



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

April 12, 2017

AMENDED CERTIFICATION

Troy Duck  
Superintendent  
Wildorado Independent School District  
P O. Box 120  
Wildorado, Texas 79098

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Wildorado Independent School and Canadian Breaks, LLC, Application 1146

Dear Superintendent Duck:

This application (Application 1146) was originally submitted on July 18, 2016, to the Wildorado Independent School District (school district) by Canadian Breaks, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup>

On August 30, 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 October 31, 2016. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on December 15, 2016.

On March 14, 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

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

- 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'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 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.

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,



Mike Reissig  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Canadian Breaks, LLC (the project) applying to Wildorado 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 Canadian Breaks, LLC.

Applicant	Canadian Breaks, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Wildorado ISD
Estimated 2014-2015 Average Daily Attendance	85
County	Oldham & Deaf Smith
Proposed Total Investment in District	\$141,393,719
Proposed Qualified Investment	\$141,393,719
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2017-2018
Number of new qualifying jobs committed to by applicant *	4
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$908
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$908
Minimum annual wage committed to by applicant for qualified jobs	\$47,236
Minimum weekly wage required for non-qualifying jobs	\$865
Minimum annual wage required for non-qualifying jobs	\$44,994
Investment per Qualifying Job	\$35,348,430
Estimated M&O levy without any limit (15 years)	\$12,825,507
Estimated M&O levy with Limitation (15 years)	\$5,787,012
Estimated gross M&O tax benefit (15 years)	\$7,038,494

\* 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 Canadian Breaks LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	15	8	23	\$825,000	-\$249,074	\$575,926
2017	100	105	204.852	\$5,500,000	\$6,077,023	\$11,577,023
2018	100	117	217	\$5,500,000	\$7,947,161	\$13,447,161
2019	4	25	29	\$188,944	\$3,171,751	\$3,360,695
2020	4	13	17	\$188,944	\$2,085,489	\$2,274,433
2021	4	4	8	\$188,944	\$1,224,799	\$1,413,743
2022	4	(1)	3	\$188,944	\$660,755	\$849,699
2023	4	(3)	1	\$188,944	\$310,889	\$499,833
2024	4	(3)	1	\$188,944	\$126,370	\$315,314
2025	4	(2)	2	\$188,944	\$86,970	\$275,914
2026	4	(0)	4	\$188,944	\$122,426	\$311,370
2027	4	1	5	\$188,944	\$198,945	\$387,889
2028	4	3	7	\$188,944	\$289,725	\$478,669
2029	4	3	7	\$188,944	\$284,919	\$473,863
2030	4	4	8	\$188,944	\$330,659	\$519,603
2031	4	4	8	\$188,944	\$370,838	\$559,782
2032	4	5	9	\$188,944	\$401,055	\$589,999
2033	4	5	9	\$188,944	\$417,927	\$606,871

Source: CPA REMI, Canadian Breaks 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 <sup>1</sup>	Wildorado ISD I&S Tax Levy	Wildorado ISD M&O Tax Levy	Wildorado ISD M&O and I&S Tax Levies	Oldham & Deaf Smith County Tax Levy	Hereford Regional Medical Tax Levy	Estimated Total Property Taxes
			0.4300		1.0400		1.0900	0.4367	
2019	\$138,000,000	\$138,000,000		\$593,400	\$1,435,200	\$2,028,600	\$1,504,200	\$602,660	\$4,135,460
2020	\$126,994,500	\$126,994,500		\$546,076	\$1,320,743	\$1,866,819	\$1,384,240	\$554,598	\$3,805,657
2021	\$116,867,715	\$116,867,715		\$502,531	\$1,215,424	\$1,717,955	\$1,273,858	\$510,373	\$3,502,187
2022	\$107,549,434	\$107,549,434		\$462,463	\$1,118,514	\$1,580,977	\$1,172,289	\$469,679	\$3,222,945
2023	\$98,975,059	\$98,975,059		\$425,593	\$1,029,341	\$1,454,933	\$1,078,828	\$432,234	\$2,965,995
2024	\$91,085,155	\$91,085,155		\$391,666	\$947,286	\$1,338,952	\$992,828	\$397,778	\$2,729,558
2025	\$83,825,038	\$83,825,038		\$360,448	\$871,780	\$1,232,228	\$913,693	\$366,072	\$2,511,993
2026	\$77,144,395	\$77,144,395		\$331,721	\$802,302	\$1,134,023	\$840,874	\$336,897	\$2,311,794
2027	\$70,996,936	\$70,996,936		\$305,287	\$738,368	\$1,043,655	\$773,867	\$310,051	\$2,127,572
2028	\$65,340,069	\$65,340,069		\$280,962	\$679,537	\$960,499	\$712,207	\$285,347	\$1,958,052
2029	\$60,134,607	\$60,134,607		\$258,579	\$625,400	\$883,979	\$655,467	\$262,614	\$1,802,060
2030	\$55,344,495	\$55,344,495		\$237,981	\$575,583	\$813,564	\$603,255	\$241,695	\$1,658,514
2031	\$50,936,559	\$50,936,559		\$219,027	\$529,740	\$748,767	\$555,208	\$222,445	\$1,526,421
2032	\$46,880,277	\$46,880,277		\$201,585	\$487,555	\$689,140	\$510,995	\$204,731	\$1,404,866
2033	\$43,147,565	\$43,147,565		\$185,535	\$448,735	\$634,269	\$470,308	\$188,430	\$1,293,007
			<b>Total</b>	<b>\$5,302,854</b>	<b>\$12,825,507</b>	<b>\$18,128,361</b>	<b>\$13,442,118</b>	<b>\$5,385,603</b>	<b>\$36,956,081</b>

Source: CPA, Canadian Breaks LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Deaf Smith County and Oldham 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 Deaf Smith County, Oldham County and Hereford Regional Medical.

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 <sup>1</sup>	WildoradoISD I&S Tax Levy	Wildorado ISD M&O Tax Levy	Wildorado ISD M&O and I&S Tax Levies	Oldham & Deaf Smith County Tax Levy	Hereford Regional Medical Tax Levy	Estimated Total Property Taxes
			0.4300		1.0400		1.0900	0.4367	
2019	\$138,000,000	\$30,000,000		\$593,400	\$312,000	\$905,400	\$0	\$150,665	\$1,056,065
2020	\$126,994,500	\$30,000,000		\$546,076	\$312,000	\$858,076	\$0	\$138,649	\$996,726
2021	\$116,867,715	\$30,000,000		\$502,531	\$312,000	\$814,531	\$0	\$127,593	\$942,124
2022	\$107,549,434	\$30,000,000		\$462,463	\$312,000	\$774,463	\$0	\$117,420	\$891,882
2023	\$98,975,059	\$30,000,000		\$425,593	\$312,000	\$737,593	\$0	\$108,058	\$845,651
2024	\$91,085,155	\$30,000,000		\$391,666	\$312,000	\$703,666	\$0	\$99,444	\$803,111
2025	\$83,825,038	\$30,000,000		\$360,448	\$312,000	\$672,448	\$0	\$91,518	\$763,966
2026	\$77,144,395	\$30,000,000		\$331,721	\$312,000	\$643,721	\$0	\$84,224	\$727,945
2027	\$70,996,936	\$30,000,000		\$305,287	\$312,000	\$617,287	\$0	\$77,513	\$694,800
2028	\$65,340,069	\$30,000,000		\$280,962	\$312,000	\$592,962	\$0	\$71,337	\$664,299
2029	\$60,134,607	\$60,134,607		\$258,579	\$625,400	\$883,979	\$655,467	\$262,614	\$1,802,060
2030	\$55,344,495	\$55,344,495		\$237,981	\$575,583	\$813,564	\$603,255	\$241,695	\$1,658,514
2031	\$50,936,559	\$50,936,559		\$219,027	\$529,740	\$748,767	\$555,208	\$222,445	\$1,526,421
2032	\$46,880,277	\$46,880,277		\$201,585	\$487,555	\$689,140	\$510,995	\$204,731	\$1,404,866
2033	\$43,147,565	\$43,147,565		\$185,535	\$448,735	\$634,269	\$470,308	\$188,430	\$1,293,007
			<b>Total</b>	<b>\$5,302,854</b>	<b>\$5,787,012</b>	<b>\$11,089,866</b>	<b>\$2,795,234</b>	<b>\$2,186,337</b>	<b>\$16,071,437</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$7,038,494</b>	<b>\$7,038,494</b>	<b>\$10,646,883</b>	<b>\$3,199,266</b>	<b>\$20,884,644</b>

Source: CPA, Canadian Breaks 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 Canadian Breaks, 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>	2015	\$0	\$0	\$0	\$0
	2016	\$260	\$260	\$0	\$0
	2017	\$148,460	\$148,720	\$0	\$0
<b>Limitation Period (10 Years)</b>	2019	\$312,000	\$460,720	\$1,123,200	\$1,123,200
	2020	\$312,000	\$772,720	\$1,008,743	\$2,131,943
	2021	\$312,000	\$1,084,720	\$903,424	\$3,035,367
	2022	\$312,000	\$1,396,720	\$806,514	\$3,841,881
	2023	\$312,000	\$1,708,720	\$717,341	\$4,559,222
	2024	\$312,000	\$2,020,720	\$635,286	\$5,194,507
	2025	\$312,000	\$2,332,720	\$559,780	\$5,754,288
	2026	\$312,000	\$2,644,720	\$490,302	\$6,244,589
	2027	\$312,000	\$2,956,720	\$426,368	\$6,670,958
	2028	\$312,000	\$3,268,720	\$367,537	\$7,038,494
<b>Maintain Viable Presence (5 Years)</b>	2029	\$625,400	\$3,894,120	\$0	\$7,038,494
	2030	\$575,583	\$4,469,703	\$0	\$7,038,494
	2031	\$529,740	\$4,999,443	\$0	\$7,038,494
	2032	\$487,555	\$5,486,998	\$0	\$7,038,494
	2033	\$448,735	\$5,935,732	\$0	\$7,038,494
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2034	\$413,011	\$6,348,743	\$0	\$7,038,494
	2035	\$380,136	\$6,728,880	\$0	\$7,038,494
	2036	\$349,883	\$7,078,763	\$0	\$7,038,494
	2037	\$322,043	\$7,400,805	\$0	\$7,038,494
	2038	\$264,513	\$7,665,319	\$0	\$7,038,494
	2039	\$264,287	\$7,929,606	\$0	\$7,038,494
	2040	\$264,073	\$8,193,679	\$0	\$7,038,494
	2041	\$263,869	\$8,457,549	\$0	\$7,038,494
	2042	\$263,676	\$8,721,225	\$0	\$7,038,494
	2043	\$263,492	\$8,984,717	\$0	\$7,038,494

\$8,984,717

is greater than

\$7,038,494

### 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: Canadian Breaks, LLC

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