



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 9, 2016

Albert Pena  
Superintendent  
San Perlita Independent School District  
13937 FM 22098  
San Perlita, Texas 78590

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between San Perlita Independent School District and Magic Valley Wind Farm II, LLC, Application 1123

Dear Superintendent Pena:

On August 11, 2016, the Comptroller issued written notice that Magic Valley Wind Farm II, LLC (applicant) submitted a completed application (Application 1123) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted on August 11, 2015, to the San Perlita Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application 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)**

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application 1123.

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

Based on the information provided by the applicant, 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)

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 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 Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

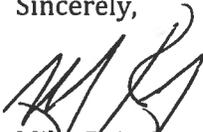
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed 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 agreement by December 31, 2016.

Note that any building or improvement existing as of the application review start date of August 11, 2016, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at [will.counihan@cpa.texas.gov](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,



Mike Reissig  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Magic Valley Wind Farm II, LLC (the project) applying to San Perlita 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 Magic Valley Wind Farm II, LLC.

Applicant	Magic Valley Wind Farm II, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	San Perlita ISD
Estimated 2014-2015 Average Daily Attendance	258
County	Willacy County
Proposed Total Investment in District	\$219,640,000
Proposed Qualified Investment	\$219,640,000
Limitation Amount	\$15,000,000
Qualifying Time Period (Full Years)	2017-2018
Number of new qualifying jobs committed to by applicant *	5
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$700
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$644
Minimum annual wage committed to by applicant for qualified jobs	\$36,408
Minimum weekly wage required for non-qualifying jobs	\$644
Minimum annual wage required for non-qualifying jobs	\$33,502
Investment per Qualifying Job	\$43,928,000
Estimated M&O levy without any limit (15 years)	\$23,525,640
Estimated M&O levy with Limitation (15 years)	\$7,253,580
Estimated gross M&O tax benefit (15 years)	\$16,272,060
<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 Magic Valley Wind Farm II, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	0	1,354	1,354	\$0	\$80,566,410	\$80,566,410
2017	176	1,178	1354.5	\$8,786,408	\$71,780,002	\$80,566,410
2018	5	970	975	\$182,040	\$64,759,370	\$64,941,410
2019	5	901	906	\$182,040	\$65,491,790	\$65,673,830
2020	5	823	828	\$182,040	\$64,759,370	\$64,941,410
2021	5	743	748	\$182,040	\$62,317,960	\$62,500,000
2022	5	661	666	\$182,040	\$59,022,060	\$59,204,100
2023	5	587	592	\$182,040	\$55,359,950	\$55,541,990
2024	5	518	523	\$182,040	\$52,430,260	\$52,612,300
2025	5	466	471	\$182,040	\$48,768,160	\$48,950,200
2026	5	413	418	\$182,040	\$45,350,190	\$45,532,230
2027	5	366	371	\$182,040	\$42,298,430	\$42,480,470
2028	5	315	320	\$182,040	\$38,636,320	\$38,818,360
2029	5	274	279	\$182,040	\$35,218,350	\$35,400,390
2030	5	239	244	\$182,040	\$31,800,380	\$31,982,420

Source: CPA REMI, Magic Valley Wind Farm II, LLC

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

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives								
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	San Perlita ISD I&S Tax Levy	San Perlita ISD M&O Tax Levy	San Perlita ISD M&O and I&S Tax Levies	Willacy County Tax Levy	Estimated Total Property Taxes
				0.2698	1.0600		0.7175	
2018	\$ 205,500,000	\$ 205,500,000		\$554,439	\$2,178,300	\$2,732,739	\$1,474,463	\$4,207,202
2019	\$ 197,280,000	\$ 197,280,000		\$532,261	\$2,091,168	\$2,623,429	\$1,415,484	\$4,038,913
2020	\$ 189,060,000	\$ 189,060,000		\$510,084	\$2,004,036	\$2,514,120	\$1,356,506	\$3,870,625
2021	\$ 180,840,000	\$ 180,840,000		\$487,906	\$1,916,904	\$2,404,810	\$1,297,527	\$3,702,337
2022	\$ 172,620,000	\$ 172,620,000		\$465,729	\$1,829,772	\$2,295,501	\$1,238,549	\$3,534,049
2023	\$ 164,400,000	\$ 164,400,000		\$443,551	\$1,742,640	\$2,186,191	\$1,179,570	\$3,365,761
2024	\$ 156,180,000	\$ 156,180,000		\$421,374	\$1,655,508	\$2,076,882	\$1,120,592	\$3,197,473
2025	\$ 147,960,000	\$ 147,960,000		\$399,196	\$1,568,376	\$1,967,572	\$1,061,613	\$3,029,185
2026	\$ 139,740,000	\$ 139,740,000		\$377,019	\$1,481,244	\$1,858,263	\$1,002,635	\$2,860,897
2027	\$ 131,520,000	\$ 131,520,000		\$354,841	\$1,394,112	\$1,748,953	\$943,656	\$2,692,609
2028	\$ 123,300,000	\$ 123,300,000		\$332,663	\$1,306,980	\$1,639,643	\$884,678	\$2,524,321
2029	\$ 115,080,000	\$ 115,080,000		\$310,486	\$1,219,848	\$1,530,334	\$825,699	\$2,356,033
2030	\$ 106,860,000	\$ 106,860,000		\$288,308	\$1,132,716	\$1,421,024	\$766,721	\$2,187,745
2031	\$ 98,640,000	\$ 98,640,000		\$266,131	\$1,045,584	\$1,311,715	\$707,742	\$2,019,457
2032	\$ 90,420,000	\$ 90,420,000		\$243,953	\$958,452	\$1,202,405	\$648,764	\$1,851,169
			<b>Total</b>	<b>\$5,987,941</b>	<b>\$23,525,640</b>	<b>\$29,513,581</b>	<b>\$15,924,195</b>	<b>\$45,437,776</b>

Source: CPA, Magic Valley Wind Farm II, 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 Willacy 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 Willacy County.

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

<b>Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought</b>								
<b>Year</b>	<b>Estimated Taxable Value for I&amp;S</b>	<b>Estimated Taxable Value for M&amp;O</b>		<b>San Perlita ISD I&amp;S Tax Levy</b>	<b>San Perlita ISD M&amp;O Tax Levy</b>	<b>San Perlita ISD M&amp;O and I&amp;S Tax Levies</b>	<b>Willacy County Tax Levy</b>	<b>Estimated Total Property Taxes</b>
			<b>Tax Rate<sup>1</sup></b>	<b>0.2698</b>	<b>1.0600</b>		<b>0.7175</b>	
2018	\$205,500,000	\$15,000,000		\$554,439	\$159,000	\$713,439	\$221,169	\$934,608
2019	\$197,280,000	\$15,000,000		\$532,261	\$159,000	\$691,261	\$212,323	\$903,584
2020	\$189,060,000	\$15,000,000		\$510,084	\$159,000	\$669,084	\$203,476	\$872,560
2021	\$180,840,000	\$15,000,000		\$487,906	\$159,000	\$646,906	\$194,629	\$841,535
2022	\$172,620,000	\$15,000,000		\$465,729	\$159,000	\$624,729	\$185,782	\$810,511
2023	\$164,400,000	\$15,000,000		\$443,551	\$159,000	\$602,551	\$176,936	\$779,487
2024	\$156,180,000	\$15,000,000		\$421,374	\$159,000	\$580,374	\$168,089	\$748,462
2025	\$147,960,000	\$15,000,000		\$399,196	\$159,000	\$558,196	\$159,242	\$717,438
2026	\$139,740,000	\$15,000,000		\$377,019	\$159,000	\$536,019	\$150,395	\$686,414
2027	\$131,520,000	\$15,000,000		\$354,841	\$159,000	\$513,841	\$141,548	\$655,389
2028	\$123,300,000	\$123,300,000		\$332,663	\$1,306,980	\$1,639,643	\$884,678	\$2,524,321
2029	\$115,080,000	\$115,080,000		\$310,486	\$1,219,848	\$1,530,334	\$825,699	\$2,356,033
2030	\$106,860,000	\$106,860,000		\$288,308	\$1,132,716	\$1,421,024	\$766,721	\$2,187,745
2031	\$98,640,000	\$98,640,000		\$266,131	\$1,045,584	\$1,311,715	\$707,742	\$2,019,457
2032	\$90,420,000	\$90,420,000		\$243,953	\$958,452	\$1,202,405	\$648,764	\$1,851,169
			<b>Total</b>	<b>\$5,987,941</b>	<b>\$7,253,580</b>	<b>\$13,241,521</b>	<b>\$5,647,191</b>	<b>\$18,888,713</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$16,272,060</b>	<b>\$16,272,060</b>	<b>\$10,277,004</b>	<b>\$26,549,064</b>

Source: CPA, Magic Valley Wind Farm II, 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 before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that Magic Valley Wind Farm II, 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>	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
	2017	\$53,000	\$53,000	\$0	\$0
<b>Limitation Period (10 Years)</b>	2018	\$159,000	\$212,000	\$2,019,300	\$2,019,300
	2019	\$159,000	\$371,000	\$1,932,168	\$3,951,468
	2020	\$159,000	\$530,000	\$1,845,036	\$5,796,504
	2021	\$159,000	\$689,000	\$1,757,904	\$7,554,408
	2022	\$159,000	\$848,000	\$1,670,772	\$9,225,180
	2023	\$159,000	\$1,007,000	\$1,583,640	\$10,808,820
	2024	\$159,000	\$1,166,000	\$1,496,508	\$12,305,328
	2025	\$159,000	\$1,325,000	\$1,409,376	\$13,714,704
	2026	\$159,000	\$1,484,000	\$1,322,244	\$15,036,948
	2027	\$159,000	\$1,643,000	\$1,235,112	\$16,272,060
<b>Maintain Viable Presence (5 Years)</b>	2028	\$1,306,980	\$2,949,980	\$0	\$16,272,060
	2029	\$1,219,848	\$4,169,828	\$0	\$16,272,060
	2030	\$1,132,716	\$5,302,544	\$0	\$16,272,060
	2031	\$1,045,584	\$6,348,128	\$0	\$16,272,060
	2032	\$958,452	\$7,306,580	\$0	\$16,272,060
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2033	\$871,320	\$8,177,900	\$0	\$16,272,060
	2034	\$784,188	\$8,962,088	\$0	\$16,272,060
	2035	\$697,056	\$9,659,144	\$0	\$16,272,060
	2036	\$609,924	\$10,269,068	\$0	\$16,272,060
	2037	\$522,792	\$10,791,860	\$0	\$16,272,060
	2038	\$435,660	\$11,227,520	\$0	\$16,272,060
	2039	\$435,660	\$11,663,180	\$0	\$16,272,060
	2040	\$435,660	\$12,098,840	\$0	\$16,272,060
	2041	\$435,660	\$12,534,500	\$0	\$16,272,060
	2042	\$435,660	\$12,970,160	\$0	\$16,272,060

**\$12,970,160**

is less than

**\$16,272,060**

<b>Analysis Summary</b>	
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?	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.

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2016	0	1,354	1,354	\$0	\$80,566,410	\$80,566,410	1129150	-625610	\$1,754,760
2017	176	1,178	1354.5	\$8,786,408	\$71,780,002	\$80,566,410	1129150	-625610	\$1,754,760
2018	5	970	975	\$182,040	\$64,759,370	\$64,941,410	106810	221250	-\$114,440
2019	5	901	906	\$182,040	\$65,491,790	\$65,673,830	91550	213620	-\$122,070
2020	5	823	828	\$182,040	\$64,759,370	\$64,941,410	76290	213620	-\$137,330
2021	5	743	748	\$182,040	\$62,317,960	\$62,500,000	76290	175480	-\$99,190
2022	5	661	666	\$182,040	\$59,022,060	\$59,204,100	61040	167850	-\$106,810
2023	5	587	592	\$182,040	\$55,359,950	\$55,541,990	53410	137330	-\$83,920
2024	5	518	523	\$182,040	\$52,430,260	\$52,612,300	68660	114440	-\$45,780
2025	5	466	471	\$182,040	\$48,768,160	\$48,950,200	91550	106810	-\$15,260
2026	5	413	418	\$182,040	\$45,350,190	\$45,532,230	106810	91550	\$15,260
2027	5	366	371	\$182,040	\$42,298,430	\$42,480,470	106810	68660	\$38,150
2028	5	315	320	\$182,040	\$38,636,320	\$38,818,360	83920	53410	\$30,510
2029	5	274	279	\$182,040	\$35,218,350	\$35,400,390	68660	53410	\$15,250
2030	5	239	244	\$182,040	\$31,800,380	\$31,982,420	7630	22890	-\$15,260
2031	5	206	211	\$182,040	\$29,358,980	\$29,541,020	-30520	-15260	-\$15,260
2032	5	181	186	\$182,040	\$25,941,010	\$26,123,050	-30520	-30520	\$0
2033	5	157	162	\$182,040	\$24,232,020	\$24,414,060	-53410	-91550	\$38,140
2034	5	136	141	\$182,040	\$22,523,040	\$22,705,080	-83920	-114440	\$30,520
2035	5	118	123	\$182,040	\$20,569,910	\$20,751,950	-122070	-137330	\$15,260
2036	5	93	98	\$182,040	\$19,105,070	\$19,287,110	-144960	-205990	\$61,030
2037	5	77	82	\$182,040	\$16,175,380	\$16,357,420	-144960	-221250	\$76,290
2038	5	58	63	\$182,040	\$14,954,680	\$15,136,720	-167850	-259400	\$91,550
2039	5	65	70	\$182,040	\$16,419,520	\$16,601,560	-167850	-267030	\$99,180
2040	5	65	70	\$182,040	\$15,931,240	\$16,113,280	-198360	-328060	\$129,700
2041	5	69	74	\$182,040	\$16,907,800	\$17,089,840	-244140	-358580	\$114,440
2042	5	71	76	\$182,040	\$18,372,650	\$18,554,690	-228880	-366210	\$137,330
2043	5	73	78	\$182,040	\$20,325,770	\$20,507,810	-259400	-419620	\$160,220
<b>Total</b>							<b>\$1,380,890</b>	<b>-\$2,426,140</b>	<b>\$3,807,030</b>
							<b>\$16,777,190</b>	<b>is greater than</b>	<b>\$16,272,060</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?	<b>Yes</b>
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Source: CPA, Magic Valley Wind Farm II, LLC

## **Attachment C – Limitation as a Determining Factor**

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant’s decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

### **Methodology**

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

### **Determination**

The Comptroller has determined that the limitation on appraised value is a determining factor in the Magic Valley Wind Farm II, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Magic Valley Wind Farm II, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “Magic Valley Wind Farm II, LLC has entered into contracts for work for preliminary land work.”
  - B. “Magic Valley Wind Farm II, LLC is located entirely in Willacy County. The property is in a reinvestment zone created by Willacy County. The project has received a property tax abatement for 10 years from Willacy County.”
  - C. “The Company is considering several projects in Texas, Oklahoma, Indiana, and Illinois, as well as other states/countries. The Company has received tax incentives on several of these projects which are considered very favorably in the analysis of the investment. The lack of a Chapter 313 school tax limitation would severely impact the financial viability of this project. It is important to note that no final investment decisions have been made on this project. No contracts for the sale of power from the project have been executed.”
- December 12, 2011 San Perlita Independent School District and Magic Valley Wind Farm I, LLC (application 203) executed an agreement for limitation on appraised value of property for maintenance and operations taxes and the project is in the third year of the value limitation period.
- November 22, 2013, San Perlita Independent School District submitted an application seeking appraised value limitation on qualified property on behalf of Magic Valley Wind Farm II, LLC to the Comptroller’s office (application 384). The applicant never executed an agreement with the school district.
- February 3, 2016 San Perlita Independent School District resubmitted a new application seeking appraised value limitation on qualified property on behalf of Magic Valley Wind Farm II, LLC to the Comptroller’s office (application 1123).

- Magic Valley Wind Farm, LLC also has two wind projects in the neighboring school district Raymondville Independent School District. These include; Magic Valley Wind Farm I, LLC (application 206) and Magic Valley Wind Farm II, LLC (application 1104). December 13, 2011, Raymondville Independent School District and Magic Valley Wind Farm I, LLC (application 206) executed the agreement for limitation on appraised value of property for school district maintenance and operation taxes. September 24, 2015 Raymondville Independent School District submitted the application seeking appraised value limitation on qualified property on behalf of Magic Valley Wind Farm II, LLC (application 1104) to the Comptroller's office and the first year of limitation is 2018.

**Supporting Information**

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

**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.

# **Supporting Information**

**Section 8 of the Application for  
a Limitation on Appraised Value**



**Application for Appraised Value Limitation on Qualified Property**

**SECTION 6: Eligibility Under Tax Code Chapter 313.024**

1. Are you an entity subject to the tax under Tax Code, Chapter 171?  Yes  No
2. The property will be used for one of the following activities:
  - (1) manufacturing  Yes  No
  - (2) research and development  Yes  No
  - (3) a clean coal project, as defined by Section 5.001, Water Code  Yes  No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code  Yes  No
  - (5) renewable energy electric generation  Yes  No
  - (6) electric power generation using integrated gasification combined cycle technology  Yes  No
  - (7) nuclear electric power generation  Yes  No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)  Yes  No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051  Yes  No
3. Are you requesting that any of the land be classified as qualified investment?  Yes  No
4. Will any of the proposed qualified investment be leased under a capitalized lease?  Yes  No
5. Will any of the proposed qualified investment be leased under an operating lease?  Yes  No
6. Are you including property that is owned by a person other than the applicant?  Yes  No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?  Yes  No

**SECTION 7: Project Description**

1. In Tab 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
 

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (complete Section 13)
<input type="checkbox"/> Expansion of existing operation on the land (complete Section 13)	<input type="checkbox"/> Relocation within Texas

**SECTION 8: Limitation as Determining Factor**

1. Does the applicant currently own the land on which the proposed project will occur?  Yes  No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?  Yes  No
3. Does the applicant have current business activities at the location where the proposed project will occur?  Yes  No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?  Yes  No
5. Has the applicant received any local or state permits for activities on the proposed project site?  Yes  No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?  Yes  No
7. Is the applicant evaluating other locations not in Texas for the proposed project?  Yes  No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?  Yes  No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?  Yes  No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?  Yes  No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

# **Supporting Information**

**Attachments provided in Tab 5  
of the Application for a  
Limitation on Appraised Value**

**Magic Valley Wind Farm II, LLC**  
**Application for Appraised Value Limitations on Qualified Property**

**Tab 5**

**Section 8 — Limitation as Determining Factor**

- 1) N/A
- 2) Magic Valley Wind Farm II, LLC has entered into contracts for work for preliminary land work.
- 3) N/A
- 4) N/A
- 5) N/A
- 6) Magic Valley Wind Farm II, LLC is located entirely in Willacy County. The property is in a Reinvestment Zone, created by Willacy County. The project has received a property tax abatement for 10 years from Willacy County.
- 7) The Company is considering several projects in Texas, Oklahoma, Indiana, and Illinois, as well as other states/countries. The Company has received tax incentives on several of these projects which are considered very favorably in the analysis of the investment. The lack of a Chapter 313 school tax limitation would severely impact the financial viability of this project. It is important to note that no final investment decisions have been made on this project. No contracts for the sale of power from the project have been executed.
- 8) N/A
- 9) N/A
- 10) N/A