



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 23, 2017

AMENDED CERTIFICATION

Kent Coker  
Superintendent  
Eden Consolidated Independent School District  
113 West Bryan  
Eden, Texas 76937

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Eden Consolidated Independent School District and RES Cactus Flats Wind Energy, LLC, Application 1136

Dear Superintendent Coker:

This application (Application 1136) was originally submitted on April 21, 2016, to the Eden Consolidated Independent School District (school district) by RES Cactus Flats Wind Energy, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> On June 3, 2016, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on August 9, 2016. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on November 28, 2016.

On June 9, 2017, 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

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

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's 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 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 by December 31, 2017.

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,

A handwritten signature in black ink, appearing to read "Mike Reissig", written over a printed name and title.

Mike Reissig  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of RES Cactus Flats Wind Energy, LLC (project) applying to Eden Consolidated Independent School District (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 RES Cactus Flats Wind Energy, LLC.

Applicant	RES Cactus Flats Wind Energy, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Eden CISD
Estimated 2014-2015 Average Daily Attendance	234
County	Concho
Proposed Total Investment in District	\$190,000,000
Proposed Qualified Investment	\$220,000,000
Limitation Amount	\$20,000,000
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	\$577
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$533
Minimum annual wage committed to by applicant for qualified jobs	\$30,000
Minimum weekly wage required for non-qualifying jobs	\$696
Minimum annual wage required for non-qualifying jobs	\$36,167
Investment per Qualifying Job	\$38,000,000
Estimated M&O levy without any limit (15 years)	\$18,611,559
Estimated M&O levy with Limitation (15 years)	\$6,412,692
Estimated gross M&O tax benefit (15 years)	\$12,198,867

\*Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

**Table 2** is the estimated statewide economic impact of RES Cactus Flats Wind Energy, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2017	0	0	0	\$0	\$0	\$0
2018	100	158	257.554	\$4,300,000	\$16,085,900	\$20,385,900
2019	205	343	548	\$8,750,000	\$36,879,500	\$45,629,500
2020	5	72	77	\$150,000	\$8,901,500	\$9,051,500
2021	5	36	41	\$150,000	\$6,128,800	\$6,278,800
2022	5	10	15	\$150,000	\$3,893,400	\$4,043,400
2023	5	(4)	1	\$150,000	\$2,428,000	\$2,578,000
2024	5	(9)	-4	\$150,000	\$1,590,100	\$1,740,100
2025	5	(9)	-4	\$150,000	\$1,272,700	\$1,422,700
2026	5	(6)	-1	\$150,000	\$1,290,400	\$1,440,400
2027	5	(1)	4	\$150,000	\$1,522,100	\$1,672,100
2028	5	3	8	\$150,000	\$1,864,700	\$2,014,700
2029	5	5	10	\$150,000	\$2,030,800	\$2,180,800
2030	5	8	13	\$150,000	\$2,322,800	\$2,472,800
2031	5	10	15	\$150,000	\$2,606,300	\$2,756,300
2032	5	12	17	\$150,000	\$2,869,900	\$3,019,900
2033	5	13	18	\$150,000	\$3,103,400	\$3,253,400

Source: CPA REMI, RES Cactus Flats Wind Energy, LLC

**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*	Eden CISD I&S Tax Levy	Eden CISD M&O Tax Levy	Eden CISD M&O and I&S Tax Levies	Concho County Tax Levy	Concho County Hospital District Tax Levy	Lipan-Kickapoo Water Conservation District Tax Levy	Estimated Total Property Taxes
2019	\$186,249,000	\$186,249,000	0.0000	\$0	\$1,936,990	\$1,936,990	\$1,758,079	\$558,747	\$19,370	\$4,253,815
2020	\$173,212,000	\$173,212,000		\$0	\$1,801,405	\$1,801,405	\$1,635,017	\$519,636	\$18,014	\$3,956,058
2021	\$161,087,000	\$161,087,000		\$0	\$1,675,305	\$1,675,305	\$1,520,565	\$483,261	\$16,753	\$3,679,130
2022	\$149,811,000	\$149,811,000		\$0	\$1,558,034	\$1,558,034	\$1,414,126	\$449,433	\$15,580	\$3,421,593
2023	\$139,324,000	\$139,324,000		\$0	\$1,448,970	\$1,448,970	\$1,315,135	\$417,972	\$14,490	\$3,182,077
2024	\$129,571,000	\$129,571,000		\$0	\$1,347,538	\$1,347,538	\$1,223,072	\$388,713	\$13,475	\$2,959,324
2025	\$120,501,000	\$120,501,000		\$0	\$1,253,210	\$1,253,210	\$1,137,457	\$361,503	\$12,532	\$2,752,171
2026	\$112,066,000	\$112,066,000		\$0	\$1,165,486	\$1,165,486	\$1,057,836	\$336,198	\$11,655	\$2,559,520
2027	\$104,221,000	\$104,221,000		\$0	\$1,083,898	\$1,083,898	\$983,784	\$312,663	\$10,839	\$2,380,345
2028	\$96,926,000	\$96,926,000		\$0	\$1,008,030	\$1,008,030	\$914,923	\$290,778	\$10,080	\$2,213,732
2029	\$92,080,000	\$92,080,000		\$0	\$957,632	\$957,632	\$869,180	\$276,240	\$9,576	\$2,103,052
2030	\$87,476,000	\$87,476,000		\$0	\$909,750	\$909,750	\$825,721	\$262,428	\$9,098	\$1,997,899
2031	\$83,102,000	\$83,102,000		\$0	\$864,261	\$864,261	\$784,433	\$249,306	\$8,643	\$1,898,000
2032	\$78,947,000	\$78,947,000		\$0	\$821,049	\$821,049	\$745,212	\$236,841	\$8,210	\$1,803,102
2033	\$75,000,000	\$75,000,000		\$0	\$780,000	\$780,000	\$707,955	\$225,000	\$7,800	\$1,712,955
			Total	\$0	\$18,611,559	\$18,611,559	\$16,892,495	\$5,368,719	\$186,116	\$40,872,774

Source: CPA, RES Cactus Flats Wind Energy, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district, Concho County, Concho County Hospital District and Lipan-Kickapoo Water Conservation District, with all property tax incentives being sought using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatements with the county and hospital district.

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

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought										
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Eden CISD I&S Tax Levy	Eden CISD M&O Tax Levy	Eden CISD M&O and I&S Tax Levies	Concho County Tax Levy	Concho County Hospital District Tax Levy	Lipan-Kickapoo Water Conservation District Tax Levy	Estimated Total Property Taxes
				0.0000	1.0400		0.9439	0.3000	0.0104	
2019	\$186,249,000	\$20,000,000		\$0	\$208,000	\$208,000	\$483,472	\$558,747	\$19,370	\$1,250,219
2020	\$173,212,000	\$20,000,000		\$0	\$208,000	\$208,000	\$469,250	\$519,636	\$18,014	\$1,196,886
2021	\$161,087,000	\$20,000,000		\$0	\$208,000	\$208,000	\$453,128	\$483,261	\$16,753	\$1,144,389
2022	\$149,811,000	\$20,000,000		\$0	\$208,000	\$208,000	\$439,793	\$449,433	\$15,580	\$1,097,226
2023	\$139,324,000	\$20,000,000		\$0	\$208,000	\$208,000	\$426,104	\$417,972	\$14,490	\$1,052,076
2024	\$129,571,000	\$20,000,000		\$0	\$208,000	\$208,000	\$412,175	\$388,713	\$13,475	\$1,008,888
2025	\$120,501,000	\$20,000,000		\$0	\$208,000	\$208,000	\$399,247	\$361,503	\$12,532	\$968,750
2026	\$112,066,000	\$20,000,000		\$0	\$208,000	\$208,000	\$387,168	\$336,198	\$11,655	\$931,366
2027	\$104,221,000	\$20,000,000		\$0	\$208,000	\$208,000	\$374,822	\$312,663	\$10,839	\$895,485
2028	\$96,926,000	\$20,000,000		\$0	\$208,000	\$208,000	\$363,225	\$290,778	\$10,080	\$862,003
2029	\$92,080,000	\$20,000,000		\$0	\$957,632	\$957,632	\$869,180	\$276,240	\$9,576	\$2,103,052
2030	\$87,476,000	\$87,476,000		\$0	\$909,750	\$909,750	\$825,721	\$262,428	\$9,098	\$1,997,899
2031	\$83,102,000	\$83,102,000		\$0	\$864,261	\$864,261	\$784,433	\$249,306	\$8,643	\$1,898,000
2032	\$78,947,000	\$78,947,000		\$0	\$821,049	\$821,049	\$745,212	\$236,841	\$8,210	\$1,803,102
2033	\$75,000,000	\$75,000,000		\$0	\$780,000	\$780,000	\$707,955	\$225,000	\$7,800	\$1,712,955
			<b>Total</b>	<b>\$0</b>	<b>\$6,412,692</b>	<b>\$6,412,692</b>	<b>\$8,140,885</b>	<b>\$5,368,719</b>	<b>\$186,116</b>	<b>\$19,922,296</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$12,198,867</b>	<b>\$12,198,867</b>	<b>\$8,751,610</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,950,478</b>

Assumes School Value Limitation and Tax Abatements with the County and Hospital District

Source: CPA, RES Cactus Flats Wind Energy, LLC

\*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 RES Cactus Flats Wind Energy, 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 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>	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2019	\$208,000	\$208,000	\$1,728,990	\$1,728,990
	2020	\$208,000	\$416,000	\$1,593,405	\$3,322,394
	2021	\$208,000	\$624,000	\$1,467,305	\$4,789,699
	2022	\$208,000	\$832,000	\$1,350,034	\$6,139,734
	2023	\$208,000	\$1,040,000	\$1,240,970	\$7,380,703
	2024	\$208,000	\$1,248,000	\$1,139,538	\$8,520,242
	2025	\$208,000	\$1,456,000	\$1,045,210	\$9,565,452
	2026	\$208,000	\$1,664,000	\$957,486	\$10,522,938
	2027	\$208,000	\$1,872,000	\$875,898	\$11,398,837
	2028	\$208,000	\$2,080,000	\$800,030	\$12,198,867
<b>Maintain Viable Presence (5 Years)</b>	2029	\$957,632	\$3,037,632	\$0	\$12,198,867
	2030	\$909,750	\$3,947,382	\$0	\$12,198,867
	2031	\$864,261	\$4,811,643	\$0	\$12,198,867
	2032	\$821,049	\$5,632,692	\$0	\$12,198,867
	2033	\$780,000	\$6,412,692	\$0	\$12,198,867
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2034	\$741,000	\$7,153,692	\$0	\$12,198,867
	2035	\$703,955	\$7,857,647	\$0	\$12,198,867
	2036	\$668,762	\$8,526,409	\$0	\$12,198,867
	2037	\$635,326	\$9,161,734	\$0	\$12,198,867
	2038	\$603,564	\$9,765,298	\$0	\$12,198,867
	2039	\$573,383	\$10,338,682	\$0	\$12,198,867
	2040	\$544,710	\$10,883,392	\$0	\$12,198,867
	2041	\$517,473	\$11,400,865	\$0	\$12,198,867
	2042	\$494,130	\$11,894,995	\$0	\$12,198,867
	2043	\$494,130	\$12,389,125	\$0	\$12,198,867
		<b>\$12,389,125</b>	is greater than	<b>\$12,198,867</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

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, RES Cactus Flats Wind Energy, LLC

**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.