase in student study groups outside of class were also attributed to the community environment facilitated by the ALC design. At this time, the Nursing and Allied Health campus has one ALC with a student capacity of 36. Faculty requested a larger ALC to accommodate cohorts greater than 40.

Background – Proposal documents were advertised on April 1, 2019 and April 8, 2019 and issued to nine (9) vendors. Three (3) responses were received on April 17, 2018 and reviewed by the STC In-Focus Title V HSI grant office, Educational Technologies, and Purchasing Department.

Funds for this expenditure are budgeted in the STC In-Focus Title V HSI grant budget for FY 2018 – 2019.

### **3) Purchase of Industrial Equipment (Award)**

Award the proposal for purchase of industrial equipment, at a total amount of \$277,238.65 as follows:

- **Champions Machine Tools Sales, Inc.** (Spring, TX)      \$188,730.00
- **FARO Technologies, Inc.** (Lake Mary, FL) (New)      \$ 88,508.65

Purpose – The Advanced Manufacturing Technology Program is requesting the purchase of industrial equipment for student instruction at the Technology Campus.

Justification and Benefit – The equipment includes one (1) computer numerical control (CNC) vertical milling machine and one (1) coordinate measuring machine. The CNC vertical milling machine has 5-axis capability, which will allow larger and more complicated parts to be machined. The coordinate measuring machine is a portable, non-contact, articulated arm-type machine that allows for the inspection of more delicate materials and the ability to measure parts while in the machining process. The acquisition of both machines will allow the program to apply industry best practices and follow current trends in manufacturing.

Background – Proposal documents were advertised on March 25, 2019 and April 1, 2019 and issued to five (5) vendors. Two (2) responses were received on April 9, 2019 and reviewed by the Advanced Manufacturing Technology Program and Purchasing Department.

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

**4) Temporary Personnel Services (Award)**

Award the proposal for temporary personnel services for the period beginning June 29, 2019 through June 28, 2020 with two one-year options to renew, at an estimated amount of \$600,000.00, which is based on prior year expenditures. The qualified vendors that submitted a proposal are:

| <b>Vendor (City, State)</b>   | <b>Vendor (City, State)</b>                                   |
|---|---|
| <b>AMP Personnel Services, LLC.</b> (McAllen, TX)                                 | <b>Elite Employment Services, LLC.</b> (Pharr, TX) (New)      |
| <b>Express Employment Professionals</b> (McAllen, TX)                             | <b>Extra Extras, Inc.</b> (Weslaco, TX)                       |
| <b>Fewell Professional Services, LLC./ dba FPS Staffing</b> (Harlingen, TX) (New) | <b>Link Staffing Services</b> (McAllen, TX)                   |
| <b>Manpower Group US, Inc.</b> (McAllen, TX)                                      | <b>Onin Staffing</b> (McAllen, TX)                            |
| <b>R&amp;D Contracting, Inc./ dba R&amp;D Personnel</b> (McAllen, TX)             | <b>Region Staffing</b> (Pharr, TX)                            |
| <b>Select Staff</b> (Edinburg, TX)  | <b>Temps Plus Staffing Services, LLC.</b> (McAllen, TX) (New) |
| <b>Texas Staffing Pros, LLC.</b> (McAllen, TX)                                    |   |

Purpose – The Office of Human Resources is requesting the purchase of temporary personnel services for instructional programs and support services departments requesting personnel.

Justification and Benefit – The proposals were reviewed to ensure compliance with South Texas College’s requirements that the agencies provide documentation of their liability and worker’s compensation coverage. Additionally, South Texas College requested that the agency prescreen prospective employees and make this information available to the College. All agencies that submitted proposals were in compliance with the requirements.

The College typically approves all vendors submitting qualified proposals. These vendors form a pool of eligible staffing agencies. The Office of Human Resources maintains this pool and the proposed prices for various skill sets/job types. This provides access to wide candidate pools when services are needed.

All personnel temporary services requests from College programs and departments are submitted to the Office of Human Resources and the following process is completed:

- The requesting department provides the Office of Human Resources the job description of the position being requested, experience preferred, and dates needed;
- The requirements are sent to several vendors that have that type of position and pricing is requested. Responses from the temporary services agencies are reviewed, including pricing, and one or more agency is selected to provide applicant resumes;
- If an employee or employees are available for the requesting position, resumes are returned from the vendor(s) to the Office of Human Resources;
- The requesting department will review the resume(s), conduct interviews if applicable, and make their selection.

Background – Proposal documents were advertised on March 8, 2019 and March 15, 2019 and issued to seventeen (17) vendors. Thirteen (13) responses were received on March 28, 2019 and reviewed by the Office and Human Resources and Purchasing Department.

Funds for this expenditure are budgeted in the requesting Programs and Departments budgets for FY 2018 – 2019 and FY 2019 – 2020 pending Board approval of the budget.

**5) Vehicle Maintenance and Repair Services (Award)**

Award the proposal for vehicle maintenance and repair services for the period beginning May 29, 2019 through May 28, 2020 with two one-year options to renew, at an estimated amount of \$50,000.00, which is based on prior year expenditures. The vendors are as follows:

| <b>Vendor (City, State)</b>                       | <b>Vendor (City, State)</b>                       |
|---|---|
| <b>Charles Clark Chevrolet, Co.</b> (McAllen, TX) | <b>Firestone Complete Auto Care</b> (McAllen, TX) |
| <b>Pan American Auto, LLC.</b> (McAllen, TX)      | <b>Spikes Motor Co, Inc.</b> (Mission, TX)        |
| <b>Stutz Auto Service, Inc.</b> (McAllen, TX)     | <b>Weslaco Motors</b> (Weslaco, TX)               |

Purpose – Facilities Operations and Maintenance, Department of Public Safety, Central Receiving, Police Academy, Fire Science Program, Food Service, Emergency Medical Technician Program, and Mail Services are requesting maintenance and repair services for College owned vehicles.

Justification and Benefit – The maintenance and repair will include vehicle preventive maintenance, general repair work, air condition system repairs, towing services, state inspections, roadside assistance, and routine oil changes. These services will maintain College vehicles in a safe working condition for the South Texas College staff and faculty to drive throughout the district and extend the longevity of the vehicles.

Background – Proposal documents were advertised on April 11, 2019 and April 18, 2019 and issued to seventeen (17) vendors. Seven (7) responses were received on April 26, 2019 (one proposal was incomplete) and were reviewed by the Facilities Operations and Maintenance, Central Receiving, Department of Public Safety, and Purchasing Department.

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

**B. Instructional Items**

**6) Instructional Equipment (Purchase)**

Purchase instructional equipment from **Technical Laboratory Systems, Inc.** (Houston, TX), a Harris County Department of Education – Choice Partners Purchasing Cooperative approved vendor, at a total amount of \$77,654.00.

Purpose – The Construction Supervisor program in the Division of Business and Technology is requesting the purchase of a laser cutter system for student instruction at the Technology Campus.

Justification and Benefit – The laser cutter system is innovative technology in the construction field, which will prepare students for the future growth in the construction field. By learning and using new and innovative equipment, it will increase job placement rates and ensure that employers will seek out graduating students.

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

### **7) Learning Systems (Purchase)**

Purchase learning systems from **Technical Laboratory Systems, Inc.** (Houston, TX), a Harris County Department of Education - Choice Partners Purchasing Cooperative approved vendor, at a total amount of \$181,840.00.

Purpose – The Mechatronics Technology program in the Division of Technology is requesting the purchase of various learning systems for student instruction and training at the Technology Campus. It will include the following systems: electrical learning systems, portable power and control electronics learning systems, oscilloscopes, electric motor control learning system, centrifugal pump learning system, mechanical drives 1 and 2 learning systems, and a robot.

Justification and Benefit – The systems are needed to ensure the program can remain current with industry stands. As the program is in a period of expansion, additional equipment is needed to ensure each student is allotted enough time to be completely familiar with the various systems.

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

### **8) Radiology Equipment Maintenance Agreement (Purchase)**

Purchase a radiology equipment maintenance agreement from **GE Precision Healthcare, LLC.** (Waukesha, WI), a sole source vendor, for the period beginning June 1, 2019 through May 31, 2024, at an annual amount of \$21,976.00 and a total contract amount of \$109,880.00. A multiple year contract is available at a significant savings.

Purpose – The Radiologic Technology program in the Division of Nursing and Allied Health is requesting the purchase of a multi-year maintenance agreement for x-ray machines and flash pad digital wireless detectors used for student instruction.

Justification and Benefit – The maintenance agreement will cover two (2) x-ray machines and three (3) flash pad digital wireless detectors. It will also cover the x-ray table, peripheral devices, printers, workstations, and battery replacements with services Monday through Friday 8:00 a.m. until 5:00 p.m. This equipment must be in working order to best serve the students and provide them with appropriate training and instruction.

Funds for this expenditure are budgeted in the Radiology Program budget for FY 2018 – 2019 and FY2020 – FY2024 pending Board approval of the budget.

**9) Recording Systems (Purchase)**

Purchase recording systems from **KbPort, LLC.** (Pittsburgh, PA), a sole source vendor, at a total amount of \$88,674.14.

Purpose – The Division of Nursing and Allied Health is requesting the purchase of recording systems, which will be used for student instruction in the Simulation Hospital for all students in the Nursing and Allied Health programs.

Justification and Benefit – The systems will be used to capture audio / video from simulation activities skills and manikins data during live scenarios and in real time instruction, live streaming video, instantaneous debriefing from anywhere, and the ability to navigate through saved videos on mp4 format. This will ensure that the students reinforce theory and skills that help with the board exam and/or certification. Finally, this simulation clinical instruction ensures that students be exposed to different patient situations that students might not always have an opportunity to experience in real hospital or clinical settings.

Funds for this expenditure are budgeted in the HEAL2-i3 grant, Nursing and Allied Health, and Maintenance & Operation Taxes (M&O) Furniture, Fixtures, and Equipment (FFE) budget for FY 2018 – 2019.

**10)3D Printer (Purchase)**

Purchase a 3D printer from **Technical Laboratory Systems, Inc.** (Houston, TX), a Harris County Department of Education – Choice Partners Purchasing Cooperative approved vendor, at a total amount of \$28,263.00.

Purpose – The Engineering Program in the Division of Math and Science is requesting the purchase of a 3D printer for student instruction at the Pecan Campus.

Justification and Benefit – The printer is needed in the Intro to Engineering and Engineering Graphics courses to create models and functional prototypes which will enhance the student experience in learning about design. It is also capable of design verification for a wide range of applications.

Funds for this expenditure are budgeted in the Engineering Program budget for FY 2018 – 2019.

**11)Books and Educational Materials (Renewal)**

Renew the books and educational materials contracts for the period beginning August 27, 2019 through August 26, 2020, at an estimated amount of \$400,000.00, which is based on prior year expenditures. The vendors are as follows:

|    | <b>Vendor (City, State)</b>                                   |    | <b>Vendor (City, State)</b>   |
|----|---|----|---|
| a. | <b>Barnes &amp; Noble Booksellers, Inc.</b><br>(New York, NY) | b. | <b>Barnes &amp; Noble College Booksellers, LLC.</b> (Basking Ridge, NJ) |



|    | <b>Vendor (City, State)</b>                                       |    | <b>Vendor (City, State)</b>                             |
|----|---|----|---|
| c. | <b>Complete Book &amp; Media Supply, LLC.</b><br>(Cedar Park, TX) | d. | <b>Kamico Instructional Media, Inc.</b><br>(Salado, TX) |
| e. | <b>Kaplan Early Learning Company</b><br>(Lewisville, NC)          | f. | <b>Lakeshore Learning Materials</b><br>(Carson, CA)     |

Purpose – The Providing Academic Support to Students (PASS) Program and Continuing, Professional, and Workforce Education are requesting the purchase of books and educational materials for qualifying students.

Justification and Benefit – The books and materials will be provided to students participating in the PASS Program lending library. The PASS Program lending library and Continuing Education will provide books to students in the Fall 2019, Spring 2020, and Summer 2020 semesters.

Background – The Board awarded the contracts for books and educational materials at the June 27, 2017 Board of Trustees meeting for one year with two one-year annual renewals. The last renewal period begins August 27, 2019 and ends August 26, 2020.

| Award                   | Board Meeting Date | Original Term     | Renewal Term         |
|-------------------------|--------------------|-------------------|----------------------|
| Original                | 6/27/17            | 8/27/17 – 8/26/18 | 2 – one year options |
| 1 <sup>st</sup> Renewal | 5/29/18            |                   | 8/27/18 – 8/26/19    |
| 2 <sup>nd</sup> Renewal | 5/28/19            |                   | 8/27/19 – 8/26/20    |

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 Carl Perkins grant budget, Continuing Education, and other department budgets for FY 2018 - 2019 and FY 2019 - 2020 pending Board approval of the budget.

**C. Non – Instructional Items**

**12)Furniture (Purchase)**

Purchase furniture from Texas Association of School Boards - BuyBoard, OMNIA Partner formerly National Intergovernmental Purchasing Alliance (NIPA), Sourcewell, and The Interlocal Purchasing System (TIPS), a total amount of \$151,502.84.

| # | <b>Vendor</b>   | <b>Amount</b> |
|---|---|---------------|
| A | <b>Allsteel, Inc. / Broussard Group</b> (Muscatine, IA/San Antonio, TX)                           | \$45,196.97   |
| B | <b>Computer Comforts, Inc.</b> (Kemah, TX)  | \$10,403.28   |
| C | <b>Exemplis Corporation / Gateway Printing and Office Supply, Inc.</b> (Cypress, CA/Edinburg, TX) | \$17,320.90   |

| #               | Vendor   | Amount       |
|-----------------|--|--------------|
| D               | <b>The Hon Company / Gateway Printing and Office Supply, Inc.</b><br>(Muscatine, IA/Edinburg, TX)          | \$1,156.80   |
| E               | <b>Krueger International, Inc. / Gateway Printing and Office Supply, Inc.</b> (Green Bay, WI/Edinburg, TX) | \$53,194.64  |
| F               | <b>National Office Furniture / Gateway Printing and Office Supply, Inc.</b> (Jasper, IN/Edinburg, TX)      | \$9,581.25   |
| G               | <b>Wenger Corporation</b> (Owatonna, MN)   | \$14,649.00  |
| Furniture Total |  | \$151,502.84 |

The purchases can be summarized as follows:

- Allsteel, Inc. / Broussard Group (Muscatine, IA/San Antonio, TX)
  - ⇒ Nursing and Allied Health Campus
    - 22 Tables for the Active Learning Classroom
  - ⇒ Pecan Campus
    - 48 Conference Chairs for Instructional Technologies
    - 3 Tables for the Chemistry Program
    - 18 Tables for the Centers for Learning Excellence
- Computer Comforts, Inc. (Kemah, TX)
  - ⇒ Mid Valley Campus
    - 4 Tables for the Centers for Learning Excellence
  - ⇒ Pecan Campus
    - 6 Glass Boards for the Centers for Learning Excellence
- Exemplis Corporation / Gateway Printing and Office Supply, Inc. (Edinburg, TX)
  - ⇒ Mid Valley Campus
    - 12 Chairs for the Center of the Learning Commons and Open Labs
  - ⇒ Technology Campus
    - 46 Chairs for the Center of the Learning Commons and Open Labs
- The Hon Company / Gateway Printing and Office Supply, Inc. (Edinburg, TX)
  - ⇒ Pecan Campus
    - 1 Vertical File Cabinet and 1 Bookcase for the Business Office
    - 1 Storage Cabinet for the Art Program
- Krueger International, Inc. / Gateway Printing and Office Supply, Inc. (Edinburg, TX)
  - ⇒ Nursing and Allied Health Campus
    - 37 Chairs for the Learning Commons and Open Labs
  - ⇒ Pecan Campus
    - 1 Faculty/Staff Desk for the Continuing Education Department
    - 1 Table for the Learning Commons and Open Labs
    - 38 Chairs for the Centers of Learning Excellence

- 6 Chairs for Dual Credit Program
- 2 Chairs and 1 Table for the Learning Commons and Open Labs
- 2 Conference Tables for Dual Credit Program
- ⇒ Starr County Campus
  - 1 Table and 4 Chairs for the Division of Nursing and Allied Health
- ⇒ Technology Campus
  - 2 Stools for the Architectural & Engineering Design Technology Program
  - 48 Classroom chairs and 2 stools for the Division of Technology
- National Office Furniture / Gateway Printing and Office Supply, Inc. (Edinburg, TX)
  - ⇒ Pecan Campus
    - 5 Sofa Chairs for Student Affairs
- Wenger Corporation (Owatonna, MN)
  - ⇒ Pecan Campus
    - 1 Instrument Storage Cabinet for the Music Program

Fund for these expenditures are budgeted in the requesting department budgets for FY 2018 - 2019 as follows: Architectural & Engineering Design Tech (AEDT), Art, Business Office, Centers for Learning Excellence, Chemistry, Client Services, CPWE Carryover, FFE Unallocated - Academic Support, Learning Commons and Open Labs, Music, New Furniture, STC in Focus, and Student Affairs.

**13)Medical Office Skills Training (Renewal)**

Renew the medical office skills training contract with **Practice Management Institute** (San Antonio, TX), for the period beginning July 1, 2019 through June 30, 2020, at no charge to the College. The student or employee participating in the training program will pay the training fee and South Texas College will receive a 23% commission.

Purpose – Continuing, Professional, and Workforce Education is requesting renewal of the contract for medical office skills training that allows the College to expand training for medical office staff in areas such as managing front office staff, billing and coding, record retention, and anything else that will make a medical office more efficient.

Justification and Benefit – This contract allows the department to supplement its offering and meet the need of the customer base.

Background – The Board awarded the contract for medical office skills training at the June 20, 2018 Board of Trustees meeting for one year with two one-year annual renewals. The first renewal period begins July 1, 2019 and ends June 30, 2020.

| Award                   | Board Meeting Date | Original Term    | Renewal Term         |
|-------------------------|--------------------|------------------|----------------------|
| Original                | 6/20/18            | 7/1/18 – 6/30/19 | 2 – one year options |
| 1 <sup>st</sup> Renewal | 5/28/19            |                  | 7/1/19 – 6/30/20     |

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 the Continuing, Professional, and Workforce Education department budget for FY 2018 - 2019 and FY 2019 - 2020 pending Board approval of the budget.

**14) Small Business Skills Training (Renewal)**

Renew the small business skills training contracts for the period beginning July 1, 2019 through June 30, 2020, at no charge to the College. The student or employee participating in the training program will pay the training fee and South Texas College will receive a commission ranging from 7% to 29%. The vendors are as follows:

- **Claudio A. Hinojosa III** (Mercedes, TX)
- **World-Class Training** (Brownsville, TX)

Purpose – Continuing, Professional, and Workforce Education is requesting renewal of the contracts for small business skills training that allows the College to reach out to more small businesses and provide them with training such as managing a business, communications skills, and handling difficult customers.

Justification and Benefit – This contract benefits not only Continuing Education by helping the department supplement its customer base, but also many small businesses that are part of the community.

Background – The Board awarded the contract for small business skills training at the June 20, 2018 Board of Trustees meeting for one year with two one-year annual renewals. The first renewal period begins July 1, 2019 and ends June 30, 2020.

| Award                   | Board Meeting Date | Original Term    | Renewal Term         |
|-------------------------|--------------------|------------------|----------------------|
| Original                | 6/20/18            | 7/1/18 – 6/30/19 | 2 – one year options |
| 1 <sup>st</sup> Renewal | 5/28/19            |                  | 7/1/19 – 6/30/20     |

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 Continuing, Professional, and Workforce Education department budget for FY 2018 - 2019 and FY 2019 - 2020 pending Board approval of the budget.

**D. Technology Items**

**15) Computers, Monitors, Laptops, and Tablets (Purchase)**

Purchase of computers, monitors, laptops, and tablets from the State of Texas Department of Information Resources (DIR) approved vendors **Dell Marketing, LP.** (Dallas, TX) **Apple, Inc.** (Dallas, TX), and Double Map (Indianapolis, IN) at a total amount of \$123,509.32.

All purchase requests for computers, monitors, laptops, and tablets have been evaluated by the 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:

- Staff Computers
  - ⇒ 6 Computers for Regional Center for Public Safety Excellence
  - ⇒ 5 Computers for Department of Public Safety
  - ⇒ 1 Computer for Student Affairs & Enrollment Management
  - ⇒ 5 Computers for Research and Analytical Services
  - ⇒ 2 Computers for Office of Institutional Equity
- Student Computers
  - ⇒ 2 Computers for Art Program
  - ⇒ 7 Computers for Learning Commons & Opens Labs
  - ⇒ 7 Computers for Title V Hispanic Serving Institute (HSI) Grant
- Faculty Computers
  - ⇒ 5 Computers for English Program
  - ⇒ 13 Computers for Developmental English Program
- Staff Monitors
  - ⇒ 11 Monitors for Research and Analytical Services
  - ⇒ 10 Monitors for Department of Public Safety
- Staff Laptops
  - ⇒ 1 Laptop for Comprehensive Advising Department
  - ⇒ 3 Laptops for Counseling and Student Disability Services
  - ⇒ 1 Laptop for Facility Maintenance Department
  - ⇒ 1 Laptop for the Office of Professional & Organizational Development
  - ⇒ 1 Laptop for Student Assessment Center
  - ⇒ 1 Laptop for Dual Credit Programs
  - ⇒ 4 Laptops for Student Financial Services
- Student Laptops
  - ⇒ 4 Laptops for Title V Hispanic Serving Institute (HSI) Grant
  - ⇒ 45 Laptops for Educational Technologies

- Faculty Laptops
  - ⇒ 2 Laptops for Psychological Science Program
  - ⇒ 5 Laptops for Mathematics Program
- Student Tablets
  - ⇒ 10 Tablets for Heating, Ventilation, Air Conditioning, and Refrigeration Program
- Staff Tablet
  - ⇒ 1 Tablet for Student Transportation Services

Funds for these expenditures are budgeted in the requesting department budgets for FY 2018 - 2019 as follows: Regional Center for Public Safety Excellence, Department of Public Safety, Art Program, Learning Commons & Opens Labs, HSI Grant, English Program, Developmental English Program, Comprehensive Advising Department, Counseling and Student Disability Services, Facility Maintenance Department, Psychological Science Program, Heating, Ventilation, Air Conditioning, and Refrigeration Program, Student Affairs & Enrollment Management Department, Research and Analytical Services, Office of Institutional Equity, Office of Professional & Organizational Development, Student Assessment Center, Mathematics Program, Dual Credit Programs, Student Financial Services, Educational Technologies, Student Transportation Services.

#### **16)Course Management Support Services (Purchase)**

Purchase course management support services from **Blackboard, Inc.** (Washington, DC), a sole source vendor, for the period beginning June 1, 2019 through August 31, 2020, at a total amount of \$58,560.30.

Purpose – Distance Learning is requesting the purchase of Eesysoft, a Blackboard communication tool that supports faculty and student inquiries via Blackboard. This self-service support agreement is requested for fifteen (15) months. Distance Learning is requesting to amend the initial Blackboard Student Services – HelpDesk Support agreement, which allows for reduced pricing.

Justification and Benefit - The Eesysoft software provides faculty, students, and staff with generic automated responses, along with FAQs and alerts created by the Distance Learning Department based on immediate feedback through the Blackboard system. The in-application support will provide the Distance Learning Department immediate and detailed feedback to increase user satisfaction and in the process, lower support costs. The Distance Learning Department will utilize the software to communicate more effectively with students and faculty using targeted, proactive messages within Blackboard to increase technology adoption. In addition, this software allows for real-time data on tool usage, identify areas for improvement, provide targeted messaging and personalize support to drive greater adoption and value.

The Student Services- HelpDesk Support provides students and faculty with the after hour Blackboard support needed for the online campus (South Texas College Online). Faculty and students are able to call-in or chat with a live representative twenty-four (24) hours a

day, seven (7) days a week regarding inquiries to online courses taught through the online campus (South Texas College Online). This support service is needed to keep up with the growth and success of the online campus (South Texas College Online).

These support services complement one another. Eesysoft software provides a generic response for faculty, staff, and students navigating through the Blackboard system. If the generic automated response is not satisfactory to the end user, then the HelpDesk Support will provide a live representative via phone or chat.

Funds for this expenditure are budgeted in the Distance Education budget for FY 2018 – 2019 and FY 2019 – 2020.

**17) Security Software Solution and Implementation (Purchase)**

Purchase a security software solution and implementation from **Netsync Network Solutions** (Houston, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning April 13, 2019 through April 12, 2020, at a total amount of \$51,734.46.

Purpose – Information Technology is requesting to purchase a security software solution and implementation consulting which will provide a first line of defense against online threats and proactively protect students, faculty, and staff against malware.

Justification and Benefit – The software solution is needed to provide an internet-wide layer of security that protects against malware infections. The Cisco Umbrella software solution will provide a secure internet gateway with the visibility to protect internet access for students, faculty, and staff throughout the College district. The implementation consulting will assure the setup and configuration is completed accordingly with best practices and is ready to provide internet usage protection for students, faculty, and staff against malware.

Funds for this expenditure are budgeted in the Systems and Networking budget for FY 2018 – 2019.

**18) Server Virtualization Management Console Maintenance Agreement (Renewal)**

Renew the server virtualization management console maintenance agreement with **Dell Marketing, LP**. (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning June 1, 2019 through May 31, 2020, at a total amount of \$83,307.90.

Purpose – Information Technology is requesting to renew the maintenance agreement for the server virtualization management console for the College's virtual server infrastructure.

Justification and Benefit – The server virtualization management console maintenance agreement supports the monitoring, troubleshooting, and management of our virtual servers. The virtual management console manages servers that host the College's applications and websites. The maintenance agreement office twenty-four (24) hour, year round technical support.

Funds for this expenditure are budgeted in the Systems and Networking budget for FY 2018 – 2019.

## **E. Interlocal Agreement**

### **19) Graduation Facility (Lease Agreement)**

Lease the graduation facility from the **City of Hidalgo, Texas dba State Farm Hidalgo Arena** (Hidalgo, TX), through an interlocal license agreement for December 13, 2019 beginning at 8:00 a.m. through December 15, 2019 at midnight, at an estimated amount of \$23,000.00.

Purpose – The Division of Student Services is requesting a license agreement for the rental of a facility for graduation ceremonies, which will be held on Saturday, December 14, 2019 at 10:00 a.m. and 2:00 p.m.

Justification and Benefit – The facility will be used for South Texas College graduation ceremonies in December 2019. The cost includes the use of the facility, audiovisual equipment and personnel.

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

### **Recommendation:**

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the May 28, 2019 Board meeting the award of proposals, purchases, renewals, and interlocal agreement as listed below:

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

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

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

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

#### **E. Interlocal Agreement**

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

- 1) Food Service – Starr County Campus (Award):** award the proposal for food service – Starr County Campus to **MUY Pizza Tejas, LLC.** (San Antonio, TX), for the period beginning August 1, 2019 through July 31, 2020 with two one-year options to renew, with a 0% commission;
- 2) Nursing and Allied Health Campus – Active Learning Classroom Audio Visual Project (Award):** award the proposal for the Nursing and Allied Health Campus – active learning classroom audio visual project to **Audio Visual Aids** (San Antonio, TX), at a total amount of \$39,241.50;
- 3) Purchase of Industrial Equipment (Award):** award the proposal for the purchase of industrial equipment, at a total amount of \$277,238.65 as follows:
  - **Champions Machine Tools Sales, Inc.** (Spring, TX) \$188,730.00
  - **FARO Technologies, Inc.** (Lake Mary, FL) (New) \$ 88,508.65



- 4) Temporary Personnel Services (Award):** award the proposal for temporary personnel service beginning June 29, 2019 through June 28, 2020 with two one-year options to renew, at an estimated amount of \$600,000.00, which is based on prior year expenditures. The qualified vendors that submitted a proposal are:

| Vendor (City, State)  | Vendor (City, State)  |
|---|---|
| <b>AMP Personnel Services, LLC.</b><br>(McAllen, TX)  | <b>Elite Employment Services, LLC.</b><br>(Pharr, TX)                   |
| <b>Express Employment Professionals</b><br>(McAllen, TX)                                    | <b>Extra Extras, Inc.</b> (Weslaco, TX)                                 |
| <b>Fewell Professional Services, LLC./</b><br><b>dba FPS Staffing</b> (Harlingen, TX) (New) | <b>Link Staffing Services</b> (McAllen, TX)                             |
| <b>Manpower Group US, Inc.</b> (McAllen, TX)  | <b>Onin Staffing</b> (McAllen, TX)                                      |
| <b>R&amp;D Contracting, Inc./ dba R&amp;D</b><br><b>Personnel</b> (McAllen, TX)             | <b>Region Staffing</b> (Pharr, TX)                                      |
| <b>Select Staff</b> (Edinburg, TX)  | <b>Temps Plus Staffing Services,</b><br><b>LLC.</b> (McAllen, TX) (New) |
| <b>Texas Staffing Pros, LLC.</b> (McAllen, TX)  |   |

- 5) Vehicle Maintenance and Repair Services (Award):** award the proposal for vehicle maintenance and repair services for the period beginning May 29, 2019 through May 28, 2020 with two one-year options to renew, at an estimated amount of \$50,000.00, which is based on prior year expenditures. The vendors are as follows:

| Vendor (City, State)                              | Vendor (City, State)                                 |
|---|--|
| <b>Charles Clark Chevrolet, Co.</b> (McAllen, TX) | <b>Firestone Complete Auto Care</b><br>(McAllen, TX) |
| <b>Pan American Auto, LLC.</b> (McAllen, TX)      | <b>Spikes Motor Co, Inc.</b> (Mission, TX)           |
| <b>Stutz Auto Service, Inc.</b> (McAllen, TX)     | <b>Weslaco Motors</b> (Weslaco, TX)                  |

**B. Instructional Items**

- 6) Instructional Equipment (Purchase):** purchase instructional equipment from **Technical Laboratory Systems, Inc.** (Houston, TX), a Harris County Department of Education – Choice Partners Purchasing Cooperative approved vendor, at a total amount of \$77,654.00;
- 7) Learning Systems (Purchase):** purchase learning systems from **Technical Laboratory Systems, Inc.** (Houston, TX), a Harris County Department of Education – Choice Partners Purchasing Cooperative approved vendor, at a total amount of \$181,840.00;
- 8) Radiology Equipment Maintenance Agreement (Purchase):** purchase a radiology equipment maintenance agreement from **GE Precision Healthcare, LLC.** (Waukesha, WI), a sole source vendor, for the period beginning June 1, 2019 through May 31, 2024, at an annual amount of \$21,976.00 and a total contract amount of \$109,880.00. A multiple year contract is available at a significant savings;

- 9) Recording Systems (Purchase):** purchase recording systems from **KbPort, LLC.** (Pittsburgh, PA), a sole source vendor, at a total amount of \$88,674.14;
- 10) 3D Printer (Purchase):** purchase a 3D printer from **Technical Laboratory Systems, Inc.** (Houston, TX), a Harris County Department of Education – Choice Partners Purchasing Cooperative approved vendor, at a total amount of \$28,263.00;
- 11) Books and Educational Materials (Renewal):** renew the books and educational materials contracts for the period beginning August 27, 2019 through August 26, 2020 at an estimated amount of \$400,000.00, which is based on prior year expenditures. The vendors are as follows:

|    | Vendor (City, State)   |    | Vendor (City, State)  |
|----|--|----|---|
| a. | <b>Barnes &amp; Noble Booksellers, Inc.</b> (New York, NY)     | b. | <b>Barnes &amp; Noble College Booksellers, LLC.</b> (Basking Ridge, NJ) |
| c. | <b>Complete Book &amp; Media Supply, LLC.</b> (Cedar Park, TX) | d. | <b>Kamico Instructional Media, Inc.</b> (Salado, TX)                    |
| e. | <b>Kaplan Early Learning Company</b> (Lewisville, NC)          | f. | <b>Lakeshore Learning Materials</b> (Carson, CA)                        |

**C. Non – Instructional Items**

- 12) Furniture (Purchase):** purchase furniture from Texas Association of School Boards - BuyBoard, OMNIA Partner formerly National Intergovernmental Purchasing Alliance (NIPA), Sourcewell, and The Interlocal Purchasing System (TIPS), a total amount of \$151,502.84.

| #               | Vendor   | Amount       |
|-----------------|--|--------------|
| A               | <b>Allsteel, Inc./ Broussard Group</b> (Muscatine, IA/San Antonio, TX)                                     | \$45,196.97  |
| B               | <b>Computer Comforts, Inc.</b> (Kemah, TX)   | \$10,403.28  |
| C               | <b>Exemplis Corporation / Gateway Printing and Office Supply, Inc.</b> (Cypress, CA/Edinburg, TX)          | \$17,320.90  |
| D               | <b>The Hon Company / Gateway Printing and Office Supply, Inc.</b> (Muscatine, IA/Edinburg, TX)             | \$1,156.80   |
| E               | <b>Krueger International, Inc. / Gateway Printing and Office Supply, Inc.</b> (Green Bay, WI/Edinburg, TX) | \$53,194.64  |
| F               | <b>National Office Furniture / Gateway Printing and Office Supply, Inc.</b> (Jasper, IN/Edinburg, TX)      | \$9,581.25   |
| G               | <b>Wenger Corporation</b> (Owatonna, MN)   | \$14,649.00  |
| Furniture Total |  | \$151,502.84 |

- 13) Medical Office Skills Training (Renewal):** renew the medical office skills training contract with **Practice Management Institute** (San Antonio, TX), for the period beginning July 1, 2019 through June 30 2020, at no charge to the College. The

student or employee participating in the training program will pay the training fee and South Texas College will receive a 23% commission;

- 14) Small Business Skills Training (Renewal):** renew the small business skills training contracts for the period beginning July 1, 2019 through June 30, 2020, at no charge to the College. The student or employee participating in the training program will pay the training fee and South Texas College will receive a commission ranging from 7% to 29%. The vendors are as follows:
- **Claudio A. Hinojosa, III** (Mercedes, TX)
  - **World-Class Training** (Brownsville, TX)

#### D. Technology Items

- 15) Computers, Monitors, Laptops, and Tablets (Purchase):** purchase computers, monitors, laptops, and tablets from the State of Texas Department of Information Resources (DIR) approved vendors **Dell Marketing, LP.** (Dallas, TX), and **Apple, Inc.** (Dallas, TX), and Double Map (Indianapolis, IN) at a total amount of \$123,509.32;
- 16) Course Management Support Services (Purchase):** purchase course management support services from **Blackboard, Inc.** (Washington, DC), a sole source vendor, for the period beginning June 1, 2019 and August 31, 2020, at a total amount of \$58,560.30;
- 17) Security Software Solution and Implementation (Purchase):** purchase a security software solution and implementation from **Netsync Network Solutions** (Houston, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning April 13, 2019 through April 12, 2020, at a total amount of \$51,734.46;
- 18) Server Virtualization Management Console Maintenance Agreement (Renewal):** renew the server virtualization management console maintenance agreement with **Dell Marketing, LP.** (Dallas, TX), a State of Texas Department of Information Resources (DIR) approved vendor, for the period beginning June 1, 2019 through May 31, 2020, at a total amount of \$83,307.90;

#### E. Interlocal Agreement

- 19) Graduation Facility (Lease Agreement):** lease the graduation facility from the **City of Hidalgo, Texas dba State Farm Hidalgo Arena** (Hidalgo, TX), through an interlocal license agreement for December 13, 2019 beginning at 8:00 a.m. through December 15, 2019 at midnight, at an estimated amount of \$23,000.00.

Recommend Action - The total for all award of proposals, purchases, renewals, and interlocal agreement is \$2,256,502.11.

**SOUTH TEXAS COLLEGE  
1. FOOD SERVICE - STARR COUNTY CAMPUS  
PROJECT NO. 18-19-1057**

| <b>VENDOR</b>                  |                         | MUY Pizza Tejas, LLC.  |
|--------------------------------|-------------------------|--|
| <b>ADDRESS</b>                 |                         | 17890 Blanco Rd Ste 401  |
| <b>CITY/STATE/ZIP</b>          |                         | San Antonio, TX 78232  |
| <b>PHONE</b>                   |                         | 956-821-7202   |
| <b>CONTACT</b>                 |                         | Dan Doyle  |
| #                              | Description             | Proposed   |
| 1                              | Commission on Net Sales | 0%   |
| 2                              | Fixed Monthly Payments  | \$0.00   |
| 3                              | Menu Items and Price    | Large 1-Topping Pizza \$7.00<br>Large Specialty Pizza \$9.00<br>Individual Pasta \$7.99<br>Wings (6 count) Traditional \$7.99<br>20 oz. Drink \$1.50<br>2 Liter Drink \$3.00 |
| <b>Escalation</b>              |                         |  |
| 4                              | 2nd Year                | No Response  |
| 5                              | 3rd Year                | No Response  |
| <b>TOTAL EVALUATION POINTS</b> |                         | 88   |
| <b>RANKING</b>                 |                         | 1  |

The Director of Purchasing has reviewed all vendor responses and evaluations completed.

**SOUTH TEXAS COLLEGE  
1. FOOD SERVICE - STARR COUNTY CAMPUS  
PROJECT NO. 18-19-1057  
EVALUATION SUMMARY**

|                                |   |                         |       |
|--------------------------------|---|-------------------------|-------|
| <b>VENDOR</b>                  |   | MUY Pizza Tejas, LLC.   |       |
| <b>ADDRESS</b>                 |   | 17890 Blanco Rd Ste 401 |       |
| <b>CITY/STATE/ZIP</b>          |   | San Antonio, TX 78232   |       |
| <b>PHONE</b>                   |   | 956-821-7202            |       |
| <b>CONTACT</b>                 |   | Dan Doyle               |       |
| 1                              | The respondent's financial proposal.  | 35                      | 35    |
|                                | --The cost of the vendor's products   | 35                      |       |
|                                | --The commission to be paid to the College  | 35                      |       |
|                                | (up to 40 points)   | 35                      |       |
| 2                              | The respondent's experience and reputation in providing the goods and/or services requested in this RFP. (up to 20 points)          | 18                      | 18.25 |
|                                |   | 19                      |       |
|                                |   | 18                      |       |
|                                |   | 18                      |       |
| 3                              | The quality and variety of product offered by the respondent. (up to 20 points)   | 17                      | 17.5  |
|                                |   | 19                      |       |
|                                |   | 17                      |       |
|                                |   | 17                      |       |
| 4                              | The respondent's policy in handling customer service complaint/issues. (up to 19 points)  | 17                      | 17.25 |
|                                |   | 18                      |       |
|                                |   | 17                      |       |
|                                |   | 17                      |       |
| 5                              | The impact on the ability of the College to comply with the laws relating to Historically Underutilized Businesses. (up to 1 point) | 0                       | 0     |
|                                |   | 0                       |       |
|                                |   | 0                       |       |
|                                |   | 0                       |       |
| <b>TOTAL EVALUATION POINTS</b> |   | 88                      |       |
| <b>RANKING</b>                 |   | 1                       |       |

The Director of Purchasing has reviewed all vendor responses and evaluations completed.

**SOUTH TEXAS COLLEGE  
 2. NURSING AND ALLIED HEALTH CAMPUS - ACTIVE LEARNING CLASSROOM  
 AUDIO VISUAL PROJECT  
 PROJECT NO. 18-19-1056**

|                                |   |  |                                |
|--------------------------------|---|--|--------------------------------|
| <b>VENDOR</b>                  | Audio Visual Aids   | Howard Technology Solutions, a division of Howard Industries, Inc. | Network Cabling Services, Inc. |
| <b>ADDRESS</b>                 | 2903 N Flores St  | 36 Howard Dr   | 12626 Fuqua St                 |
| <b>CITY/STATE/ZIP</b>          | San Antonio, TX 78212   | Ellisville, MS 39437   | Houston, TX 77034              |
| <b>PHONE</b>                   | 800-422-1282  | 888-912-3151   | 281-484-1777                   |
| <b>FAX</b>                     | 601-399-5077  | 601-399-5077   | 281-484-1776                   |
| <b>CONTACT</b>                 | Ernest Mendez   | Darlene Parker   | Mike Keadle                    |
| <b>#</b>                       | <b>Description</b>  | <b>Proposed</b>  | <b>Proposed</b>                |
| 1                              | Nursing and Allied Health Campus - Active Learning Classroom Audio Visual Project | \$ 39,241.50   | \$ 43,219.04                   |
| <b>TOTAL PROPOSAL AMOUNT</b>   |   | \$ 39,241.50   | \$ 43,219.04                   |
| <b>TOTAL EVALUATION POINTS</b> |   | 97.25  | 86.71                          |
| <b>RANKING</b>                 |   | 1  | 2                              |

The Director of Purchasing has reviewed all vendor responses and evaluations completed.

**SOUTH TEXAS COLLEGE**  
**2. NURSING AND ALLIED HEALTH CAMPUS - ACTIVE LEARNING CLASSROOM**  
**AUDIO VISUAL PROJECT**  
**PROJECT NO. 18-19-1056**

|                                |  |                       |  |                                |       |
|--------------------------------|--|-----------------------|--|--------------------------------|-------|
| <b>VENDOR</b>                  |  | Audio Visual Aids     | Howard Technology Solutions, a division of Howard Industries, Inc. | Network Cabling Services, Inc. |       |
| <b>ADDRESS</b>                 |  | 2903 N Flores St      | 36 Howard Dr   | 12626 Fuqua St                 |       |
| <b>CITY/STATE/ZIP</b>          |  | San Antonio, TX 78212 | Ellisville, MS 39437   | Houston , TX 77034             |       |
| <b>PHONE</b>                   |  | 800-422-1282          | 888-912-3151   | 281-484-1777                   |       |
| <b>FAX</b>                     |  | 800-854-8140          | 601-399-5077   | 281-484-1776                   |       |
| <b>CONTACT</b>                 |  | Ernest Mendez         | Darlene Parker   | Mike Keadle                    |       |
| 1                              | The purchase price.<br>(up to 45 points)   | 45                    | 40.5   | 40.09                          | 40.09 |
|                                |  | 45                    | 40.5   | 40.09                          |       |
|                                |  | 45                    | 40.5   | 40.09                          |       |
|                                |  | 45                    | 40.5   | 40.09                          |       |
| 2                              | The reputation of the vendor and the vendor's goods or services.<br>(up to 15 points)  | 14                    | 13   | 13                             | 12.62 |
|                                |  | 14                    | 14   | 13.5                           |       |
|                                |  | 14                    | 13   | 12                             |       |
|                                |  | 14                    | 13   | 12                             |       |
| 3                              | The quality of the vendor's goods or services. (up to 16 points)   | 15                    | 14   | 15                             | 14.75 |
|                                |  | 15                    | 13   | 15                             |       |
|                                |  | 15                    | 15   | 15                             |       |
|                                |  | 15                    | 14   | 14                             |       |
| 4                              | The extent to which the goods or services meet the College's needs.<br>(up to 20 points)   | 19                    | 17   | 17                             | 17.25 |
|                                |  | 19                    | 18   | 17                             |       |
|                                |  | 20                    | 17   | 20                             |       |
|                                |  | 19                    | 15   | 15                             |       |
| 5                              | The vendor's past relationship with the College. (up to 3 points)  | 3                     | 2  | 2                              | 2     |
|                                |  | 3                     | 2.5  | 2                              |       |
|                                |  | 3                     | 2  | 2                              |       |
|                                |  | 3                     | 2  | 2                              |       |
| 6                              | The impact on the ability of the College to comply with laws and rules relating to Historically Underutilized Businesses.<br>(up to 1 point) | 1                     | 0  | 0                              | 0     |
|                                |  | 1                     | 0  | 0                              |       |
|                                |  | 1                     | 0  | 0                              |       |
|                                |  | 1                     | 0  | 0                              |       |
| <b>TOTAL EVALUATION POINTS</b> |  | 97.25                 | 86.62  | 86.71                          |       |
| <b>RANKING</b>                 |  | 1                     | 3  | 2                              |       |

The Director of Purchasing has reviewed all vendor responses and evaluations completed.

**SOUTH TEXAS COLLEGE**  
**3. PURCHASE OF INDUSTRIAL EQUIPMENT**  
**PROJECT NO. 18-19-1050**

| <b>VENDOR</b>                  |     | Champions Machine Tool Sales, Inc.                                     | FARO Technologies, Inc. |              |              |              |
|--------------------------------|-----|--|-------------------------|--------------|--------------|--------------|
| <b>ADDRESS</b>                 |     | 1151 E Cypresswood Dr  | 250 Technology Park     |              |              |              |
| <b>CITY/STATE/ZIP</b>          |     | Spring, TX 77373   | Lake Mary, FL 32746     |              |              |              |
| <b>PHONE</b>                   |     | 281-355-8665   | 407-333-9911            |              |              |              |
| <b>FAX</b>                     |     | 281-353-3299   |                         |              |              |              |
| <b>CONTACT</b>                 |     | Toma Harrison  | Jett Squibbs            |              |              |              |
| #                              | Qty | Description  | Unit Price              | Extension    | Unit Price   | Extension    |
| 1                              | 1   | Super Speed 5-Axis Vertical Machining Center - CNC Machine - UMC-750SS | \$157,720.00            | \$157,720.00 |              |              |
| 2                              | 1   | Belt Type Chip Conveyor - CC-E4  | \$ 7,295.00             | \$ 7,295.00  |              |              |
| 3                              | 1   | Programmable Coolant Nozzle - Coolant System - P-COOL                  | \$ 1,595.00             | \$ 1,595.00  |              |              |
| 4                              | 1   | High Speed Machine - HSM   | \$ 2,795.00             | \$ 2,795.00  |              |              |
| 5                              | 1   | Auxiliary Coolant Filter System - ACF                                  | \$ 2,095.00             | \$ 2,095.00  |              |              |
| 6                              | 1   | Through-Spindle Coolant - TSC  | \$ 6,495.00             | \$ 6,495.00  |              |              |
| 7                              | 1   | Through-Tool Air Blast - TAB   | \$ 1,095.00             | \$ 1,095.00  |              |              |
| 8                              | 1   | 32 GB Expanded Memory - 32GB   | \$ 1,095.00             | \$ 1,095.00  |              |              |
| 9                              | 1   | Coolant Maintenance Package  | \$ 2,695.00             | \$ 2,695.00  |              |              |
| 10                             | 1   | Freight and Rigging  | \$ 5,850.00             | \$ 5,850.00  |              |              |
| 11                             | 1   | Inside Delivery  | \$ -                    | \$ -         |              |              |
| 12                             | 1   | Coordinate Measuring Machine - Quantum S 2.5 7 Axis - 21000-725        |                         |              | \$ 46,665.00 | \$ 46,665.00 |
| 13                             | 1   | Laser Line Probe - 21022   |                         |              | \$ 29,580.00 | \$ 29,580.00 |
| 14                             | 1   | Super Power User Notebook - COMP0121X64                                |                         |              | \$ 4,335.00  | \$ 4,335.00  |
| 15                             | 1   | Magnetic Mount Kit - 11516   |                         |              | \$ 2,023.00  | \$ 2,023.00  |
| 16                             | 1   | FaroArm Portable Folding Tripod - 15532                                |                         |              | \$ 4,972.50  | \$ 4,972.50  |
| 17                             | 1   | CAM2 2018 Ed 3D Measurement Platform - SOFT10010-UNI                   |                         |              | \$ 612.00    | \$ 612.00    |
| 18                             | 1   | Single User Hard Lock - SOFTL0002                                      |                         |              | \$ 170.00    | \$ 170.00    |
| 19                             | 1   | CAM2 M10 Arm - 3 Day Training  |                         |              | \$ -         | \$ -         |
| 20                             | 1   | Shipping and Handling  |                         |              | \$ 151.15    | \$ 151.15    |
| <b>TOTAL PROPOSAL AMOUNT</b>   |     |  | \$ 188,730.00           |              | \$ 88,508.65 |              |
| <b>TOTAL EVALUATION POINTS</b> |     |  | 95.66                   |              | 94.32        |              |
| <b>RANKING</b>                 |     |  | 1                       |              | 2            |              |

The Director of Purchasing has reviewed all vendor responses and the completed evaluations.



**SOUTH TEXAS COLLEGE**  
**3. PURCHASE OF INDUSTRIAL EQUIPMENT**  
**PROJECT NO. 18-19-1050**  
**EVALUATION SUMMARY**

|                                |   |                                    |       |                         |       |
|--------------------------------|---|------------------------------------|-------|-------------------------|-------|
| <b>VENDOR</b>                  |   | Champions Machine Tool Sales, Inc. |       | FARO Technologies, Inc. |       |
| <b>ADDRESS</b>                 |   | 1151 E Cypresswood Dr              |       | 250 Technology Park     |       |
| <b>CITY/STATE/ZIP</b>          |   | Spring, TX 77373                   |       | Lake Mary, FL 32746     |       |
| <b>PHONE</b>                   |   | 281-355-8665                       |       | 407-333-9911            |       |
| <b>FAX</b>                     |   | 281-355-8665                       |       |                         |       |
| <b>CONTACT</b>                 |   | Toma Harrison                      |       | Jett Squibbs            |       |
| 1                              | The purchase price. (up to 50 points)   | 50                                 | 50    | 50                      | 50    |
|                                |   | 50                                 |       | 50                      |       |
|                                |   | 50                                 |       | 50                      |       |
| 2                              | The reputation of the vendor's goods or services. (up to 10 points)   | 9                                  | 9     | 8                       | 8.66  |
|                                |   | 9                                  |       | 9                       |       |
|                                |   | 9                                  |       | 9                       |       |
| 3                              | The quality of the goods or services. (up to 18 points)   | 16                                 | 17    | 16                      | 17    |
|                                |   | 17                                 |       | 17                      |       |
|                                |   | 18                                 |       | 18                      |       |
| 4                              | The extent to which the vendor's goods or services meet the College's needs. (up to 18 points)                                  | 16                                 | 16.66 | 16                      | 16.66 |
|                                |   | 17                                 |       | 17                      |       |
|                                |   | 17                                 |       | 17                      |       |
| 5                              | The vendor's past relationship with the College. (up to 3 points)   | 3                                  | 3     | 2                       | 2     |
|                                |   | 3                                  |       | 2                       |       |
|                                |   | 3                                  |       | 2                       |       |
| 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                       |       |
| <b>TOTAL EVALUATION POINTS</b> |   | 95.66                              |       | 94.32                   |       |
| <b>RANKING</b>                 |   | 1                                  |       | 2                       |       |

The Director of Purchasing has reviewed all vendor responses and the evaluations completed.

**SOUTH TEXAS COLLEGE  
4. TEMPORARY PERSONNEL SERVICES  
PROJECT NO. 18-19-1051**

| VENDOR                         | AMP Personnel Services, LLC.  | Elite Employment Services, LLC.   | Express Employment Professionals   | Extra Extras, Inc.   | Fewell Professional Services, LLC. dba/FPS Staffing   | Link Staffing Services  | Manpower Group US, Inc.   | Onin Staffing  | R&D Contracting, Inc. /dba R&D Personnel  | Region Staffing   | Select Staff   | Temps Plus Staffing Services, LLC.  | Texas Staffing Pros, LLC.   |   |
|--------------------------------|---|---|--|--|---|---|---|--|---|---|--|---|---|---|
| <b>ADDRESS</b>                 | 3700 N 10th St Ste 302  | 1313 W Polk Ave Ste 13  | 504 N 10th St Ste B1-B5  | 151 E Los Toritos  | 712 Morgan Blvd Ste 116   | 5240 N 10th St Unit 9   | 5000 W Military Highway Ste 115   | 1128 Pecan Blvd Ste B  | 4409 N 22nd St  | 1309 W Nolana Loop Ste C  | 2220 West Trenton Rd   | 2213 Primrose Ave   | 4104 N 23rd St  |   |
| <b>CITY/STATE/ZIP</b>          | McAllen, TX 78501   | Pharr, TX 78577   | McAllen, TX 78501  | Weslaco, TX 78596  | Harlingen, TX 78550   | McAllen, TX 78504   | McAllen, TX 78503   | McAllen, TX 78501  | McAllen, TX 78504   | Pharr, TX 78577   | Edinburg, TX 78539   | McAllen, TX 78504   | McAllen, TX 78504   |   |
| <b>PHONE</b>                   | 956-627-0477  | 956-258-5545  | 956-664-9675   | 956-854-4072   | 956-440-7250  | 956-686-5465  | 956-630-9415  | 956-704-1533   | 956-971-0152  | 956-630-5300  | 956-631-8367   | 956-687-8367  | 956-682-6500  |   |
| <b>CONTACT</b>                 | Kendra Green  | Andres Santos   | W. Matt Foerster   | John F. Cuellar  | Teresa Du Bois  | Derek Maxwell   | Mary Ochoa  | J. Reid Markle   | Ricardo Gonzalez  | Jamie Salazar   | Valerie Reyna  | Ebed Silva  | Sam Olivares  |   |
| #                              | Description   | Proposed  | Proposed   | Proposed   | Proposed  | Proposed  | Proposed  | Proposed   | Proposed  | Proposed  | Proposed   | Proposed  | Proposed  |   |
| 1                              | Mark Up Percentage  | 30%   | 28%  | 40%  | 42%   | 40%   | 38%   | 34.75%   | 40%   | 34%   | 35%  | 50%   | 35%   | 42%   |
| 2                              | Overtime Mark Up Percentage   | Did not provide markup only indicated hourly rate at time and a half  | Did not provide markup only indicated hourly rate at time and a half   | Did not provide markup.  | Did not provide markup only indicated hourly rate at time and a half  | 38%   | Link will offer the same rate for OT billing that is provided for regular billing which is 38%.   | Did not provide markup only indicated hourly rate at time and a half   | The Overtime markup will be the same as the markup for regular hours.   | No rate change  | Same Mark up at a \$1.50 Bill Rate   | Did not provide markup only indicated hourly rate at time and a half  | 25%   | Overtime M.U. 42%   |
| 3                              | Wait period if STC wishes to hire   | 90 days   | 90 days  | None   | Have no fees associated with the hiring of any of our temporary personnel or a hiring waiting period.   | 90 Days   | 520 Hours<br>A fee will be calculated based on the remaining hours.   | 0-240 Hours: 100%<br>241-480 Hours: 25% Discount<br>481-720 Hours: 50% Discount<br>721+ Hours Until Day of Hire: 75% Discount  | 520 Hours   | 90 Days or 520 Hours  | 90 Days<br>10% fee of their annual wages if hired before waiting period ends                                 | 65 Business Days  | 520 Hours   | After 600 hours STC may hire temporary personnel without having to pay a fee.   |
| 4                              | Background Checks Conducted   | Yes   | Yes  | Yes  | Yes   | Yes   | Yes   | Yes  | Yes   | Yes   | Yes  | Yes   | Yes   | Yes   |
| 5                              | Number of Years in Business   | 6   | 6  | 23   | 15  | 1 Year and 1 Month  | 35  | 71   | 26  | 20  | 8  | 21  | 10  | 12  |
| 6                              | Number of Employees   | 25  | 750  | 14   | Three (3) In House Employees and 1 to 155 temporary employee that work throughout the year  | Four (4) In House   | 18,000  | 3,500 Full Time<br>30,000 Worldwide  | 480   | 12  | 300-350  | 15  | 200+  | 150   |
| 7                              | References  | Vantage Bank Texas, McAllen, TX<br>City of McAllen, McAllen, TX<br>Tropical Texas Behavioral, McAllen, TX<br>Central Plumbing & Electric, McAllen, TX<br>Xcell Orthopedics, McAllen, TX<br>Fresh Tex Produce, Alamo, TX   | DICEX International, Pharr, TX<br>Don Hugo Produce, Edinburg, TX<br>Castelo Cold Storage, Pharr, TX<br>Woodcrafters, Weslaco, TX | None Provided  | Nevada State AFL-CIO<br>Adelante Strategy Group, San Antonio, TX<br>For Our Future, Denver, CO  | Lower Rio Grande Valley Economic Development Council, Weslaco, TX<br>Noble Texas Builders, La Feria, TX<br>Harlingen Arts & Entertainment, Harlingen, TX  | Available Upon Request  | Alps Automotive, McAllen, TX<br>Badafi Foods, McAllen, TX<br>Glazer's Wholesale Comp, McAllen, TX  | Rio Grande Pak Foods Inc, McAllen, TX<br>Grand Rapids Foam Technologies, McAllen, TX<br>Southwest Steel, Mission, TX<br>Charles Clark Chevrolet, McAllen, TX<br>Hesselbein Tires, San Antonio, TX<br>Coldwell Banker, McAllen, TX<br>Lineage Logistics, McAllen, TX   | Galvotec Alloy Systems, McAllen, TX<br>Lone Star National Bank, Pharr, TX<br>Tex Mex Recycling, McAllen, TX | Wonderful Citrus, Mission, TX<br>Tru-Tone Finishing, Brownsville, TX<br>La Abuela Mexican Foods, Weslaco, TX | Grand Rapids Foam Technology, McAllen, TX<br>Lakeside Produce, Edinburg, TX<br>United Apartment Group, San Antonio, TX  | Safety Central Texas, McAllen, TX<br>Amex Distributing, Donna, TX<br>Robinson Irrigation Hi-Tech Irrigation, Pharr, TX<br>LFD Home Furnishing, McAllen, TX  | Builders First Source, Mercedes, TX<br>Faires Plumbing, Edinburg, TX<br>Express Cross Borders Logistics, McAllen, TX<br>Texas Air Company of South Texas, McAllen, TX<br>South Texas College, McAllen, TX |
| 8                              | Describe your testing and/or pre-employment screening procedures. Specifically, what type of background check do you conduct and does it include checking on whether potential employee is on a sexual offender's database, or other criminal activity? | Pre-employment screening procedure consists of several thorough interviews, background checks, professional reference checks and employment verifications. Typing tests are administered for clerical/administrative type positions. AMP conducts a background report that includes any criminal activity the potential employee may have been engaged in nationwide and it includes whether potential employee is on a sexual offender's database. | Elite Employment Services LLC conducts a nationwide criminal background via: RecordPros.com                                      | 1. Applicant Information Verification<br>2. Interview<br>3. Skills Evaluation<br>4. Employment Verification<br>5. Hiring Decision<br>6. Matching and Assignment to Meet Client's Needs | Employees are made aware of our pre-screening procedure for driving and criminal reports. We conduct background screening on employees at a national level which covers all jurisdictions and offenses. | Pre-employment screening that ensures that all employees will be a match for the job required. Screenings includes: Background checks, social security verifications, pre-employment skill test, drug screening, interview process, reference checks. | Federal, State and county checks, yes background checks for sex offenders.  | Manpower Group will work with STC to meet requirements for background check and screenings. In addition to oral, urine and hair follicle drug testing, we offer a variety of criminal background checks that search county, statewide or federal court records. We also have access to any other government databases. Our preferred provider for background checks is Sterling Talent Solutions. We realize this step in the screening process is and will thoroughly examine before start of assignment. | We have several assessments that we give our candidates depending on where we might end up placing them and the requirements that our customers have. If a client has a special software or skill/ability that our candidate must possess for the position that we are considering them for we have them take any of a number of Proveit Tests to test their knowledge in these areas. We also run a National Background Screening along with a Manual County Criminal Search. Every candidate must take and pass a pre-employment six panel drug test. | Application process includes resume, skills evaluation, complete background check and a drug screen.        | Peoplefacts.com - National Alias Criminal, Pre-employment drug screen (5 panel)                              | The background checks that are utilized by our office is on online data base www.backgroundchecks.com, Hidalgo County jail records, Aurico by Careerbuilder.com. Yes, it does include sexual offender database and other criminal activity. | Our pre-employment screening consists of a 1 on 1 interview with candidate when they first apply in our office. At least 3 employment reference checks are made. Then a second interview is conducted along with any skills testing that may be required. If candidate does well we then move on to the rest of the hiring process. Background checks, pre-employment drug screening and end with an orientation of all our policies and procedures. Our background check is outsourced to a third party. We run a County, State and National Federal background search, along with any sex offender database made available. | All employees require a mandatory, pre-employment, random and Post.   |
| 9                              | What is your policy on checking references?   | Checks a minimum of three (3) professional references and employment verification on all candidates. Reference checks and employment verifications must be satisfactory before sending resume(s) to client/STC for review.  | We work with a firm that will call and confirm on references.  | It is our policy to conduct reference checks of no fewer than two previous employers before assigning an associate to any client company.  | Notifies potential employees that we will be notifying past employers, mentor, or co-workers for references on their work ethic and skills that they have listed on their resume.                       | FPS staffing provides reference checks on each applicant prior to sending them to an assignment. This enables us to make sure that we send only qualified candidates to work in your company.   | Link conducts reference checks on candidates, Link takes strong measures to ensure they are sending the most qualified candidates to our clients. | Manpower Group checks an applicants work references by contacting former employers by phone or fax. For legal reasons, Manpower Group obtains the applicants written consent for the release of this information.  | We make every effort to get references before placing our candidates. There are some instances where we might just be able to verify employment. If the teammate has worked with us before then we are able to get a reference from the customer where our teammate was placed previously.  | We call references to verify statements by potential employees.   | Two (2) Satisfactory work references for skill set they applying for.  | References are checked upon request of the client.  | We require at least three (3) reference checks from previous employers. All must be in good standing.   | We require two verifiable references.   |
| <b>TOTAL EVALUATION POINTS</b> |   | 91.95   | 83.25  | 62.5   | 74.3  | 67  | 75.85   | 84.65  | 75.5  | 86.05   | 77.25  | 65.65   | 77.05   | 81.3  |
| <b>RANKING</b>                 |   | 1   | 4  | 13   | 10  | 11  | 8   | 3  | 9   | 2   | 6  | 12  | 7   | 5   |

The Director of Purchasing has reviewed all vendor responses and evaluations completed.

**SOUTH TEXAS COLLEGE  
4. TEMPORARY PERSONNEL SERVICES  
PROJECT NO. 18-19-1051  
EVALUATION SUMMARY - SERVICES ONLY**

| VENDOR                         |   | AMP Personnel Services, LLC. | Elite Employment Services, LLC. | Express Employment Professionals | Extra Extras, Inc. | Fewell Professional Services, LLC. dba/FPS Staffing | Link Staffing Services | Manpower Group US, Inc.     | Onin Staffing         | R&D Contracting, Inc. dba/ R&D Personnel | Region Staffing          | Select Staff       | Temps Plus Staffing Services, LLC. | Texas Staffing Pros, LLC. |       |       |       |      |       |    |       |      |       |      |       |      |       |    |
|--------------------------------|---|------------------------------|---------------------------------|----------------------------------|--------------------|---|------------------------|-----------------------------|-----------------------|--|--------------------------|--------------------|------------------------------------|---------------------------|-------|-------|-------|------|-------|----|-------|------|-------|------|-------|------|-------|----|
| STREET                         |   | 3700 N 10th St Ste 302       | 1313 W Polk Ave Ste 13          | 504 N 10th St Ste B1-B5          | 151 E Los Toritos  | 712 Morgan Blvd Ste 116                             | 5240 N 10th St Unit 9  | 5000 W Military Hwy Ste 115 | 1128 Pecan Blvd Ste B | 4409 N 22nd St                           | 1309 W Nolana Loop Ste C | 2220 W Trenton Rd  | 2213 Primrose Ave                  | 4104 N 23rd St            |       |       |       |      |       |    |       |      |       |      |       |      |       |    |
| CITY/STATE/ZIP                 |   | McAllen, TX 78501            | Pharr, TX 78577                 | McAllen, TX 78501                | Weslaco, TX 78596  | Harlingen, TX 78550                                 | McAllen, TX 78504      | McAllen, TX 78503           | McAllen, TX 78501     | McAllen, TX 78504                        | Pharr, TX 78577          | Edinburg, TX 78539 | McAllen, TX 78504                  | McAllen, TX 78504         |       |       |       |      |       |    |       |      |       |      |       |      |       |    |
| PHONE                          |   | 956-627-0477                 | 956-258-5545                    | 956-664-9675                     | 956-854-4072       | 956-440-7250  | 956-686-5465           | 956-630-9415                | 956-704-1533          | 956-971-0152                             | 956-630-5300             | 956-630-8367       | 956-687-8367                       | 956-682-6500              |       |       |       |      |       |    |       |      |       |      |       |      |       |    |
| CONTACT                        |   | Kendra Green                 | Andres Santos                   | W. Matt Foerster                 | John F. Cuellar    | Teresa Du Bois                                      | Derek Maxwell          | Mary Ochoa                  | J. Reid Markle        | Ricardo Gonzalez                         | Jaime Salazar            | Valerie Reyna      | Ebed Silva                         | Sam Olivares              |       |       |       |      |       |    |       |      |       |      |       |      |       |    |
| 1                              | The purchase price. (up to 40 points)   | 37.2                         | 37.2                            | 40                               | 40                 | 28  | 28                     | 26.8                        | 26.8                  | 28                                       | 28                       | 29.6               | 29.6                               | 32.4                      | 32.4  | 28    | 28    | 32.8 | 32.8  | 32 | 32    | 22.4 | 22.4  | 32.8 | 32.8  | 26.8 | 26.8  |    |
|                                |   | 37.2                         |                                 | 40                               |                    | 28  |                        | 26.8                        |                       | 28                                       |                          | 29.6               |                                    | 32.4                      |       | 28    |       | 32.8 |       | 32 |       | 22.4 |       | 32.8 |       | 26.8 |       |    |
|                                |   | 37.2                         |                                 | 40                               |                    | 28  |                        | 26.8                        |                       | 28                                       |                          | 29.6               |                                    | 32.4                      |       | 28    |       | 32.8 |       | 32 |       | 22.4 |       | 32.8 |       | 26.8 |       |    |
|                                |   | 37.2                         |                                 | 40                               |                    | 28  |                        | 26.8                        |                       | 28                                       |                          | 29.6               |                                    | 32.4                      |       | 28    |       | 32.8 |       | 32 |       | 22.4 |       | 32.8 |       | 26.8 |       |    |
| 2                              | The reputation of the vendor and the vendor's goods and/or services. (up to 18 points)  | 17                           | 16.25                           | 14                               | 12.75              | 11  | 10                     | 15                          | 14.75                 | 12                                       | 11                       | 14                 | 14.25                              | 17                        | 16    | 15    | 14.75 | 16   | 16.25 | 14 | 13.5  | 15   | 12.75 | 14   | 13.25 | 17   | 16.75 |    |
|                                |   | 13                           |                                 | 10                               |                    | 5   |                        | 11                          |                       | 9  |                          | 12                 |                                    | 13                        |       | 12    |       | 16   |       | 16 |       | 10   |       | 9    |       | 11   |       | 17 |
|                                |   | 18                           |                                 | 12                               |                    | 14  |                        | 16                          |                       | 12                                       |                          | 16                 |                                    | 17                        |       | 16    |       | 16   |       | 15 |       | 14   |       | 15   |       | 15   |       | 16 |
|                                |   | 17                           |                                 | 15                               |                    | 10  |                        | 17                          |                       | 11                                       |                          | 15                 |                                    | 17                        |       | 16    |       | 17   |       | 15 |       | 13   |       | 13   |       | 17   |       |    |
| 3                              | The quality of the vendor's goods and/or services. (up to 18 points)  | 17                           | 15.5                            | 14                               | 12.25              | 12  | 10                     | 16                          | 13.5                  | 12                                       | 11.5                     | 13                 | 13.5                               | 17                        | 15.25 | 15    | 15    | 16   | 16.25 | 14 | 13.25 | 14   | 13    | 14   | 13.5  | 17   | 16.5  |    |
|                                |   | 10                           |                                 | 10                               |                    | 10  |                        | 10                          |                       | 11                                       |                          | 12                 |                                    | 12                        |       | 15    |       | 16   |       | 8  |       | 10   |       | 15   |       | 16   |       | 17 |
|                                |   | 18                           |                                 | 10                               |                    | 10  |                        | 11                          |                       | 12                                       |                          | 15                 |                                    | 17                        |       | 16    |       | 17   |       | 15 |       | 13   |       | 13   |       | 17   |       |    |
|                                |   | 17                           |                                 | 15                               |                    | 8   |                        | 17                          |                       | 12                                       |                          | 15                 |                                    | 17                        |       | 16    |       | 17   |       | 15 |       | 13   |       | 13   |       | 17   |       |    |
| 4                              | The extent to which the vendor's goods and/or services meet the College's needs. (up to 15 points)  | 14                           | 14                              | 11                               | 10.25              | 8   | 7.5                    | 13                          | 11                    | 11                                       | 9.5                      | 11                 | 11.5                               | 13                        | 13.25 | 12    | 10.75 | 13   | 12    | 11 | 11    | 11   | 10.5  | 11   | 10.5  | 14   | 13.25 |    |
|                                |   | 14                           |                                 | 9                                |                    | 7   |                        | 8                           |                       | 6  |                          | 8                  |                                    | 11                        |       | 13.25 |       | 7    |       | 8  |       | 8    |       | 7    |       | 8    |       | 11 |
|                                |   | 14                           |                                 | 10                               |                    | 7   |                        | 11                          |                       | 10                                       |                          | 15                 |                                    | 15                        |       | 12    |       | 14   |       | 14 |       | 13   |       | 13   |       | 14   |       |    |
|                                |   | 14                           |                                 | 11                               |                    | 8   |                        | 12                          |                       | 11                                       |                          | 12                 |                                    | 14                        |       | 12    |       | 13   |       | 11 |       | 10   |       | 14   |       |      |       |    |
| 5                              | The vendor's past relationship with the College. (up to 3 points)   | 3                            | 3                               | 2                                | 2                  | 3   | 2                      | 3                           | 2.5                   | 2  | 2                        | 2                  | 2                                  | 3                         | 2.75  | 2     | 2     | 3    | 2.75  | 3  | 2.5   | 3    | 2     | 2    | 2     | 3    | 3     |    |
|                                |   | 3                            |                                 | 2                                |                    | 1   |                        | 2                           |                       | 2  |                          | 2                  |                                    | 2                         |       | 2     |       | 2    |       | 2  |       | 1    |       | 2    |       | 2    |       | 3  |
|                                |   | 3                            |                                 | 2                                |                    | 2   |                        | 3                           |                       | 2  |                          | 2                  |                                    | 3                         |       | 2     |       | 2    |       | 3  |       | 2    |       | 2    |       | 2    |       | 3  |
|                                |   | 3                            |                                 | 2                                |                    | 2   |                        | 2                           |                       | 2  |                          | 2                  |                                    | 3                         |       | 2     |       | 2    |       | 3  |       | 2    |       | 2    |       | 2    |       | 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                  | 0   | 0                      | 1                           | 0.75                  | 0  | 0                        | 0                  | 0                                  | 0                         | 0     | 0     | 0     | 1    | 1     | 0  | 0     | 0    | 0     | 0    | 0     | 0    | 0     |    |
|                                |   | 1                            |                                 | 1                                |                    | 0   |                        | 1                           |                       | 0  |                          | 0                  |                                    | 0                         |       | 0     |       | 0    |       | 0  |       | 0    |       | 0    |       | 0    |       |    |
|                                |   | 1                            |                                 | 1                                |                    | 0   |                        | 0                           |                       | 0  |                          | 0                  |                                    | 0                         |       | 0     |       | 0    |       | 0  |       | 0    |       | 0    |       | 0    |       |    |
|                                |   | 1                            |                                 | 1                                |                    | 0   |                        | 1                           |                       | 0  |                          | 0                  |                                    | 0                         |       | 0     |       | 0    |       | 0  |       | 0    |       | 0    |       | 0    |       |    |
| 7                              | The total long-term cost to the College to acquire the vendor's goods or services. (up to 5 points)                                       | 5                            | 5                               | 5                                | 5                  | 5   | 5                      | 5                           | 5                     | 5  | 5                        | 5                  | 5                                  | 5                         | 5     | 5     | 5     | 5    | 5     | 5  | 5     | 5    | 5     | 5    | 5     | 5    | 5     |    |
|                                |   | 5                            |                                 | 5                                |                    | 5   |                        | 5                           |                       | 5  |                          | 5                  |                                    | 5                         |       | 5     |       | 5    |       | 5  |       | 5    |       | 5    |       | 5    |       |    |
|                                |   | 5                            |                                 | 5                                |                    | 5   |                        | 5                           |                       | 5  |                          | 5                  |                                    | 5                         |       | 5     |       | 5    |       | 5  |       | 5    |       | 5    |       | 5    |       |    |
|                                |   | 5                            |                                 | 5                                |                    | 5   |                        | 5                           |                       | 5  |                          | 5                  |                                    | 5                         |       | 5     |       | 5    |       | 5  |       | 5    |       | 5    |       | 5    |       |    |
| <b>TOTAL EVALUATION POINTS</b> |   | 91.95                        | 83.25                           | 62.5                             | 74.3               | 67  | 75.85                  | 84.65                       | 75.5                  | 86.05                                    | 77.25                    | 65.65              | 77.05                              | 81.3                      |       |       |       |      |       |    |       |      |       |      |       |      |       |    |
| <b>RANKING</b>                 |   | 1                            | 4                               | 13                               | 10                 | 11  | 8                      | 3                           | 9                     | 2  | 6                        | 12                 | 7                                  | 5                         |       |       |       |      |       |    |       |      |       |      |       |      |       |    |

The Director of Purchasing has reviewed all vendor responses and evaluations completed.

**SOUTH TEXAS COLLEGE  
5. VEHICLE MAINTENANCE AND REPAIRS SERVICES  
PROJECT NO. 18-19-1059**

| VENDOR                        |  | Charles Clark Chevrolet, Co. | FC Apollo Towing, LLC. | Firestone Complete Auto Care                                      | Pan American Auto, LLC.    | Spikes Motor Co, Inc.                     | Stutz Auto Service, Inc. | Weslaco Motors                                  |
|-------------------------------|--|------------------------------|------------------------|---|----------------------------|---|--------------------------|---|
| ADDRESS                       |  | 801 W Hwy Business 83        | 93 E Business 83       | 4111 N 23rd St  | 1001 E Whitewing Ave Ste C | 805 E Expressway 83                       | 2408 W Pecan Blvd        | 2229 E Expressway 83                            |
| CITY/STATE/ZIP                |  | McAllen, TX 78501            | Alamo, TX 78516        | McAllen, TX 78504   | McAllen, TX 78501          | Mission, TX 78572                         | McAllen, TX 78501        | Weslaco, TX 78599                               |
| PHONE                         |  | 956-686-5441                 | 956-783-1500           | 956-682-1502  | 956-322-3194               | 956-585-1601                              | 956-682-4278             | 956-969-2525                                    |
| CONTACT                       |  | Roger Solis                  | Fidel Cortez           | Sandra Jackson  | Omar F Molina              | Ruben Reyes                               | V.C. Stutz III           | Pedro Magallanes                                |
| #                             | Description  | Proposed                     | Proposed               | Proposed  | Proposed                   | Proposed                                  | Proposed                 | Proposed  |
| <b>Preventive Maintenance</b> |  |                              |                        |   |                            |   |                          |   |
| 1                             | Cargo Vans, Standard Pick up, Cars                 |                              |                        |   |                            |   | \$64.95                  |   |
| 2                             | Full Size SUV, Medium SUV                          |                              |                        |   |                            |   | \$64.95                  | \$70.00 - Full Size SUV<br>\$59.95 - Medium SUV |
| 3                             | Cargo, Pickups, Full-Size & Cars                   | \$105.00/Vehicle             |                        |   |                            |   |                          |   |
| 4                             | Passenger Buses, Medium Duty & Heavy Duty Vehicles | \$125.00/Vehicle             |                        |   |                            |   |                          | \$125.00  |
|                               | Standard Pick Up Truck                             |                              |                        |   |                            |   |                          | \$75.00   |
| 5                             | GMC Cargo Truck                                    |                              |                        |   |                            |   | \$400.00                 |   |
| 6                             | Peterbilt Model 386 Truck                          |                              |                        |   |                            |   | \$450.00                 |   |
| 7                             | 2017 & 2018 Tahoe PPV, 2018 GMC Yukon SLE          |                              |                        |   |                            |   | \$79.95                  |   |
|                               | Engine Type  |                              |                        |   |                            | Diesel \$149.00/Hour<br>Gas \$129.00/Hour |                          |   |
|                               | Oil Changes  |                              |                        | \$24.99 5qts<br>\$42.98 Dexos 5qts<br>\$57.98 Full Synthetic 5qts |                            |   |                          |   |
|                               | Tire Rotation                                      |                              |                        | \$9.99/Vehicle  |                            |   |                          |   |
|                               | Air Filters  |                              |                        | \$24.99 and up  |                            |   |                          |   |
|                               | Cargo Van 8 Quarts                                 |                              |                        |   |                            |   |                          | \$75.00   |
|                               | Full Size SUV, Medium SUV                          |                              |                        |   |                            |   |                          |   |
| 8                             | Sub-Compact 4 quarts of oil                        |                              |                        |   | \$32.75/Vehicle            |   |                          |   |
| 9                             | Compact 5 quarts of oil                            |                              |                        |   | \$36.50/Vehicle            |   |                          |   |
| 10                            | Mid Size 6 quarts of oil                           |                              |                        |   | \$40.25/Vehicle            |   |                          |   |
| 11                            | Trucks 7quarts of oil                              |                              |                        |   | \$44.00/Vehicle            |   |                          |   |
| 12                            | SUV 8 quarts of oil                                |                              |                        |   | \$47.75/Vehicle            |   |                          |   |
| 13                            | SUV 0w20 8 quarts of synthetic oil                 |                              |                        |   | \$91.75/Vehicle            |   |                          |   |

**SOUTH TEXAS COLLEGE  
5. VEHICLE MAINTENANCE AND REPAIRS SERVICES  
PROJECT NO. 18-19-1059**

| VENDOR                  |   | Charles Clark Chevrolet, Co. | FC Apollo Towing, LLC.  | Firestone Complete Auto Care | Pan American Auto, LLC.   | Spikes Motor Co, Inc.                                   | Stutz Auto Service, Inc.  | Weslaco Motors   |
|-------------------------|---|------------------------------|---|------------------------------|---|---|---|--|
| ADDRESS                 |   | 801 W Hwy Business 83        | 93 E Business 83  | 4111 N 23rd St               | 1001 E Whitewing Ave Ste C  | 805 E Expressway 83                                     | 2408 W Pecan Blvd   | 2229 E Expressway 83   |
| CITY/STATE/ZIP          |   | McAllen, TX 78501            | Alamo, TX 78516   | McAllen, TX 78504            | McAllen, TX 78501   | Mission, TX 78572                                       | McAllen, TX 78501   | Weslaco, TX 78599  |
| PHONE                   |   | 956-686-5441                 | 956-783-1500  | 956-682-1502                 | 956-322-3194  | 956-585-1601  | 956-682-4278  | 956-969-2525   |
| CONTACT                 |   | Roger Solis                  | Fidel Cortez  | Sandra Jackson               | Omar F Molina   | Ruben Reyes   | V.C. Stutz III  | Pedro Magallanes   |
| #                       | Description                                       | Proposed                     | Proposed  | Proposed                     | Proposed  | Proposed  | Proposed  | Proposed   |
| <b>Repair Work</b>      |   |                              |   |                              |   |   |   |  |
| 14                      | Labor for general repair work                     | \$105.00/Hour                |   | \$110.00/Hour                | \$85.00/Hour  | \$129.00/Hour   | \$95.00/Hour  | \$125.00/Hour  |
|                         | Electrical, Transmission, Engine Repair           |                              |   |                              |   |   |   | \$125.00/Hour  |
|                         | Engine Type                                       |                              |   |                              |   | Diesel Engine \$149.00/Hour<br>Gas Engine \$129.00/Hour |   |  |
|                         | Alignments  |                              |   | \$89.99                      |   |   |   |  |
|                         | Balance   |                              |   | \$14.99                      |   |   |   |  |
|                         | Brake Flush                                       |                              |   | \$99.99                      |   |   |   |  |
|                         | Coolant Flush                                     |                              |   | \$114.99                     |   |   |   |  |
| 15                      | Medium/Heavy Duty Buses                           | \$125.00/Hour                |   |                              |   |   |   |  |
| 16                      | Parts Discount off currently published list price | 15%                          |   | 0%                           | 0%  | 25% Parts Engine & Transmission Cost + 10%              | 5%  | 25%  |
| <b>Other Services</b>   |   |                              |   |                              |   |   |   |  |
| 17                      | Tow Truck Services                                | Not Applicable               | 6,000 lbs. - 45,000 lbs<br>\$125.00 - \$400.00 Call Out<br>\$3.25 - \$4.25 per mile | Not Applicable               | \$75.00<br>Anywhere in the RGV  | No Tow Services thru Dealer                             | \$75.00- McAllen<br>\$150.00- Rio Grande City<br>\$100.00- Weslaco  | \$125.00 - \$250.00<br>Will depend on weight and if flat bed is needed. Also will include how far from facility. |
| 18                      | Texas State Vehicle Inspection                    | \$7.00                       |   | \$7.00                       | \$7.00 State<br>\$40.00 Commercial  | \$7.00  | \$7.00  | \$7.00   |
| 19                      | Emergency Roadside Service                        | Not Applicable               |   | Not Applicable               | \$35.00 Trip Fee will be added to get to the location. The \$85.00 rate remains the same. | No Emergency Roadside Services                          | \$50.00 - McAllen plus needed services; \$100.00 - Rio Grande City plus needed services; \$75.00 - Weslaco plus needed services |  |
| <b>Price Escalation</b> |   |                              |   |                              |   |   |   |  |
| 20                      | 2nd Year  | 3%                           | ****  | No Response                  | 0%  | 0%  | 5%  | 10%  |
| 21                      | 3rd Year  | 6%                           | ****  | No Response                  | 0%  | 0%  | 5%  | 15%  |

\*\*\*\*Vendor did not complete required documents.

The Director of Purchasing has reviewed all vendor responses.

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

| <b>NAME</b>           |     |                                       | Technical Laboratory<br>Systems, Inc. |              |
|-----------------------|-----|---------------------------------------|---------------------------------------|--------------|
| <b>ADDRESS</b>        |     |                                       | P O Box 218609                        |              |
| <b>CITY/STATE/ZIP</b> |     |                                       | Houston, TX 77218                     |              |
| <b>PHONE</b>          |     |                                       | 800-445-1088                          |              |
| <b>FAX</b>            |     |                                       | 281-391-1113                          |              |
| <b>CONTACT</b>        |     |                                       | Mike Sudduth                          |              |
| #                     | Qty | Description                           | Unit Price                            | Extension    |
| 1                     | 1   | Universal Laser ILS 9 Platform        | \$ 43,278.00                          | \$ 43,278.00 |
| 2                     | 1   | X-Rail ILS9 w/o UCR                   | \$ -                                  | \$ -         |
| 3                     | 1   | ILS Lens Kit - 2.0                    | \$ 498.00                             | \$ 498.00    |
| 4                     | 1   | ULR-40 Laser                          | \$ 6,400.00                           | \$ 6,400.00  |
| 5                     | 1   | Power Cord                            | \$ -                                  | \$ -         |
| 6                     | 1   | HPDFO Lens Kit ILS                    | \$ 1,650.00                           | \$ 1,650.00  |
| 7                     | 1   | ILS Standard Air Assist               | \$ -                                  | \$ -         |
| 8                     | 1   | ILS Backsweep Air Assist Kit          | \$ 365.00                             | \$ 365.00    |
| 9                     | 1   | Universal Air Compressor - 110V       | \$ 3,538.00                           | \$ 3,538.00  |
| 10                    | 1   | Power Cord                            | \$ -                                  | \$ -         |
| 11                    | 1   | Cutting Table ILS9                    | \$ 2,650.00                           | \$ 2,650.00  |
| 12                    | 1   | Pin Table Kit                         | \$ 535.00                             | \$ 535.00    |
| 13                    | 1   | Direct Import Feature                 | \$ 995.00                             | \$ 995.00    |
| 14                    | 1   | Rotary Fixture ILS9                   | \$ 1,860.00                           | \$ 1,860.00  |
| 15                    | 1   | High Value Material Package           | \$ 600.00                             | \$ 600.00    |
| 16                    | 1   | 1-Touch Laser Photo Software          | \$ 285.00                             | \$ 285.00    |
| 17                    | 1   | BOFA Advantage 1500 IQ Fume Extractor | \$ 11,070.00                          | \$ 11,070.00 |
| 18                    | 1   | Shipping and Handling                 | \$ 2,080.00                           | \$ 2,080.00  |
| 19                    | 1   | Installation and Orientation          | \$ 1,850.00                           | \$ 1,850.00  |
| <b>TOTAL AMOUNT</b>   |     |                                       | \$                                    | 77,654.00    |

**SOUTH TEXAS COLLEGE  
7. LEARNING SYSTEMS**

| <b>NAME</b>           |     |   | Technical Laboratory<br>Systems, Inc. |                   |
|-----------------------|-----|---|---------------------------------------|-------------------|
| <b>ADDRESS</b>        |     |   | P O Box 218609                        |                   |
| <b>CITY/STATE/ZIP</b> |     |   | Houston, TX 77218                     |                   |
| <b>PHONE</b>          |     |   | 800-445-1088                          |                   |
| <b>FAX</b>            |     |   | 281-391-1113                          |                   |
| <b>CONTACT</b>        |     |   | Mike Sudduth                          |                   |
| #                     | Qty | Description   | Unit Price                            | Extension         |
| 1                     | 1   | LR Mate 200i/4S Robot with R-30iB Mate Plus<br>Controller   | \$ 39,500.00                          | \$ 39,500.00      |
| 2                     | 1   | Fenceless Education Training Cart                           | \$ -                                  | \$ -              |
| 3                     | 1   | Installation and Orientation                                | \$ 1,250.00                           | \$ 1,250.00       |
| 4                     | 2   | AC/DC Electrical Learning System                            | \$ 6,150.00                           | \$ 12,300.00      |
| 5                     | 2   | Mobile Technology Workstation                               | \$ 1,140.00                           | \$ 2,280.00       |
| 6                     | 1   | AC/DC Electrical Student Reference                          | \$ 30.00                              | \$ 30.00          |
| 7                     | 2   | Portable Power and Control Learning System                  | \$ 20,710.00                          | \$ 41,420.00      |
| 8                     | 2   | Oscilloscope  | \$ 1,325.00                           | \$ 2,650.00       |
| 9                     | 2   | Mobile Technology Workstation                               | \$ 1,140.00                           | \$ 2,280.00       |
| 10                    | 1   | Portable Power and Control Electronics Student<br>Reference | \$ 40.00                              | \$ 40.00          |
| 11                    | 1   | Electric Motor Control Learning System                      | \$ 14,155.00                          | \$ 14,155.00      |
| 12                    | 1   | Prony Brake   | \$ 835.00                             | \$ 835.00         |
| 13                    | 1   | Hand Tool Package - Motor Control                           | \$ 475.00                             | \$ 475.00         |
| 14                    | 1   | Mobile Technology Workstation                               | \$ 1,140.00                           | \$ 1,140.00       |
| 15                    | 1   | Electric Motor Control Student Reference                    | \$ 30.00                              | \$ 30.00          |
| 16                    | 1   | Motor Braking Learning System                               | \$ 4,805.00                           | \$ 4,805.00       |
| 17                    | 1   | Motor Control Options Student Reference                     | \$ 40.00                              | \$ 40.00          |
| 18                    | 1   | Reduced Voltage Starting Learning System                    | \$ 2,170.00                           | \$ 2,170.00       |
| 19                    | 1   | Variable Frequency AC Drive Learning System                 | \$ 3,040.00                           | \$ 3,040.00       |
| 20                    | 1   | Electronic Sensors Learning System                          | \$ 1,670.00                           | \$ 1,670.00       |
| 21                    | 1   | Electronic Counter Learning System                          | \$ 915.00                             | \$ 915.00         |
| 22                    | 1   | DC Drive with SCR Speed Control Learning System             | \$ 2,925.00                           | \$ 2,925.00       |
| 23                    | 1   | Centrifuge Pump Learning System                             | \$ 15,270.00                          | \$ 15,270.00      |
| 24                    | 1   | Hand Tool Package - Pumps                                   | \$ 895.00                             | \$ 895.00         |
| 25                    | 1   | Corrosion Inhibitor   | \$ 465.00                             | \$ 465.00         |
| 26                    | 1   | Centrifugal Pump Student Reference                          | \$ 25.00                              | \$ 25.00          |
| 27                    | 1   | Mechanical Drives 1 Learning System                         | \$ 15,575.00                          | \$ 15,575.00      |
| 28                    | 1   | Hand Tool Package 1 - Mechanical                            | \$ 1,350.00                           | \$ 1,350.00       |
| 29                    | 1   | Mechanical Drives 1 Student Reference                       | \$ 35.00                              | \$ 35.00          |
| 30                    | 1   | Mechanical Drives 2 Learning System                         | \$ 7,990.00                           | \$ 7,990.00       |
| 31                    | 1   | Viscosimeter (Saybolt Universal Second)                     | \$ 925.00                             | \$ 925.00         |
| 32                    | 1   | Mechanical Drives 2 Student Reference                       | \$ 35.00                              | \$ 35.00          |
| 33                    | 1   | Freight   | \$ 4,075.00                           | \$ 4,075.00       |
| 34                    | 1   | Installation and Orientation                                | \$ 1,250.00                           | \$ 1,250.00       |
| <b>TOTAL AMOUNT</b>   |     |   | <b>\$</b>                             | <b>181,840.00</b> |

**SOUTH TEXAS COLLEGE**  
**8. RADIOLOGY EQUIPMENT MAINTENANCE AGREEMENT**

| <b>NAME</b>                |     |  | GE Precision<br>Healthcare, LLC. |             |
|----------------------------|-----|--|----------------------------------|-------------|
| <b>ADDRESS</b>             |     |  | 3000 N Grandview Blvd            |             |
| <b>CITY/STATE/ZIP</b>      |     |  | Waukesha, WI 53188               |             |
| <b>PHONE</b>               |     |  | 512-949-7071                     |             |
| <b>CONTACT</b>             |     |  | Julia Koether                    |             |
| #                          | Qty | Description  | Unit Price                       | Extension   |
| 1                          | 1   | GE XR Optima XR646 1-D Shared<br>(XRA783)              | \$ 6,466.00                      | \$ 6,466.00 |
| 2                          | 1   | GE XR FlashPad - Digital Wireless<br>Detector (XRA618) | \$ 3,000.00                      | \$ 3,000.00 |
| 3                          | 1   | GE XR Optima XR646 1-D Shared<br>(XRA783)              | \$ 6,510.00                      | \$ 6,510.00 |
| 4                          | 1   | GE XR FlashPad - Digital Wireless<br>Detector (XRA614) | \$ 3,000.00                      | \$ 3,000.00 |
| 5                          | 1   | GE XR FlashPad - Digital Wireless<br>Detector (XRA614) | \$ 3,000.00                      | \$ 3,000.00 |
| <b>TOTAL ANNUAL AMOUNT</b> |     |  | \$                               | 21,976.00   |



**SOUTH TEXAS COLLEGE  
9. RECORDING SYSTEMS**

| <b>NAME</b>           |     |  | KbPort, LLC.         |                  |
|-----------------------|-----|--|----------------------|------------------|
| <b>ADDRESS</b>        |     |  | 882 Butler St        |                  |
| <b>CITY/STATE/ZIP</b> |     |  | Pittsburgh, PA 15223 |                  |
| <b>PHONE</b>          |     |  | 412-487-4663         |                  |
| <b>CONTACT</b>        |     |  | Ryan Moore           |                  |
| #                     | Qty | Description  | Unit Price           | Extension        |
| 1                     | 2   | ETC FusionHD Skills Recorder<br>(Mini-512SSD, 8GB Memory)      | \$ 4,850.00          | \$ 9,700.00      |
| 2                     | 2   | Shure MX395  | \$ 220.00            | \$ 440.00        |
| 3                     | 2   | Shure x2u  | \$ 150.00            | \$ 300.00        |
| 4                     | 1   | KbPort Custom Integration                                      | \$ 2,200.00          | \$ 2,200.00      |
| 5                     | 1   | Technology Management Plan - Initial<br>Purchase               | \$ -                 | \$ -             |
| 6                     | 1   | Shipping & Handling  | \$ 219.57            | \$ 219.57        |
| 7                     | 2   | ETC FusionHD Hi-Fidelity Recorder<br>(Mini-512SSD, 8GB Memory) | \$ 12,850.00         | \$ 25,700.00     |
| 8                     | 1   | Technology Management Plan - Initial<br>Purchase               | \$ -                 | \$ -             |
| 9                     | 1   | Shipping & Handling  | \$ 219.57            | \$ 219.57        |
| 10                    | 4   | ETC FusionHD Hi-Fidelity Recorder                              | \$ 12,850.00         | \$ 51,400.00     |
| 11                    | 4   | Price Match Discount   | \$ (350.00)          | \$ (1,400.00)    |
| 12                    | 4   | Behringer XENYX Q802USB (USB Mixer)                            | \$ 150.00            | \$ 600.00        |
| 13                    | 1   | Technology Management Plan - Initial<br>Purchase               | \$ -                 | \$ -             |
| 14                    | 1   | Shipping & Handling  | \$ 460.00            | \$ 460.00        |
| 15                    | 1   | Existing Customer Discount                                     | \$ (1,165.00)        | \$ (1,165.00)    |
| <b>TOTAL AMOUNT</b>   |     |  | <b>\$</b>            | <b>88,674.14</b> |

**SOUTH TEXAS COLLEGE**  
**10. 3D PRINTER**

| <b>NAME</b>           |     |  | Technical Laboratory<br>Systems, Inc. |              |
|-----------------------|-----|--|---------------------------------------|--------------|
| <b>ADDRESS</b>        |     |  | P O Box 218609                        |              |
| <b>CITY/STATE/ZIP</b> |     |  | Houston, TX 77218                     |              |
| <b>PHONE</b>          |     |  | 800-445-1088                          |              |
| <b>FAX</b>            |     |  | 281-391-1113                          |              |
| <b>CONTACT</b>        |     |  | Mike Sudduth                          |              |
| #                     | Qty | Description  | Unit Price                            | Extension    |
| 1                     | 1   | Stratasys F170 Printer System                          | \$ 21,965.00                          | \$ 21,965.00 |
| 2                     | 1   | F170 Education Extended Startup Kit                    | \$ -                                  | \$ -         |
| 3                     | 1   | SCA 1200 HT Support Cleaning Apparatus                 | \$ 4,000.00                           | \$ 4,000.00  |
| 4                     | 2   | Waterworks/P400-SC Soluble Concentrate<br>(Case of 12) | \$ 149.00                             | \$ 298.00    |
| 5                     | 1   | Installation and Training - F-170                      | \$ 1,250.00                           | \$ 1,250.00  |
| 6                     | 1   | Freight  | \$ 750.00                             | \$ 750.00    |
| <b>TOTAL AMOUNT</b>   |     |  | \$                                    | 28,263.00    |



Purchasing and Distribution Services  
3200 W Pecan Blvd. McAllen, TX 78503

t (956) 872-4681  
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P.O. Box 9701, McAllen, TX 78502-9701  
[www.SouthTexasCollege.edu](http://www.SouthTexasCollege.edu)

March 22, 2019

**Barnes & Noble Booksellers, Inc.**  
Attn: Tracy Vidakovich  
122 Fifth Avenue  
New York, NY 10011

Dear Ms. Vidakovich:

On June 27, 2017, South Texas College awarded a contract to Barnes & Noble Booksellers, Inc. for Books and Educational Materials. 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 August 27, 2019 through August 26, 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 August 26, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: 

Name Printed: Tracy Vidakovich

Date: 04/01/19



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3200 W Pecan Blvd . McAllen TX 78501

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[www.SouthTexasCollege.edu](http://www.SouthTexasCollege.edu)

March 22, 2019

**Barnes & Noble College Booksellers, LLC.**  
Attn: Kim Otte  
120 Mountain View Blvd.  
Basking Ridge, NJ 07920

Dear Ms. Otte:

On June 27, 2017, South Texas College awarded a contract to Barnes & Noble College Booksellers, LLC. for Books and Educational Materials. 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 August 27, 2019 through August 26, 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 August 26, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: Kimberly Otte

Name Printed: KIMBERLY OTTE

Date: 4 April 2019



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[www.SouthTexasCollege.edu](http://www.SouthTexasCollege.edu)

March 22, 2019

Complete Book & Media Supply, LLC.  
Attn: Mr. Kendall Montiegel  
1200 Toro Grande Dr  
Cedar Park, TX 78613

Dear Mr. Montiegel:

On June 27, 2017, South Texas College awarded a contract to Complete Book & Media Supply, LLC. for Books and Educational Materials. 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 August 27, 2019 through August 26, 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 August 26, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

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

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

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



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[www.SouthTexasCollege.edu](http://www.SouthTexasCollege.edu)

March 22, 2019

Kamico Instructional Media, Inc.  
Attn: Ms. Kathy Michael  
P O Box 1143  
Salado, TX 76571

Dear Ms. Michael:

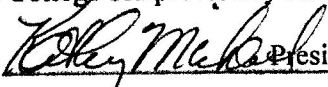
On June 27, 2017, South Texas College awarded a contract to Kamico Instructional Media, Inc. for Books and Educational Materials. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the second year of the contract and would like to renew for an additional one-year period. The last renewal period will be from August 27, 2019 through August 26, 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 August 26, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature:  President & CEO

Name Printed: Kathy Michael

Date: 4/1/2019



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[www.SouthTexasCollege.edu](http://www.SouthTexasCollege.edu)

March 22, 2019

Kaplan Early Learning Company  
Attn: Ms. Kate Shelton  
1310 Lewisville-Clemmons Road  
Lewisville, NC 27023

Dear Ms. Shelton:

On June 27, 2017, South Texas College awarded a contract to Kaplan Early Learning Company for Books and Educational Materials. 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 August 27, 2019 through August 26, 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 August 26, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: Kate Shelton

Name Printed: KATE SHELTON

Date: 4/4/19

11f



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March 22, 2019

Lakeshore Learning Materials  
Attn: Ms. ~~Amanda Henderson~~ Chelsea Gayden  
2695 East Dominguez Street  
Carson, CA 90895

Dear Ms. ~~Henderson~~: Chelsea Gayden

On June 27, 2017, South Texas College awarded a contract to Lakeshore Learning Materials for Books and Educational Materials. 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 August 27, 2019 through August 26, 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 August 26, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature:

Name Printed: Chelsea Gayden

Date: 4/1/2019



**SOUTH TEXAS COLLEGE**  
**12. DISTRICT WIDE FURNITURE REQUEST**  
**MAY 28, 2019**

| #   | Qty | Description   | Unit Price  | Extension           | Requesting Department   |
|---|-----|---|-------------|---------------------|---|
| <b>Allsteel, Inc. /Broussard Group (OMNIA Partners formerly NIPA )</b>                                |     |   |             |                     |   |
| 1   | 22  | Aware Table Worksurface with no Grommets                      | \$ 194.59   | \$ 4,280.98         | STC in FOCUS - Anahid Petrosian   |
|   | 22  | Aware Table Fixed Leg 18-24"D                                 | \$ 228.60   | \$ 5,029.20         | Tables to be used at the Active Learning Classrooms located at the Nursing Allied Health Bldg. B                                      |
| 2   | 3   | Aware Table Worksurface with no Grommets                      | \$ 274.81   | \$ 824.43           | Chemistry Program - Ravindra Nandigam   |
|   | 3   | Aware Table Fixed Leg 24Dx60W                                 | \$ 345.96   | \$ 1,037.88         | Tables to be used at the Chemistry Collaborate Room in Pecan Bldg. V  |
| 3   | 48  | SCU-UWDF Scout Upholstered Back Chair, Adj Arms               | \$ 496.08   | \$ 23,811.84        | Client Services - Lucio Gonzalez<br>Chairs to replace old and broken conference room chairs located at Pecan Bldg. M                  |
| 4   | 18  | Aware Table Worksurface with no Grommets                      | \$ 194.59   | \$ 3,502.62         | Centers for Learning Excellence - Jesus Campos  |
|   | 18  | Aware Table Fixed Leg 18-24"D                                 | \$ 228.60   | \$ 4,114.80         | Tables to used in a multipurpose room located Pecan Bldg. F   |
| 5   | 1   | Labor to receive, inspect, deliver, install and remove debris | \$ 2,595.22 | \$ 2,595.22         |   |
| <b>Allsteel, Inc. Total</b>   |     |   |             | <b>\$ 45,196.97</b> |   |
| <b>Computer Comforts, Inc. (TIPS)</b>   |     |   |             |                     |   |
| 1   | 4   | BULLET-REV-TAPER7248-36-29 Bullet Shaped Team Table           | \$ 837.00   | \$ 3,348.00         | Centers for Learning Excellence - Jesus Campos  |
|   | 8   | Custom cutout in table top                                    | \$ 18.41    | \$ 147.28           | Tables for the Centers for Learning Excellence to   |
|   | 4   | Cable cut-out in wood with grommet (2").                      | \$ 25.11    | \$ 100.44           | used by students at the Mid Valley Campus Bldg. A   |
|   | 4   | Solid Metal Plate, Black Powder Coated                        | \$ 16.74    | \$ 66.96            |   |
|   | 4   | Partial Factory Assembly                                      | \$ 10.00    | \$ 40.00            |   |
|   | 4   | Box/Pallet/Handling Charge                                    | \$ 35.00    | \$ 140.00           |   |
|   | 1   | Shipping  | \$ 750.00   | \$ 750.00           |   |
| 2   | 6   | Mobile double-sided White Glass Board 37"Wx76"H               | \$ 852.60   | \$ 5,115.60         | Centers for Learning Excellence - Jesus Campos  |
|   | 1   | Shipping  | \$ 695.00   | \$ 695.00           | The mobile double-sided White Boards will be used for the Supplement Instructions/ workshop and trainings in the multi-purpose room.  |
| <b>Computer Comforts, Inc. Total</b>  |     |   |             | <b>\$ 10,403.28</b> |   |
| <b>Exemplis Corporation / Gateway Printing and Office Supply, Inc. (OMNIA Partners formerly NIPA)</b> |     |   |             |                     |   |
| 1   | 12  | Rio Light Task Chair  | \$264.04    | \$3,168.48          | Learning Commons and Open Labs - Lelia Salinas<br>Chairs will be used by students, staff and library patrons at the Mid Valley Campus |
| 2   | 46  | Rio Light Task Chair  | \$258.30    | \$11,881.80         | Learning Commons and Open Labs - Lelia Salinas<br>Computer Chairs to be used at the Open Labs at Technology Campus                    |
| 3   | 1   | Labor to receive, inspect, deliver, install and remove debris | \$2,270.62  | \$2,270.62          |   |
| <b>Exemplis Corporation Total</b>   |     |   |             | <b>\$17,320.90</b>  |   |

**SOUTH TEXAS COLLEGE**  
**12. DISTRICT WIDE FURNITURE REQUEST**  
**MAY 28, 2019**

| #  | Qty | Description   | Unit Price | Extension         | Requesting Department   |
|--|-----|---|------------|-------------------|---|
| <b>The Hon Company / Gateway Printing and Office Supply, Inc. (OMNIA Partners formerly NIPA)</b> |     |   |            |                   |   |
| 1  | 1   | HS72ABC Brigade Bookcase 5-Shelf 12-5/8D x 34-1/2W x 71H      | \$204.12   | \$204.12          | Business Office - Myriam Lopez  |
|  | 1   | H314 Vertical File Cabinet, 4 Drawer Letter with Lock         | \$262.50   | \$262.50          | Bookcases and Vertical File Cabinets to be used at the Business Office  |
| 2  | 1   | HSC2472 Storage Cabinet 24Dx36Wx72H                           | \$495.18   | \$495.18          | Art Program - Charles Neumann<br>Storage Cabinet to be used at the Art Department   |
| 3  | 1   | Labor to receive, inspect, deliver, install and remove debris | \$195.00   | \$195.00          |   |
| <b>The Hon Company Total</b>   |     |   |            | <b>\$1,156.80</b> |   |
| <b>Krueger International, Inc. / Gateway Printing &amp; Office Supply, Inc. (Sourcewell)</b>     |     |   |            |                   |   |
| 1  | 1   | 7D/D3066-74P-F Desk, Full Modesty Panel,74P Edge,30x66"W      | \$601.44   | \$601.44          | CPWE - Carryover - Olivia De La Rosa  |
|  | 1   | S7P/1530WBBF Files Supporting Ped-Box/Box/File-30" Nominal    | \$439.20   | \$439.20          | Faculty/Staff Desk for new employee at Continuing Education   |
| 2  | 1   | Special 24 x 36 WorkUp Electric Height Adjustable             | \$1,153.44 | \$1,153.44        | Learning Commons and Open Labs - Lelia Salinas  |
|  | 1   | KI Worksurface/top - Shape/size modification Per              | \$50.00    | \$50.00           | Adjustable table is needed at the Pecan Open Labs   |
| 3  | 2   | KI63/NA Impress Task Stools                                   | \$418.38   | \$836.76          | Architel & Engnrg Design Tech (AEDT) Program - Sara Lozano<br>Faculty chairs to be used at the Technology Campus Labs             |
| 4  | 1   | T1-Barron 42" Round Table BR35FX-74P Barron Fixed             | \$732.96   | \$732.96          | FFE Unallocated - Academic Support - Rick De La Garza   |
|  | 4   | C13a-Maestro Stack Chair, Grass Green Poly MSP                | \$80.16    | \$320.64          | Table and Chairs to be used at Starr County Bldg. L   |
| 5  | 38  | SNNAU Strive Nesting Armless Chair                            | \$249.96   | \$9,498.48        | Centers for Learning Excellence - Jesus Campus<br>Chairs are needed for multipurpose training<br>room used by Faculty/Staff       |
| 6  | 6   | RAPWAUS Rapture Four Leg Arm Chairs                           | \$209.76   | \$1,258.56        | New Furniture - Rick De La Garza<br>Guest chairs to be used at Dual Credit Program  |
| 7  | 37  | TPNAU Torsion Pedestal Base Chair, Armless                    | \$362.88   | \$13,426.56       | Learning Commons and Open Labs - Lelia Salinas<br>Replacement chairs needed to Nursing Allied Health Bldg. A<br>Open Computer Lab |
| 8  | 2   | TPNAU Torsion Pedestal Base Chair, Armless Uphol              | \$362.88   | \$725.76          | Learning Commons and Open Labs - Lelia Salinas  |
|  | 1   | WBWD2472-74P WorkZone w/Power Basic Worksurface,              | \$528.00   | \$528.00          | Chairs and Table to be used at the new  |
|  | 2   | KOCPUL CPU Holder - Basic w/Lock                              | \$179.52   | \$359.04          | Information Commons at Pecan Bldg. V  |
| 9  | 48  | TPNAU Torsion Pedestal Base Chair, Armless, Uphol Seat/Back   | \$335.04   | \$16,081.92       | New Furniture - Rick De La Garza  |
|  | 2   | KI63/NA Impress Stool Pedestal Base, No Arms                  | \$418.38   | \$836.76          | Classroom chairs to replace old seating at two classrooms<br>at the Technology Campus   |

**SOUTH TEXAS COLLEGE**  
**12. DISTRICT WIDE FURNITURE REQUEST**  
**MAY 28, 2019**

| #  | Qty | Description   | Unit Price  | Extension            | Requesting Department   |
|--|-----|---|-------------|----------------------|---|
| 10   | 2   | PINR3072C-74P 30x72 Pirouette Conference Tables               | \$622.56    | \$1,245.12           | New Furniture - Rick De La Garza<br>Conference Tables to be used at the Dual Credit Program                                 |
| 11   | 1   | Labor to receive, inspect, deliver, install and remove debris | \$5,100.00  | \$5,100.00           |   |
| <b>Krueger International, Inc. Total</b>   |     |   |             | <b>\$53,194.64</b>   |   |
| <b>National Office Furniture / Gateway Printing and Office Supply, Inc. (OMNIA Partners formerly NIPA)</b> |     |   |             |                      |   |
| 1  | 1   | N95MAX Swift Armless 1 Seat                                   | \$ 1,536.75 | \$ 1,536.75          | Student Affairs - Pablo Hernandez   |
|  | 1   | N95MCX Swift Armless 3 Seat                                   | \$ 2,846.25 | \$ 2,846.25          | Sofa Chairs needed to replace old seating at the<br>Nursing Moms room   |
| 2  | 3   | N95MAX Swift Armless 1 Seat                                   | \$ 1,536.75 | \$ 4,610.25          | Student Affairs - Pablo Hernandez<br>Lobby area seating needed to replace old seating at<br>the lobby area at Pecan Bldg. H |
| 3  | 1   | Labor to receive, inspect, deliver, install and remove debris | \$ 588.00   | \$ 588.00            |   |
| <b>National Office Furniture Total</b>   |     |   |             | <b>\$ 9,581.25</b>   |   |
| <b>Wenger Corporation (TASB - BuyBoard)</b>  |     |   |             |                      |   |
| 1  | 2   | UltraStor Cabinet #09, Assembled for Musical Instruments      | \$ 665.00   | \$ 1,330.00          | Music Program - William Buhidar   |
|  | 1   | UltraStor Cabinet #51, Assembled for Musical Instruments      | \$ 743.00   | \$ 743.00            | Storage Cabinet is needed to store and protect<br>instruments and equipment at the Music Department                         |
|  | 1   | UltraStor Cabinet #54, Assembled for Musical Instruments      | \$ 771.00   | \$ 771.00            |   |
|  | 3   | UltraStor Cabinet #55, Assembled for Musical Instruments      | \$ 800.00   | \$ 2,400.00          |   |
|  | 2   | UltraStor Cabinet #08, Assembled for Musical Instruments      | \$ 630.00   | \$ 1,260.00          |   |
|  | 3   | UltraStor Cabinet #09, Assembled for Musical Instruments      | \$ 665.00   | \$ 1,995.00          |   |
|  | 1   | UltraStor Cabinet #11, Assembled for Musical Instruments      | \$ 785.00   | \$ 785.00            |   |
|  | 1   | Installation  | \$ 1,794.00 | \$ 1,794.00          |   |
|  | 1   | Freight/Handling  | \$ 3,571.00 | \$ 3,571.00          |   |
| <b>Wenger Corporation Total</b>  |     |   |             | <b>\$ 14,649.00</b>  |   |
| <b>Furniture Total</b>   |     |   |             | <b>\$ 151,502.84</b> |   |



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)

March 22, 2019

Practice Management Institute  
Attn: Michael Moore  
8242 Vicar  
San Antonio, TX 78248

Dear Mr. Moore:

On June 20, 2018, South Texas College awarded a contract to Practice Management Institute for Medical Office Skills Training. 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 July 1, 2019 through June 30, 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 June 30, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

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

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

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



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March 22, 2019

Mr. Claudio Hinojosa III  
805 S. Missouri  
Mercedes, TX 78570

Dear Mr. Hinojosa:

On June 20, 2018, South Texas College awarded a contract to your firm for Small Business Skills Training. 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 July 1, 2019 through June 30, 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 June 30, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature:

Name Printed: C.A. Hinojosa, III

Date: April 1, 2019



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)

March 22, 2019

World Class Training  
Attn: Martha A. Valdez  
PO Box 4046  
Brownsville, TX 78523

Dear Ms. Valdez:

On June 20, 2018, South Texas College awarded a contract to World Class Training for Small Business Skills Training. 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 July 1, 2019 through June 30, 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 June 30, 2020 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: Martha Valdez

Name Printed: Martha A. Valdez, Consultant

Date: April 1, 2019

**SOUTH TEXAS COLLEGE**  
**15. DISTRICT WIDE TECHNOLOGY REQUEST**  
**MAY 28, 2019**

| <b>COMPUTERS</b>      |     |   |             |              |   |
|-----------------------|-----|---|-------------|--------------|---|
| #                     | Qty | Description   | Unit Price  | Extension    | Requesting Department   |
| 1                     | 2   | Apple 21.5-inch iMac with Retina 4K Display, 3.0GHz 6-Core, 16GB Memory, Storage-1TB Fusion Drive, AppleCare+ for iMac  | \$ 1,682.00 | \$ 3,364.00  | Art Program - Charles Neuman<br>Replacement of out of warranty systems for students                   |
| 2                     | 7   | Apple 21.5-inch iMac with Retina 4K Display, 3.0GHz 6-Core, 16GB Memory, Storage-1TB Fusion Drive, AppleCare+ for iMac  | \$1,498.00  | \$ 10,486.00 | Learning Commons & Open Labs - Lelia Salinas<br>Replacement of out of warranty systems for students   |
| 3                     | 7   | Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory<br>Intel Integrated Graphics, Warranty  | \$585.00    | \$ 4,095.00  | HSI Grant - Dr. Anahid Petrosian<br>New systems for students  |
| 4                     | 5   | Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory<br>Intel Integrated Graphics, 20" Monitors, Warranty  | \$720.00    | \$ 3,600.00  | English Program - Richard Coronado<br>New systems for dept faculty                                    |
| 5                     | 10  | Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory<br>Intel Integrated Graphics, Warranty  | \$585.00    | \$ 5,850.00  | Developmental English - Florinda Rodriguez<br>Replacement of outdated systems for dept faculty        |
| 6                     | 3   | Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory<br>Intel Integrated Graphics, Warranty  | \$585.00    | \$ 1,755.00  | Developmental English - Florinda Rodriguez<br>Replacement of outdated systems for dept faculty        |
| 7                     | 6   | Computer 3620 XCTo Base, i5-7600 Processor, 512GB Hard Drive, 16GB Memory,<br>Endpoint Security Software, (1) 22" Monitor, (1) Ultrasharp 32" Monitor, Warranty | \$1,756.17  | \$ 10,537.03 | Regional Center for Public Safety Excellence - Paul Varville<br>New systems for dept staff            |
| 8                     | 5   | Precision 5820 Tower XCTO Base, Intel Xeon W-2133,<br>8GB Memory, 256GB Hard Drive, Warranty  | \$1,474.95  | \$ 7,374.75  | Department of Public Safety - Paul Varville<br>Replacement of outdated systems for dept staff         |
| 9                     | 1   | Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory<br>Intel Integrated Graphics, (2) 24" Monitor, Warranty                                       | \$965.00    | \$ 965.00    | Student Affairs & Enrollment Mgmt - Matthew Hebbard<br>Replacement of obsolete system for dept staff  |
| 10                    | 5   | Precision 5820 Tower XCTO Base, Intel Xeon W-2133, DDR4-2666<br>16GB Memory, 500GB Hard Drive, Warranty   | \$1,485.00  | \$ 7,425.00  | Research and Analytical Services - Serkan Celtek<br>Replacement of non-working systems for dept staff |
| 11                    | 1   | Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory<br>Intel Integrated Graphics, 24" Monitor, Warranty   | \$965.00    | \$ 965.00    | Office of Institutional Equity - Mary Elizondo<br>New system for new staff                            |
| 12                    | 1   | Computer 3060 MT, i5-8400 Processor, 500GB Hard Drive, 8GB Memory<br>Intel Integrated Graphics, 24" Monitor, Warranty   | \$965.00    | \$ 965.00    | Office of Institutional Equity - Mary Elizondo<br>New system for new staff                            |
| <b>COMPUTER TOTAL</b> |     |   |             | \$57,381.78  |   |
| <b>MONITORS</b>       |     |   |             |              |   |
| 13                    | 11  | Ultrasharp 24" Monitors - U2419H, with C2G<br>C2G Mini Displayport Adapter Cable  | \$225.30    | \$ 2,478.30  | Research and Analytical Services - Serkan Celtek<br>New monitors for dept staff                       |
| 14                    | 10  | P2018H - 20" Monitors, Mini Display Port to VGA,<br>C2G Mini Displayport Adapter Cable  | \$143.90    | \$ 1,439.00  | Department of Public Safety - Paul Varville<br>New monitors for dept staff                            |
| <b>MONITOR TOTAL</b>  |     |   |             | \$3,917.30   |   |

**SOUTH TEXAS COLLEGE**  
**15. DISTRICT WIDE TECHNOLOGY REQUEST**  
**MAY 28, 2019**

| <b>COMPUTERS</b>                    |            |  |                   |                  |   |
|-------------------------------------|------------|--|-------------------|------------------|---|
| <b>#</b>                            | <b>Qty</b> | <b>Description</b>   | <b>Unit Price</b> | <b>Extension</b> | <b>Requesting Department</b>  |
| <b>LAPTOPS</b>                      |            |  |                   |                  |   |
| 15                                  | 1          | Laptop Latitude 5490 BTX, Intel Core i5-8350U, 256GB Hard Drive<br>Battery, 8GB Memory, Intel Dual Band Wireless Driver, Warranty            | \$925.00          | \$ 925.00        | Comprehensive Advising - Nancy H. Garcia<br>Replacement of non-working system for dept staff  |
| 16                                  | 2          | Laptop Latitude 5490 BTX, Intel Core i5-8350U, 256GB Hard Drive<br>Battery, 8GB Memory, Intel Dual Band Wireless Driver, Warranty            | \$925.00          | \$ 1,850.00      | Psychological Science Program - Eric Reittinger<br>New systems for dept faculty               |
| 17                                  | 4          | Laptop Latitude 5290 2-in-1 BTX Base, Intel Core i5-8350U, 256GB Hard Drive<br>Battery, 8GB Memory, Keyboard, Pen, Power Companion, Warranty | \$1,417.00        | \$ 5,668.00      | HSI Grant - Dr. Anahid Petrosian<br>New systems for students                                  |
| 18                                  | 3          | Laptop Latitude 5290 2-in-1 BTX Base, Intel Core i5-8350U, 256GB Hard Drive<br>Battery, 8GB Memory, Keyboard, Pen, Power Companion, Warranty | \$1,417.00        | \$ 4,251.00      | Counseling and Student Disability Services - Santa Pena<br>New systems for dept staff         |
| 19                                  | 1          | Laptop Latitude 5290 2-in-1 BTX Base, Intel Core i5-8350U, 256GB Hard Drive<br>Battery, 8GB Memory, Keyboard, Pen, Power Companion, Warranty | \$1,417.00        | \$ 1,417.00      | Facility Maintenance - Luis De La Garza<br>New system for dept staff                          |
| 20                                  | 1          | Laptop Latitude 5490 BTX, Intel Core i5-8350U, 256GB Hard Drive<br>Battery, 8GB Memory, Intel Dual Band Wireless Driver, Warranty            | \$925.00          | \$ 925.00        | Petrosian<br>Replacement of obsolete system for dept staff                                    |
| 21                                  | 1          | Laptop Latitude 5290 2-in-1 BTX Base, Intel Core i5-8350U, 256GB Hard Drive<br>Battery, 8GB Memory, Keyboard, Pen, Power Companion, Warranty | \$1,417.00        | \$ 1,417.00      | Student Assessment Center - Guadalupe Lozano<br>New system for dept staff                     |
| 22                                  | 5          | Laptop Latitude 5290 2-in-1 BTX Base, Intel Core i5-8350U, 256GB Hard Drive<br>Battery, 8GB Memory, Keyboard, Pen, Power Companion, Warranty | \$1,417.00        | \$ 7,085.00      | Mathematics Program - Mario Morin<br>New systems for dept faculty                             |
| 23                                  | 1          | Laptop Latitude 5290 2-in-1 BTX Base, Intel Core i5-8350U, 256GB Hard Drive<br>Battery, 8GB Memory, Keyboard, Pen, Power Companion, Warranty | \$1,417.00        | \$ 1,417.00      | Dual Credit Programs - Dr. Rebecca De Leon<br>New system for dept staff                       |
| 24                                  | 4          | Laptop Latitude 5290 2-in-1 BTX Base, Intel Core i5-8350U, 256GB Hard Drive<br>Battery, 8GB Memory, Keyboard, Pen, Warranty                  | \$ 1,318.00       | \$ 5,272.00      | Student Financial Services - Juan Miguel Galvan<br>New systems for dept staff                 |
| 25                                  | 45         | Laptop Latitude 3190, Intel Pentium N5000 Processor, 4GB Memory,<br>128GB Hard Drive, Absolute Software, Warranty                            | \$ 552.64         | \$ 24,868.80     | Educational Technologies - Marie Evans<br>Replacement of out of warranty systems for students |
| <b>LAPTOP TOTAL</b>                 |            |  |                   | \$ 55,095.80     |   |
| <b>TABLETS</b>                      |            |  |                   |                  |   |
| 26                                  | 10         | Apple iPad Wi-Fi 32GB - 9.7in LED-Backlit Multi-Touch Display,<br>Space Gray, 3 Year AppleCare   | \$ 378.00         | \$ 3,780.00      | Heating, Ventilation, AC, & Refrigeration Program - Jose<br>New systems for students          |
| 27                                  | 1          | DoubleMap Semi-Rugged Tablet, AVL Hardware Installation, AVL Subscription<br>and Support, AVL Cloud Services and Hosting                     | 3334.44           | \$ 3,334.44      | Student Transportation Services - Paul Varville<br>New system for new shuttle bus             |
| <b>TABLET TOTAL</b>                 |            |  |                   | \$7,114.44       |   |
| <b>COMPUTER/LAPTOP/TABLET TOTAL</b> |            |  |                   | \$123,509.32     |   |



**SOUTH TEXAS COLLEGE**  
**16. COURSE MANAGEMENT SUPPORT SERVICES**

| <b>NAME</b>           |     |  | Blackboard, Inc.         |                  |
|-----------------------|-----|--|--------------------------|------------------|
| <b>ADDRESS</b>        |     |  | 650 Massachusetts Ave NW |                  |
| <b>CITY/STATE/ZIP</b> |     |  | Washington, DC 20001     |                  |
| <b>PHONE</b>          |     |  | 405-812-6703             |                  |
| <b>CONTACT</b>        |     |  | Christopher Burton       |                  |
| #                     | Qty | Description  | Unit Price               | Extension        |
| 1                     | 1   | HelpDesk Support<br>Period: 6/01/19 - 8/31/20                            | \$ 12,710.00             | \$ 12,710.00     |
| 2                     | 1   | SmartView Seats  | \$ 2,250.00              | \$ 2,250.00      |
| 3                     | 1   | EESYSOft Adoption and Support Bundle for<br>Learn, 15,001 - 25,000 Users | \$ 39,400.30             | \$ 39,400.30     |
| 4                     | 1   | EESYSOft Adoption Package for Learn                                      | \$ -                     | \$ -             |
| 5                     | 1   | EESYSOft Support Package for Learn                                       | \$ -                     | \$ -             |
| 6                     | 1   | EESYSOft Setup for Learn   | \$ 3,000.00              | \$ 3,000.00      |
| 7                     | 1   | EESYSOft Online Training for Learn                                       | \$ 1,200.00              | \$ 1,200.00      |
| <b>TOTAL AMOUNT</b>   |     |  | <b>\$</b>                | <b>58,560.30</b> |

**SOUTH TEXAS COLLEGE**  
**17. SECURITY SOFTWARE SOLUTION AND IMPLEMENTATION**

| <b>NAME</b>           |      | Netsync Network Solutions  |              |              |
|-----------------------|------|--|--------------|--------------|
| <b>ADDRESS</b>        |      | 2500 W Loop S Ste 410/510  |              |              |
| <b>CITY/STATE/ZIP</b> |      | Houston, TX 77027  |              |              |
| <b>PHONE</b>          |      | 713-877-5136   |              |              |
| <b>CONTACT</b>        |      | Hung Nguyen  |              |              |
| #                     | Qty  | Description  | Unit Price   | Extension    |
| 1                     | 1    | Umbrella Cloud Security Subscription for Education Period: 4/13/19 - 4/12/20 | \$ 40,929.57 | \$ 40,929.57 |
| 2                     | 1    | Cisco Threat Response for Bundling with XaaS Offers                          | \$ -         | \$ -         |
| 3                     | 1    | Umbrella Investigate Integration API and Console                             | \$ -         | \$ -         |
| 4                     | 2500 | Umbrella Cloud Security for Education  | \$ -         | \$ -         |
| 5                     | 1    | Umbrella Support - Gold  | \$ -         | \$ -         |
| 6                     | 1    | Netsync Professional Services - Optional                                     | \$ 10,804.89 | \$ 10,804.89 |
| 7                     | 1    | Cisco Systems DIR-TSO-4167   | \$ -         | \$ -         |
| <b>TOTAL AMOUNT</b>   |      |  | \$           | 51,734.46    |

**SOUTH TEXAS COLLEGE  
18. SERVER VIRTUALIZATION MANAGEMENT CONSOLE  
MAINTENANCE AGREEMENT**

| <b>NAME</b>           |     |   | Dell Marketing, LP. |              |
|-----------------------|-----|---|---------------------|--------------|
| <b>ADDRESS</b>        |     |   | PO Box 676021       |              |
| <b>CITY/STATE/ZIP</b> |     |   | Dallas, TX 75267    |              |
| <b>PHONE</b>          |     |   | 512-513-8137        |              |
| <b>CONTACT</b>        |     |   | George Suliin       |              |
| #                     | Qty | Description   | Unit Price          | Extension    |
| 1                     | 30  | VLA VMWare Vsphere 6 Enterprise Plus for 1 Processor            | \$ 1,898.16         | \$ 56,944.80 |
| 2                     | 30  | VLA VMWare Prod Sup/Sub Vsphere 6 ENT Plus for 1 Proc for 1Year | \$ 878.77           | \$ 26,363.10 |
| <b>TOTAL AMOUNT</b>   |     |   | \$                  | 83,307.90    |

**SOUTH TEXAS COLLEGE  
19. GRADUATION FACILITY**

| <b>NAME</b>           |     |  | City of Hidalgo, Texas<br>dba State Farm Hidalgo Arena |              |
|-----------------------|-----|--|--|--------------|
| <b>ADDRESS</b>        |     |  | 2600 N 10th St   |              |
| <b>CITY/STATE/ZIP</b> |     |  | Hidalgo, TX 78557                                      |              |
| <b>PHONE</b>          |     |  | 956-843-5539   |              |
| <b>CONTACT</b>        |     |  | Gloria Tovar   |              |
| #                     | Qty | Description  | Unit Price   | Extension    |
| 1                     | 1   | Graduation Facility (Lease Agreement)<br>Period: 12/13/19 - 12/15/19 | \$ 23,000.00   | \$ 23,000.00 |
| <b>TOTAL AMOUNT</b>   |     |  | \$   | 23,000.00    |

**Review and Recommend Action to Write-off Obsolete Fixed Assets/Capital Assets  
Valued at \$5,000 and Over**

Approval to write-off obsolete fixed assets/capital assets valued at \$5,000 and over will be requested at the May 28, 2019 Board of Trustees meeting.

Purpose – The Fixed Asset/Inventory Department is requesting to write-off obsolete fixed assets/capital assets valued at \$5,000 and over, for obsolete and no longer in use software programs. These assets totaling \$157,256.89 will be removed, as applicable, from the College's inventory system and general ledger.

Justification – As per Policy #5130: Fixed Assets, the capital assets value and associated accumulated depreciation will be written-off from the College's capital asset ledger and the reduction will be reflected on the Comprehensive Annual Financial Report as of August 31, 2019.

Reviewers – These items have not been located and the software is no longer in use. The equipment managers listed are no longer at the College.

Enclosed Documents - A listing of the fixed assets/capital assets valued at \$5,000 and above follows in the packet for the Committee's information and review.

Mary Elizondo, Vice President for Finance and Administrative Services, and Becky Cavazos, Director of Purchasing, will be present at the May 14, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the May 28, 2019 Board meeting, to write-off obsolete fixed assets/capital assets valued at \$5,000 and over as presented.

**SOUTH TEXAS COLLEGE**  
**WRITE-OFF LIST OF ASSETS VALUED AT \$5,000 AND OVER - LIST #FA6**  
**APRIL 10, 2019**

| Ptag      | Custodian        | Equipment Manager ID | Equipment Manager | Orgn   | Purchase Order | Asset Description                               | Serial Number | Silver Tag | Green Tag  | Acquisition Date | Total        | Net Book Value |
|-----------|------------------|----------------------|-------------------|--------|----------------|---|---------------|------------|------------|------------------|--------------|----------------|
| 000001279 | Gregg, Cody      | A00000049            | Gregg, Cody       | 530013 |                | Sharp Copier SF9750                             | 6201676       | 34131      |            | 8/31/1995        | \$ 5,500.00  | \$ -           |
| 000001494 | Sesin, Armandina | A00000052            | Sesin, Armandina  | 530001 | P600989        | Sun Netra 1625 Server                           |               | 0000000513 |            | 1/29/1996        | \$ 18,664.34 | \$ -           |
| 000000762 | Gregg, Cody      | A00000049            | Gregg, Cody       | 530013 | P701053        | Texas Transaction Guide #714 - Library Books    |               | 34129      |            | 1/10/1997        | \$ 1,036.75  | \$ -           |
| 000000763 | Gregg, Cody      | A00000049            | Gregg, Cody       | 530013 | P701053        | Texas Litigation Package #715 - Library Books   |               | 34130      |            | 1/10/1997        | \$ 2,083.25  | \$ -           |
| 000001628 | Sesin, Armandina | A00000052            | Sesin, Armandina  | 441000 | P703048        | PC Server 325                                   | 23DZ685       | 0000001196 |            | 6/17/1997        | \$ 9,527.00  | \$ -           |
| 000001631 | Sesin, Armandina | A00000052            | Sesin, Armandina  | 441000 | P703048        | IBM PC 330 Server - 200 MHz Pentium             | 23NR641       | 0000001198 |            | 6/17/1997        | \$ 11,777.20 | \$ -           |
| 000002121 | Gregg, Cody      | A00000049            | Gregg, Cody       | 530013 | P800771        | Audio Visual Compact Shelving                   |               | 0000001416 |            | 1/21/1998        | \$ 6,400.00  | \$ -           |
| 000002564 | Garcia, Ricardo  | A00000009            | Garcia, Ricardo   | 611000 | P804765        | HP Color Laser 5 Printer P/N HPC3962A           | JPHF184752    | 0000001799 |            | 8/5/1998         | \$ 5,996.00  | \$ -           |
| 000004693 | Gregg, Cody      | A00000049            | Gregg, Cody       | 530013 | P201890        | Steel Shelving 3-Unit Section w/Canopy          |               | 0000004169 |            | 6/1/2000         | \$ 8,630.35  | \$ -           |
| 000006390 | Garcia, Ricardo  | A00000009            | Garcia, Ricardo   | 611000 | P105863        | Neon Sign                                       |               | 22345      |            | 5/31/2001        | \$ 9,150.00  | \$ -           |
| 000009007 | Garcia, Ricardo  | A00000009            | Garcia, Ricardo   | 611000 | P300130        | Pyxis Medication System 2000                    | 8000024476    | 0000007839 |            | 1/27/2003        | \$ 28,497.00 | \$ -           |
| 000009221 | Husain, Maria    | A00000865            | Husain, Maria     | R14300 | P300929        | SCT Connection for WebCT                        |               | 25969      |            | 5/29/2003        | \$ 36,950.00 | \$ -           |
| N00012770 | Olvera, Maria    | A00000009            | Garcia, Ricardo   | 611000 | P0003770       | Autodesk Design Institute 7 (25 Seats) Software |               | 22346      | Untaggable | 1/30/2006        | \$ 7,045.00  | \$ -           |
| N00012777 | Harris, Marleen  | A00000049            | Gregg, Cody       | 570001 | P0004916       | Plato Technical Software Support Fee            |               | 32199      |            | 7/1/2006         | \$ 6,000.00  | \$ -           |
|           |                  |                      |                   |        |                |   |               |            |            |                  | \$157,256.89 |                |

### **Review and Action as Necessary on the Membership Agreement to Participate in the OMNIA Partners Purchasing Cooperative**

Approval of membership agreement to participate in the OMNIA Partners Purchasing Cooperative formerly National Intergovernmental Purchasing Alliance (NIPA) and U. S. Communities Purchasing Cooperative will be requested at the May 28, 2019 Board of Trustees meeting.

Purpose – The Purchasing Department is requesting participation in the purchasing cooperative, which will provide larger purchase discounts, reduces administrative cost in preparing request for proposal (RFP), and reduces the solicitation cost.

Justification – The Board of Trustees previously approved the purchasing cooperative participation with NIPA at the May 24, 2016 Board of Trustees meeting and U. S. Communities at the February 19, 2009 Board of Trustees meeting. NIPA became OMNIA Partners. OMNIA Partners has acquired U. S. Communities to provide a greater number of products and services for public agencies.

OMNIA Partners is also available to all levels of the state and local government, higher education, K-12, non-profit organizations, and the private sector to provide a greater number of products and services.

The following are some of the benefits:

- There is no annual membership fee
- No bulk purchasing is required
- Quality products and services
- Significant discounts
- National vendors are available
- No lengthy costly bid processes
- No advertising or posting fees
- Annual evaluation of contracts
- Reasonable shipping fees (if any)
- Maintains open competition for purchases by complying with purchasing laws of Texas

Purchase through this cooperative is optional and will be completed only after it has been determined to be the best value for the College. Some of the participants in the cooperative are local vendors.

A couple of the vendors that participate in this cooperative are as follows:

- Krueger International – Furniture
- Auto Zone – Automotive parts
- Grainger and Lowe's – Maintenance materials and supplies
- CDW-Government – Printers, Monitors, Toner Cartridges, and USBs.

Participation in this purchasing cooperative will provide additional sources of vendors, which have competitively awarded bids. This membership will not preclude participation in the State of Texas Department of Information Resources (DIR) Purchasing Cooperative, State of Texas Multiple Award Schedule (TXMAS), and State of Texas Term contracts.

Mary Elizondo, Vice President for Finance and Administrative Services and Becky Cavazos, Director of Purchasing, will be attending the May 14, 2019 Finance and Human Resources Committee to address any questions by the committee.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the May 28, 2019 Board meeting, on the membership agreement to participate in the OMNIA Partners Purchasing Cooperative formerly National Intergovernmental Purchasing Alliance (NIPA) and U. S. Communities Purchasing Cooperative as presented.



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

Approval of the Terra-Gen Development Company, LLC, Tax Abatement Applications and Agreements and to take action as necessary regarding the exception to the West Willacy Windpower, LLC (Monte Alto) Investment minimum threshold of \$200 million requirement will be requested at the May 28, 2019 Board meeting.

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

- A. Buenos Aires Windpower, LLC
- B. Monte Cristo Windpower, LLC
- C. La Joya Windpower, LLC
- D. West Willacy Windpower, LLC (Monte Alto)

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.

Terra-Gen Development Company, LLC and Mr. Robert Peña, President of Texas Energy presented the proposed wind power projects at the March 19, 2019 Finance, Audit, and Human Resources committee meeting.

The proposed terms presented by Terra-Gen Development Company, LLC are as follows.

| <b>Proposed Terms</b>                               |  |  |   |  |               |
|---|--|--|---|--|---------------|
|   | <b>A.</b><br>Buenos Aires<br>Windpower,<br>LLC | <b>B.</b><br>Monte Cristo<br>Windpower,<br>LLC | <b>C.</b><br>La Joya<br>Windpower,<br>LLC | <b>D.</b><br>West Willacy<br>Windpower,<br>LLC<br>(Monte Alto) | Total         |
| Estimated Value                                     | \$223,388,035                                  | \$223,388,035                                  | \$223,388,035                             | \$175,000,450  | \$845,164,555 |
| Estimated Megawatts (Hidalgo County Only)           | 88   | 88   | 90  | 61   | 748           |
| Estimated Number of Wind Turbines                   | 201  | 201  | 203                                       | 143  | 327           |
| Length of Tax Abatement                             | 10 Years                                       | 10 Years                                       | 10 Years                                  | 10 Years   | 10 Years      |
| Tax Abatement Percentage                            | 80%  | 80%  | 80%                                       | 80%  | 80%           |
| Annual Payments in Lieu of Taxes (Year 1 – Year 10) | \$28,000                                       | \$28,000                                       | \$28,000                                  | \$28,000   | \$112,000     |
| Up Front Lump Sum Scholarship Payment               | \$28,000                                       | \$28,000                                       | \$28,000                                  | \$28,000   | \$112,000     |

| <b>Summary of Tax Abatement Values</b>                      |              |
|---|--------------|
| Funds Abated – Estimated M&O Tax Abated                     | \$7,980,703  |
| Funds Not Abated – Estimated M&O Tax Not Abated             | \$1,995,176  |
| Payments in Lieu of Taxes (PILOT) (Year 1 - Year 10)        | \$1,120,000  |
| Up Front Lump Sum Scholarship Payment                       | \$112,000    |
| Estimated M&O Tax After Abatement Period (Year 11 – Year25) | \$11,040,640 |

The tax abatement proposed by Terra-Gen Development Company, LLC reflects the following:

- According to Terra-Gen Development Company, LLC representatives, the proposed terms are based on previous tax abatement project terms accepted by the College and on this particular project's size.

- The West Willacy Windpower, LLC (Monte Alto) Investment of approximately \$175 million 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 is minimum threshold.

The Committee did not make a recommendation at the Mach 19, 2019 Finance, Audit, and Human Resources committee meeting. At the March 26, 2019 Board of Trustees meeting, it was recommended to form a Tax Abatement Review sub-committee comprised of three trustees to discuss the projects and negotiate the terms of the tax abatement agreement with the applicant. The committee would have no binding authority and would make a recommendation to the Board of Trustees for any formal action to be taken.

The three trustees appointed to serve on the Tax Abatement Review Committee were Ms. Rose Benavidez, Mr. Roy de León, and Dr. Alejo Salinas, Jr. The Tax Abatement Review Committee met on March 26, 2019 and did not make a recommendation.

The Tax Abatement Review Committee requested information from Terra-Gen, LLC on the financial impact of the College’s abatement on the viability of the projects for the April 23, 2019 Board of Trustees meeting. Terra-Gen, LLC has been unable to provide the financial impact information since the projects are not operational, a revenue stream per project that can be used to determine the impact of the abatement is not available, and the proprietary financial model used for project economics does not have the ability to produce a financial impact. Terra Gen, LLC has informed the College that by securing a tax abatement with the College, Terra-Gen, LLC could save approximately \$2,000,000 per project over a 10 year time period.

The Tax Abatement Review Committee will meet on May 14, 2019 to recommend a counter proposal for all four (4) projects with the following items:

| <b>Counter Proposal</b>                             |         |
|---|---------|
| Tax Abatement Percentage                            | Pending |
| Annual Payments in Lieu of Taxes (Year 1 – Year 10) | Pending |
| Up Front Lump Sum Scholarship Payment               | Pending |

Mr. Tyler Pierce, Associate Developer of Terra-Gen Development Company, LLC and Robert Peña, 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, LLC Presentation, the Tax Abatement Applications for each respective project, and the Tax Abatement Guidelines 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 approval at the May 28, 2019 Board meeting, Terra-Gen Development Company, LLC, Tax Abatement Applications and Agreements and take action as necessary regarding the exception to the West Willacy Windpower, LLC (Monte Alto) Investment minimum threshold of \$200 million requirement 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.**

---

**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.***

---

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

---

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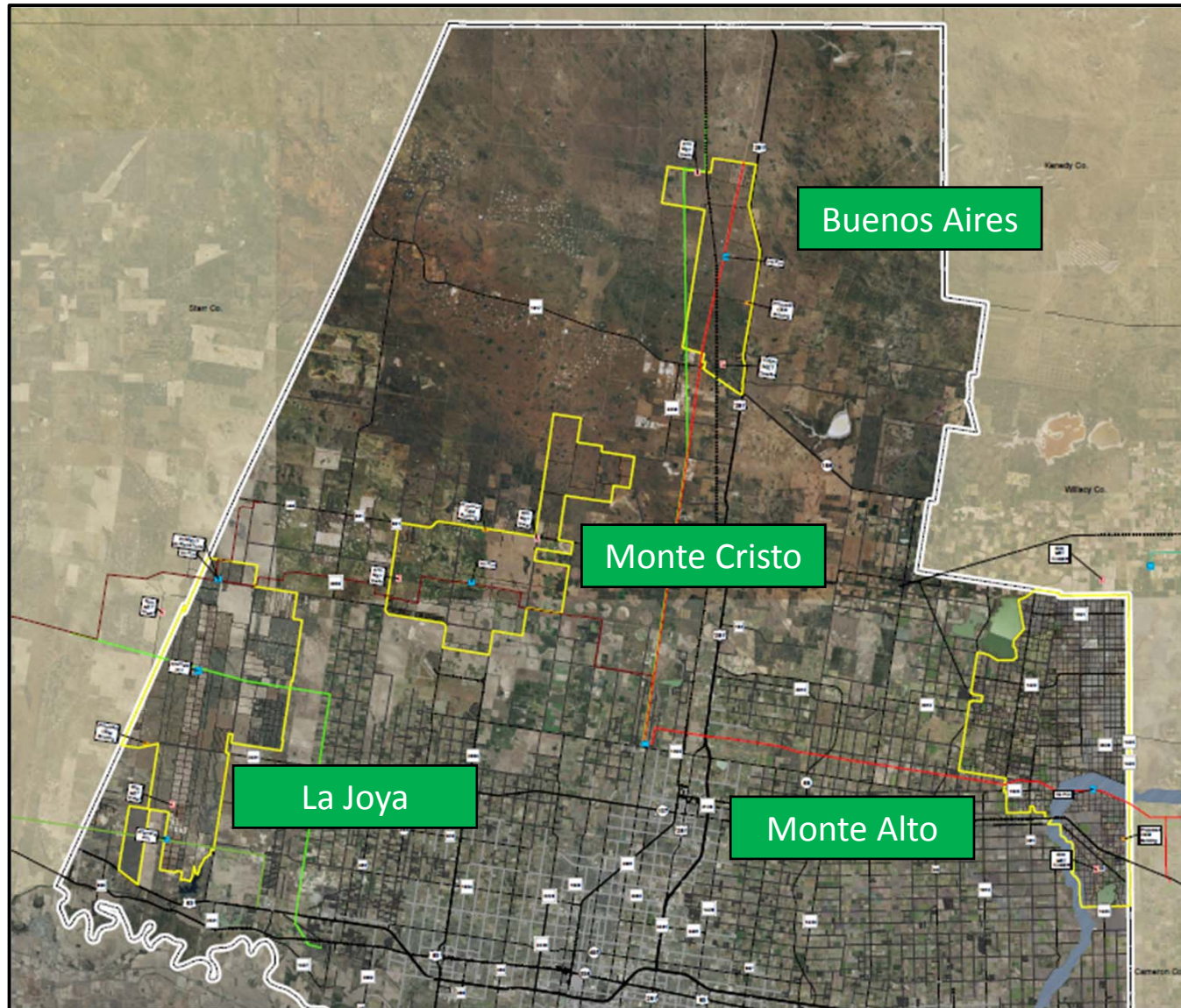
**U.S. based, owned and operated.**

# South Texas Project Areas – 800 MW



86

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

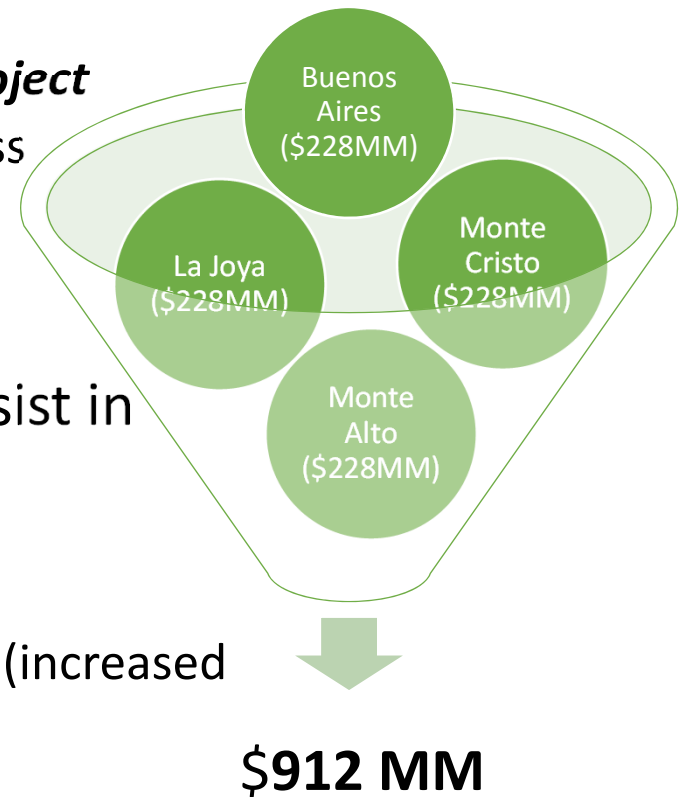




# Objective – Wind Project Tax Abatement

- Single **largest** investment in Hidalgo County

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



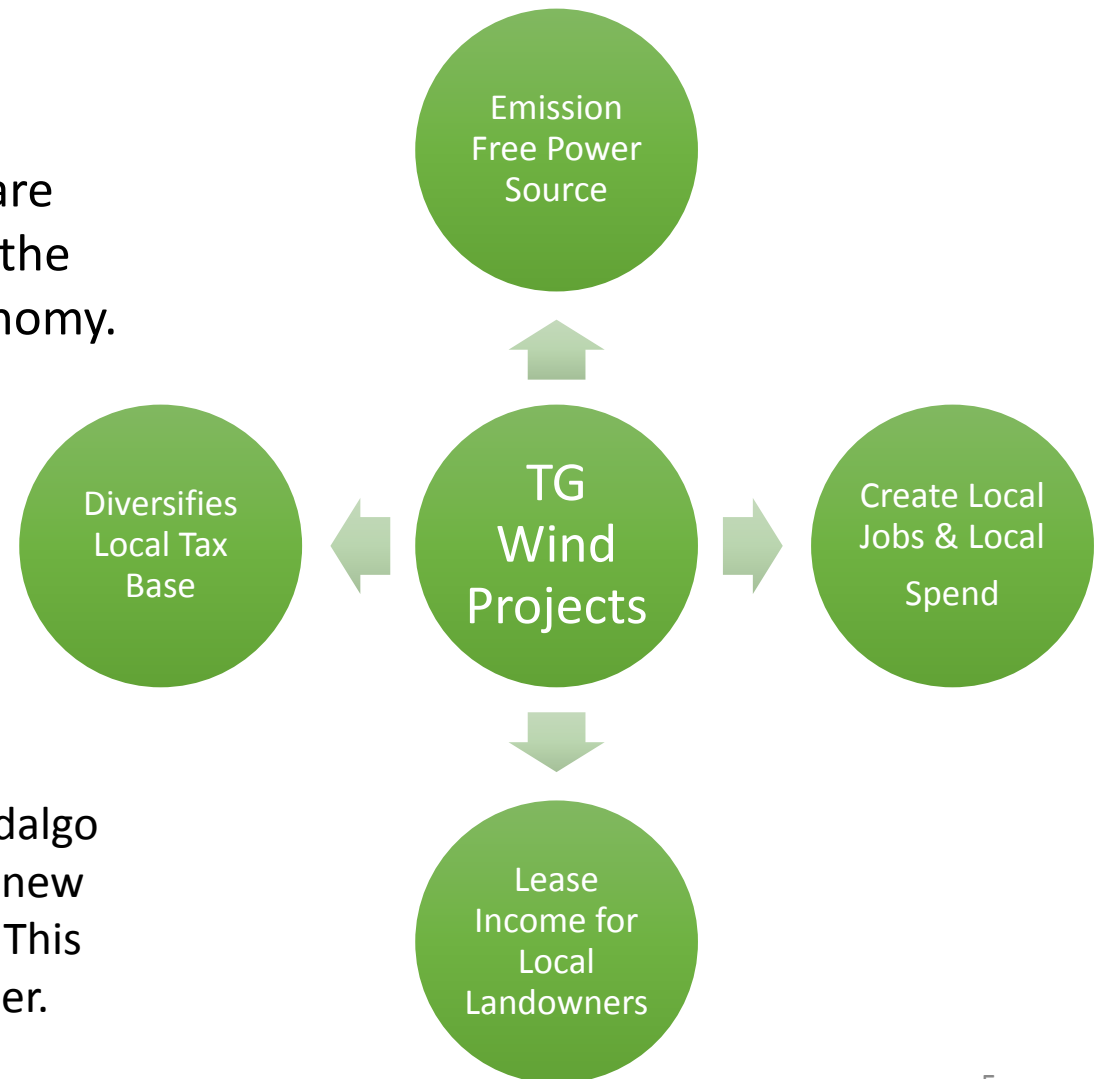
- Securing the Abatement will insure and assist in project financing

- 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.***

### 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

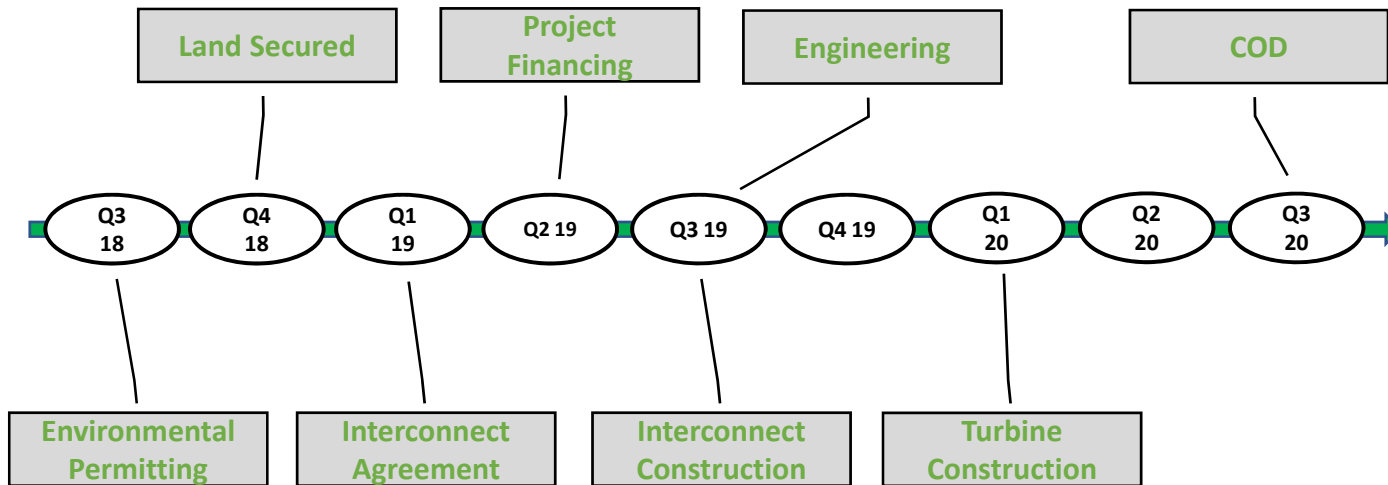
## **Jobs**

- 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!



# 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 for 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:

*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 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

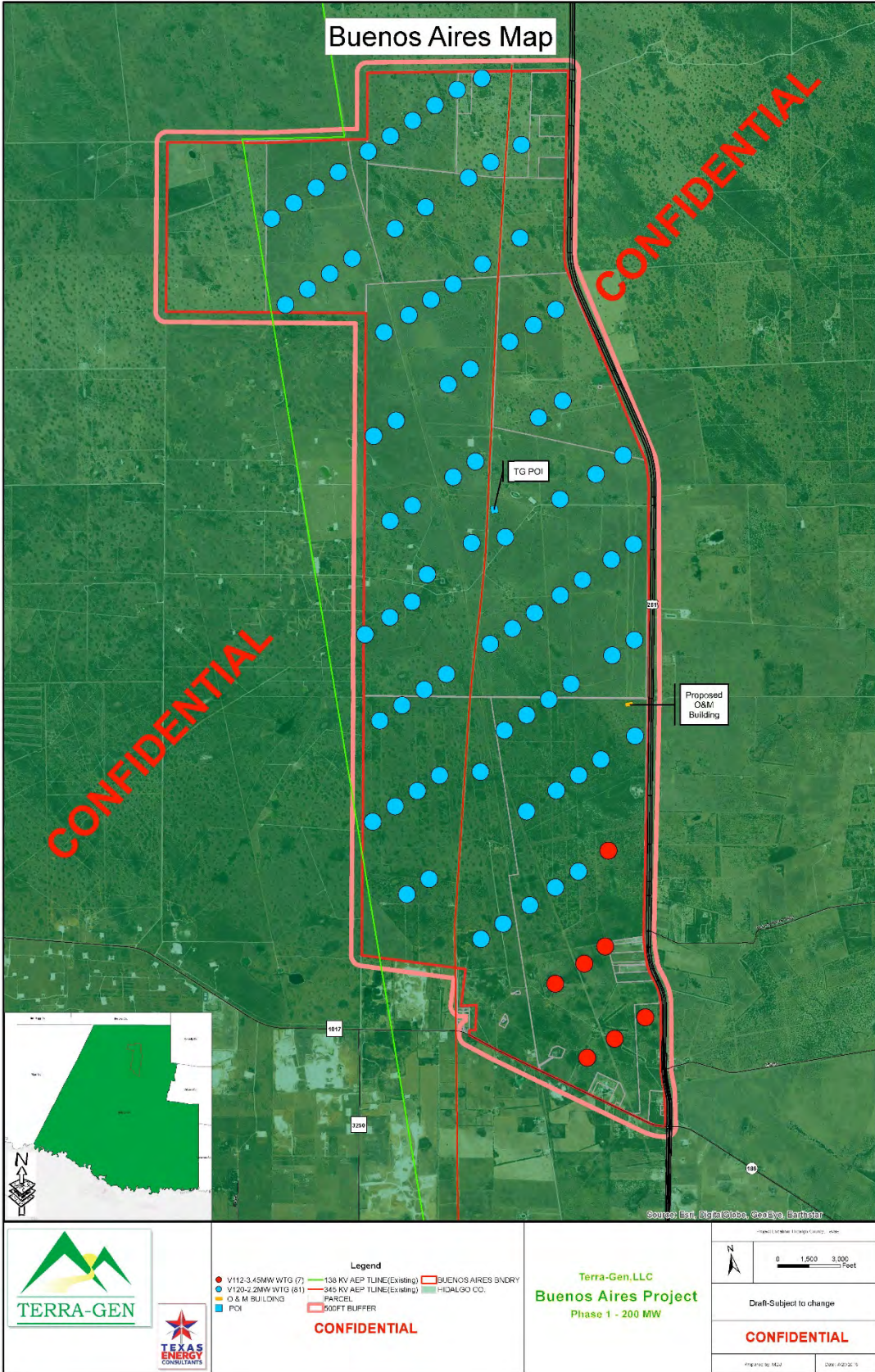
DEL TULE PART-1,2&3 SHR B-EXC 1AC R/S OF DEL TULE & SANTA ANITA 2176AC

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      |
| <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%.

Hidalgo County, TX Unemployment Rate Chart

[View Full Chart](#)

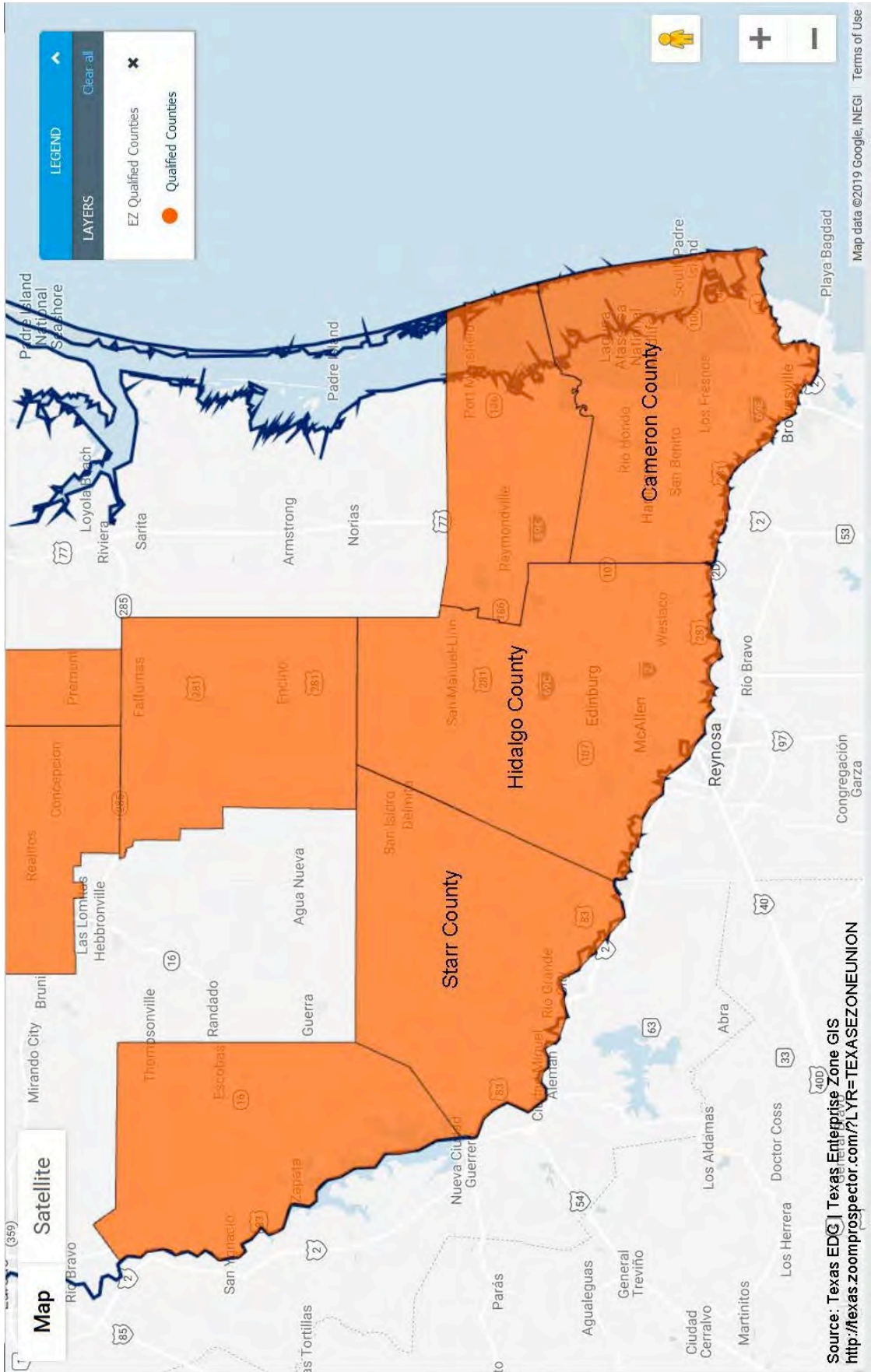
5d 1m 3m 6m YTD 1y 5y 10y Max

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: (1) 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.

- 54 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.

- 55 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.

- 56 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.

- 57 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:

*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 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      |
| <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%         |

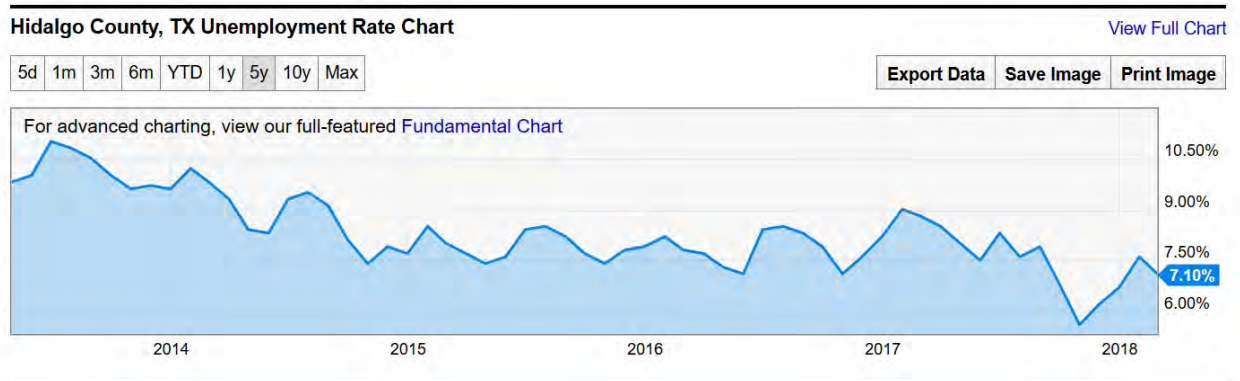
Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(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>

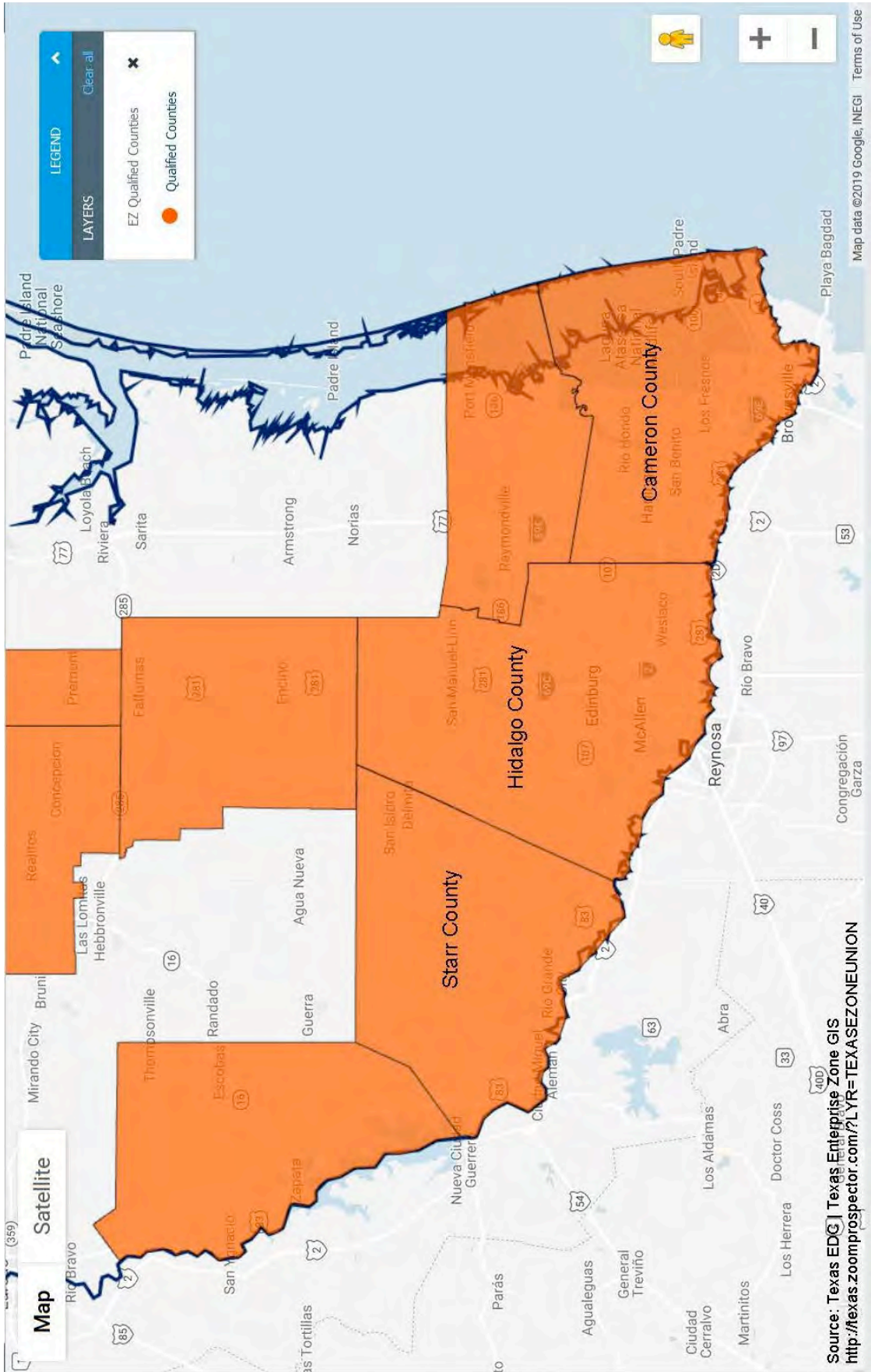
(C) The unemployment rate in Hidalgo County during the preceding 5 years has been from 2013 at 9.8% to 2017 at 7.10%.



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 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: (1) 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 AC 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  
PORCION 45 E 61.445 AC LT 24  
PORCION 45 W 61.445 AC LT 25  
PORCION 45 E 61.445 AC LT 25  
PORCION 45 W 61.445 AC LT 26  
PORCION 45 E 61.445 AC LT 26  
PORCION 45 W 61.445 AC LT 27  
PORCION 45 E 61.445 AC LT 27  
PORCION 45 W 61.445 AC LOT 28  
PORCION 45 E 61.445 AC LT 28  
PORCION 45 W 61.445 AC LT 29  
PORCION 45 E 61.445 AC LT 29  
PORCION 45 W 61.445 AC LOT 30  
PORCION 45 E 61.445 AC LT 30  
PORCION 45 W 61.445 AC LT 31  
PORCION 45 E 61.445 AC LOT 31

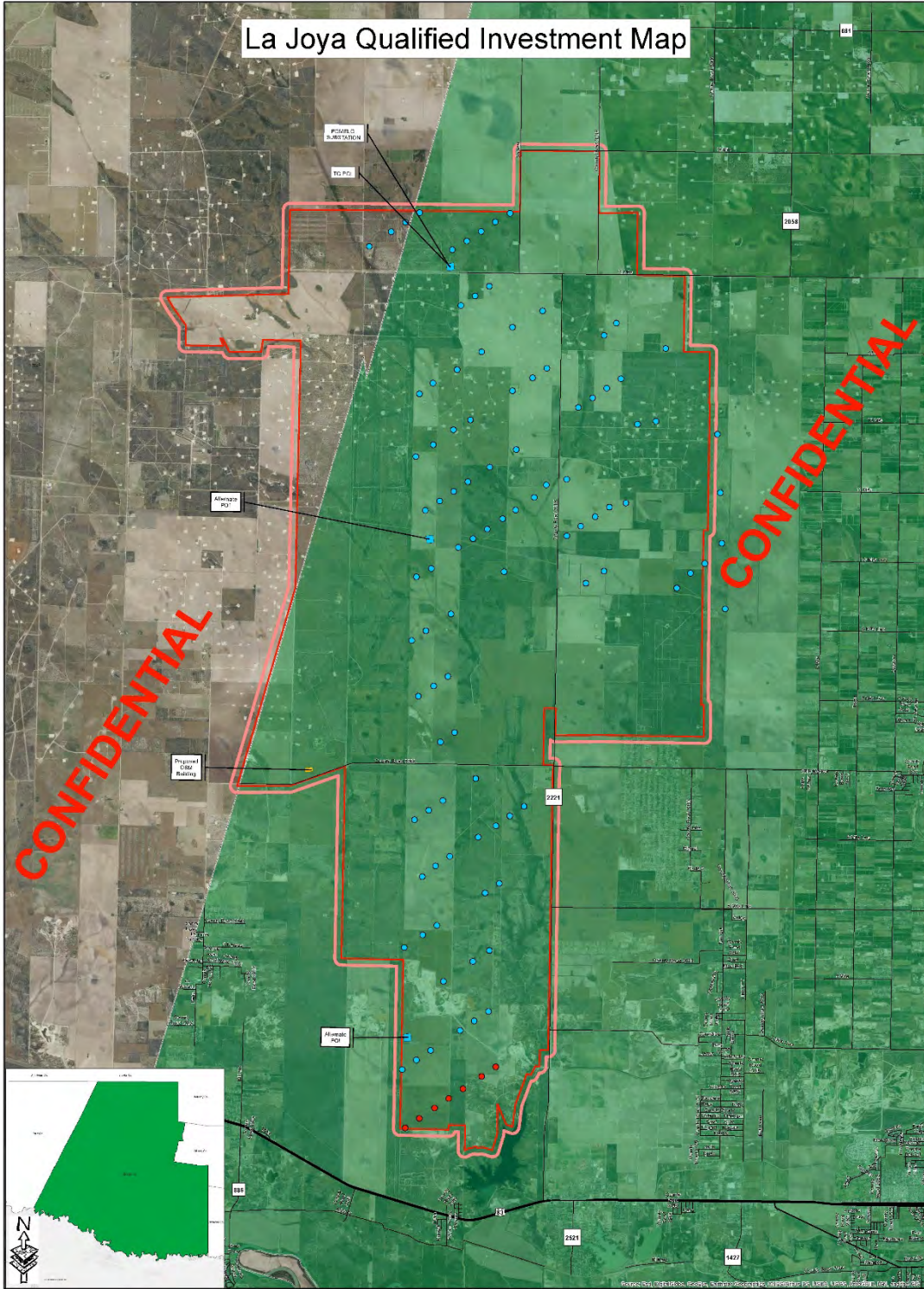
PORCION 45 W 61.445 AC LT 32  
PORCION 45 E 61.445 AC LT 32  
PORCION 45 W 61.445 AC LOT 33  
PORCION 45 E 61.445 AC LT 33  
PORCION 45 W 61.445 AC LT 34  
PORCION 45 E 61.445 AC LOT 34  
PORCION 45 W 61.445 AC LT 35  
PORCION 45 E 61.445 AC LOT 35  
PORCION 45 W 61.445 AC LT 36  
PORCION 45 E 61.445 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

# La Joya Qualified Investment Map



**CONFIDENTIAL**

**Legend**

- V113-348W V113-04 (2)
- V113-229W V113-04 (16)
- O & M BUILDING
- POI
- SOFT BUFFER
- PROJECT BOUNDARY
- HIDALGO CO.

Terra-Gen, LLC  
**La Joya Project**  
 Phase 1 - 240MW

Map of Hidalgo County, Texas

N

0 0.5 1 Miles

Draft-Subject to change

**CONFIDENTIAL**

Prepared by: USA      Date: 08/22/13

- (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%.

Hidalgo County, TX Unemployment Rate Chart

[View Full Chart](#)

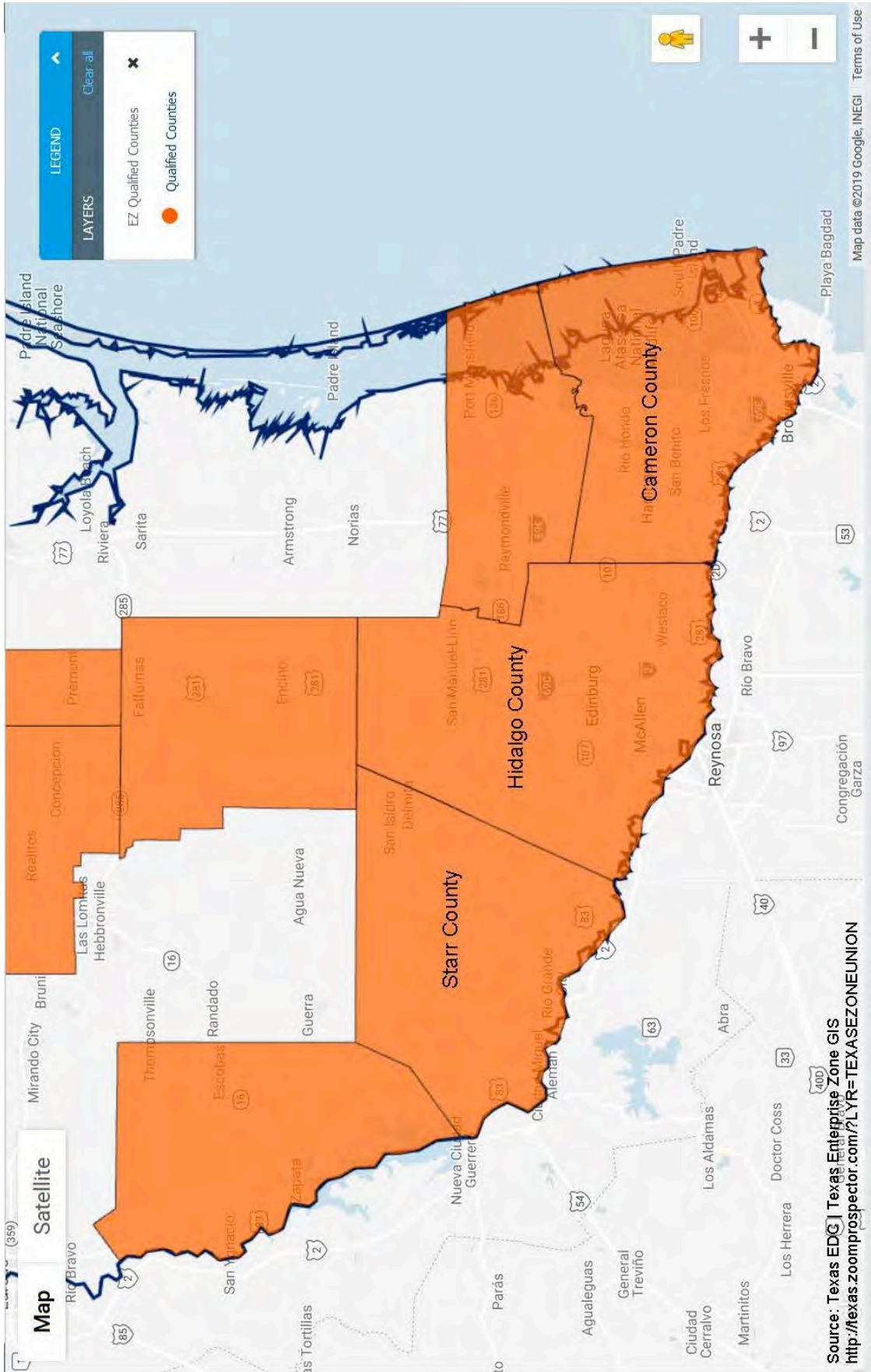
5d 1m 3m 6m YTD 1y 5y 10y Max

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 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: (1) 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 for 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 RESERVOIR  
NORTH CAPISALLO BLK 2325 8.90 AC EXEMPT VALLEY ACRES RESERVOIR  
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 RESERVOIR 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 RESERVOIR 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 RESERVOIR  
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

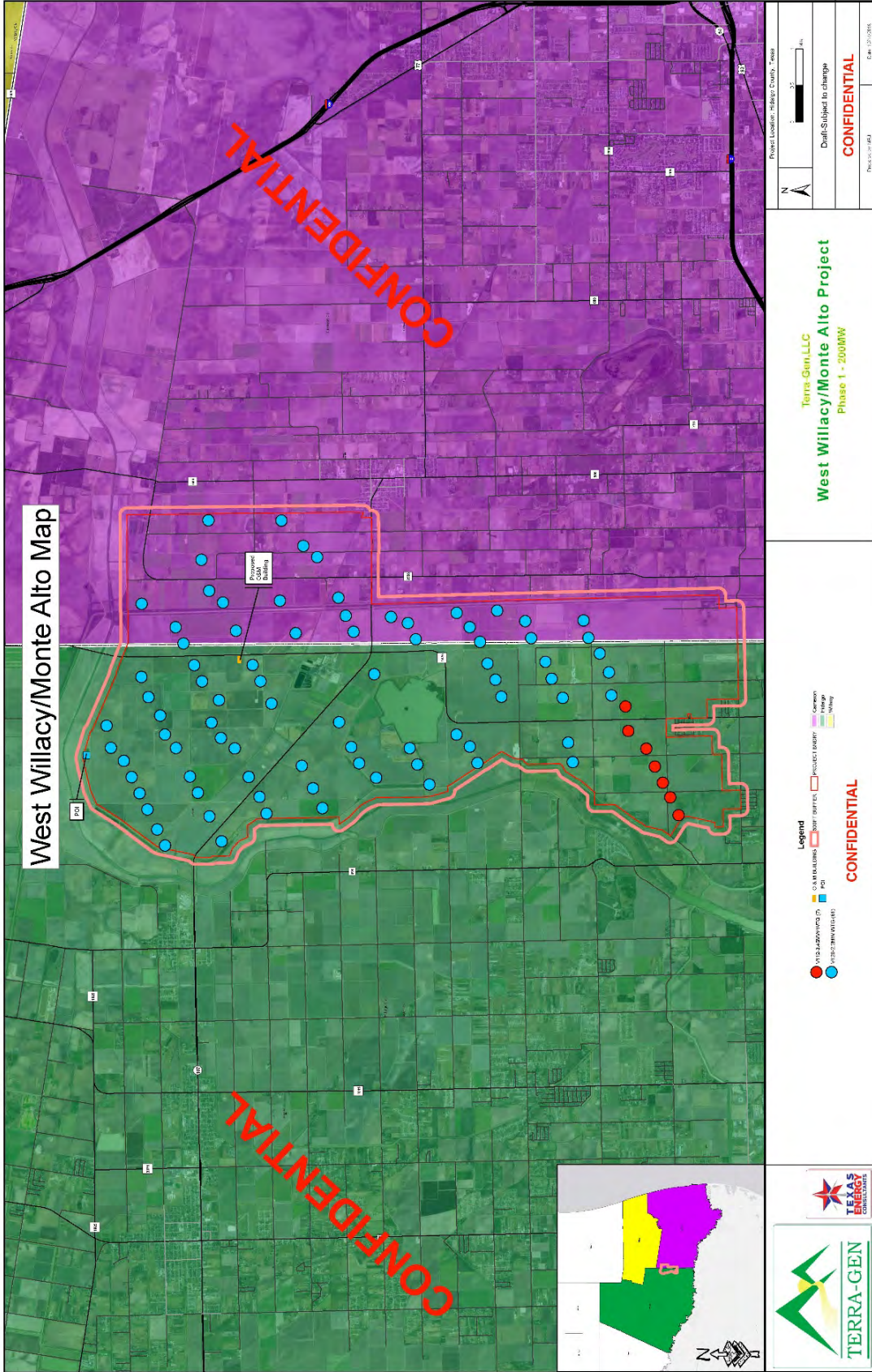
CAPISALLO LOTS 11 & 12 BLK 46 EAST OF FLOODWAY 29.59AC GR 28.98AC NET  
CAPISALLO W202'-E226'-N273' LOT 2 BLK 45 1.27 AC GR 1.18 AC NET  
CAPISALLO LOT 2 BLK 45 EXC W202'-E226'-N273' 38.73 AC GR 37.62 AC NET  
CAPISALLO S21.97'-LT 9 AN IRR TR S399.05' LT 10 AN IRR TR N273.54' LT 15 & N106.5' LT 16 BLK 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

CAPISALLO LOT 11 BLK 25 40.00AC GR 37.60AC NET  
CAPISALLO W 20 AC -LOT 2 BLK 44  
CAPISALLO LOT 2 BLK 25 37.90 AC NET  
CAPISALLO 40.0AC OF LOT 3 BLK 25 38.66AC NET  
CAPISALLO 40.0AC OF LOT 8 BLK 25 39.39AC NET  
CAPISALLO E660'- LOT 9 BLK 25 20 AC GR 17.73 AC NET  
CAPISALLO 40.0AC OF LOT 10 BLK 25 35.75AC NET  
CAPISALLO LOT 15 BLK 25 36.40 AC NET  
CAPISALLO -N30AC LOT 12 BK 44 30.00AC NET  
CAPISALLO S330'-N165' LOT 12 BLK 44 5AC  
CAPISALLO E660' EXC E153'-W162'-N284.70' LOT 2 BLK 44  
19.00AC GR 18.55AC NET  
CAPISALLO 1AC-E20AC LOT 2 BLK 44 1AC NET  
CAPISALLO 40.0 AC EXC 1.0 AC LOT 5 BLK 25 39AC GR  
33.20AC NET  
CAPISALLO LOT 1 BLK 25 40AC GR 37.70AC NET  
CAPISALLO 29.96 AC LOT 10 BLK 63  
CAPISALLO 39.98 AC LOT 9 BLK 63  
CAPISALLO 37.06 AC LOT 16 BLK 63  
CAPISALLO 38.66 AC -LOT 8 BLK 63  
CAPISALLO 18.30 AC -LT 7 BLK 63  
CAPISALLO 30.51 AC LOT 2 BLK 63 30.00AC NET  
CAPISALLO NE 4.23AC LOT 3 BLK 63 4.20AC NET  
ANGELICA LOT 2  
CAPISALLO S 20 AC -LOT 11 BLK 44  
CAPISALLO N20AC EXC NE IRR TR 0.15AC 19.85AC NET  
CAPISALLO E440' LOT 14 BLK 25 13.33AC GR 12.68AC NET  
CAPISALLO W660' LOT 9 & W660' LOT 16 BLK 25 40.00 AC  
GR 39.62 AC NET

CAPISALLO E440'-W880' LOT 14 BLK 25 13.33 NET  
CAPISALLO W440' LOT 14 BLK 25 13.33 NET  
CAPISALLO E300'-W680'-S215' LOT 15 BLK 24 1.48AC GR  
1.34AC NET  
TRIPLE 'M' LOT 1 BLK 1  
CAPISALLO W150'-E300'-S290.4' LOT 15 BLK 24 1AC GR  
0.90AC NET  
CAPISALLO W136.3'-E722.6'-S290.4' LOT 16 BLK 24 0.91AC  
NET  
CAPISALLO W150'-E450'-S290.4' LOT 16 BLK 24 1.00AC NET  
CAPISALLO E150'-S290' LOT 15 BLK 24 1AC GR 0.90AC NET  
TRIPLE 'M' LOT 2 BLK 1  
TRIPLE 'M' LOT 3 BLK 1  
CAPISALLO S 290.4'-W 300' LT 16 BK 24 2AC NET  
CAPISALLO E150'-W450'-S290.4' LOT 16 BLK 24 1AC NET  
CAPISALLO E150'-W600'-S290.4' LOT 16 BLK 24 1.00AC 1AC  
NET  
CAPISALLO 1.50AC-LOT 15 BLK 24  
CAPISALLO W150'-E450'-S290.4' LOT 15 BLK 24 1AC GR  
0.90AC NET  
CAPISALLO N50'-S240.4'-W136.3'E586.3' LOT 16 BLK 24  
0.156AC  
CAPISALLO W136.3'-E586.3'-N50'-S190' LOT 16 BLK 24 .156  
AC  
CAPISALLO N50'-S290'-W136.3'-E586.3' & S140'-W136.3'-  
E586.3' LOT 16 BLK 24  
NORTH CAPISALLO-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>

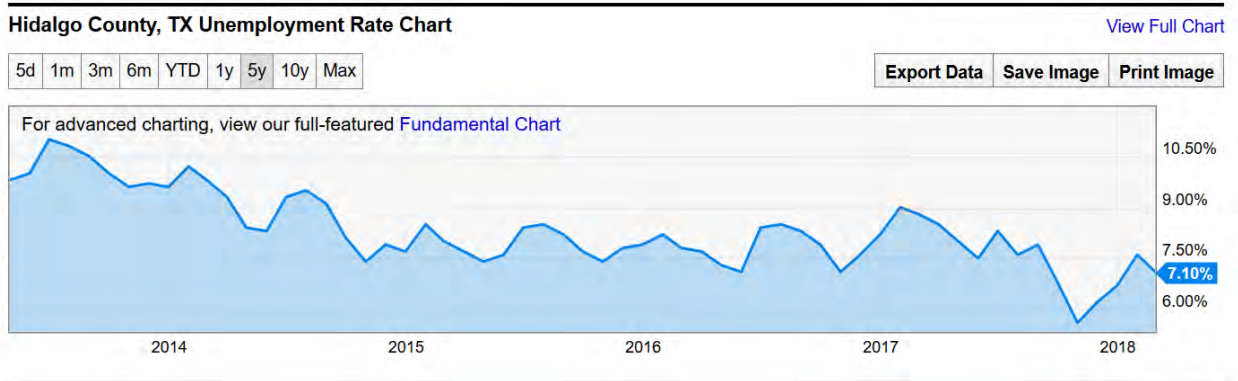


(B) The adult population that does not hold a high school diploma or high school equivalency certificate in Hidalgo County; persons of age 25 years+ were: 36.7% during 2012-2016.

| 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%         |

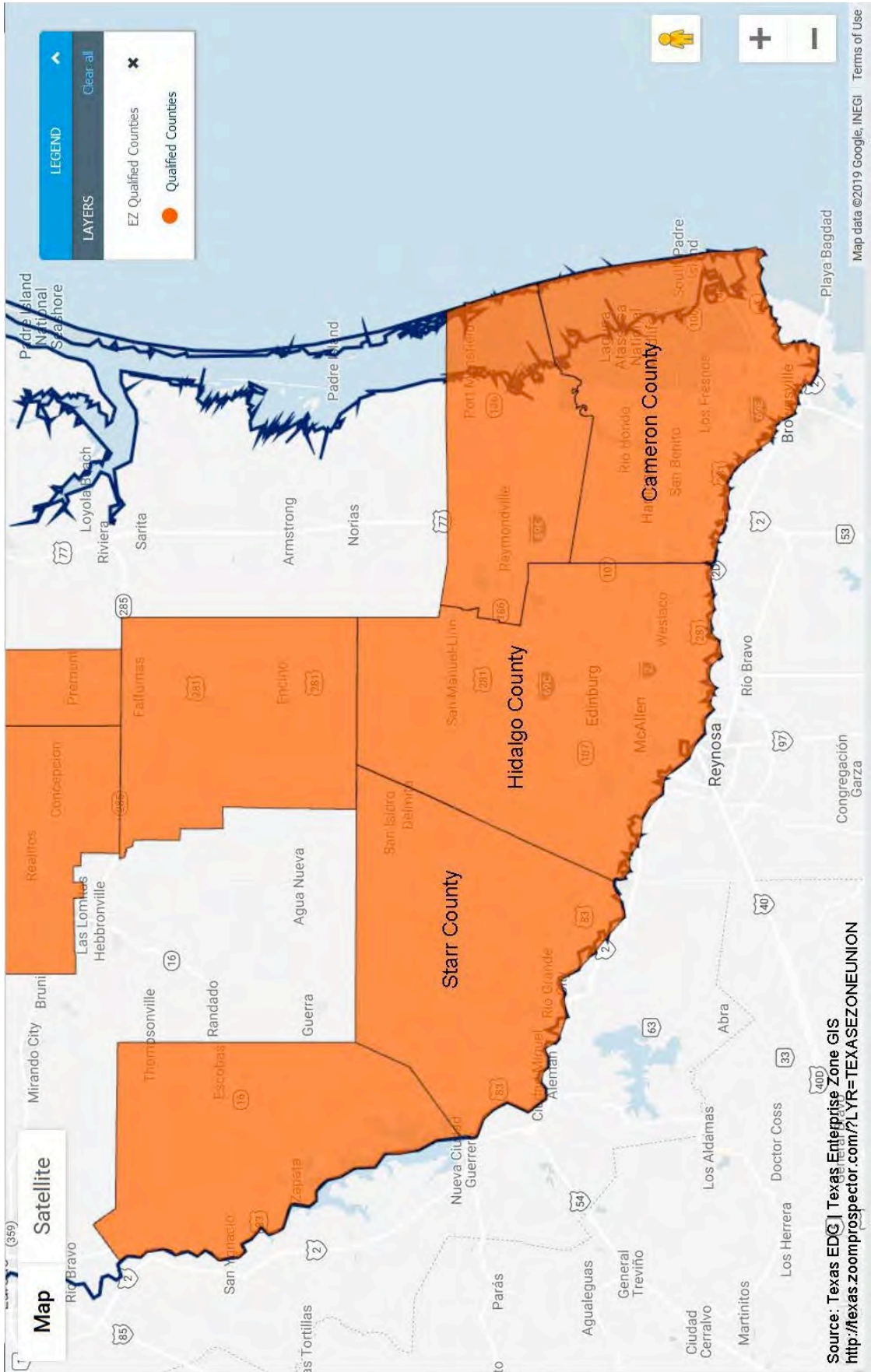
Source: <https://www.census.gov/quickfacts/fact/table/hidalgocountytexas,US/INC110216>

(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



**2017 – 2020**

**Guidelines and Criteria Governing  
Tax Abatement Agreements by  
South Texas College**

Adopted by Resolution of the Board of Trustees of South Texas College  
on November 28, 2017

**SOUTH TEXAS COLLEGE  
GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENT AGREEMENTS**

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**SOUTH TEXAS COLLEGE  
GUIDELINES AND CRITERIA  
FOR GRANTING TAX ABATEMENT**

WHEREAS, South Texas College finds that tax abatement provides a valuable economic tool for use by the College and other governmental entities interested in supporting and creating jobs in Hidalgo and Starr Counties;

WHEREAS, South Texas College finds that a tax abatement policy is in the public interest and will contribute to the economic development of Hidalgo and Starr Counties;

WHEREAS, South Texas College has considered playing a limited, but significant, role in the development of substantial renewable energy and scientific investment in South Texas;

WHEREAS, Chapter 312 of the Texas Tax Code, popularly known as the Property Redevelopment and Tax Abatement Act (the “Act”), authorizes junior college districts to join a municipality or a county in offering a temporary real property and/or tangible personal property tax abatement for limited periods of time as an inducement for financial investment in the development or redevelopment of certain taxable property; and

WHEREAS, the Act grants South Texas College great discretion to adopt guidelines and criteria identifying the types of development or redevelopment suitable to the educational and financial goals of the College;

WHEREAS, the Act requires eligible taxing jurisdictions to establish guidelines and criteria as to eligibility for tax abatement agreements prior to granting any future tax abatements, said guidelines and criteria to be unchanged for a two-year period unless amended or repealed by a three-fourths vote of the Board of Trustees;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of South Texas College that the following Guidelines and Criteria for granting tax abatements be adopted:

**Section 1. Definitions.**

- (a) “Abatement” means the temporary, full or partial exemption from ad valorem maintenance taxes pursuant to the Act by the Counties of Hidalgo and Starr of certain added value to real and personal property in a zone designated for economic development purposes.
- (b) “Act” means Property Tax Code, chapter 312, popularly referred to as the Tax Abatement Act.
- (c) “Added Value” means the increase in the Appraised Value of an Eligible Property as a result of “Expansion” or “Modernization” of an existing facility or construction of a “New Facility.” Added Value does not mean or include “Deferred Maintenance.”

- (d) “Appraised Value” means the appraised value for property tax purposes as determined by a County Appraisal District, subject to the appeal procedures set forth in the Texas Tax Code.
- (e) “Agreement” means a contractual agreement between a property owner and/or lessee in an Eligible Jurisdiction for the purposes of tax abatement. Any Agreement shall be in conformity with these Guidelines and Criteria, including any variance granted under Section 3(g) set out herein. Upon the adoption of a resolution authorizing an Agreement and the execution of same by the parties, the Agreement shall be deemed to embody all of the terms of the Abatement, except, no Agreement shall be deemed to supersede any terms of the Guidelines and Criteria or any requirements or conditions imposed of state law.
- (f) “Base Year Value” means the Appraised Value of Eligible Property as of the date specified in the Agreement.
- (g) “Basic Manufacturing or Service Facility” means buildings and structures, including fixed machinery and equipment used or to be used for the production of renewable energy.
- (h) “College” means South Texas College.
- (i) “Construction Phase” means the period during which a material and substantial improvement of the property occurs which represents a separate and distinct construction operation undertaken for the purpose of erecting the improvements. The Construction Phase ends upon the earliest to occur of the following events:
  - (1) when a certificate of occupancy is issued for the Facility by and appropriate governmental entity;
  - (2) when the Facility has achieved commercial production of a product; provision of a service or start up for production of electrical power; or
  - (3) when the architect or engineer supervising construction issues a certificate of substantial completion, or some similar instrument.

The final determination of the end of the Construction Phase shall be made by the College, in its sole and absolute discretion, based upon the above criteria and such other factors as the College may deem relevant. The determination of the completion of the Construction Phase shall be conclusive, and any judicial review of such determination shall be governed by the substantial evidence rule.
- (j) “County” means Hidalgo County, Texas and/or Starr County, Texas
- (k) “Deferred Maintenance” means improvements necessary for continued operations which do not improve productivity or alter the process technology.

- (l) “Economic Life” means the number of years a property improvement is expected to be in service in a Facility.
- (m) “Eligible Property” means property to which Abatement may be extended to the value of the improvements to real property, including buildings, structures, fixed machinery and equipment, and site improvements, plus that office space and related fixed improvements necessary to the operation and administration of the Facility.
- (n) “Expansion” means the addition of buildings, structures, fixed machinery or equipment for the purposes of increasing capacity.
- (o) “Facility” means property improvements completed or in the process of construction which together comprise an integral whole comprising the project as described in the agreement for temporary tax abatement.
- (p) “Force Majeure” means circumstances beyond the control of Owner which shall include casualty losses, national economic factors, shutdowns due to governmental regulations, strikes, acts of war, and the like.
- (q) “Ineligible Property” The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings and other forms of movable personal property; vehicles; vessels; aircraft; housing; hotel accommodations; Deferred Maintenance investments; property to be rented or leased except as provided in Section 1(k); improvements to real property which have an economic life of less than 20 years; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; unless specifically authorized by the Eligible Jurisdiction.
- (r) “Modernization” means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facilities. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing or completion of Deferred Maintenance.
- (s) “New Capital Investment” means the total value of expenditures capitalized for the Facility on the Owner’s books, prior to depreciation, whether relating to exempt or non-exempt property, including all buildings, structures, site improvements, fixed equipment, intangibles, and pollution control equipment.
- (t) “New Facility” means a property previously undeveloped which is placed into service by means other than or in conjunction with an Expansion or Modernization.
- (u) “Owner” means the owner of a Facility subject to Abatement. If the Facility is constructed on leased property, the owner shall be the party which owns the property subject to Abatement. The other party to the lease shall join in the execution of



Agreement but shall not be obligated to assure performance of the party receiving Abatement.

- (v) “Research and Development” means Owner’s collaboration of research and development with South Texas College to undertake scientific, technical or educational endeavors of alternative energy programs aimed at research and development.

**Section 2. Abatement Authorized.**

- (a) Authorized Facilities. A Facility may be eligible for tax incentives in the form of tax abatement if it is substantially designed and constructed or manufactured for construction or installation, (i) is operated exclusively for the production, of renewable energy, including solar, geothermal, wind and hydro and (ii) the estimated proposed New Capital Investment shall exceed \$200 million. Abatement may be granted for New Facilities and improvements to existing facilities for the purpose of Modernization or Expansion.
- (b) Creation of New Value. Abatement may only be granted for the Added Value of Eligible Property improvements made subject to and listed in an Agreement between the College and the property owner or lessee (if required), subject to such limitations as the College may require. The economic life of the improvements must exceed the term of the Agreement by ten (10) years. An Agreement shall not be entered into unless Owner has provided a certified valuation of the economic life of the improvements and depreciation schedule.
- (c) Period of Abatement. Abatement shall be granted effective with the January 1 valuation date specified in the Agreement. Abatement shall be allowed for a period of up to ten years following the certification of completion of construction; provided that, in no event shall the period of Abatement, not inclusive of the Construction Phase exceed ten (10) years. Prior to the effective date of the tax abatement any improvements under construction should be taxed in full in accordance with the Tax Code
- (d) Abatement Percentage. The percentage of the total tax to be abated (1% to 100%) which is authorized by the College on a case by case basis is the Abatement Percentage.
- (e) Rehabilitation Projects. The \$200 million minimum Added Value or Capital Investment requirement for Abatement shall not apply to Rehabilitation Projects which involve the adaptive reuse of an existing structure or building for a Facility. In order to qualify as a Rehabilitation Project under this provision, the Project must involve a minimum New Capital Investment of at least \$100 million. Any Rehabilitation Project must involve the adaptive reuse of an existing structure or building currently on the property tax rolls so that the Base Year Value associated with the Project will include both the value of the land and the existing improvements. For such Rehabilitation Projects, all Eligible Property in excess of the Base Year Value shall be subject to Abatement. The value of personal property such as furniture and movable equipment (as set out in the Act) shall be considered Ineligible Property.



- (f) Estimated Added Value Requirement. At the time of execution of the Agreement, the Owner shall reasonably estimate the Added Value or Capital Investment projected upon completion of construction of any improvements to real property or tangible personal property in connection with the Facility. This “Estimated Added Value” shall be certified to by Owner and stated in the Agreement.
- (g) Economic Qualification. In order to be eligible for Abatement, the Facility:
  - (1) must create no later than the January 1 following the completion of construction and maintain throughout the remainder of the term of the Agreement the minimum required number of permanent jobs in the District set out in the Agreement;
  - (2) must not adversely affect competition in the local market with established local businesses.
- (h) Taxability. From the commencement of the Abatement period to the end of the Abatement period, taxes shall be payable as follows:
  - (1) The value of Ineligible Property shall be fully taxable and;
  - (2) The Added Value of new Eligible Property (and certain personal property added in connection with a Rehabilitation Project) shall be taxable in the manner described in Section 2(d) above.
- (i) Environmental and Worker Safety Qualifications. In determining whether to grant an Abatement, consideration will be given to compliance by the Facility with all state and federal laws designed to protect human health, welfare and the environment (“environmental laws”) that are applicable to all facilities in the State of Texas owned or operated by the owner of the Facility or lessee, its parent, subsidiaries and, if a joint venture or partnership, every member of the joint venture or partnership (“applicants”). Consideration may also be given to compliance with environmental and worker safety laws by applicants at other facilities within the United States.

### Section 3. **Application.**

- (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.
- (b) Contents of Application. The application shall consist of a completed application form accompanied by: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which Abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; proposed turbine location (if a wind turbine Facility); and a time schedule for undertaking and completing the proposed improvements. 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.

#### Section 4. **College Approval.**

- (a) Designation of Zone. An Abatement shall be granted only for Facilities in a zone designated for Abatement under the Act by a County.
- (b) Required Findings. The College must adopt findings that the proposed abatement terms of the proposed Agreement meet the College's Guidelines and Criteria.
- (c) Reservation of Rights. Nothing shall be construed to limit the authority of the College to examine each application for Abatement on a case-by-case basis and determine in its sole and absolute discretion whether or not abatement of the tax on the proposed Facility should be granted; whether or not the Facility will comply with these Guidelines and Criteria; whether it is financially feasible for the College, and whether or not the proposed temporary abatement of taxes will inure to the long-term benefit of the College.

On matters of interpretation of the Tax Code or the Tax Abatement Act, the College may request an Attorney General' Opinion. The College's final determination shall not be subject to judicial review.

#### Section 5. **Agreement.**

- (a) Contents of Tax Abatement Agreement. The Agreement with the Owner shall include:
- (1) the estimated value to be subject to Abatement and the Base Year Value;
  - (2) the percentage of value to be abated each year as provided in Section 2(d);
  - (3) the commencement date and termination date of Abatement;
  - (4) the proposed use of the Facility, time schedule, map, proposed turbine location, property description and improvements list as provided in the application as required;
  - (5) the contractual obligations in the event of default, delinquent taxes, recapture, administration and assignment as provided in these Guidelines and Criteria or other provisions that may be required for uniformity or by state law;
  - (6) the amount of Added Value as set out in 2(c) and required number of permanent jobs;
  - (7) a requirement that Owner shall certify to the board of trustees of the College on or before April 1 each year that the Owner is in compliance with each applicable term of the agreement;
  - (8) a requirement that the owner or lessee will obtain and maintain all required permits and other authorizations from all local, state and federal agencies with jurisdiction over the licensing or permitting, the design, construction, manufacture and operation of the Facility and for the storage, transport and disposal of waste, if any;
  - (9) a limitation that the uses of the property must be consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
  - (10) provision of access to and authorization to inspect the property by employees or authorized agents of the College to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement; and
  - (11) a provision that the board of trustees of the College may cancel or modify the Agreement if the Owner fails to comply with the Agreement.
- (b) Time of Execution. The Agreement shall normally be executed within 60 days after the applicant has provided all necessary information and documentation.

- (c) Attorney's Fees. In the event any attorney's fees are incurred by the College in the preparation of an Agreement, said fees shall be paid by the applicant upon execution of the Agreement.

#### Section 6. **Recapture.**

- (a) Failure to Commence Operation During Term of Agreement. In the event that the Facility is not completed and does not begin operation as provided in the Agreement, no Abatement shall be given for that tax year, and the full amount of taxes assessed against the property shall be due and payable for that tax year. In the event that the Owner of such a Facility fails to begin operation with the minimum required number of permanent jobs by the next January 1, then the Agreement shall be subject to termination and all abated taxes during the period of construction shall be recaptured and paid within 60 days of such termination. Notwithstanding the foregoing, in the event that the above defaults are due to a Force Majeure condition, the College may grant extensions if the Owner is diligently proceeding to cure such defaults.
- (b) Discontinuance of Operations During Term of Agreement. In the event the Facility is completed and begins operation but subsequently discontinues operations during any four (4) consecutive weeks during the term of the Agreement, for any reason except on a temporary basis due to a Force Majeure condition, the Agreement may be terminated by the College, and all taxes previously abated by virtue of the Agreement during the preceding four years shall be recaptured and paid within 60 days of such termination.
- (c) Delinquent Taxes. In the event that the Owner allows its ad valorem taxes to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, the Agreement shall be subject to termination and so shall the Abatement of the taxes for the tax year of the delinquency. The total taxes assessed without Abatement, for that tax year shall be paid within 60 days from the date of termination.
- (d) Notice of Default. Should the College determine that the Owner is in default according to the terms and conditions of its Agreement, it shall notify the Owner in writing at the address stated in the Agreement that if such is not cured within 60 days from the date of such notice (the "Cure Period"), then the Agreement may be terminated. In the event the Owner fails to cure said default during the Cure Period and the Agreement is terminated, the taxes abated by virtue of the Agreement will be recaptured and paid as provided herein.
- (e) Actual Capital Investment. Should the College determine that the total level of New Capital Investment is lower than provided in the Agreement, the difference between the tax abated and the tax which should have been abated based upon the actual New Capital Investment as determined shall be paid to the taxing agencies within 60 days of notification to the Owner of such determination.
- (f) Reduction in Rollback Tax Rate. If during any year of the period of Abatement with respect to any property any portion of the abated value for the Eligible Property which is added to the current total value of the College is not treated as "new property value" (as

defined in Section 26.012(17) of the Texas Tax Code) for the purpose of establishing the “effective maintenance and operations rate” (as defined in Section 26.012(16) of the Texas Tax Code) in calculating the “rollback tax rate” in accord with Section 26.04(c)(2) of the Texas Tax Code and if the College’s budget calculations indicate that a tax rate in excess of the “rollback tax rate” is required to fund the operations of the College for the succeeding year, then the College shall recapture from the taxpayer a tax in an amount equal to the lesser of the following:

- (1) The amount of the taxes abated for that year by the College with respect to such property.
- (2) The amount obtained by subtracting the rollback tax rate computed without the abated property value being treated as new property value from the rollback tax rate computed with the abated property value being treated as new property value and multiplying the difference by the total Appraised Value of the College.

If the College has granted an Abatement of taxes to more than one taxpayer, then the amount of the recapture calculated in accord with subparagraph (2) above shall be prorated on the basis of the amount of the Abatement with respect to each taxpayer.

All recaptured taxes must be paid within thirty (30) days after notice thereof has been given to the affected taxpayer. Penalties and interest applicable under the Tax Code shall not begin to accrue upon such sum until the first day of the month following such thirty (30) day notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.

- (g) Statutory Tax Lien. The amount of tax abated each year under the terms of these Guidelines and the Agreement shall continue to be secured by the statutory tax lien pursuant to Section 32.01 of the Texas Tax Code which shall continue in existence from year to year throughout the entire term of the Agreement or until all taxes, whether assessed or recaptured, are paid in full.
- (h) Automatic Termination. The Agreement shall automatically terminate on and as of the date any of the following events occur: the filing of a petition in bankruptcy by the Owner; or the making by the Owner of an assignment for the benefit of creditors; or if any involuntary petition in bankruptcy or petition for an arrangement pursuant to the federal bankruptcy code is filed against the Owner; or if a receiver is appointed for the business of the Owner. In the event of automatic termination for any of the above reasons, the prior notice of default provisions in subsection (d) above shall not apply. Owner shall immediately notify the College should any of the foregoing events occur.

#### Section 7. **Administration.**

- (a) Annual Assessment. The Starr County Appraisal District or the Hidalgo County Appraisal District, as applicable, shall annually determine the Appraised Value of the real and personal property subject to an Agreement. Each year, the Owner shall furnish the Appraisal District with such information as may be necessary for the Abatement. Once

value has been established, the Appraisal District shall notify the affected jurisdictions which levy taxes of the amount of the Appraised Value and the Abatement. Owner shall, on the anniversary date of the Agreement provide the College the Appraised Values of the Property and a certificate of taxes paid to each jurisdiction.

- (b) Access to Facility. The Agreement shall stipulate that employees and/or designated representatives of the College will have access to the Facility during the term of the Agreement to inspect the Facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after giving 24 hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the Facility. All inspections will be made with one or more representatives of the Owner and in accordance with all applicable safety standards.
- (c) Annual Evaluation. Upon completion of construction, the College, individually or in conjunction with other affected jurisdictions, shall annually evaluate each Facility receiving Abatement to ensure compliance with the Agreement and report possible violations of the Agreement.
- (d) Annual Reports. Owner shall certify to the governing body of the College on or before April 1 each year that Owner is in compliance with each applicable term of the Agreement. Additionally, during the initial four years of the term of Abatement, the Owner shall provide to the College approving the Abatement an annual report covering those items listed on Schedule 1 in order to document its efforts to acquire goods and services on a local basis. Such annual report shall be prepared on a calendar year basis and shall be submitted to the College no later than ninety (90) days following the end of each such calendar year. The annual report shall be accompanied by an audit letter prepared by an independent accounting firm which has reviewed the report.
- (e) “Buy Local” Provision. Each recipient of Abatement shall additionally agree to give preference and priority to local manufacturers, suppliers, contractors and labor for the materials, equipment and labor described on Schedule 1, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency. In any such exceptional cases involving purchases over \$1,000,000 during construction and over \$50,000 during operations, a justification for such purchase shall be included in the annual report. Each such recipient shall further acknowledge that it is a legal and moral obligation of persons receiving Abatement to favor local manufacturers, suppliers, contractors and labor, all other factors being equal. For the purposes of this provision, the terms “materials” and “labor” shall have the meaning set out in Schedule 1. For the purposes of this provision, 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. In the event of a breach of the buy-local provision, the percentage of Abatement shall be proportionately reduced equal to the amount the disqualified contract bears to the total construction cost (materials and labor) for the Facility. In the event that Owner contracts the supply and construction of the Facility to an affiliate or other non-local contractor,

Owner shall use commercially reasonable efforts to ensure compliance with this Section by including in such contract a flow-through provision requiring such compliance.



## 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).
2. Dollar amount spent for materials\* (total).
3. Dollar amount spent for labor\*\* (local).
4. Dollar amount spent for labor\*\* (total).
5. Number of jobs created in the construction of the Facility (local).
6. Number of jobs created in the construction of the Facility (total).
7. Number of jobs created on a permanent basis (local).
8. Number of jobs created on a permanent basis (total).

\* 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;

#### **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 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.

#### **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: (1) 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 Starr County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$31,941 in 2014).

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.

#### **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

## **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:
  - (b) Property Owners:
  - (c) Local Political Leaders:
- 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:
  - b. State:
  - c. Federal:
- 5.3 Outline what processes, if any, were followed for community consultation for the Facility's development.
- 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.
- 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.
- 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.
- 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:

The College will rely on the review of the applicable County and on state agencies with regulatory responsibility over the compatibility of the Facility site(s) with the surrounding uses, to include 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.

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

Has applicant developed a plan on 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.

**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 completed Schedules I and II.

Applicant name:

Applicants address and phone number:

Applicant organization:

Type of Business:

Organization address and phone:

Organization Contact:

Contact address and phone:

Proposed project or facility address: **[Need to add address or location]**

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

2. Does this property fall under the definition of "Eligible Property" provided in the \_\_\_\_\_ 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 project or facility is located.

**[Are applications for tax abatement being submitted to all these jurisdictions?]**

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?

**[What is the extent of the abatement being requested?]**

**[Does (company) contemplate that the Project will be completed in Phases?]**

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.]**

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

See Attachment 1

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 Starr 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 Starr 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 Starr County.

See Attachment 1

9. Please attach the following information to this application:
- (1) A map and description of the property for which abatement is sought;
  - (2) A time schedule for completing the planned improvements; and
  - (3) Basic financial information about yourself and your organization sufficient to enable evaluation of the applicant's financial capacity.

See Attachment 1

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

DEGS seeks the County's approval of the Reinvestment Zone attached as Exhibit. The Project will be located in the center portion of the Zone, Although the Project could expand north and northwest into other areas inside the zone boundary shown on the attached Exhibit B.

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.

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

Applicant Signature:

\_\_\_\_\_  
Authorized Representative

Name of Applicant:

Date of application submission:

**Exhibit A**  
**Legal Description of Reinvestment Zone**  
**Containing Proposed Project**

Please attach a copy of the map of the County's Reinvestment Zone and the location(s) of the facility (ies)

The real property in \_\_\_\_\_ County, being all of the (lots, block/section) in the \_\_\_\_\_.



**Exhibit B**  
**Map of Project Area**

ADDENDUM A

~~A RESOLUTION OF THE BOARD OF TRUSTEES OF SOUTH TEXAS COLLEGE ELECTING TO PARTICIPATE IN TAX ABATEMENT AGREEMENTS AND ADOPTING GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS.~~

~~STATE OF TEXAS \_\_\_\_\_ §  
COUNTY OF STARR \_\_\_\_\_ §  
AND HIDALGO \_\_\_\_\_ §  
SOUTH TEXAS COLLEGE \_\_\_\_\_ §~~

~~DISTRICT~~

~~WHEREAS, the Board of Trustees of South Texas College, is authorized to enter into Tax Abatement Agreements for Commercial Industrial purposes as authorized in Chapter 312 of the~~

~~Texas Tax Code, "Property Redevelopment and Tax Abatement Act" (The "Act");~~

~~WHEREAS, the Act requires South Texas College to establish Guidelines and Criteria for the designation for reinvestment zones and the entering into Tax Abatement Agreements; and~~

~~WHEREAS, the Act requires eligible taxing jurisdictions to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting any future tax abatements, said Guidelines and Criteria to be unchanged for a two year period unless amended or repealed by a~~

~~three-fourths vote of the Board of Trustees;~~

~~NOW, THEREFORE, BE IT RESOLVED that South Texas College declares it is eligible to participate in a Tax Abatement Program.~~

~~FURTHER, BE IT RESOLVED that South Texas College hereby adopts the attached Guidelines and Criteria for Tax Abatement for use in all Tax Abatement Programs.~~

~~CONSIDERED, PASSED, APPROVED, AND SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ at a regular meeting of the Board of Trustees of South Texas College at which a quorum was present and which was held in accordance with the provisions of Texas Government Code~~

~~Chapter 551.~~

~~SOUTH TEXAS COLLEGE~~

~~BY: \_\_\_\_\_  
\_\_\_\_\_ Chairman~~

~~ATTEST:~~

~~BY: \_\_\_\_\_  
\_\_\_\_\_ Secretary~~

**Discussion and Action as Necessary on Revisions to Current Agreements for Legal Counsel Services, Engagement of Legal Counsel when Contracted Legal Counsels Recuse Themselves, and the Engagement of Legal Counsel Services for Specialized Legal Needs**

Approval of revisions to the current agreements for legal counsel services, authorize the President to engage legal counsel for special circumstances when either of the two contracted legal counsels must recuse themselves from providing legal services, and the engagement of legal counsel services for specialized legal needs will be requested at the May 28, 2019 Board meeting.

Purpose –

- To revise the current agreements for legal counsel services as follows:
  - ⇒ The J. Ramirez Law Firm – Continue with hourly rate of \$200.00, and include hourly rate of \$250.00 for legal litigation services, paralegal services of \$50.00 for Legal Assistant 1 and \$80.00 for Legal Assistant 2, and reimbursement of out-of-pocket expenses at actual cost.
  - ⇒ Guerrero Law Firm – Change in hourly rate from \$175.00 to \$185.00 and reimbursement of out-of-pocket expenses at actual cost.
- To approve the engagement of legal counsel services when legal counsel recuses himself, as follows:
  - ⇒ In the occasion when one of the two contracted legal counsels recuses himself from providing legal services due to a conflict of interest or another valid reason, authorize the President to engage the other legal counsel, as appropriate.
  - ⇒ Currently, the J. Ramirez Law Firm provides all types of legal counsel services and the Guerrero Law Firm provides counsel and representation specifically related to personnel matters.
- To approve the engagement of legal counsel services for specialized legal needs as follows:
  - ⇒ Authorize the President to engage legal counsel services for specialized legal needs after consultation with contracted legal counsel, and in accordance with state and federal laws and College policies.

Justification – Under Board Policy #2200: Legal Counsel, the Board is able to designate legal counsel as necessary to protect the College and provide advice and representation in legal matters. South Texas College continues to grow and expand and in doing so must maintain adequate legal coverage in today’s rapidly changing environment. Legal counsel services allow the College to manage legal risk, and develop plans and programs to manage and address legal matters that may arise. The scope and volume of legal work has increased alongside the College’s growth and increased accountability from state and federal agencies.

Legal counsel services include:

- Attending Board and Board Committee meetings as necessary
- Providing legal counsel and guidance to Board of Trustees and administrative staff on such matters as:
  - ⇒ Employment law (Title IX federal regulations, review of practices regarding federal laws on discrimination, retaliation, equal opportunity, veterans employment preference, human resources development)
  - ⇒ Personnel matters (Development, review and recommendation for updates of personnel policies)
  - ⇒ Procurement procedures and contracts (interpretation of procurement law and review of certain contracts, development of a standardized contract form for most services the College solicits to be included as part of the RFP or RFQ document) and contract compliance
  - ⇒ Elections
  - ⇒ Texas Open Meetings Act
  - ⇒ Texas Public Information Act
  - ⇒ Construction contracts
  - ⇒ Litigation representation
  - ⇒ Other such as Tax Abatement Agreements and IRS examinations
  - ⇒ Policy Drafting and Advising
  - ⇒ Legal Counsel Advising
  - ⇒ Public Information Response
- Other work as authorized by the Board

The College must also respond to specialized legal issues, such as the following:

- Title IX issues
- Trademark issues
- Administrative rules and cost principles on the use of federal funds
- Other specialized complex types of legal counsel services requirements

Background – At the November 24, 2015 Board Meeting, the Board of Trustees approved the legal counsel services with The J. Ramirez Law Firm and Guerrero Law Firm.

Each firm is authorized to represent the College on specific matters as designated by the Board or President. The J. Ramirez Law Firm serves as general counsel and the Guerrero Law Firm offers counsel and representation specifically related to personnel matters.

The contracted legal counsels have requested revisions to their agreements as follows:

| <b>Rates/Services</b>          | <b>Current Terms</b> | <b>Proposed Terms</b> |
|--------------------------------|----------------------|-----------------------|
| <b>The J. Ramirez Law Firm</b> |                      |                       |
| Services                       | General Counsel      | General Counsel       |
| Hourly Rate                    | \$200.00             | \$200.00              |
| Litigation (Hourly Rate)       | N/A                  | \$250.00              |

| <b>Rates/Services</b>            | <b>Current Terms</b>   | <b>Proposed Terms</b>  |
|----------------------------------|--|--|
| Paralegal Services (Hourly Rate) | N/A  | \$50.00<br>for Legal Assistant 1<br>\$80.00<br>for Legal Assistant 2 |
| Reimbursements                   | N/A  | Reimbursement of out-of-pocket expenses at actual cost               |
| <b>Guerrero Law Firm</b>         |  |  |
| Services                         | Counsel and representation specifically related to personnel matters | Counsel and representation specifically related to personnel matters |
| Hourly Rate                      | \$175.00   | \$185.00   |
| Litigation (Hourly Rate)         | N/A  | Separate Agreement Needed  |
| Paralegal Services (Hourly Rate) | N/A  | N/A  |
| Reimbursements                   | N/A  | Reimbursement of out-of-pocket expenses at actual cost               |

In addition, administration is requesting approval for the President to authorize legal counsel for special circumstances when either of the contracted legal counsel must recuse themselves from working on an issue due to a conflict of interest.

South Texas College’s need for specialized legal counsel services continues to grow and the College must ensure that adequate legal coverage is maintained. In addition, as needed, the College has engaged with outside legal firm that represents and provides the best guidance. The firms used are as follows:

- Bickerstaff Heath Delgado Acosta LLP – Target Range Information, Mexico Partnership, Texas Higher Education Coordinating Board Audit of Continuing Education Program, and Petitions and Elections
- Pirkey Barber PLLC – Trademark Dispute

The hourly rates for the specialized legal counsels needs are as follows:

| <b>Legal Firm</b>                    | <b>Hourly Rate</b>  |
|--------------------------------------|---|
| Bickerstaff Heath Delgado Acosta LLP | Attorneys \$215.00 to \$435.00<br>Legal Assistants/Specialists \$175.00 |
| Pirkey Barber PLLC                   | Attorneys \$250.00 to \$700.00<br>Paralegal \$180.00 to \$300.00        |

Funding Source – Expenditures are budgeted in the Legal Services budget for FY 2018 - 2019 and for FY 2019 – 2020, pending board approval of the budget.

Enclosed Documents - The revised Agreements follow in the packet for the Committee's review and information.

Mary Elizondo, Vice President for Finance and Administrative Services, will be present at the May 14, 2019 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the May 28, 2019 Board meeting, the revisions to the current agreements for legal counsel services to include hourly rate of \$250.00 for legal litigation services, \$50.00 and \$80.00 for legal assistants, and reimbursement of out-of-pocket expenses at actual cost for The J. Ramirez Law Firm and to include a change in hourly rate from \$175.00 to \$185.00 for the Guerrero Law Firm. Also, authorize the President to engage legal counsel for special circumstances when either of the two contracted legal counsels must recuse themselves from providing legal services, and to engage legal counsel services for specialized legal needs after consultation with contracted legal counsel, and in accordance to state and federal laws and College policies as presented.

**THE J. RAMIREZ LAW FIRM**  
700 N. Veterans Blvd., Suite B  
San Juan, Texas 78589  
Phone: (956) 502-5424 Fax: (956) 502-5007  
Writer's e-mail address: [ramirezbook@gmail.com](mailto:ramirezbook@gmail.com)

April 12, 2019

**Via Email: [sareed@southtexascollge.edu](mailto:sareed@southtexascollge.edu)**

Dr. Shirley A. Reed  
President  
South Texas College  
3201 W. Pecan Boulevard  
McAllen, Texas 78501

**Re: Legal Services Agreement**

Dear Dr. Reed:

This is our proposal to serve as legal counsel for South Texas College (the "College"). Our firm's services will generally encompass attending board meetings; and upon request, providing legal counsel and guidance to administrative staff on such matters as employment law, personnel matters, procurement procedures and contracts, elections, Texas Open Meetings Act, Texas Open Records Act, construction contracts; representing the College in litigation; and providing other legal work authorized by the board directly or through its administrative staff. This agreement may be terminated by either party by providing 10 day written notice.

Mr. Jesus Ramirez will be primary contact attorney and will also be the attorney attending the monthly board meetings.

Our fees for general counsel services will be \$200.00 per hour and legal assistant fees of \$80.00 for Patty Huerta and \$50.00 for David Cepeda per hour. Our fees for litigation services will be \$250. Our firm will also expect reimbursement of out-of-pocket expenses at actual costs. Usual out-of-pocket expenses generally include photocopies, fax, long-distance telephone calls, postage, Westlaw on-line research and download fees, courier fees for deliveries to third parties on behalf of the College.

We will supply an errors and omission policy for the sum of at least \$1 million. Should a potential conflict arise in our representation of a party, we will advise the College for approval to continue any representation or withdraw from such representation.

If the board should approve this agreement, please signify the board's approval by

signing in the space provided below. A signed copy for our files would be appreciated. We look forward to a successful working relationship with the College.

Please call me if you have any questions.

Very truly yours,

THE J. RAMIREZ LAW FIRM

/s/ Jesus Ramirez\_\_\_\_\_

**APPROVED:**

SOUTH TEXAS COLLEGE

By: \_\_\_\_\_  
Dr. Shirley A. Reed, President

\_\_\_\_\_  
DATE



## LEGAL SERVICES AGREEMENT

This Agreement is made this \_\_\_ day of \_\_\_\_\_, 2019, by and between South Texas College, a political subdivision of the State of Texas, hereafter referred to as “STC”, and the Guerrero Law Firm, hereafter referred to as “Attorney”.

### 1. SCOPE OF SERVICES

STC hereby secures the services of Attorney to perform and render Legal Services to STC. The Attorney agrees to perform legal services related to the following:

- a. Advising the Board of Trustees and the staff of STC on legal matters in the areas of personnel, labor, and employment.
- b. Drafting new policies and amendments to existing policies relating to personnel and other human resources matters, as may be requested by STC Administration, to be submitted to the STC Board for approval and adoption.
- c. Advising the Board of Trustees and the staff of STC on legal matters related to student issues under Title IX and the Family Educational Rights and Privacy Act of 1974.
- d. Assisting STC administration in responding to requests under the Texas Public Information Act related to employee or student information.
- e. Advising or assisting the STC President’s Office with any other matters as may be requested.
- f. Representing STC as a plaintiff or as a defendant in any civil action or civil lawsuit is not included within the Attorney’s scope of services under this Agreement. Any such representation would be the subject of a separate agreement between STC and Attorney.

### 2. ATTORNEY’S DUTIES AND REPRESENTATIONS

- a. STC and Attorney agree and acknowledge that STC is entering into this Agreement in reliance on Attorney’s special abilities. The Attorney accepts the relationship of trust and confidence established between it and STC by this Agreement. Attorney agrees to use its best efforts, skill, judgment and abilities, in accordance with the highest standards of Attorney’s profession or business and in compliance with all applicable laws, regulations, codes, and ordinances.
- b. The Attorney warrants, represents, and agrees that all services to be performed by the Attorney under or pursuant to this Agreement shall be of the standard and quality which prevail among similar businesses and organizations engaged in providing similar services.
- c. The Attorney warrants, represents and agrees that all persons connected with the Attorney directly in charge of services are duly registered and/or licensed under the laws, rules and regulations of any authority having jurisdiction, if so required by such laws, rules and regulations.
- d. Attorney warrants, represents and agrees that all services shall be performed in a minimum of time consistent with the highest customs, standards and practices of Attorney’s business or profession.



may conflict with the services provided to STC, Attorney shall disclose such a relationship to STC. In the event of the such a relationship, STC may retain other legal counsel to represent and advise STC.

12. CERTIFICATION

In accordance with Chapter 2270 of the Texas Government Code, by signature hereon, Attorney certifies that it does not boycott Israel and will not boycott Israel during the term of this Agreement.

IN WITNESS WHEREOF, STC and Attorney have executed this Agreement as of the date first above written.

SOUTH TEXAS COLLEGE:

ATTORNEY:

By: \_\_\_\_\_  
Dr. Shirley A. Reed  
President

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

## **Review and Recommend Action on Revision of Policy and Proposed New Policies**

Approval of revision of policy and proposed new policies will be requested at the May 28, 2019 Board meeting.

Purpose – To revise current policy, to keep policy current and relevant, and to create new policies as needed.

Justification – The request for the revisions to the policy are necessary for the following reason:

### **A. Revise Policy 2200: Legal Counsel**

- To include that the President is authorized to engage legal counsel services for specialized legal needs after consultation with contracted legal counsel, and in accordance to the Purchasing Policies.

The request for the proposed new policies is necessary for the following reasons:

### **B. New Policy 2250: Evaluation of the Internal Auditor**

- The new policy is necessary to document compliance regarding the regular evaluation of non-faculty personnel for the Internal Auditor position, which reports to the Board of Trustees.

### **C. New Policy 4160: Non-Faculty Employee Performance Appraisal**

- The new policy is necessary to comply with the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) new comprehensive Standard 5.5 of the Principles of Accreditation, which calls for an institution to publish and implement policies regarding the appointment, employment, and regular evaluation of non-faculty personnel.

Background – The current Policy #2200: Legal Counsel was last approved by the Board on November 9, 1995 and last amended on November 24, 2015. No policies are in place to address Evaluation of the Internal Auditor and Non-Faculty Employee Performance Appraisal.

Reviewers – The revised policy and new policies have been reviewed by staff, President's Cabinet, President's Administrative Staff, Planning and Development Council (PDC) staff, and/or by Legal Counsel.

Enclosed Documents – The revised policy and the new policies follow in the packet for the Committee's review and information.

The additions to the policies are highlighted in yellow and the deletions are designated with a red strikeout.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the May 28, 2019 Board meeting, the revision of the policy and proposed new policies as presented and which supersede any previously adopted Board policy.

## MANUAL OF POLICY

|                               |  |                    |
|-------------------------------|--|--------------------|
| <b>Title</b>                  | <b>Legal Counsel</b>                                       | <b>2200</b>        |
| <b>Legal Authority</b>        | <b>Approval of the Board of Trustees</b>                   | <b>Page 1 of 1</b> |
| <b>Date Approved by Board</b> | <b>As Amended by Board Minute Order dated May 28, 2019</b> |                    |

### I. Purpose

The purpose of the policy is to provide the roles and responsibilities for the engagement of legal counsel services for the College.

### II. Policy

The Board of Trustees shall retain an attorney(s), as necessary, to serve in the capacity of legal counsel for the College and to represent and advise the Board and Administration on legal matters referred for legal counsel.

The attorney(s) shall be reasonably compensated and shall serve at the pleasure of the Board. The attorney(s) shall be available to handle all legal matters for the Board and the administration of the College, and shall be responsible to the Board. Services to be performed and reasonable compensation to be paid by the Board shall be set forth in a written contract/letter of engagement between the Board and the attorney(s).

Staff requests for legal advice from the College's legal counsel shall be submitted through the College President or designee.

The attorney(s) shall attend Board meetings when requested by the Board or by the President and shall be available for consultation with members of the Board, the President, and individual staff members designated by the President, and shall undertake to represent the Board and the College in all matters referred by the Board and the President.

In addition, the President is authorized to engage legal counsel services for specialized legal needs after consultation with contracted legal counsel, and in accordance with Purchasing Policies.

### III. History

*Origination Date Approved by Board:*

November 9, 1995

*Date Amended and Approved by Board:*

November 24, 2015

May 28, 2019

## MANUAL OF POLICY

|                               |  |             |
|-------------------------------|--|-------------|
| <b>Title</b>                  | <b>Evaluation of the Internal Auditor</b>    | <b>2250</b> |
| <b>Legal Authority</b>        | <b>Approval of the Board of Trustees</b>     |             |
| <b>Date Approved by Board</b> | <b>Board Minute Order dated May 28, 2019</b> |             |

### **I. Purpose**

Performance appraisals are an integral part of the College's ongoing commitment to annually measure the extent to which the employee's performance meets the requirements of their employment and to establish goals for the future; strengthen the relationship between the supervisor and the employee; facilitate clear channels of communication; appraise and recognize performance; identify areas that might require improvement; and assess communication and supervisory skills.

### **II. Policy**

It is the policy of South Texas College that the Board meets in executive session to conduct a performance appraisal of the Internal Auditor annually. In reviewing the performance, the Board provides feedback to the Internal Auditor on observed strengths and any areas needing improvement for the upcoming academic year.

The performance appraisal will be retained at the Office of the President upon completion.

### **III. History**

*Origination Date Approved by Board:*  
May 28, 2019

*Date Amended and Approved by Board:*

## MANUAL OF POLICY

|                               |  |             |
|-------------------------------|--|-------------|
| <b>Title</b>                  | <b>Non-Faculty Performance Appraisal</b>     | <b>4160</b> |
| <b>Legal Authority</b>        | <b>Approval of the Board of Trustees</b>     |             |
| <b>Date Approved by Board</b> | <b>Board Minute Order dated May 28, 2019</b> |             |

### **I. Purpose**

Performance appraisals are an integral part of the College's ongoing commitment to annually measure the extent to which the employee's performance meets the requirements of their employment and to establish goals for the future; strengthen the relationship between the supervisor and the employee; facilitate clear channels of communication; appraise and recognize performance; identify areas that might require improvement; and assess communication and supervisory skills.

### **II. Policy**

It is the policy of South Texas College to provide a process for performance appraisal of full-time non-faculty personnel. Full-time non-faculty personnel include Classified, Professional Support, Administrative, and Executive positions. Each non-faculty full time employee shall be evaluated annually in accordance with the established guidelines and procedures as maintained by the Office of Human Resources and approved by the President. Performance appraisals will be retained at the Office of Human Resources upon completion.

Performance appraisals are expected to be a fair, accurate, and complete reflection of the employee's performance. If an employee disagrees with the performance appraisal, the employee may submit a statement within three (3) business days of the performance appraisal meeting and the statement will be attached to the performance appraisal to be included in the employee's personnel file. The employee may also elect to submit a grievance as per Policy #4904 Employee Complainant Procedure.

Faculty appraisals will follow the Faculty Evaluation procedures as per Policy #3812 Faculty Evaluation.

The President's appraisal will follow Policy #2140 Evaluation of the President.

The Internal Auditor's appraisal will follow Policy #2250 Evaluation of the Internal Auditor.

### **III. History**

*Origination Date Approved by Board:*  
May 28, 2019

*Date Amended and Approved by Board:*