



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 27, 2018

AMENDED CERTIFICATION

Darryl Flusche
Superintendent
Canyon Independent School District
3301 N. 23rd Street
Canyon, Texas 79015

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Canyon Independent School District and Buffalo Wind Prime, LLC, Application 1203

Dear Superintendent Flusche:

This application (Application 1203) was originally submitted on July 10, 2017, to the Canyon Independent School District (school district) by Buffalo Wind Prime, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On September 5, 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 19, 2017. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on December 5, 2017.

On August 23, 2018, Comptroller received an amendment to defer the start of the limitation in 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 B; 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 B

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 Buffalo Wind Prime, LLC (project) applying to Canyon 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 Buffalo Wind Prime, LLC.

	Original	Amendment No. 1
Applicant	Buffalo Wind Prime, LLC	Buffalo Wind Prime, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Canyon ISD	Canyon ISD
2015-2016 Average Daily Attendance	9,083	9,083
County	Randall	Randall
Proposed Total Investment in District	\$168,000,000	\$168,000,000
Proposed Qualified Investment	\$168,000,000	\$168,000,000
Limitation Amount	\$80,000,000	\$80,000,000
Qualifying Time Period (Full Years)	2018-2019	2018-2019
Number of new qualifying jobs committed to by applicant	5*	5*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$991	\$991
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$991	\$991
Minimum annual wage committed to by applicant for qualified jobs	\$51,526	\$51,526
Minimum weekly wage required for non-qualifying jobs	\$804	\$804
Minimum annual wage required for non-qualifying jobs	\$41,822	\$41,822
Investment per Qualifying Job	\$33,600,000	\$33,600,000
Estimated M&O levy without any limit (15 years)	\$17,035,200	\$17,035,200
Estimated M&O levy with Limitation (15 years)	\$11,814,400	\$11,814,400
Estimated gross M&O tax benefit (15 years)	\$5,220,800	\$5,220,800

* 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 Buffalo Wind Prime, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	18	22	40	\$901,705	\$1,824,787	\$2,726,492
2019	163	199	361.686	\$8,372,975	\$17,170,086	\$25,543,061
2020	5	39	44	\$257,630	\$4,486,984	\$4,744,614
2021	5	22	27	\$257,630	\$3,220,407	\$3,478,037
2022	5	9	14	\$257,630	\$2,126,980	\$2,384,610
2023	5	2	7	\$257,630	\$1,371,423	\$1,629,053
2024	5	(1)	4	\$257,630	\$895,533	\$1,153,163
2025	5	(2)	3	\$257,630	\$661,321	\$918,951
2026	5	(1)	4	\$257,630	\$586,504	\$844,134
2027	5	0	5	\$257,630	\$617,180	\$874,810
2028	5	2	7	\$257,630	\$705,530	\$963,160
2029	5	3	8	\$257,630	\$819,270	\$1,076,900
2030	5	5	10	\$257,630	\$932,538	\$1,190,168
2031	5	6	11	\$257,630	\$1,058,779	\$1,316,409
2032	5	7	12	\$257,630	\$1,176,165	\$1,433,795
2033	5	7	12	\$257,630	\$1,282,786	\$1,540,416
2034	5	8	13	\$257,630	\$1,373,987	\$1,631,617

Source: CPA REMI, Buffalo Wind Prime, 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*	Canyon ISD I&S Tax Levy	Canyon ISD M&O Tax Levy	Canyon ISD M&O and I&S Tax Levies	Randall County Tax Levy	South Randall Hospital District Tax Levy	High Plains Water Conservation District #1 Tax Levy	Randall County Noxious Weed Control District Tax Levy	Estimated Total Property Tax
				0.2250	1.0400		0.4147	0.0745	0.0075	0.0300	
2020	\$168,000,000	\$168,000,000		\$378,000	\$1,747,200	\$2,125,200	\$696,746	\$142,151	\$12,600	\$50,400	\$2,964,097
2021	\$159,600,000	\$159,600,000		\$359,100	\$1,659,840	\$2,018,940	\$661,909	\$135,043	\$11,970	\$47,880	\$2,815,832
2022	\$151,200,000	\$151,200,000		\$340,200	\$1,572,480	\$1,912,680	\$627,072	\$127,936	\$11,340	\$45,360	\$2,667,668
2023	\$142,800,000	\$142,800,000		\$321,300	\$1,485,120	\$1,806,420	\$592,234	\$120,828	\$10,710	\$42,840	\$2,519,462
2024	\$134,400,000	\$134,400,000		\$302,400	\$1,397,760	\$1,700,160	\$557,397	\$113,721	\$10,080	\$40,320	\$2,371,278
2025	\$126,000,000	\$126,000,000		\$283,500	\$1,310,400	\$1,593,900	\$522,560	\$106,613	\$9,450	\$37,800	\$2,223,073
2026	\$117,600,000	\$117,600,000		\$264,600	\$1,223,040	\$1,487,640	\$487,722	\$99,506	\$8,820	\$35,280	\$2,074,860
2027	\$109,200,000	\$109,200,000		\$245,700	\$1,135,680	\$1,381,380	\$452,885	\$92,398	\$8,190	\$32,760	\$1,926,663
2028	\$100,800,000	\$100,800,000		\$226,800	\$1,048,320	\$1,275,120	\$418,048	\$85,291	\$7,560	\$30,240	\$1,778,459
2029	\$92,400,000	\$92,400,000		\$207,900	\$960,960	\$1,168,860	\$383,211	\$78,183	\$6,930	\$27,720	\$1,630,254
2030	\$84,000,000	\$84,000,000		\$189,000	\$873,600	\$1,062,600	\$348,373	\$71,075	\$6,300	\$25,200	\$1,482,048
2031	\$75,600,000	\$75,600,000		\$170,100	\$786,240	\$956,340	\$313,536	\$63,968	\$5,670	\$22,680	\$1,333,844
2032	\$67,200,000	\$67,200,000		\$151,200	\$698,880	\$850,080	\$278,699	\$56,860	\$5,040	\$20,160	\$1,185,659
2033	\$58,800,000	\$58,800,000		\$132,300	\$611,520	\$743,820	\$243,861	\$49,753	\$4,410	\$17,640	\$1,037,484
2034	\$50,400,000	\$50,400,000		\$113,400	\$524,160	\$637,560	\$209,024	\$42,645	\$3,780	\$15,120	\$889,229
			Total	\$3,685,500	\$17,035,200	\$20,720,700	\$6,793,277	\$1,385,971	\$122,850	\$491,400	\$28,899,94

Source: CPA, Buffalo Wind Prime, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Randall County, South Randall Hospital District, High Plains Water Conservation District #1 and Randall County Noxious Weed Control 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.

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*	Canyon ISD I&S Tax Levy	Canyon ISD M&O Tax Levy	Canyon ISD M&O and I&S Tax Levies	Randall County Tax Levy	South Randall Hospital District Tax Levy	High Plains Water Conservation District #1 Tax Levy	Randall County Noxious Weed Control District Tax Levy	Estimated Total Property Tax
				0.2250	1.0400		0.4147	0.0745	0.0075	0.0300	
2020	\$168,000,000	\$80,000,000		\$378,000	\$832,000	\$1,210,000	\$0	\$0	\$12,600	\$50,400	\$1,210,000
2021	\$159,600,000	\$80,000,000		\$359,100	\$832,000	\$1,191,100	\$0	\$0	\$11,970	\$47,880	\$1,191,100
2022	\$151,200,000	\$80,000,000		\$340,200	\$832,000	\$1,172,200	\$0	\$0	\$11,340	\$45,360	\$1,172,200
2023	\$142,800,000	\$80,000,000		\$321,300	\$832,000	\$1,153,300	\$0	\$0	\$10,710	\$42,840	\$1,153,300
2024	\$134,400,000	\$80,000,000		\$302,400	\$832,000	\$1,134,400	\$0	\$0	\$10,080	\$40,320	\$1,134,400
2025	\$126,000,000	\$80,000,000		\$283,500	\$832,000	\$1,115,500	\$0	\$0	\$9,450	\$37,800	\$1,115,500
2026	\$117,600,000	\$80,000,000		\$264,600	\$832,000	\$1,096,600	\$0	\$0	\$8,820	\$35,280	\$1,096,600
2027	\$109,200,000	\$80,000,000		\$245,700	\$832,000	\$1,077,700	\$0	\$0	\$8,190	\$32,760	\$1,077,700
2028	\$100,800,000	\$80,000,000		\$226,800	\$832,000	\$1,058,800	\$0	\$0	\$7,560	\$30,240	\$1,058,800
2029	\$92,400,000	\$80,000,000		\$207,900	\$832,000	\$1,039,900	\$0	\$0	\$6,930	\$27,720	\$1,039,900
2030	\$84,000,000	\$84,000,000		\$189,000	\$873,600	\$1,062,600	\$348,373	\$71,075	\$6,300	\$25,200	\$1,482,000
2031	\$75,600,000	\$75,600,000		\$170,100	\$786,240	\$956,340	\$313,536	\$63,968	\$5,670	\$22,680	\$1,333,800
2032	\$67,200,000	\$67,200,000		\$151,200	\$698,880	\$850,080	\$278,699	\$56,860	\$5,040	\$20,160	\$1,185,600
2033	\$58,800,000	\$58,800,000		\$132,300	\$611,520	\$743,820	\$243,861	\$49,753	\$4,410	\$17,640	\$1,037,400
2034	\$50,400,000	\$50,400,000		\$113,400	\$524,160	\$637,560	\$209,024	\$42,645	\$3,780	\$15,120	\$889,200
			Total	\$3,685,500	\$11,814,400	\$15,499,900	\$1,393,493	\$284,302	\$122,850	\$491,400	\$17,177,690
			Diff	\$0	\$5,220,800	\$5,220,800	\$5,399,785	\$1,101,670	\$0	\$0	\$11,722,250

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

Source: CPA, Buffalo Wind Prime, 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 Buffalo Wind Prime, 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)
Limitation Pre-Years	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
	2019	\$174,720	\$174,720	\$0	\$0
Limitation Period (10 Years)	2020	\$832,000	\$1,006,720	\$915,200	\$915,200
	2021	\$832,000	\$1,838,720	\$827,840	\$1,743,040
	2022	\$832,000	\$2,670,720	\$740,480	\$2,483,520
	2023	\$832,000	\$3,502,720	\$653,120	\$3,136,640
	2024	\$832,000	\$4,334,720	\$565,760	\$3,702,400
	2025	\$832,000	\$5,166,720	\$478,400	\$4,180,800
	2026	\$832,000	\$5,998,720	\$391,040	\$4,571,840
	2027	\$832,000	\$6,830,720	\$303,680	\$4,875,520
	2028	\$832,000	\$7,662,720	\$216,320	\$5,091,840
	2029	\$832,000	\$8,494,720	\$128,960	\$5,220,800
Maintain Viable Presence (5 Years)	2030	\$873,600	\$9,368,320	\$0	\$5,220,800
	2031	\$786,240	\$10,154,560	\$0	\$5,220,800
	2032	\$698,880	\$10,853,440	\$0	\$5,220,800
	2033	\$611,520	\$11,464,960	\$0	\$5,220,800
	2034	\$524,160	\$11,989,120	\$0	\$5,220,800
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$436,800	\$12,425,920	\$0	\$5,220,800
	2036	\$349,440	\$12,775,360	\$0	\$5,220,800
	2037	\$349,440	\$13,124,800	\$0	\$5,220,800
	2038	\$349,440	\$13,474,240	\$0	\$5,220,800
	2039	\$349,440	\$13,823,680	\$0	\$5,220,800
	2040	\$349,440	\$14,173,120	\$0	\$5,220,800
	2041	\$349,440	\$14,522,560	\$0	\$5,220,800
	2042	\$349,440	\$14,872,000	\$0	\$5,220,800
	2043	\$349,440	\$15,221,440	\$0	\$5,220,800
	2044	\$349,440	\$15,570,880	\$0	\$5,220,800

\$15,570,880

is greater than

\$5,220,800

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, Buffalo Wind Prime, 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.