



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 13, 2018

AMENDED CERTIFICATION

Rick Teran
Superintendent
Childress Independent School District
308 Third St. NW
Childress, Texas 79201

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Childress Independent School District and Childress Solar Park, LLC Application 1197

Dear Superintendent Teran:

This application (Application 1197) was originally submitted on June 5, 2017, to the Childress Independent School District (school district) by Childress Solar Park, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On September 8, 2017, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on December 7, 2017. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on February 12, 2018.

On October 25, 2018, Comptroller received an amendment to the agreement to change the start of the limitation and waive the number of jobs from ten to three. 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.

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

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 previously 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, 2018.

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

Sincerely,



Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Amended Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Childress Solar Park, LLC (project) applying to Childress 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 Childress Solar Park, LLC.

	Original	Amendment No. 1
Applicant	Childress Solar Park, LLC	Childress Solar Park, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Childress ISD	Childress ISD
2016-2017 Average Daily Attendance	1,069	1,069
County	Childress	Childress
Proposed Total Investment in District	\$168,192,000	\$167,942,000
Proposed Qualified Investment	\$168,192,000	\$167,942,000
Limitation Amount	\$20,000,000	\$20,000,000
Qualifying Time Period (Full Years)	2019-2020	2019-2020
Number of new qualifying jobs committed to by applicant	10	3*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$752	\$752
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$752	\$752
Minimum annual wage committed to by applicant for qualified jobs	\$39,111	\$39,111
Minimum weekly wage required for non-qualifying jobs	\$738	\$738
Minimum annual wage required for non-qualifying jobs	\$38,363	\$38,363
Investment per Qualifying Job	\$16,819,200	\$55,980,667
Estimated M&O levy without any limit (15 years)	\$12,850,428	\$12,850,428
Estimated M&O levy with Limitation (15 years)	\$3,763,909	\$3,763,909
Estimated gross M&O tax benefit (15 years)	\$9,086,520	\$9,086,520

* 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 Childress Solar Park, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	0	0	0	\$0	\$0	\$0
2019	290	983	1273.44	\$11,655,390	\$66,957,610	\$78,613,000
2020	3	40	43	\$117,333	\$9,403,667	\$9,521,000
2021	3	11	14	\$117,333	\$5,619,667	\$5,737,000
2022	3	(13)	-10	\$117,333	\$2,812,667	\$2,930,000
2023	3	(23)	-20	\$117,333	\$981,667	\$1,099,000
2024	3	(30)	-27	\$117,333	\$126,667	\$244,000
2025	3	(23)	-20	\$117,333	-\$971,333	-\$854,000
2026	3	(24)	-21	\$117,333	-\$1,216,333	-\$1,099,000
2027	3	(19)	-16	\$117,333	-\$1,094,333	-\$977,000
2028	3	(15)	-12	\$117,333	-\$849,333	-\$732,000
2029	3	(17)	-14	\$117,333	-\$849,333	-\$732,000
2030	3	(11)	-8	\$117,333	-\$1,094,333	-\$977,000

Source: CPA REMI, Childress Solar Park, 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*	Childress ISD I&S Tax Levy	Childress ISD M&O Tax Levy	Childress ISD M&O and I&S Tax Levies	Chambers County Tax Levy	Childress County Hospital District Tax Levy	Clarendon Jr. College District Tax Levy	Gateway Ground Water Conservation District Tax levy	Estimated Total Property Taxes
				0.0850	1.0400		0.5900	0.2000	0.2307	0.0100	
2020	\$167,942,000	\$167,942,000		\$142,751	\$1,746,597	\$1,889,348	\$990,858	\$335,884	\$387,404	\$16,794	\$3,620,287
2021	\$154,481,640	\$154,481,640		\$131,309	\$1,606,609	\$1,737,918	\$911,442	\$308,963	\$356,354	\$15,448	\$3,330,125
2022	\$141,021,280	\$141,021,280		\$119,868	\$1,466,621	\$1,586,489	\$832,026	\$282,043	\$325,304	\$14,102	\$3,039,963
2023	\$127,560,920	\$127,560,920		\$108,427	\$1,326,634	\$1,435,060	\$752,609	\$255,122	\$294,254	\$12,756	\$2,749,801
2024	\$114,100,560	\$114,100,560		\$96,985	\$1,186,646	\$1,283,631	\$673,193	\$228,201	\$263,204	\$11,410	\$2,459,640
2025	\$100,640,200	\$100,640,200		\$85,544	\$1,046,658	\$1,132,202	\$593,777	\$201,280	\$232,154	\$10,064	\$2,169,478
2026	\$87,179,840	\$87,179,840		\$74,103	\$906,670	\$980,773	\$514,361	\$174,360	\$201,104	\$8,718	\$1,879,316
2027	\$73,719,480	\$73,719,480		\$62,662	\$766,683	\$829,344	\$434,945	\$147,439	\$170,054	\$7,372	\$1,589,154
2028	\$60,259,120	\$60,259,120		\$51,220	\$626,695	\$677,915	\$355,529	\$120,518	\$139,004	\$6,026	\$1,298,992
2029	\$46,798,760	\$46,798,760		\$39,779	\$486,707	\$526,486	\$276,113	\$93,598	\$107,954	\$4,680	\$1,008,830
2030	\$33,738,400	\$33,738,400		\$28,678	\$350,879	\$379,557	\$199,057	\$67,477	\$77,827	\$3,374	\$727,291
2031	\$33,060,632	\$33,060,632		\$28,102	\$343,831	\$371,932	\$195,058	\$66,121	\$76,263	\$3,306	\$712,680
2032	\$32,382,864	\$32,382,864		\$27,525	\$336,782	\$364,307	\$191,059	\$64,766	\$74,700	\$3,238	\$698,070
2033	\$31,705,096	\$31,705,096		\$26,949	\$329,733	\$356,682	\$187,060	\$63,410	\$73,136	\$3,171	\$683,459
2034	\$31,027,328	\$31,027,328		\$26,373	\$322,684	\$349,057	\$183,061	\$62,055	\$71,573	\$3,103	\$668,849
			Total	\$1,050,275	\$12,850,428	\$13,900,704	\$7,290,147	\$2,471,236	\$2,850,287	\$123,562	\$26,635,936

Source: CPA, Childress Solar Park, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Childress 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 the county.

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*	Childress ISD I&S Tax Levy	Childress ISD M&O Tax Levy	Childress ISD M&O and I&S Tax Levies	Chambers County Tax Levy	Childress County Hospital District Tax Levy	Clarendon Jr. College District Tax Levy	Gateway Ground Water Conservation District Tax levy	Estimated Total Property Taxes
				0.0850	1.0400		0.5900	0.2000	0.2307	0.0100	
2020	\$167,942,000	20,000,000		\$142,751	\$208,000	\$350,751	\$9,909	\$3,359	\$387,404	\$16,794	\$768,216
2021	\$154,481,640	20,000,000		\$131,309	\$208,000	\$339,309	\$9,114	\$3,090	\$356,354	\$15,448	\$723,315
2022	\$141,021,280	20,000,000		\$119,868	\$208,000	\$327,868	\$8,320	\$2,820	\$325,304	\$14,102	\$678,415
2023	\$127,560,920	20,000,000		\$108,427	\$208,000	\$316,427	\$7,526	\$2,551	\$294,254	\$12,756	\$633,514
2024	\$114,100,560	20,000,000		\$96,985	\$208,000	\$304,985	\$6,732	\$2,282	\$263,204	\$11,410	\$588,613
2025	\$100,640,200	20,000,000		\$85,544	\$208,000	\$293,544	\$5,938	\$2,013	\$232,154	\$10,064	\$543,713
2026	\$87,179,840	20,000,000		\$74,103	\$208,000	\$282,103	\$5,144	\$1,744	\$201,104	\$8,718	\$498,812
2027	\$73,719,480	20,000,000		\$62,662	\$208,000	\$270,662	\$4,349	\$1,474	\$170,054	\$7,372	\$453,911
2028	\$60,259,120	20,000,000		\$51,220	\$208,000	\$259,220	\$3,555	\$1,205	\$139,004	\$6,026	\$409,011
2029	\$46,798,760	20,000,000		\$39,779	\$208,000	\$247,779	\$2,761	\$936	\$107,954	\$4,680	\$364,110
2030	\$33,738,400	33,738,400		\$28,678	\$350,879	\$379,557	\$199,057	\$67,477	\$77,827	\$3,374	\$727,291
2031	\$33,060,632	33,060,632		\$28,102	\$343,831	\$371,932	\$195,058	\$66,121	\$76,263	\$3,306	\$712,680
2032	\$32,382,864	32,382,864		\$27,525	\$336,782	\$364,307	\$191,059	\$64,766	\$74,700	\$3,238	\$698,070
2033	\$31,705,096	31,705,096		\$26,949	\$329,733	\$356,682	\$187,060	\$63,410	\$73,136	\$3,171	\$683,459
2034	\$31,027,328	31,027,328		\$26,373	\$322,684	\$349,057	\$183,061	\$62,055	\$71,573	\$3,103	\$668,849
								\$0	\$0		
			Total	\$1,050,275	\$3,763,909	\$4,814,184	\$1,018,643	\$345,303	\$2,850,287	\$123,562	\$9,151,979
			Diff	\$0	\$9,086,520	\$9,086,520	\$6,271,504	\$2,125,934	\$0	\$0	\$17,483,957

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

Source: CPA, Childress Solar Park, 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 25th Anniversary of Limitation Start

This represents the Comptroller’s determination that Childress Solar Park, 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)
Limitation Pre-Years	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2020	\$208,000	\$208,000	\$1,538,597	\$1,538,597
	2021	\$208,000	\$416,000	\$1,398,609	\$2,937,206
	2022	\$208,000	\$624,000	\$1,258,621	\$4,195,827
	2023	\$208,000	\$832,000	\$1,118,634	\$5,314,461
	2024	\$208,000	\$1,040,000	\$978,646	\$6,293,107
	2025	\$208,000	\$1,248,000	\$838,658	\$7,131,765
	2026	\$208,000	\$1,456,000	\$698,670	\$7,830,435
	2027	\$208,000	\$1,664,000	\$558,683	\$8,389,118
	2028	\$208,000	\$1,872,000	\$418,695	\$8,807,812
	2029	\$208,000	\$2,080,000	\$278,707	\$9,086,520
Maintain Viable Presence (5 Years)	2030	\$350,879	\$2,430,879	\$0	\$9,086,520
	2031	\$343,831	\$2,774,710	\$0	\$9,086,520
	2032	\$336,782	\$3,111,492	\$0	\$9,086,520
	2033	\$329,733	\$3,441,225	\$0	\$9,086,520
	2034	\$322,684	\$3,763,909	\$0	\$9,086,520
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$315,635	\$4,079,544	\$0	\$9,086,520
	2036	\$308,587	\$4,388,131	\$0	\$9,086,520
	2037	\$301,538	\$4,689,669	\$0	\$9,086,520
	2038	\$294,489	\$4,984,158	\$0	\$9,086,520
	2039	\$287,440	\$5,271,598	\$0	\$9,086,520
	2040	\$280,391	\$5,551,990	\$0	\$9,086,520
	2041	\$273,343	\$5,825,332	\$0	\$9,086,520
	2042	\$266,294	\$6,091,626	\$0	\$9,086,520
	2043	\$259,245	\$6,350,871	\$0	\$9,086,520
	2044	\$252,196	\$6,603,068	\$0	\$9,086,520

\$6,603,068

is less than

\$9,086,520

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?

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, Childress Solar Park, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2018	0	0	0	\$0	\$0	\$0	0	0	\$0
2019	290	983	1273.44	\$11,655,390	\$66,957,610	\$78,613,000	8194000	-2335000	\$10,529,000
2020	3	40	43	\$117,333	\$9,403,667	\$9,521,000	458000	916000	-\$458,000
2021	3	11	14	\$117,333	\$5,619,667	\$5,737,000	359000	893000	-\$534,000
2022	3	(13)	-10	\$117,333	\$2,812,667	\$2,930,000	214000	854000	-\$640,000
2023	3	(23)	-20	\$117,333	\$981,667	\$1,099,000	137000	763000	-\$626,000
2024	3	(30)	-27	\$117,333	\$126,667	\$244,000	137000	694000	-\$557,000
2025	3	(23)	-20	\$117,333	-\$971,333	-\$854,000	76000	618000	-\$542,000
2026	3	(24)	-21	\$117,333	-\$1,216,333	-\$1,099,000	69000	519000	-\$450,000
2027	3	(19)	-16	\$117,333	-\$1,094,333	-\$977,000	61000	435000	-\$374,000
2028	3	(15)	-12	\$117,333	-\$849,333	-\$732,000	76000	359000	-\$283,000
2029	3	(17)	-14	\$117,333	-\$849,333	-\$732,000	69000	313000	-\$244,000
2030	3	(11)	-8	\$117,333	-\$1,094,333	-\$977,000	84000	252000	-\$168,000
2031	3	(11)	-8	\$117,333	-\$849,333	-\$732,000	69000	175000	-\$106,000
2032	3	(5)	-2	\$117,333	-\$605,333	-\$488,000	53000	137000	-\$84,000
2033	3	(7)	-4	\$117,333	-\$849,333	-\$732,000	8000	53000	-\$45,000
2034	3	(5)	-2	\$117,333	-\$605,333	-\$488,000	-46000	15000	-\$61,000
2035	3	(7)	-4	\$117,333	-\$849,333	-\$732,000	-31000	-38000	\$7,000
2036	3	(7)	-4	\$117,333	-\$849,333	-\$732,000	-23000	-84000	\$61,000
2037	3	(7)	-4	\$117,333	-\$1,094,333	-\$977,000	-61000	-145000	\$84,000
2038	3	(7)	-4	\$117,333	-\$1,338,333	-\$1,221,000	-61000	-206000	\$145,000
2039	3	(9)	-6	\$117,333	-\$1,094,333	-\$977,000	-92000	-282000	\$190,000
2040	3	(9)	-6	\$117,333	-\$2,314,333	-\$2,197,000	-137000	-343000	\$206,000
2041	3	(13)	-10	\$117,333	-\$2,070,333	-\$1,953,000	-168000	-397000	\$229,000
2042	3	(17)	-14	\$117,333	-\$2,558,333	-\$2,441,000	-198000	-412000	\$214,000
2043	3	(19)	-16	\$117,333	-\$2,558,333	-\$2,441,000	-168000	-458000	\$290,000
2044	3	(19)	-16	\$117,333	-\$3,047,333	-\$2,930,000	-183000	-465000	\$282,000
2045	3	(17)	-14	\$117,333	-\$3,535,333	-\$3,418,000	-275000	-565000	\$290,000
Total							\$8,621,000	\$1,266,000	\$7,355,000
							\$13,958,068	is greater than	\$9,086,520
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