



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

March 5, 2019

AMENDED CERTIFICATION

John Anderson  
Superintendent  
Seymour Independent School District  
409 W. Idaho St.  
Seymour, Texas 76380-1650

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Seymour Independent School District and Seymour Hills Wind Project, LLC, Application 1202

Dear Superintendent Anderson:

This application (Application 1202) was originally submitted on June 29, 2017, to the Seymour Independent School District (school district) by Seymour Hills Wind Project, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> On August 23, 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 October 17, 2017. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on December 14, 2017.

On February 4, 2019, Comptroller received an amendment to the agreement to decrease the number of new qualifying jobs, the number of turbines, the megawatt capacity and the total investment. 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.

<sup>1</sup> 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, 2019.

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,



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 Seymour Hills Wind Project, LLC (project) applying to Seymour 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 Seymour Hills Wind Project, LLC.

	<b>Original</b>	<b>Amendment No. 1</b>
Applicant	Seymour Hills Wind Project, LLC	Seymour Hills Wind Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Seymour ISD	Seymour ISD
2015-2016 Average Daily Attendance	561	561
County	Baylor	Baylor
Proposed Total Investment in District	\$127,500,000	\$38,250,000
Proposed Qualified Investment	\$127,500,000	\$38,250,000
Limitation Amount	\$25,000,000	\$25,000,000
Qualifying Time Period (Full Years)	2018-2019	2018-2019
Number of new qualifying jobs committed to by applicant	3*	1*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,062	\$1,062
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,062	\$1,062
Minimum annual wage committed to by applicant for qualified jobs	\$55,223	\$55,223
Minimum weekly wage required for non-qualifying jobs	\$650	\$650
Minimum annual wage required for non-qualifying jobs	\$33,814	\$33,814
Investment per Qualifying Job	\$42,500,000	\$38,250,000
Estimated M&O levy without any limit (15 years)	\$12,575,400	\$3,835,147
Estimated M&O levy with Limitation (15 years)	\$5,532,806	\$3,389,340
Estimated gross M&O tax benefit (15 years)	\$7,042,594	\$445,806

\* 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 Seymour Hills Wind Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	250	282	532	\$9,000,000	\$24,498,208	\$33,498,208
2019	1	43	43.7548	\$55,223	\$5,217,493	\$5,272,716
2020	1	18	19	\$55,223	\$3,221,371	\$3,276,594
2021	1	(1)	0	\$55,223	\$1,551,238	\$1,606,461
2022	1	(11)	-10	\$55,223	\$456,301	\$511,524
2023	1	(15)	-14	\$55,223	-\$205,459	-\$150,236
2024	1	(15)	-14	\$55,223	-\$533,549	-\$478,326
2025	1	(13)	-12	\$55,223	-\$589,433	-\$534,210
2026	1	(10)	-9	\$55,223	-\$488,833	-\$433,610
2027	1	(6)	-5	\$55,223	-\$302,875	-\$247,652
2028	1	(3)	-2	\$55,223	-\$83,592	-\$28,369
2029	1	(1)	0	\$55,223	\$135,405	\$190,628
2030	1	1	2	\$55,223	\$333,333	\$388,556
2031	1	3	4	\$55,223	\$492,330	\$547,553
2032	1	4	5	\$55,223	\$611,258	\$666,481
2033	1	4	5	\$55,223	\$692,411	\$747,634

Source: CPA REMI, Seymour Hills Wind Project, 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*	Seymour ISD I&S Tax Levy	Seymour ISD M&O Tax Levy	Seymour ISD M&O and I&S Tax Levies	Baylor County Tax Levy	Baylor County Hospital District Tax Levy	Rolling Plains Groundwater Conservation District Tax Levy	Estimated Total Property Taxes	
2019	\$38,164,000	\$38,164,000	0.0000	\$0	\$396,906	\$396,906	\$252,382	\$72,893	\$6,896	\$729,077	
2020	\$35,523,000	\$35,523,000	0.0000	\$0	\$369,439	\$369,439	\$234,917	\$67,849	\$6,419	\$678,624	
2021	\$33,066,500	\$33,066,500	0.0000	\$0	\$343,892	\$343,892	\$218,672	\$63,157	\$5,975	\$631,696	
2022	\$30,781,400	\$30,781,400	0.0000	\$0	\$320,127	\$320,127	\$203,560	\$58,792	\$5,562	\$588,042	
2023	\$28,654,700	\$28,654,700	0.0000	\$0	\$298,009	\$298,009	\$189,496	\$54,730	\$5,178	\$547,414	
2024	\$26,676,400	\$26,676,400	0.0000	\$0	\$277,435	\$277,435	\$176,414	\$50,952	\$4,820	\$509,621	
2025	\$24,836,400	\$24,836,400	0.0000	\$0	\$258,299	\$258,299	\$164,246	\$47,438	\$4,488	\$474,470	
2026	\$23,123,800	\$23,123,800	0.0000	\$0	\$240,488	\$240,488	\$152,920	\$44,166	\$4,178	\$441,752	
2027	\$21,530,600	\$21,530,600	0.0000	\$0	\$223,918	\$223,918	\$142,384	\$41,123	\$3,891	\$411,316	
2028	\$20,048,700	\$20,048,700	0.0000	\$0	\$208,506	\$208,506	\$132,584	\$38,293	\$3,623	\$383,006	
2029	\$19,060,200	\$19,060,200	0.0000	\$0	\$198,226	\$198,226	\$126,047	\$36,405	\$3,444	\$364,122	
2030	\$18,120,000	\$18,120,000	0.0000	\$0	\$188,448	\$188,448	\$119,829	\$34,609	\$3,274	\$346,161	
2031	\$17,227,200	\$17,227,200	0.0000	\$0	\$179,163	\$179,163	\$113,925	\$32,904	\$3,113	\$329,105	
2032	\$16,378,700	\$16,378,700	0.0000	\$0	\$170,338	\$170,338	\$108,314	\$31,283	\$2,960	\$312,895	
2033	\$15,572,500	\$15,572,500	0.0000	\$0	\$161,954	\$161,954	\$102,982	\$29,743	\$2,814	\$297,494	
				<b>Total</b>	<b>\$0</b>	<b>\$3,835,147</b>	<b>\$3,835,147</b>	<b>\$2,438,674</b>	<b>\$704,339</b>	<b>\$66,636</b>	<b>\$7,044,796</b>

Source: CPA, Seymour Hills Wind Project, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district, Baylor County, Baylor County Hospital District and Rolling Plains Groundwater Conservation District, with all property tax incentives 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.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Seymour ISD I&S Tax Levy	Seymour ISD M&O Tax Levy	Seymour ISD M&O and I&S Tax Levies	Baylor County Tax Levy	Baylor County Hospital District Tax Levy	Rolling Plains Groundwater Conservation District Tax Levy	Estimated Total Property Taxes
				0.0000	1.0400		0.6613	0.1910	0.0181	
2019	\$38,164,000	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$6,896	\$266,896
2020	\$35,523,000	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$6,419	\$266,419
2021	\$33,066,500	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$5,975	\$265,975
2022	\$30,781,400	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$5,562	\$265,562
2023	\$28,654,700	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$5,178	\$265,178
2024	\$26,676,400	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$4,820	\$264,820
2025	\$24,836,400	\$24,836,400		\$0	\$258,299	\$258,299	\$0	\$0	\$4,488	\$262,786
2026	\$23,123,800	\$23,123,800		\$0	\$240,488	\$240,488	\$0	\$0	\$4,178	\$244,666
2027	\$21,530,600	\$21,530,600		\$0	\$223,918	\$223,918	\$0	\$0	\$3,891	\$227,809
2028	\$20,048,700	\$20,048,700		\$0	\$208,506	\$208,506	\$0	\$0	\$3,623	\$212,129
2029	\$19,060,200	\$19,060,200		\$0	\$198,226	\$198,226	\$126,047	\$36,405	\$3,444	\$364,122
2030	\$18,120,000	\$18,120,000		\$0	\$188,448	\$188,448	\$119,829	\$34,609	\$3,274	\$346,161
2031	\$17,227,200	\$17,227,200		\$0	\$179,163	\$179,163	\$113,925	\$32,904	\$3,113	\$329,105
2032	\$16,378,700	\$16,378,700		\$0	\$170,338	\$170,338	\$108,314	\$31,283	\$2,960	\$312,895
2033	\$15,572,500	\$15,572,500		\$0	\$161,954	\$161,954	\$102,982	\$29,743	\$2,814	\$297,494
			<b>Total</b>	<b>\$0</b>	<b>\$3,389,340</b>	<b>\$3,389,340</b>	<b>\$571,098</b>	<b>\$164,945</b>	<b>\$66,636</b>	<b>\$4,192,019</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$445,806</b>	<b>\$445,806</b>	<b>\$1,867,576</b>	<b>\$539,395</b>	<b>\$0</b>	<b>\$2,852,777</b>

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

Source: CPA, Seymour Hills Wind Project, 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 Seymour Hills Wind Project, 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	\$260,000	\$260,000	\$136,906	\$136,906
	2020	\$260,000	\$520,000	\$109,439	\$246,345
	2021	\$260,000	\$780,000	\$83,892	\$330,236
	2022	\$260,000	\$1,040,000	\$60,127	\$390,363
	2023	\$260,000	\$1,300,000	\$38,009	\$428,372
	2024	\$260,000	\$1,560,000	\$17,435	\$445,806
	2025	\$258,299	\$1,818,299	\$0	\$445,806
	2026	\$240,488	\$2,058,786	\$0	\$445,806
	2027	\$223,918	\$2,282,704	\$0	\$445,806
	2028	\$208,506	\$2,491,211	\$0	\$445,806
<b>Maintain Viable Presence (5 Years)</b>	2029	\$198,226	\$2,689,437	\$0	\$445,806
	2030	\$188,448	\$2,877,885	\$0	\$445,806
	2031	\$179,163	\$3,057,048	\$0	\$445,806
	2032	\$170,338	\$3,227,386	\$0	\$445,806
	2033	\$161,954	\$3,389,340	\$0	\$445,806
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2034	\$153,978	\$3,543,318	\$0	\$445,806
	2035	\$146,401	\$3,689,719	\$0	\$445,806
	2036	\$139,201	\$3,828,920	\$0	\$445,806
	2037	\$132,358	\$3,961,278	\$0	\$445,806
	2038	\$125,849	\$4,087,127	\$0	\$445,806
	2039	\$119,667	\$4,206,794	\$0	\$445,806
	2040	\$113,788	\$4,320,582	\$0	\$445,806
	2041	\$108,204	\$4,428,786	\$0	\$445,806
	2042	\$103,397	\$4,532,183	\$0	\$445,806
	2043	\$103,298	\$4,635,481	\$0	\$445,806

**\$4,635,481**

is greater than

**\$445,806**

<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?	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 levv directly related to this project.

Source: CPA, Seymour Hills Wind Project, 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.