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# **Project Corpus Christi Energy Park by Bootstrap Energy LLC**



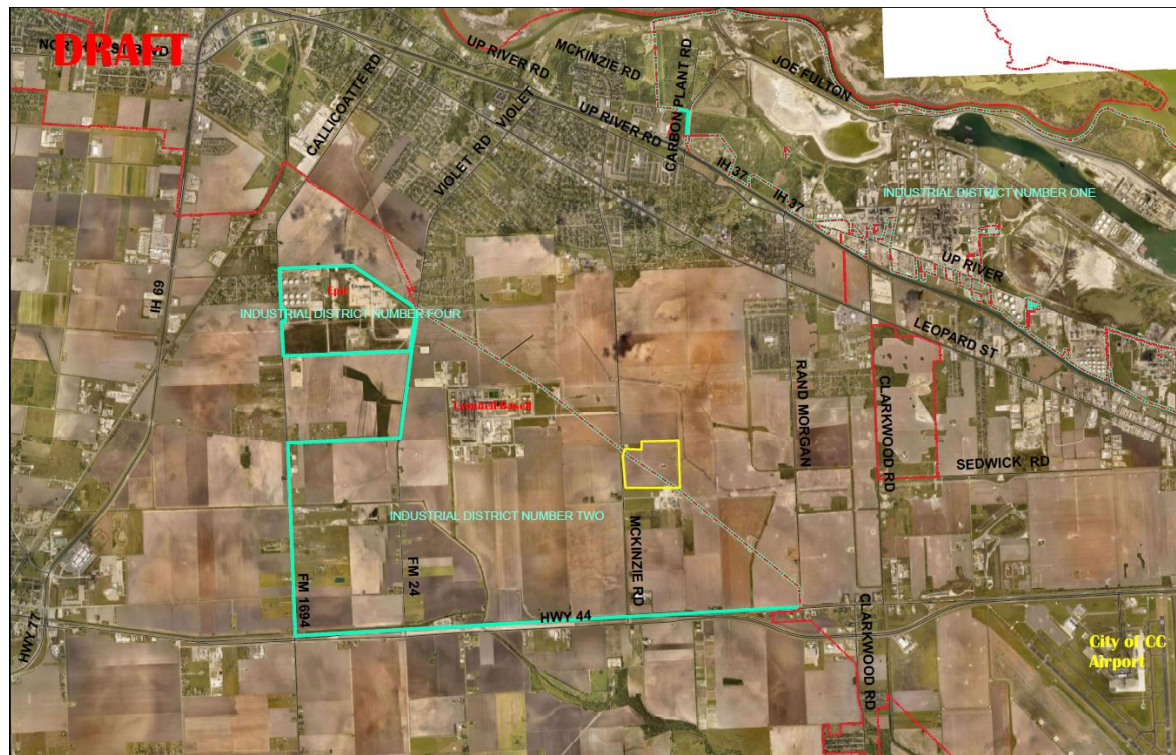
## Industrial District No. 2



## Legal Description: ID#2

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- Approximately 4157 acres of land within Nueces County, Texas, outside the city limits of the City of Corpus Christi





## Industrial District No.2

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- Created on December 17, 1980, under Ordinance No. 15898
- Revised on September 17, 2013, under Ordinance No. 029958
- Purposes include:
  - Support orderly economic growth that increases the standard of living of the community and its citizens and improves the quality of life
  - The City of Corpus Christi has a number of industries located within its extraterritorial jurisdiction and near its city limits
  - Some industries make limited use certain municipal services provided by the City of Corpus Christi
  - City Council is of the opinion that such industries should compensate the City for the benefits received, both direct and indirect, from City services
  - Serves as a policy to adopt such reasonable measures as are permitted by law and which will tend to enhance the economic stability and growth of the City and its environs by attracting the location of new and the expansion of old industries



# The Company



## **Bootstrap Energy: Who We Are, What We Do**

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- Master developers of grid connected energy facilities in ERCOT
- Experts in site selection, development, design, construction and asset management
- Main focus on energy supply and grid resilience, low- and zero-carbon supply resources
- Project Developer, Owner's Representative and PM/CM Services
- Founders have combined 60 years in engineering and power generation/renewables
- Bootstrap principals have been developing and building throughout ERCOT since 2014
- Bootstrap Headquarters are located in Dallas, Texas



# The Project





## Phase 1 Project Summary

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- Total Development of 114 – Acre tract of land (per survey)
- Consists of 33.5 acres
- Located in Industrial District #2
- Bootstrap will construct a 300 MW substation on part of the 33.5 acres
- Compute North will build, own and operate all containers (approximately 150 containers) – 2 MW per container
- Compute North will own the containers and rack space that will house computers owned by its cryptocurrency mining clients



## Infrastructure Investment

Description	Phase-1	Phase-2	Total Value
Substation (Hight to Medium Voltage)	10,000,000	10,000,000	20,000,000
Power Distribution (Medium to Low Voltage)	25,250,000	25,250,000	50,500,000
Land Improvements (civil construction)	7,500,000	7,500,000	15,000,000
Facilities (buildings, cooling)	22,500,000	22,500,000	45,000,000
<b>Real Property</b>	<b>65,250,000</b>	<b>65,250,000</b>	<b>130,500,000</b>

Description	Phase-1	Phase-2	Total Value
ASIC computers	500,000,000	500,000,000	1,000,000,000
<b>Business Personal Property</b>	<b>500,000,000</b>	<b>500,000,000</b>	<b>1,000,000,000</b>

*The investment numbers aren't proportional to land acreage.*



# The Site



## Corpus Christi Site Benefits

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- The property has three high voltage lines crossing it having a collective 1,189 MW of rated power flow capability (570MW available to us on a firm basis)
  - These circuits emanate from one of the largest power hubs in South Texas, the retired Lon C. Hill Power Plant (559MW) has eighteen high voltage circuits in and out of the station. AEP's state-of-the-art control center is located here
  - There are two gas-fired 600 MW power plants located at Nueces Bay and Barney M. Davis on the intracoastal
  - Over 1,000 MW of wind power on either side of the bay
  - There are two 500MW gas-fired power plants in Ingleside and Gregory
  - These gas-fired generators generally run only in summer and occasionally in an extreme winter situation
  - The McKinzie Road site is one of the most robust areas on the Texas power grid with very high historical reliability (including during Hurricane Harvey)
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## **Bootstrap's Request**



## Project Requests of the City: Phase 1 – Located in ID#2

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Standard IDA Terms	Negotiated IDA Terms
<ul style="list-style-type: none"><li>• 100% PILOT on Land</li><li>• 62.5% PILOT for Improvements beginning at Years</li><li>• 0% PILOT on Business Personal Property at Year 5</li></ul>	<ul style="list-style-type: none"><li>• 100% PILOT on Land</li><li>• 62.5% PILOT for Improvements beginning at Year 3</li><li>• 100% PILOT on Business Personal Property beginning in Year 1</li></ul>



## **Project Requests of the City: Phase 2 – Located in City Limits outside ID#2**

<b>Standard IDA Terms</b>	<b>Negotiated IDA Terms</b>
<ul style="list-style-type: none"><li>• 100% on Land</li><li>• 100% on Improvements beginning in Year 1</li><li>• 100% on Business Personal Property beginning in Year 1</li></ul>	<ul style="list-style-type: none"><li>• 100% on Land</li><li>• 100% on Improvements beginning in Year 1</li><li>• 100% on Business Personal Property beginning in Year 1</li></ul>





## Default Terms

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- Bootstrap Energy LLC agrees to include a petition for annexation for Phase 2 IDA that becomes effective if a default occurs, which would allow for the voluntary annexation of the 75.58-acre tract of land to the City



# Financial Analysis



## Project Jobs/Phase

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\*Expect 35 jobs for each site:

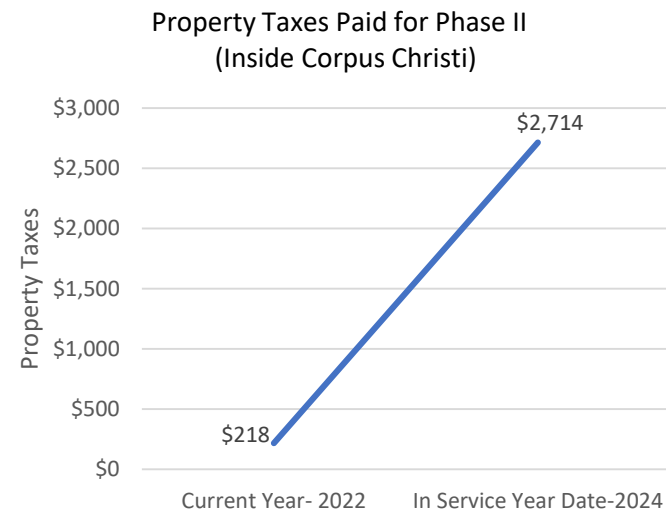
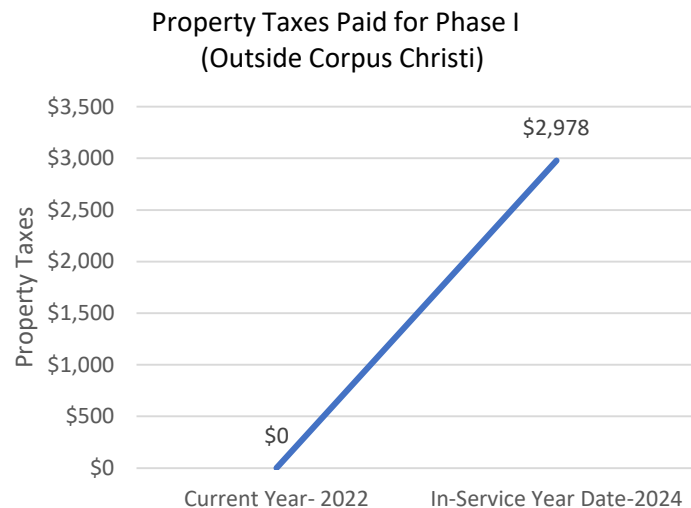
1- Site Manager	\$130,000
2- Electricians	\$54,088
1-Telecommunications Tech	\$70,344
31 IT Techs	\$43,771
 Average Wage	 \$47,583

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*\*Jobs created will be employees of Compute North*



## Estimate Property Taxes – Land per NCAD





## Revenue Projections: Bootstrap Energy Proposal

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### IDA 110 - OUTSIDE CITY LIMITS

- Property location for IDA 110 is outside the city limits in Industrial District #2
- Current Land market value: \$460,816; Ag/Timber Use Value: \$15,682
- Current City of Corpus Christi property taxes on ag value: \$0
- Adjusted for S/L Depreciation of 200,000 units for 5-year useful life
- Property ID: 383009

### IDA 110 B – INSIDE CITY LIMITS

- Property location for IDA 110B is in the city limits
- Current Land market value: \$419,922; Ag/Timber Use Value: \$33,675
- Current City of Corpus Christi property taxes on ag value: \$218
- Values for Land Adjusted based on 3-year recapture in year 2 only
- Property ID: 185957



## Revenue Projections: Bootstrap Energy Proposal

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
IDA 110- Outside City Limits	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Land Value	\$-	\$2,978	\$3,082	\$ 3,190	\$ 3,302	\$3,417	\$3,537	\$3,660	\$3,789	\$3,921
Value of Improvements	\$-	\$-	\$-	\$271,734	\$281,244	\$291,088	\$301,276	\$311,821	\$322,735	\$334,030
Value of Personal Property	\$-	\$-	\$1,682,985	\$1,393,518	\$1,093,920	\$1,741,889	\$1,454,484	\$1,157,020	\$849,144	\$530,493
	\$-	\$2,978	\$1,686,067	\$1,668,442	\$1,378,466	\$2,036,394	\$1,759,297	\$1,472,501	\$1,175,668	\$868,445

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Development Inside City Limits	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Land Value	\$218	\$8,141	\$2,809	\$ 2,907	\$ 3,009	\$3,114	\$3,223	\$3,336	\$3,453	\$3,574
Value of Improvements	\$ -	\$ -	\$420,072	\$434,774	\$449,991	\$465,741	\$482,042	\$498,913	\$516,375	\$534,448
Value of Personal Property			\$2,692,775	\$2,229,629	\$1,750,272	\$2,787,022	\$2,327,174	\$1,851,232	\$1,358,631	\$848,789
Sales Tax	\$-	\$1,497,960	\$1,497,960	\$1,497,960	\$ 1,497,960	\$ 1,497,960	\$ 1,497,960	\$ 1,497,960	\$ 1,497,960	\$1,497,960
Franchise Fees		\$6,335,871	\$6,335,871	\$6,335,871	\$6,335,871	\$6,335,871	\$6,335,871	\$6,335,871	\$6,335,871	\$6,335,871
	\$218	\$7,841,973	\$10,949,487	\$10,501,141	\$10,037,103	\$11,089,709	\$10,646,271	\$10,187,312	\$9,712,291	\$9,220,643

Totals	\$218	\$7,841,973	\$12,635,554	\$12,169,583	\$11,415,569	\$13,126,103	\$12,405,568	\$11,659,814	\$10,887,958	\$10,089,088
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## Revenue Projections: Bootstrap Energy Proposal

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
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Value of Improvements	\$-	\$-	\$-	\$271,734	\$281,244	\$291,088	\$301,276	\$311,821	\$322,735	\$334,030
Value of Personal Property	\$-	\$-	\$1,682,985	\$1,393,518	\$1,093,920	\$1,741,889	\$1,454,484	\$1,157,020	\$849,144	\$530,493
	\$-	\$2,978	\$1,686,067	\$1,668,442	\$1,378,466	\$2,036,394	\$1,759,297	\$1,472,501	\$1,175,668	\$868,445

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
IDA 110B – Inside City Limits	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Land Value	\$218	\$8,141	\$2,809	\$ 2,907	\$ 3,009	\$3,114	\$3,223	\$3,336	\$3,453	\$3,574
Value of Improvements	\$ -	\$ -	\$420,072	\$434,774	\$449,991	\$465,741	\$482,042	\$498,913	\$516,375	\$534,448
Value of Personal Property			\$2,692,775	\$2,229,629	\$1,750,272	2,787,022	\$2,327,174	\$1,851,232	\$1,358,631	\$848,789
	\$218	\$8,141	\$3,115,655	\$2,667,310	\$2,203,272	\$3,255,877	\$2,812,439	\$2,353,481	\$1,878,459	\$1,386,811

Totals	\$218	\$11,119	\$4,801,722	\$4,335,751	\$3,581,738	\$5,292,271	\$4,571,736	\$3,825,982	\$3,054,126	\$2,255,256
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## Summary of Financial Analysis

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Both Phases in ID 2	PH 1 in ID and PH 2 in City Limits
<ul style="list-style-type: none"><li>Projected Revenue over 10 years Totals <b>\$102,231,427</b></li><li>10 Year Average \$10,223,143</li></ul>	<ul style="list-style-type: none"><li>Projected Revenue over 10 years Totals <b>\$31,729,918</b></li><li>10 Year Average \$3,172,992</li></ul>

***Having the Development with two IDAs gives maximum tax relief that equates to a property tax, sales tax and franchise fee reduction of \$70,501,509 over a 10 year period or \$7,050,151 a year.***





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## Staff Recommendation