

FINDINGS
of the
SNYDER INDEPENDENT
SCHOOL DISTRICT
BOARD OF TRUSTEES

Under Chapter 313 of the
Texas Tax Code

ON THE APPLICATION FOR
APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY

SUBMITTED BY

COYOTE WIND, LLC

Comptroller Application Number 1204

December 14, 2017

RESOLUTION AND FINDINGS OF FACT
of the
SNYDER INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY
SUBMITTED BY COYOTE WIND, LLC

STATE OF TEXAS §
COUNTY OF SCURRY §
SNYDER INDEPENDENT SCHOOL DISTRICT §

PREAMBLE

On the 14th day of December, 2017, a public meeting of the Board of Trustees of the Snyder Independent School District (the “Board”) was held to solicit input from interested parties on the application by Coyote Wind, LLC (“Coyote Wind” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board considered the application by Coyote Wind for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller’s Economic Impact Analysis under Texas Tax Code §313.026 and 34 T.A.C. §9.1054, the Board of Trustees of the Snyder Independent School District makes the following Findings regarding the Application:

On or about the 13th day of July, 2017, the Board of Trustees for the Snyder Independent School District received an Application for Appraised Value Limitation on Qualified Property from Coyote Wind, pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for a proposed renewable energy project using wind turbines (the “Property”). *See* Application, page 4, Section 6.2.5, and Tab 4, attached hereto as Attachment A; *see also* Attachment D. The Board agreed to consider such Application, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon the District’s determination that the Application was complete. The Comptroller acknowledged receipt of the Application on or about July 18, 2017. Thereafter, on or about August 18, 2017, the District on behalf of the Applicant, submitted pages for Amendment No. 01 (revised pp. 5 & 7, Tabs 4, 13 and 14), and the Comptroller issued its notice of completeness on or about August 29, 2017, the Application Review Start Date. The Application and Amendment No. 01 are hereafter collectively referred to as the “Application.” A copy of the Application and Comptroller’s completeness letter of August 29, 2017 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Coyote Wind, LLC is 32060816728. Coyote Wind is an entity subject to Chapter 171 of the Texas Tax Code and is active and has the right to

transact business in Texas, as represented by the Texas Comptroller of Public Accounts and as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

The Board acknowledged receipt of the Application and necessary application fee, which was reasonable and did not exceed the estimated cost to the District for processing and acting on the Application, as established by §313.025(a)(1) of the Texas Tax Code and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to §313.025(b) of the Texas Tax Code.

A copy of the Application was delivered to the Scurry County Appraisal District for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an Economic Impact Analysis to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024(b) for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on October 2, 2017 that the Application be approved (the "Certificate Decision"). *See* Attachment C. The Board of Trustees has carefully considered such Evaluation and Certificate Decision. Copies of the Certificate Decision and Economic Impact Analysis are attached to these Findings as Attachments C and D, respectively.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Snyder Independent School District. A copy of a report prepared by McDowell School Finance Consulting, LLC and dated December 10, 2017 is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of industrial property applicable to the Coyote Wind Application in the Snyder Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, fell within a rural school district, Category 1 of §313.054 of the Texas Tax Code at the time the Certificate Decision was issued. *See* "2016 Property Value Study Report," attached hereto as Attachment G; *see also* Attachment D.

After receipt of the completed Application, the District entered into negotiations with Coyote Wind regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the "Agreement") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted (2016 Form 50-826). The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement (as defined by 34. Tex. Admin. Code §9.1015) was submitted to and approved by the Comptroller, as required by 34 Tex. Admin. Code §9.1015(e)(1). *See* copy of November 9, 2017, Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller’s Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of Coyote Wind’s Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

Board Finding Number 1.

Based on the Application and the Comptroller’s Certificate Decision, the Property meets the requirements of Texas Tax Code §313.024 for eligibility for a limitation on appraised value under Texas Tax Code §313.024(b)(5) as a renewable energy electric generation project.

In support of Finding Number 1, the Comptroller’s Certificate Decision states:

Determination required by 313.025(h)

* * *

Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

* * *

Based on the information provided by the applicant, 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.

See Attachment C. See also Attachment A (Tab 1, §6.2(5) and Tab 4) and Attachment D.

Board Finding Number 2.

The project proposed by Applicant is reasonably likely to generate sufficient tax revenue to offset the 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.

In support of Finding Number 2, the Certificate Decision states:

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 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 C.

Also in support of Finding Number 2, the Comptroller’s Economic Impact Analysis states:

Attachment B - Tax Revenue over 25 Years

This [table] represents the Comptroller’s determination that Coyote Wind, 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	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2020	\$312,000	\$312,000	\$2,163,943	\$2,163,943
	2021	\$312,000	\$624,000	\$2,015,386	\$4,179,329
	2022	\$312,000	\$936,000	\$1,875,743	\$6,055,071
	2023	\$312,000	\$1,248,000	\$1,744,478	\$7,799,550
	2024	\$312,000	\$1,560,000	\$1,621,090	\$9,420,639
	2025	\$312,000	\$1,872,000	\$1,505,104	\$10,925,743
	2026	\$312,000	\$2,184,000	\$1,396,078	\$12,321,821
	2027	\$312,000	\$2,496,000	\$1,293,593	\$13,615,415
	2028	\$312,000	\$2,808,000	\$1,197,258	\$14,812,672
	2029	\$312,000	\$3,120,000	\$1,106,702	\$15,919,375
Maintain Viable Presence (5 Years)	2030	\$1,333,580	\$4,453,580	\$0	\$15,919,375
	2031	\$1,253,565	\$5,707,145	\$0	\$15,919,375
	2032	\$1,178,351	\$6,885,497	\$0	\$15,919,375
	2033	\$1,107,650	\$7,993,147	\$0	\$15,919,375
	2034	\$1,041,191	\$9,034,338	\$0	\$15,919,375
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$978,720	\$10,013,058	\$0	\$15,919,375
	2036	\$919,997	\$10,933,055	\$0	\$15,919,375
	2037	\$864,797	\$11,797,851	\$0	\$15,919,375
	2038	\$812,909	\$12,610,760	\$0	\$15,919,375
	2039	\$764,134	\$13,374,895	\$0	\$15,919,375
	2040	\$718,286	\$14,093,181	\$0	\$15,919,375
	2041	\$675,189	\$14,768,371	\$0	\$15,919,375
	2042	\$634,678	\$15,403,048	\$0	\$15,919,375
	2043	\$596,597	\$15,999,646	\$0	\$15,919,375
	2044	\$560,801	\$16,560,447	\$0	\$15,919,375

\$16,560,447 is greater than \$15,919,375

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, Coyote Wind, LLC

See Attachment D.

Board Finding Number 3.

The new qualifying jobs creation requirement under § 313.051(b) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Applicant's facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to § 313.025(f-1).

In support of this Finding, Applicant submitted information as Tab 12 to its Application regarding the industry standard for the number of jobs for a project with qualified property of this size and type. Tab 12 provides that for a project of the size and type described in the Application, the project will require less than 10 permanent jobs. According to the Applicant, wind energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary in nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Typically, wind farms will employ one (1) full time employee for every 10-15 turbines. Applicant intends to install approximately 68 turbines rated at 3.6 MW within Snyder ISD, with a total capacity of approximately 242 MW. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J. Applicant reported in its Application that it would create a total of six (6) new qualifying jobs to service and support a wind farm of with approximately 68 turbines, which is less than the requirements of §313.051(b) but consistent with industry standards.

See also Attachments A (Tab 7), and D.

Board Finding Number 4.

The Applicant will create six (6) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; (3) pay an annual wage of \$46,500 (\$894.23 per week), an amount equal to at least 110% of the County average weekly wage for manufacturing jobs as defined under §313.021(5)(B); (4) are not created to replace a previous employee; and (5) are not transferred from another area of Texas to the project described the Application.

See Attachments A, D and J.

Board Finding Number 5.

The Applicant does not intend to create any non-qualifying jobs.

In its application, Applicant indicates that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least \$929.50 per week, the county average wage for all jobs in the County, in accordance with the provisions of Texas Tax Code §313.024(d). *See* Attachments A and D.

Board Finding Number 6.

The ability of the Applicant to locate the proposed renewable energy facility in another state or another region of this state is significant because of the highly competitive marketplace for electricity and economic development. Therefore, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas and Snyder ISD.

See Attachment C.

In support of Finding Number 6, the Comptroller's Certificate states, "[t]he Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construction the project in this state." See Attachment C. The Economic Impact Analysis states:

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Coyote Wind, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Coyote Wind, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. "Coyote Wind, LLC has one member with 100% ownership, Lincoln Clean Energy, LLC,"
 - B. "The Applicant for this Project has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project.
 - C. "The Applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics."
 - D. "This appraised value limitation is critical to the ability of the Project to move forward as currently sited."
 - E. "Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics."

See Attachment D. Tab 5 of the Application further states:

Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts.

Board Finding Number 7.

The proposed limitation on appraised value for the qualified property is \$30,000,000.

The Comptroller's Minimum School District Limitation Values Report, effective January 1, 2017, provides that the District is a Subchapter C, Category 1 District, with a minimum limitation of \$30,000,000. See Attachments A and D.

Board Finding Number 8.

The revenue gains that will be realized by the school district if the Application is approved will be significant in the long term, with special reference to revenues used for supporting school district debt.

In support of this Finding, McDowell School Finance Consulting, LLC estimates in the District's Financial Impact Report, based on the property values recited Coyote Wind's Application, that the project would add \$238,071,400 to the tax base at the peak investment level for tax year 2020. The additional project value is fully taxable for debt service taxes and can be used to meet any current or future debt needs. See Table I of Attachment E. See also Schedule B of Attachment A, and Table 4 of Attachment D. In addition, the potential revenue gains from Supplemental Payments provided for in the proposed Agreement are estimated to be \$4,179,200. See Attachment H at Section 6.2.A.

Board Finding Number 9.

The effect of the Applicant's proposal, if approved, is not expected to increase the District's instructional facility needs. Snyder ISD can easily accommodate the student growth anticipated from Applicant's project with its existing facilities.

In support of this finding, the District's Financial Impact Report states:

Coyote Wind, LLC provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that six full-time employees are expected. It is not known whether these would be new employees to the Snyder ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new six positions equates to 3 new students.

This projected student growth can be accommodated with the current facilities of Snyder ISD.

See Table VII of Attachment E. See also TEA’s Facilities Impact Review Letter at Attachment F.

Board Finding Number 10.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does not receive a limitation on appraised value, based on the projected depreciations of investment provided by Applicant, is shown in Table II of Attachment E (column labeled “Taxes w/o Agreement”), and is further based on the assumption that the projected total maintenance and operations tax rate per \$100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District’s Revenue Losses	Net Tax Savings
2017-2018	1.04	0.124	0	0	0	0
2018-2019	1.04	0.095	0	0	0	0
2019-2020	1.04	0.076	251,607	0	0	0
2020-2021	1.04	0.076	2,475,943	2,163,943	(1,902,388)	261,555
2021-2022	1.04	0.076	2,327,386	2,015,386	0	2,015,386
2022-2023	1.04	0.076	2,187,743	1,875,743	0	1,875,743
2023-2024	1.04	0.075	2,056,478	1,744,478	0	1,744,478
2024-2025	1.04	0.075	1,933,090	1,621,090	0	1,621,090
2025-2026	1.04	0.075	1,817,104	1,505,104	0	1,505,104
2026-2027	1.04	0.031	1,708,078	1,396,078	0	1,396,078
2027-2028	1.04	0.028	1,605,593	1,293,593	0	1,293,593
2028-2029	1.04	0.028	1,509,258	1,197,258	0	1,197,258
2029-2030	1.04	0.028	1,418,702	1,106,702	0	1,106,702
2030-2031	1.04	0.028	1,333,580	0	0	0
2031-2032	1.04	0.028	1,253,565	0	0	0
2032-2033	1.04	0.028	1,178,351	0	0	0
2033-2034	1.04	0.028	1,107,650	0	0	0
2034-2035	1.04	0.000	1,041,191	0	0	0
Totals			25,205,320	15,919,375	(1,902,388)	14,016,987

See also Attachment D, p. 1 and Table 3.

Board Finding Number 11.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value with the projected depreciations of investment, is discernible from Table II of Attachment E (subtracting the amounts in the column labeled “Tax Savings with Agreement” from the column labeled “Taxes w/o Agreement”), and is further based on the assumption that the projected total maintenance and operations tax rate per \$100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District’s Revenue Losses	Net Tax Savings
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2020-2021	1.04	0.076	2,475,943	2,163,943	(1,902,388)	261,555
2021-2022	1.04	0.076	2,327,386	2,015,386	0	2,015,386
2022-2023	1.04	0.076	2,187,743	1,875,743	0	1,875,743
2023-2024	1.04	0.075	2,056,478	1,744,478	0	1,744,478
2024-2025	1.04	0.075	1,933,090	1,621,090	0	1,621,090
2025-2026	1.04	0.075	1,817,104	1,505,104	0	1,505,104
2026-2027	1.04	0.031	1,708,078	1,396,078	0	1,396,078
2027-2028	1.04	0.028	1,605,593	1,293,593	0	1,293,593
2028-2029	1.04	0.028	1,509,258	1,197,258	0	1,197,258
2029-2030	1.04	0.028	1,418,702	1,106,702	0	1,106,702
2030-2031	1.04	0.028	1,333,580	0	0	0
2031-2032	1.04	0.028	1,253,565	0	0	0
2032-2033	1.04	0.028	1,178,351	0	0	0
2033-2034	1.04	0.028	1,107,650	0	0	0
2034-2035	1.04	0.000	1,041,191	0	0	0
Totals			25,205,320	15,919,375	(1,902,388)	14,016,987

See also Attachment D, p. 1 and Table 4.

Board Finding Number 12.

Based upon the Applicant’s certification that the Application is true and correct, the Comptroller’s Economic Impact Analysis, the Comptroller’s Certificate Decision, and the consultants’ review of these and other documents, the Board has determined that the information provided by the Applicant in its Application is true and correct when submitted.

Upon acceptance of the Application, the District requested the Comptroller to undertake an economic impact evaluation and retained certain consultants to help the Board determine: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's

information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning the economic incentives available are a determining factor; and, (5) the proposed project meets eligibility requirements for an Agreement under Tax Code Chapter 313.

As a part of its review process, the Board notes that the Application was submitted by Applicant under oath. Chapter 313 applications are governmental records under Tex. Penal Code §37.01(2)(A), and all representations contained therein are statements of fact within the meaning of Tex. Penal Code §37.01(3). Since Board action upon the adoption of these Findings and the approval of the Agreement (Attachment H) is an "official proceeding," a false statement in the Application would constitute perjury under Tex. Penal Code §37.03.

The Board finds that sworn statements are routinely relied upon by fact finders in official governmental proceedings. The Board further finds that reliance upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified, is reasonable and within the intent of Chapter 313, Texas Tax Code. See Attachments A, B, C and D.

Board Finding Number 13.

The Applicant (Taxpayer Id. 32060816728) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on the Comptroller's acknowledgment that Applicant's right to transact business in Texas is active as a franchise-tax paying entity.

See Attachments A, B and C.

Board Finding Number 14.

The project will be located within an area that is currently designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code. Should it be required, the District will cooperate with the Applicant's efforts to ensure that the area remains designated as a reinvestment zone through the Final Termination Date of the Agreement.

See Attachment A (Tabs 11 and 16).

Board Finding Number 15.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, meets all the requirements set out in Texas Tax Code §313.027, including adequate and appropriate revenue protection provisions for the District.

In support of this Finding and based on the information provided and verified by Applicant in its Application, the District's Financial Impact Analysis demonstrates that the District will incur a revenue loss during tax year 2019. However, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District as set out in the Agreement. *See* Table II in Attachment E, and proposed Agreement, Article IV, at Attachment H.

Board Finding Number 16.

The Board finds that there are no conflicts of interest at the time of its consideration of the Agreement.

In support of this Finding, the Board finds that it has taken appropriate action to ensure that all District Trustees and the Superintendent have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code.

The Board further finds that it has taken appropriate action to ensure that all District employees and/or consultants have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code.

The Board further finds that it is unaware that a conflict of interest exists as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 17.

Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State to approve Coyote Wind's Application and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Board Finding Number 18.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller, as of January 24, 2016, and the Comptroller has verified that the Agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 T.A.C. Chapter 9, Subchapter F.

See Attachment I.

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Snyder Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the new jobs requirement pursuant to § 313.051(b) is hereby WAIVED; and,

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED contemporaneously with these Findings and is hereby authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Snyder Independent School District, along with a copy of these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and,

IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Snyder Independent School District Board of Trustees.

Dated this 14th day of December, 2017.

Snyder Independent School District

By 
Signature

Ralph Ramon - President
Printed Name and Title

Attest:

By 
Signature

Doug Neff Secretary
Printed Name and Title

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Applicant's Franchise Tax Account Status
C	Comptroller's Certificate Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's 2016 Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's November 9, 2017 Agreement Review Letter
J	Job Waiver Request



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 29, 2017

Eddie Bland
Superintendent
Snyder Independent School District
2901 37th Street
Snyder, Texas 79549

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Snyder Independent School District and Coyote Wind, Application 1204

Dear Superintendent Bland:

On July 18, 2017, the Comptroller's office received Coyote Wind's (applicant) application for a limitation on appraised value (Application 1204) from Snyder Independent School District (school district).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on August 29, 2017.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the Comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the school district and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-8597 or at 512-936-8597.

Sincerely,

A handwritten signature in black ink that reads "Will Counihan".

Will Counihan
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Philip Moore, Lincoln Clean Energy
Charlie Smith, Lincoln Clean Energy
David Sewell, Stahl, Bernal, Davies, Sewell & Chavarria LLP

See Application documents
(Comptroller No. 1204)
posted on Comptroller Website:
Application (posted 8/30/17)
And Amendment No. 1



Franchise Tax Account Status

As of : 12/05/2017 14:02:44

This Page is Not Sufficient for Filings with the Secretary of State

COYOTE WIND, LLC	
Texas Taxpayer Number	32060816728
Mailing Address	401 N MICHIGAN AVE STE 501 CHICAGO, IL 60611-5883
? Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	06/17/2016
Texas SOS File Number	0802482996
Registered Agent Name	NATIONAL REGISTERED AGENTS, INC.
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

See Certification Packet
(Comptroller No. 1204)
posted on Comptroller Website

See Certification Packet
(Comptroller No. 1204)
posted on Comptroller Website

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Coyote Wind, LLC**

December 10, 2017

McDowell School Finance Consulting, LLC

Snyder ISD Financial Impact of Chapter 313 Agreement

Summary of Snyder ISD Financial Impact of the Limited Appraised Value Application from Coyote Wind, LLC

Introduction

Coyote Wind, LLC applied for a property value limitation from Snyder Independent School District under Chapter 313 of the Tax Code. The application was submitted on July 13, 2017 and subsequently approved for consideration by the Snyder ISD Board of Trustees. Coyote Wind, LLC (“Coyote Wind”), is requesting the property value limitation as a “renewable energy electric generation” project as listed in Sec. 313.024.(b) of the Tax Code.

“The Economic Development Act “, Tax Code Chapter 313, was created by House Bill 1200 of the 77th Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80th Texas Legislative Session in 2007 and additionally House Bill 3390 from the 83rd Legislative Session.

The Economic Development Act was created to attract qualifying businesses to Texas by allowing school districts the option of approving a property value limitation to these qualifying entities. The purpose of the property value limitation is to reduce the maintenance and operations taxes paid by the company, to a school district during the applicable years as displayed below:

Snyder ISD Financial Impact of Chapter 313 Agreement

The company must file an application with the school district to qualify for consideration of a Limited Appraised Value Agreement (“LAVA” or “Agreement”) to begin the following tax year or a later year if agreed upon by the District and the Company.

Years Prior to Start of Value Limitation Period:

The tax years prior to the start of the value limitation period are considered the “Prior to Start of Value Limitation Period” and the company’s school district taxes will be levied at one-hundred percent of the appraised value. The applicant has requested that tax years 2017, 2018 & 2019 are the years that are Prior to the Start of Value Limitation Period.

Value Limitation Period:

During the ten years of the Value Limitation Period, the qualifying entity’s taxable value will be reduced to the Minimum Limitation Amount for the applicable school district as determined by the State Comptroller’s Office. Snyder ISD is considered a Rural category 1 District as categorized with total taxable value of industrial property of at least \$200 million. Thus, Snyder ISD has a Minimum Qualified Investment amount of \$30 million and a Minimum Limitation Amount of \$30 million. A qualifying entity’s taxable value would be reduced to \$30 million during this ten year period of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Snyder ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy. The applicant has requested that the Value Limitation Period to begin in tax year 2020 and continue through tax year 2029.

Final Five Years of the Agreement – Continue to Maintain a Viable Presence:

Tax years 2030 through 2034 will be the final five years of the agreement and the applicant agrees to maintain a viable presence with this project during this time.

Snyder ISD Financial Impact of Chapter 313 Agreement

Taxable Value Projections from Application

The following data shows the projected taxable values that Coyote Wind reported in the application to the District:

	Year	School Year	Tax Year	Projected Taxable Value	Actual Taxable Value with Agreement
Each Year Prior to Start of Value Limitation Period	0	2017-2018	2017	\$0	\$0
	0	2018-2019	2018	\$0	\$0
	0	2019-2020	2019	\$24,193,000	\$24,193,000
Value Limitation Period	1	2020-2021	2020	\$238,071,400	\$30,000,000
	2	2021-2022	2021	\$223,787,116	\$30,000,000
	3	2022-2023	2022	\$210,359,889	\$30,000,000
	4	2023-2024	2023	\$197,738,296	\$30,000,000
	5	2024-2025	2024	\$185,873,998	\$30,000,000
	6	2025-2026	2025	\$174,721,558	\$30,000,000
	7	2026-2027	2026	\$164,238,265	\$30,000,000
	8	2027-2028	2027	\$154,383,969	\$30,000,000
	9	2028-2029	2028	\$145,120,931	\$30,000,000
Continue to Maintain Viable Presence	10	2029-2030	2029	\$136,413,675	\$30,000,000
	11	2030-2031	2030	\$128,228,854	\$128,228,854
	12	2031-2032	2031	\$120,535,123	\$120,535,123
	13	2032-2033	2032	\$113,303,016	\$113,303,016
	14	2033-2034	2033	\$106,504,835	\$106,504,835
Additional Years for 25 Year Economic Impact Study	15	2034-2035	2034	\$100,114,545	\$100,114,545
	16	2035-2036	2035	\$94,107,672	\$94,107,672
	17	2036-2037	2036	\$88,461,212	\$88,461,212
	18	2037-2038	2037	\$83,153,539	\$83,153,539
	19	2038-2039	2038	\$78,164,327	\$78,164,327
	20	2039-2040	2039	\$73,474,467	\$73,474,467
	21	2040-2041	2040	\$69,065,999	\$69,065,999
	22	2041-2042	2041	\$64,922,039	\$64,922,039
	23	2042-2043	2042	\$61,026,717	\$61,026,717
24	2043-2044	2043	\$57,365,114	\$57,365,114	
	25	2044-2045	2044	\$53,923,207	\$53,923,207

Snyder ISD Financial Impact of Chapter 313 Agreement

Taxable Value Impact from LAVA

The “Additional Value from Coyote Wind” represents the values that the company estimated as their taxable values in the application that was filed with the district. During tax years 2020 through 2029, the company’s taxable value will be limited to the \$30,000,000 Minimum Limitation Amount of Snyder ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Coyote Wind	Minimum Limitation Amount	Abated Value	Taxable Value
Jan. 1, 2017	0	n/a	0	0
Jan. 1, 2018	0	n/a	0	0
Jan. 1, 2019	24,193,000	n/a	0	24,193,000
Jan. 1, 2020	238,071,400	(30,000,000)	208,071,400	30,000,000
Jan. 1, 2021	223,787,116	(30,000,000)	193,787,116	30,000,000
Jan. 1, 2022	210,359,889	(30,000,000)	180,359,889	30,000,000
Jan. 1, 2023	197,738,296	(30,000,000)	167,738,296	30,000,000
Jan. 1, 2024	185,873,998	(30,000,000)	155,873,998	30,000,000
Jan. 1, 2025	174,721,558	(30,000,000)	144,721,558	30,000,000
Jan. 1, 2026	164,238,265	(30,000,000)	134,238,265	30,000,000
Jan. 1, 2027	154,383,969	(30,000,000)	124,383,969	30,000,000
Jan. 1, 2028	145,120,931	(30,000,000)	115,120,931	30,000,000
Jan. 1, 2029	136,413,675	(30,000,000)	106,413,675	30,000,000
Jan. 1, 2030	128,228,854	n/a	0	128,228,854
Jan. 1, 2031	120,535,123	n/a	0	120,535,123
Jan. 1, 2032	113,303,016	n/a	0	113,303,016
Jan. 1, 2033	106,504,835	n/a	0	106,504,835
Jan. 1, 2034	100,114,545	n/a	0	100,114,545

Snyder ISD Financial Impact of Chapter 313 Agreement

Coyote Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Coyote Wind is \$14.016 million over the life of the Agreement. This net savings is after all tax savings and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement.

Snyder ISD projected tax rates for maintenance & operations (M&O) and interest & sinking (I&S) are based on the following assumptions:

- The District currently has M&O rate of \$1.04. The Study projects that the District will maintain an M&O tax rate of \$1.04 for the life of the agreement.
- The district has outstanding bonds that are scheduled to payoff in 2034 and currently have a \$.124 I&S tax rate. This district's annual debt payment is approximately \$2,300,000 per year and the debt rates below are calculated rates using the projected taxable values with the addition of Coyote Wind estimated taxable values. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2017-2018	1.04	0.124	0	0	0	0
2018-2019	1.04	0.095	0	0	0	0
2019-2020	1.04	0.076	251,607	0	0	0
2020-2021	1.04	0.076	2,475,943	2,163,943	(1,902,388)	261,555
2021-2022	1.04	0.076	2,327,386	2,015,386	0	2,015,386
2022-2023	1.04	0.076	2,187,743	1,875,743	0	1,875,743
2023-2024	1.04	0.075	2,056,478	1,744,478	0	1,744,478
2024-2025	1.04	0.075	1,933,090	1,621,090	0	1,621,090
2025-2026	1.04	0.075	1,817,104	1,505,104	0	1,505,104
2026-2027	1.04	0.031	1,708,078	1,396,078	0	1,396,078
2027-2028	1.04	0.028	1,605,593	1,293,593	0	1,293,593
2028-2029	1.04	0.028	1,509,258	1,197,258	0	1,197,258
2029-2030	1.04	0.028	1,418,702	1,106,702	0	1,106,702
2030-2031	1.04	0.028	1,333,580	0	0	0
2031-2032	1.04	0.028	1,253,565	0	0	0
2032-2033	1.04	0.028	1,178,351	0	0	0
2033-2034	1.04	0.028	1,107,650			
2034-2035	1.04	0.000	1,041,191	0	0	0
Totals			25,205,320	15,919,375	(1,902,388)	14,016,987

Snyder ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Snyder ISD. First, a seventeen year financial forecast was prepared to establish a baseline without the added values of the renewable energy electric generation company. Second, a seventeen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a seventeen year financial forecast was prepared that incorporates the additional taxable value of the company with an approved LAVA. These three forecasts are detailed in the “Calculation of LAVA Impact on District’s Finances” section. The following assumptions were used to compare the financial impact of the LAVA:

- The current state funding formulas (in effect for 2017-2018 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$99.41 for 2017-18, \$106.28 for all years thereafter - per weighted student in average daily attendance (WADA) per penny of tax effort
 - No Additional State Aid for Tax Reduction Funding “ASATR”
- The district’s tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2017.
- A tax collection rate of 98% on current year tax levy with \$75,000 projected delinquent tax collections
- An annual taxable value increase of 1.0% was used to project the district’s taxable value, except as it related to the requested LAVA. The district’s 2017 taxable value was used as a baseline for all projections
- The district’s enrollment is projected to increase; therefore, the projected ADA and WADA for school year 2016-2017 was increased by 1.0% per year for the life of the agreement.

Although these assumptions were used to develop a baseline scenario for comparison purposes, many of these factors will not remain constant for the years of this proposed agreement. Also, Legislative changes to the school finance formulas are likely during the near future and almost certain during the life of this agreement.

Snyder ISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

The tables displayed below (Table III, IV, V) show the different impacts on the school district's finances. These scenarios were computed to compare the District's revenue without the additional taxable value of Coyote Wind (Table III), the addition of Coyote Wind's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Coyote Wind's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Coyote Wind, LLC:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State		Total State Revenue	Recapture Payment	Total District Revenue
			Revenue Tier I	Revenue Tier II			
2017-2018	2,021,366,459	20,676,767	769,585	513,775	1,283,360	(2,838,727)	19,121,400
2018-2019	2,129,589,094	21,779,772	774,124	731,897	1,506,021	(1,881,286)	21,404,507
2019-2020	2,146,203,357	21,949,105	778,864	672,262	1,451,126	(2,654,659)	20,745,572
2020-2021	2,163,228,661	22,122,627	783,605	680,871	1,464,476	(2,636,985)	20,950,118
2021-2022	2,180,654,421	22,300,230	790,185	689,317	1,479,502	(2,623,223)	21,156,509
2022-2023	2,198,470,830	22,481,815	794,924	699,703	1,494,627	(2,609,328)	21,367,114
2023-2024	2,216,668,812	22,667,289	799,864	708,185	1,508,049	(2,599,226)	21,576,112
2024-2025	2,235,239,977	22,856,566	804,805	717,049	1,521,854	(2,586,539)	21,791,881
2025-2026	2,254,176,585	23,049,568	811,585	725,279	1,536,864	(2,583,051)	22,003,381
2026-2027	2,273,471,506	23,246,222	816,524	734,268	1,550,792	(2,572,515)	22,224,499
2027-2028	2,293,118,188	23,446,461	821,664	742,630	1,564,294	(2,571,019)	22,439,736
2028-2029	2,533,604,881	25,897,501	826,805	821,210	1,648,015	(2,822,303)	24,723,213
2029-2030	2,536,373,505	25,925,719	833,985	667,634	1,501,619	(4,639,617)	22,787,721
2030-2031	2,540,090,565	25,963,603	839,124	682,832	1,521,956	(4,477,912)	23,007,647
2031-2032	2,544,714,706	26,010,732	844,464	698,549	1,543,013	(4,314,623)	23,239,122
2032-2033	2,550,207,211	26,066,712	849,805	713,609	1,563,414	(4,163,276)	23,466,850
2033-2034	2,556,531,843	26,131,173	856,985	728,485	1,585,470	(4,018,176)	23,698,467
2034-2035	2,570,561,277	26,274,161	862,985	745,443	1,608,428	(3,885,516)	23,997,073

Snyder ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with Coyote Wind, LLC without Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State		Total State Revenue	Recapture Payment	Total District Revenue
			Revenue Tier I	Revenue Tier II			
2017-2018	2,021,366,459	20,676,767	769,585	513,775	1,283,360	(2,838,727)	19,121,400
2018-2019	2,129,589,094	21,779,772	774,124	731,897	1,506,021	(1,881,286)	21,404,507
2019-2020	2,170,396,357	22,195,680	778,864	680,750	1,459,614	(2,685,681)	20,969,613
2020-2021	2,401,300,061	24,549,050	783,605	737,403	1,521,008	(3,158,511)	22,911,547
2021-2022	2,404,441,537	24,581,068	790,185	592,035	1,382,220	(4,868,460)	21,094,828
2022-2023	2,408,830,719	24,625,803	794,924	606,243	1,401,167	(4,721,051)	21,305,919
2023-2024	2,414,407,107	24,682,637	799,864	619,951	1,419,815	(4,585,328)	21,517,124
2024-2025	2,421,113,975	24,750,994	804,805	633,722	1,438,527	(4,454,474)	21,735,047
2025-2026	2,428,898,143	24,830,330	811,585	646,564	1,458,149	(4,339,787)	21,948,692
2026-2027	2,437,709,771	24,920,138	816,524	661,554	1,478,078	(4,224,674)	22,173,542
2027-2028	2,447,502,156	25,019,942	821,664	674,014	1,495,678	(4,124,772)	22,390,848
2028-2029	2,678,725,811	27,376,573	826,805	747,256	1,574,061	(4,403,807)	24,546,827
2029-2030	2,672,787,179	27,316,047	833,985	607,358	1,441,343	(6,002,186)	22,755,204
2030-2031	2,668,319,419	27,270,512	839,124	625,892	1,465,016	(5,759,677)	22,975,851
2031-2032	2,665,249,829	27,239,226	844,464	646,382	1,490,846	(5,520,374)	23,209,698
2032-2033	2,663,510,227	27,221,496	849,805	664,427	1,514,232	(5,297,489)	23,438,239
2033-2034	2,663,036,678	27,216,670	856,985	682,108	1,539,093	(5,085,077)	23,670,686
2034-2035	2,670,675,822	27,294,528	862,985	701,593	1,564,578	(4,891,367)	23,967,739

TABLE V – District Revenues with Coyote Wind, LLC with Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State		Total State Revenue	Recapture Payment	Payment for District Losses	Total District Revenue
			Revenue Tier I	Revenue Tier II				
2017-2018	2,021,366,459	20,676,767	769,585	513,775	1,283,360	(2,838,727)	0	19,121,400
2018-2019	2,129,589,094	21,779,772	774,124	731,897	1,506,021	(1,881,286)	0	21,404,507
2019-2020	2,170,396,357	22,195,680	778,864	680,750	1,459,614	(2,685,681)	0	20,969,613
2020-2021	2,193,228,661	22,428,387	783,605	672,986	1,456,591	(2,875,818)	1,902,388	22,911,547
2021-2022	2,210,654,421	22,605,990	790,185	677,437	1,467,622	(2,909,672)	0	21,163,940
2022-2023	2,228,470,830	22,787,575	794,924	686,060	1,480,984	(2,895,839)	0	21,372,720
2023-2024	2,246,668,812	22,973,049	799,864	694,521	1,494,385	(2,885,799)	0	21,581,635
2024-2025	2,265,239,977	23,162,326	804,805	705,139	1,509,944	(2,873,172)	0	21,799,098
2025-2026	2,284,176,585	23,355,328	811,585	713,369	1,524,954	(2,869,744)	0	22,010,538
2026-2027	2,303,471,506	23,551,982	816,524	722,358	1,538,882	(2,859,266)	0	22,231,598
2027-2028	2,323,118,188	23,752,221	821,664	730,720	1,552,384	(2,857,828)	0	22,446,777
2028-2029	2,563,604,881	26,203,261	826,805	808,190	1,634,995	(3,133,800)	0	24,704,456
2029-2030	2,566,373,505	26,231,479	833,985	655,814	1,489,799	(4,925,311)	0	22,795,967
2030-2031	2,668,319,419	27,270,512	839,124	696,558	1,535,682	(4,951,797)	0	23,854,397
2031-2032	2,665,249,829	27,239,226	844,464	646,382	1,490,846	(5,520,374)	0	23,209,698
2032-2033	2,663,510,227	27,221,496	849,805	664,427	1,514,232	(5,297,489)	0	23,438,239
2033-2034	2,663,036,678	27,216,670	856,985	682,108	1,539,093	(5,085,077)	0	23,670,686
2034-2035	2,656,646,388	27,151,540	856,985	684,779	1,541,764	(5,021,161)	0	23,672,143

Snyder ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79th Legislative Session and became effective for the 2006-2007 school year. Those formula changes had an effect on the district's financial impact from granting a property value limitation. Due to the district's "Hold Harmless" provision that was enacted in the funding formulas, some districts had the majority of the district's revenue losses (during the first year that the "limited appraised value" was used as the actual taxable value) offset with additional state funding. The funding that was available to offset those revenue losses was called Additional State Aid for Tax Reduction (ASATR) and those funds were phased out as a result of legislation in the 82nd Legislative Session in 2011. This legislation eliminated the ASATR funding for fiscal year 2017-2018 and thereafter and can have a significant financial impact for LAVA agreements that have a year three in 2017-2018 or later. The loss of ASATR funding can again cause a district to experience a significant loss of funds in year three of the agreement and consequently cause the company to have revenue protection payments during that year that are similar to those experienced prior to 2006-2007.

Snyder ISD Financial Impact of Chapter 313 Agreement

Supplemental Payments

Assuming that the District and Coyote Wind, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Snyder ISD by Coyote Wind, the projected amount of these payments over the life of the agreement is \$4,055,704 of the \$14.016 million net tax savings amount. This amount will be computed annually according to Section VI of the Agreement.

TABLE VI - Calculation of the Supplemental Payments:

Fiscal Year	Net Tax Savings	Snyder ISD Supplemental	Coyote Wind Share
2017-2018	0	253,482	(253,482)
2018-2019	0	253,482	(253,482)
2019-2020	0	253,482	(253,482)
2020-2021	261,555	253,482	8,073
2021-2022	2,015,386	253,482	1,761,905
2022-2023	1,875,743	253,482	1,622,261
2023-2024	1,744,478	253,482	1,490,997
2024-2025	1,621,090	253,482	1,367,608
2025-2026	1,505,104	253,482	1,251,623
2026-2027	1,396,078	253,482	1,142,596
2027-2028	1,293,593	253,482	1,040,112
2028-2029	1,197,258	253,482	943,776
2029-2030	1,106,702	253,482	853,221
2030-2031	0	253,482	(253,482)
2031-2032	0	253,482	(253,482)
2032-2033	0	253,482	(253,482)
2033-2034	0	0	0
2034-2035	0	0	0
Totals	14,016,987	4,055,704	9,961,283

Snyder ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Snyder High	9-12	68	1,632	729	903
Snyder Junior High	6-8	43	1,032	627	405
Snyder Intermediate	4-5	32	704	385	319
Snyder Primary	EE-3	77	1,694	963	731
Total		220	5,062	2,704	2,358

The building capacities are based on 22 students per classroom for elementary and 24 students per grade level at secondary schools. Snyder ISD is an early-education through 12th grade district.

Coyote Wind, LLC provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that six employees are expected. It is not known whether these would be new employees to the Snyder ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new six positions equates to 3 new students.

This projected student growth can be accommodated with the current facilities of Snyder ISD as displayed in Table VII above.

Snyder ISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Coyote Wind, LLC, would be beneficial to both Coyote Wind and Snyder ISD under the current school finance system.

Coyote Wind, LLC would benefit from reduced property taxes during the ten years of the Value Limitation Period. Although some of the tax savings would be used to offset district's revenue losses and supplemental payments to the District, Coyote Wind is projected to benefit from an 84% tax savings during that ten year period of this Agreement. Coyote Wind also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

Snyder ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Coyote Wind to offset any district losses caused by the LAVA. An annual calculation will be performed each year to determine if a loss to the District has been incurred. The revenue impact to the District will be computed by comparing the District's revenues with and without the LAVA in effect.

IMPORTANT: Please keep this letter with your district's records. It must be accessible to the law firm working on the value limitation agreement.

October 6, 2017

Ralph Ramon, President
Board of Trustees
Snyder Independent School District
350 CR 121
Snyder, TX 79549

Dear Mr. Ramon:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Coyote Wind LLC project #1204 on the number and size of school facilities in Snyder Independent School District (SISD). Based on an examination of SISD enrollment and the number of potential new jobs, the TEA has determined that the Coyote Wind LLC project should not have a significant impact on the number or size of school facilities in SISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you have any questions.

Sincerely,



Al McKenzie
Director of State Funding

AM/rk
Cc: J Eddie Bland



Taxes

Property Tax Assistance

2016 ISD Summary Worksheet

132/Kent

208-902/Snyder ISD

Category	Local Tax Roll Value	2016 WTD Mean Ratio	2016 PTAD Value Estimate	2016 Value Assigned
A. Single-Family Residences	1,935,420	N/A	1,935,420	1,935,420
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	5,325,040	N/A	5,325,040	5,325,040
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	1,608,750	N/A	1,608,750	1,608,750
D2. Real Prop Farm & Ranch	59,720	N/A	59,720	59,720
E. Real Prop NonQual Acres	6,907,830	N/A	6,907,830	6,907,830
F1. Commercial Real	520	N/A	520	520
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	13,867,520	N/A	13,867,520	13,867,520
J. Utilities	742,300	N/A	742,300	742,300
L1. Commercial Personal	0	N/A	0	0

L2. Industrial Personal	0	N/A	0	0
M. Other Personal	140,030	N/A	140,030	140,030
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	30,587,130		30,587,130	30,587,130
Less Total Deductions	1,179,074		1,179,074	1,179,074
Total Taxable Value	29,408,056		29,408,056	29,408,056 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
29,568,056	29,408,056	29,568,056	29,408,056

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
160,000	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10
29,568,056	29,408,056	29,568,056	29,408,056

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

208/Scurry

208-902/Snyder ISD

Category	Local Tax Roll Value	2016 WTD Mean Ratio	2016 PTAD Value Estimate	2016 Value Assigned
A. Single-Family Residences	423,210,163	.9573	442,087,290	423,210,163
B. Multi-Family Residences	13,246,140	N/A	13,246,140	13,246,140
C1. Vacant Lots	8,087,751	N/A	8,087,751	8,087,751

C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	23,670,473	.9132	25,921,034	23,670,473
D2. Real Prop Farm & Ranch	10,420,276	N/A	10,420,276	10,420,276
E. Real Prop NonQual Acres	74,668,222	N/A	74,668,222	74,668,222
F1. Commercial Real	119,755,824	1.0849	110,384,205	119,755,824
F2. Industrial Real	268,750,452	N/A	268,750,452	268,750,452
G. Oil, Gas, Minerals	744,003,674	1.0060	739,566,276	744,003,674
J. Utilities	181,162,356	.9497	190,757,456	181,162,356
L1. Commercial Personal	49,402,673	N/A	49,402,673	49,402,673
L2. Industrial Personal	377,534,570	N/A	377,534,570	377,534,570
M. Other Personal	10,232,527	N/A	10,232,527	10,232,527
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	582,200	N/A	582,200	582,200
S. Special Inventory	3,752,097	N/A	3,752,097	3,752,097
Subtotal	2,308,479,398		2,325,393,169	2,308,479,398
Less Total Deductions	205,928,808		212,698,128	205,928,808
Total Taxable Value	2,102,550,590		2,112,695,041	2,102,550,590 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts

that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
2,132,716,159	2,102,550,590	2,132,716,159	2,102,550,590

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
30,165,569	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10
2,171,953,369	2,141,787,800	2,171,953,369	2,141,787,800

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

208-902/Snyder ISD

Category	Local Tax Roll Value	2016 WTD Mean Ratio	2016 PTAD Value Estimate	2016 Value Assigned
A. Single-Family Residences	425,145,583	.9575	444,022,710	425,145,583
B. Multi-Family Residences	13,246,140	N/A	13,246,140	13,246,140
C1. Vacant Lots	13,412,791	N/A	13,412,791	13,412,791
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	25,279,223	.9182	27,529,784	25,279,223
D2. Real Prop Farm & Ranch	10,479,996	N/A	10,479,996	10,479,996
E. Real Prop NonQual Acres	81,576,052	N/A	81,576,052	81,576,052
F1. Commercial Real	119,756,344	1.0849	110,384,725	119,756,344
F2. Industrial Real	268,750,452	N/A	268,750,452	268,750,452
G. Oil, Gas, Minerals	757,871,194	1.0059	753,433,796	757,871,194
J. Utilities	181,904,656	.9499	191,499,756	181,904,656
L1. Commercial Personal	49,402,673	N/A	49,402,673	49,402,673
L2. Industrial Personal	377,534,570	N/A	377,534,570	377,534,570
M. Other Personal	10,372,557	N/A	10,372,557	10,372,557
N. Intangible Personal Prop	0	N/A	0	0

See Agreement
(Comptroller No. 1204)
posted on Comptroller Website



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

November 09, 2017

Eddie Bland
Superintendent
Snyder Independent School District
2901 37th Street
Snyder, Texas 79549

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Snyder Independent School District and Coyote Wind, LLC, Application 1204

Dear Superintendent Bland:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Snyder Independent School District and Coyote Wind, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone at 1-800-531-5441, ext. 6-8597, or at 512-936-8597.

Sincerely,

A handwritten signature in black ink that reads "Will Counihan". The signature is written in a cursive style.

Will Counihan
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Philip Moore, Lincoln Clean Energy
Charlie Smith, Lincoln Clean Energy
David Sewell, Stahl, Bernal, Davies, Sewell & Chavarria LLP

Tab Item 12

Request For Waiver of Job Creation Requirement

June 30, 2017

Superintendent Eddie Bland
Snyder ISD
2901 37th Street
Snyder, TX 79549

Re: Chapter 313 Job Waiver Request

Dear Superintendent Bland,

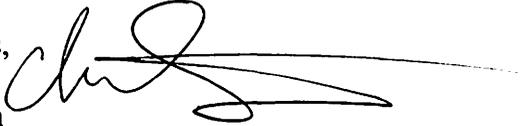
Please consider this letter to be Coyote Wind, LLC's formal request to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-1).

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Wind energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the wind industry, we expect that six (6) employees would be needed to operate a 230 MW facility, and we can commit to creating six (6) full-time positions to fill those needs. All would be qualifying jobs as described in Section 313.021(3) of the Texas Tax Code.

The applicant requests that the Snyder ISD's Board of Trustees make such a finding and waive the job creation requirement. This waiver request is in line with industry standards for the job requirements for a wind energy facility of this size, as evidenced by limitation agreement applications that have been filed by other wind energy developers, and by documentation related to the development and operation of wind generation facilities.

The project stands to provide significant benefits to the community with respect to increased tax base and the ongoing royalty payments it will make to local landowners.

Kind Regards,


Charlie Smith
Development Director
Coyote Wind, LLC