



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

February 18, 2016

AMENDED CERTIFICATION

John Ramos  
Superintendent  
Lamesa Independent School District  
PO Box 261  
Lamesa, Texas 79331-5442

Dear Superintendent Ramos:

This application (Application #1033) was originally submitted on October 21, 2014, to the Lamesa Independent School District (the school district) by BNB Lamesa Solar, LLC (the applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>[1]</sup>. On November 18, 2014, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a Certificate for a limitation on appraised value on February 16, 2015. The applicant and school district executed an agreement for a limitation on appraised value (the agreement) on September 7, 2015.

On February 4, 2016, the Comptroller received an amendment to the agreement. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

**Determination required by 313.025(h)**

The information provided by the applicant related to eligibility has not changed and therefore, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

**Certificate decision required by 313.025(d)**

**Determination required by 313.026(c)(1)**

Based on the amended information provided by the applicant, the Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue

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

lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The information provided by the applicant related to the limitation on appraised value as a determining factor has not changed and therefore, the Comptroller has determined that the applicant meets the requirement.

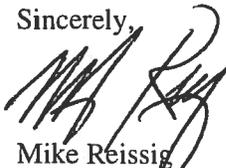
Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value for the amendment.

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the amendment to the agreement within a year from the date of this letter.

Should you have any questions, please contact Korry Castillo, Director, Data Analysis & Transparency, by email at [korry.castillo@cpa.texas.gov](mailto:korry.castillo@cpa.texas.gov) or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig  
Deputy Comptroller

Enclosure

cc: Korry Castillo

### Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller’s amended economic impact analysis of BNB Lamesa Solar, LLC (the project) applying to Lamesa Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

**Table 1** is a summary of investment, employment and tax impact of BNB Lamesa Solar, LLC.

Applicant	BNB Lamesa Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Lamesa ISD
2011-12 Enrollment in School District	2,046
County	Dawson
Proposed Total Investment in District	\$161,846,000
Proposed Qualified Investment	\$162,846,000
Limitation Amount	\$20,000,000
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	1
Average weekly wage of qualifying jobs committed to by applicant	\$786
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$726
Minimum annual wage committed to by applicant for qualified jobs	\$40,900
Minimum weekly wage required for non-qualifying jobs	\$840
Minimum annual wage required for non-qualifying jobs	\$43,672
Investment per Qualifying Job	\$81,423,000
Estimated M&O levy without any limit (15 years)	\$12,252,034
Estimated M&O levy with Limitation (15 years)	\$3,893,824
Estimated gross M&O tax benefit (15 years)	\$8,358,210
<i>* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).</i>	

**Table 2** is the estimated statewide economic impact of BNB Lamesa Solar, LLC (modeled).

Source: CPA, REMI, BNB Lamesa Solar, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	0	0	0	\$0	\$0	\$0
2016	170	23	193.359	\$0	\$2,563,477	\$2,563,477
2017	33	59	92	\$1,359,720	\$4,621,725	\$5,981,445
2018	3	38	41	\$0	\$3,417,969	\$3,417,969
2019	3	22	25	\$0	\$2,441,406	\$2,441,406
2020	3	13	16	\$0	\$1,953,125	\$1,953,125
2021	3	9	12	\$0	\$1,586,914	\$1,586,914
2022	3	7	10	\$0	\$1,342,773	\$1,342,773
2023	3	7	10	\$0	\$1,220,703	\$1,220,703
2024	3	3	6	\$0	\$854,492	\$854,492
2025	3	7	10	\$0	\$732,422	\$732,422
2026	3	3	6	\$0	\$488,281	\$488,281
2027	3	5	8	\$0	\$732,422	\$732,422
2028	3	3	6	\$0	\$244,141	\$244,141
2029	3	(1)	2	\$0	\$732,422	\$732,422

**Table 3** examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Lamesa ISD I&S Tax Levy	Lamesa ISD M&O Tax Levy	Lamesa ISD M&O and I&S Tax Levies	Dawson County Tax Levy	Dawson County Hospital Tax Levy	City of Lamesa Tax Levy	Mesa Underground Water Conservation Tax Levy	Estimated Total Property Taxes	
			0.0000	1.1700			0.5258	0.1666	0.7243	0.0160		
2016	\$ -	\$ -		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2017	\$ 66,128,400	\$ 66,128,400		\$0	\$773,702	\$773,702	\$347,722	\$110,144	\$478,968	\$10,581	\$1,721,117	
2018	\$ 149,873,470	\$ 149,873,470		\$0	\$1,753,520	\$1,753,520	\$788,077	\$249,631	\$1,085,534	\$23,980	\$3,900,740	
2019	\$ 136,911,163	\$ 136,911,163		\$0	\$1,601,861	\$1,601,861	\$719,917	\$228,041	\$991,648	\$21,906	\$3,563,372	
2020	\$ 123,949,075	\$ 123,949,075		\$0	\$1,450,204	\$1,450,204	\$651,759	\$206,451	\$897,763	\$19,832	\$3,226,009	
2021	\$ 109,368,743	\$ 109,368,743		\$0	\$1,279,614	\$1,279,614	\$575,091	\$182,166	\$792,158	\$17,499	\$2,846,528	
2022	\$ 94,788,624	\$ 94,788,624		\$0	\$1,109,027	\$1,109,027	\$498,425	\$157,881	\$686,554	\$15,166	\$2,467,053	
2023	\$ 80,208,715	\$ 80,208,715		\$0	\$938,442	\$938,442	\$421,760	\$133,596	\$580,952	\$12,833	\$2,087,583	
2024	\$ 64,010,553	\$ 64,010,553		\$0	\$748,923	\$748,923	\$336,585	\$106,617	\$463,628	\$10,242	\$1,665,996	
2025	\$ 49,431,053	\$ 49,431,053		\$0	\$578,343	\$578,343	\$259,922	\$82,333	\$358,029	\$7,909	\$1,286,537	
2026	\$ 39,707,135	\$ 39,707,135		\$0	\$464,573	\$464,573	\$208,791	\$66,137	\$287,599	\$6,353	\$1,033,453	
2027	\$ 33,220,333	\$ 33,220,333		\$0	\$388,678	\$388,678	\$174,682	\$55,332	\$240,615	\$5,315	\$864,622	
2028	\$ 33,207,566	\$ 33,207,566		\$0	\$388,529	\$388,529	\$174,615	\$55,311	\$240,522	\$5,313	\$864,290	
2029	\$ 33,194,991	\$ 33,194,991		\$0	\$388,381	\$388,381	\$174,549	\$55,290	\$240,431	\$5,311	\$863,962	
2030	\$ 33,182,604	\$ 33,182,604		\$0	\$388,236	\$388,236	\$174,483	\$55,269	\$240,342	\$5,309	\$863,640	
						<b>Total</b>	<b>\$12,252,034</b>	<b>\$5,506,378</b>	<b>\$1,744,198</b>	<b>\$7,584,742</b>	<b>\$167,549</b>	<b>\$27,254,902</b>

Source: CPA, BNB Lamesa Solar, LLC

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

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Dawson County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with Dawson County and the County Hospital.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Lamesa ISD I&S Tax Levy	Lamesa ISD M&O Tax Levy	Lamesa ISD M&O and I&S Tax Levies	Dawson County Tax Levy	Dawson County Hospital Tax Levy	City of Lamesa Tax Levy	Mesa Underground Water Conservation Tax Levy	Estimated Total Property Taxes	
				0.0000	1.1700		0.5258	0.1666	0.7243	0.0160		
2016	\$ -	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2017	\$ 66,128,400	\$20,000,000		\$0	\$234,000	\$234,000	\$347,722	\$110,144	\$478,968	\$10,581	\$1,181,414	
2018	\$ 149,873,470	\$20,000,000		\$0	\$234,000	\$234,000	\$472,846	\$149,778	\$1,085,534	\$23,980	\$1,966,138	
2019	\$ 136,911,163	\$20,000,000		\$0	\$234,000	\$234,000	\$431,950	\$136,824	\$991,648	\$21,906	\$1,816,328	
2020	\$ 123,949,075	\$20,000,000		\$0	\$234,000	\$234,000	\$391,055	\$123,870	\$897,763	\$19,832	\$1,666,521	
2021	\$ 109,368,743	\$20,000,000		\$0	\$234,000	\$234,000	\$345,055	\$109,299	\$792,158	\$17,499	\$1,498,011	
2022	\$ 94,788,624	\$20,000,000		\$0	\$234,000	\$234,000	\$299,055	\$94,729	\$686,554	\$15,166	\$1,329,504	
2023	\$ 80,208,715	\$20,000,000		\$0	\$234,000	\$234,000	\$253,056	\$80,158	\$580,952	\$12,833	\$1,160,999	
2024	\$ 64,010,553	\$20,000,000		\$0	\$234,000	\$234,000	\$201,951	\$63,970	\$463,628	\$10,242	\$973,791	
2025	\$ 49,431,053	\$20,000,000		\$0	\$234,000	\$234,000	\$155,953	\$49,400	\$358,029	\$7,909	\$805,291	
2026	\$ 39,707,135	\$20,000,000		\$0	\$234,000	\$234,000	\$125,275	\$39,682	\$287,599	\$6,353	\$692,909	
2027	\$ 33,220,333	\$33,220,333		\$0	\$388,678	\$388,678	\$104,809	\$33,199	\$240,615	\$5,315	\$772,616	
2028	\$ 33,207,566	\$33,207,566		\$0	\$388,529	\$388,529	\$174,615	\$55,311	\$240,522	\$5,313	\$864,290	
2029	\$ 33,194,991	\$33,194,991		\$0	\$388,381	\$388,381	\$174,549	\$55,290	\$240,431	\$5,311	\$863,962	
2030	\$ 33,182,604	\$33,182,604		\$0	\$388,236	\$388,236	\$174,483	\$55,269	\$240,342	\$5,309	\$863,640	
						<b>Total</b>	<b>\$3,893,824</b>	<b>\$3,652,374</b>	<b>\$1,156,924</b>	<b>\$7,584,742</b>	<b>\$167,549</b>	<b>\$16,455,414</b>
						<b>Diff</b>	<b>\$8,358,210</b>	<b>\$1,854,004</b>	<b>\$587,273</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,799,487</b>

Source: CPA, BNB Lamesa Solar, LLC

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

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

## Attachment B – Tax Revenue over 25 Years

This represents the Comptroller’s determination that BNB Lamesa Solar, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2017	\$234,000	\$234,000	\$539,702	\$539,702
	2018	\$234,000	\$468,000	\$1,519,520	\$2,059,222
	2019	\$234,000	\$702,000	\$1,367,861	\$3,427,082
	2020	\$234,000	\$936,000	\$1,216,204	\$4,643,287
	2021	\$234,000	\$1,170,000	\$1,045,614	\$5,688,901
	2022	\$234,000	\$1,404,000	\$875,027	\$6,563,928
	2023	\$234,000	\$1,638,000	\$704,442	\$7,268,370
	2024	\$234,000	\$1,872,000	\$514,923	\$7,783,293
	2025	\$234,000	\$2,106,000	\$344,343	\$8,127,637
	2026	\$234,000	\$2,340,000	\$230,573	\$8,358,210
<b>Maintain Viable Presence (5 Years)</b>	2027	\$388,678	\$2,728,678	\$0	\$8,358,210
	2028	\$388,529	\$3,117,206	\$0	\$8,358,210
	2029	\$388,381	\$3,505,588	\$0	\$8,358,210
	2030	\$388,236	\$3,893,824	\$0	\$8,358,210
	2031	\$388,094	\$4,281,918	\$0	\$8,358,210
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2032	\$387,953	\$4,669,871	\$0	\$8,358,210
	2033	\$387,815	\$5,057,686	\$0	\$8,358,210
	2034	\$387,678	\$5,445,364	\$0	\$8,358,210
	2035	\$387,544	\$5,832,908	\$0	\$8,358,210
	2036	\$387,411	\$6,220,319	\$0	\$8,358,210
	2037	\$387,281	\$6,607,600	\$0	\$8,358,210
	2038	\$387,153	\$6,994,753	\$0	\$8,358,210
	2039	\$387,026	\$7,381,779	\$0	\$8,358,210
	2040	\$386,902	\$7,768,680	\$0	\$8,358,210
	2041	\$386,779	\$8,155,459	\$0	\$8,358,210

**\$8,155,459**

is less than

**\$8,358,210**

### Analysis Summary

Is the project reasonably likely to generate school M&O tax revenue in an amount sufficient to offset the school M&O levy loss as a result of the limitation agreement within a 25 year time period?

No

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, BNB Lamesa Solar, LLC

**Employment Indirect and Induced Tax Effects**

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	0	0	0	\$0	\$0	\$0	0	0	\$0
2016	170	23	193.359	\$0	\$2,563,477	\$2,563,477	312805.2	-343322.8	\$656,128
2017	33	59	92	\$1,359,720	\$4,621,725	\$5,981,445	389099.1	-22888.2	\$411,987
2018	3	38	41	\$0	\$3,417,969	\$3,417,969	259399.4	129699.7	\$129,700
2019	3	22	25	\$0	\$2,441,406	\$2,441,406	213623	167846.7	\$45,776
2020	3	13	16	\$0	\$1,953,125	\$1,953,125	175476.1	175476.1	\$0
2021	3	9	12	\$0	\$1,586,914	\$1,586,914	152587.9	175476.1	-\$22,888
2022	3	7	10	\$0	\$1,342,773	\$1,342,773	99182.1	160217.3	-\$61,035
2023	3	7	10	\$0	\$1,220,703	\$1,220,703	106811.5	152587.9	-\$45,776
2024	3	3	6	\$0	\$854,492	\$854,492	114440.9	129699.7	-\$15,259
2025	3	7	10	\$0	\$732,422	\$732,422	99182.1	99182.1	\$0
2026	3	3	6	\$0	\$488,281	\$488,281	114440.9	91552.7	\$22,888
2027	3	5	8	\$0	\$732,422	\$732,422	76293.9	53405.8	\$22,888
2028	3	3	6	\$0	\$244,141	\$244,141	68664.6	53405.8	\$15,259
2029	3	(1)	2	\$0	\$732,422	\$732,422	83923.3	45776.4	\$38,147
2030	3	1	4	\$0	\$244,141	\$244,141	99182.1	30517.6	\$68,665
2031	3	1	4	\$0	\$488,281	\$488,281	53405.8	0	\$53,406
2032	3	3	6	\$0	\$488,281	\$488,281	68664.6	15258.8	\$53,406
2033	3	1	4	\$0	\$244,141	\$244,141	53405.8	-7629.4	\$61,035
2034	3	1	4	\$0	\$488,281	\$488,281	15258.8	-7629.4	\$22,888
2035	3	3	6	\$0	\$488,281	\$488,281	38147	-7629.4	\$45,776
2036	3	5	8	\$0	\$488,281	\$488,281	22888.2	-22888.2	\$45,776
2037	3	1	4	\$0	\$732,422	\$732,422	61035.2	-22888.2	\$83,923
2038	3	5	8	\$0	\$732,422	\$732,422	76293.9	-7629.4	\$83,923
2039	3	9	12	\$0	\$976,563	\$976,563	76293.9	-38147	\$114,441
2040	3	5	8	\$0	\$1,220,703	\$1,220,703	91552.7	-61035.2	\$152,588
2041	3	11	14	\$0	\$1,220,703	\$1,220,703	76293.9	-45776.4	\$122,070
2042	0	6	6	\$0	\$732,422	\$732,422	76293.9	7629.4	\$68,665
						<b>Total</b>	<b>\$3,074,646</b>	<b>\$900,269</b>	<b>\$2,174,377</b>
							<b>\$10,329,836</b>	is greater than	<b>\$8,358,210</b>

**Analysis Summary**

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

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