



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 17, 2019

AMENDED CERTIFICATION

Steve McLaren
Superintendent
Klondike Independent School District
2911 County Road H
Lamesa, Texas 79331

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Klondike Independent School District and Core Solar SPV IX, LLC, LLC, Application 1219

Dear Superintendent McLaren:

This application (Application 1219) was originally submitted on August 31, 2017, to the Klondike Independent School District (school district) by Core Solar SPV IX, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On November 15, 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 February 13, 2018. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on April 13, 2018.

On August 27, 2019, Comptroller received an amendment to the agreement to change the start of limitation. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

The information provided by the applicant related to eligibility has not changed and therefore, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

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

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

Based on the amended information provided by the applicant, the Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller previously determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value for the amendment.

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the amendment to the agreement by December 31, 2019.

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 Core Solar SPV IX, LLC (project) applying to Klondike 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 Core Solar SPV IX, LLC.

	Original	Amendment No. 1
Applicant	Core Solar SPV IX, LLC	Core Solar SPV IX, LLC
Tax Code, 313.024 Eligibility Category	Renewable Electric Energy Generation	Renewable Electric Energy Generation
School District	Klondike ISD	Klondike ISD
2016-2017 Average Daily Attendance	234	234
County	Dawson	Dawson
Proposed Total Investment in District	\$180,000,000	\$140,000,00
Proposed Qualified Investment	\$180,000,000	\$70,000,000
Limitation Amount	\$20,000,000	\$20,000,000
Qualifying Time Period (Full Years)	2019-2020	2019-2020
Number of new qualifying jobs committed to by applicant	2*	2*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$975	\$975
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$975	\$975
Minimum annual wage committed to by applicant for qualified jobs	\$50,679	\$50,679
Minimum weekly wage required for non-qualifying jobs	\$707.75	\$707.75
Minimum annual wage required for non-qualifying jobs	\$36,804	\$36,804
Investment per Qualifying Job	\$90,000,000	\$70,000,000
Estimated M&O levy without any limit (15 years)	\$12,507,592	\$9,466,800
Estimated M&O levy with Limitation (15 years)	\$4,513,600	\$3,570,000
Estimated gross M&O tax benefit (15 years)	\$7,993,992	\$5,896,800

* 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 Core Solar SPV IX, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	150	194	344	\$8,250,000	\$17,366,000	\$25,616,000
2021	202	268	470.109	\$11,101,358	\$26,466,642	\$37,568,000
2022	2	33	35	\$101,358	\$6,246,642	\$6,348,000
2023	2	15	17	\$101,358	\$3,987,642	\$4,089,000
2024	2	(3)	-1	\$101,358	\$1,995,642	\$2,097,000
2025	2	(10)	-8	\$101,358	\$839,642	\$941,000
2026	2	(12)	-10	\$101,358	\$247,642	\$349,000
2027	2	(11)	-9	\$101,358	\$35,642	\$137,000
2028	2	(8)	-6	\$101,358	\$76,642	\$178,000
2029	2	(4)	-2	\$101,358	\$252,642	\$354,000
2030	2	(1)	1	\$101,358	\$491,642	\$593,000
2031	2	2	4	\$101,358	\$728,642	\$830,000
2032	2	4	6	\$101,358	\$963,642	\$1,065,000
2033	2	6	8	\$101,358	\$1,164,642	\$1,266,000
2034	2	7	9	\$101,358	\$1,323,642	\$1,425,000
2035	2	7	9	\$101,358	\$1,437,642	\$1,539,000

Source: CPA REMI, Core Solar SPV IX, 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*	Klondike ISD I&S Tax Levy	Klondike ISD M&O Tax Levy	Klondike ISD M&O and I&S Tax Levies	Dawson County Tax Levy	Estimated Total Property Taxes
				0.1250	1.0500		0.8400	
2021	\$ 35,000,000	\$35,000,000		\$43,750	\$367,500	\$411,250	\$294,000	\$705,250
2022	\$ 128,800,000	\$128,800,000		\$161,000	\$1,352,400	\$1,513,400	\$1,081,920	\$2,595,320
2023	\$ 117,600,000	\$117,600,000		\$147,000	\$1,234,800	\$1,381,800	\$987,840	\$2,369,640
2024	\$ 106,400,000	\$106,400,000		\$133,000	\$1,117,200	\$1,250,200	\$893,760	\$2,143,960
2025	\$ 93,800,000	\$93,800,000		\$117,250	\$984,900	\$1,102,150	\$787,920	\$1,890,070
2026	\$ 81,200,000	\$81,200,000		\$101,500	\$852,600	\$954,100	\$682,080	\$1,636,180
2027	\$ 68,600,000	\$68,600,000		\$85,750	\$720,300	\$806,050	\$576,240	\$1,382,290
2028	\$ 54,600,000	\$54,600,000		\$68,250	\$573,300	\$641,550	\$458,640	\$1,100,190
2029	\$ 42,000,000	\$42,000,000		\$52,500	\$441,000	\$493,500	\$352,800	\$846,300
2030	\$ 33,600,000	\$33,600,000		\$42,000	\$352,800	\$394,800	\$282,240	\$677,040
2031	\$ 28,000,000	\$28,000,000		\$35,000	\$294,000	\$329,000	\$235,200	\$564,200
2032	\$ 28,000,000	\$28,000,000		\$35,000	\$294,000	\$329,000	\$235,200	\$564,200
2033	\$ 28,000,000	\$28,000,000		\$35,000	\$294,000	\$329,000	\$235,200	\$564,200
2034	\$ 28,000,000	\$28,000,000		\$35,000	\$294,000	\$329,000	\$235,200	\$564,200
2035	\$ 28,000,000	\$28,000,000		\$35,000	\$294,000	\$329,000	\$235,200	\$564,200
			Total	\$1,127,000	\$9,466,800	\$10,593,800	\$7,573,440	\$18,167,240

Source: CPA, Core Solar SPV IX, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Dawson County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Klondike ISD I&S Tax Levy	Klondike ISD M&O Tax Levy	Klondike ISD M&O and I&S Tax Levies	Dawson County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1250	1.0500		0.8400	
2021	\$ 35,000,000	\$20,000,000		\$43,750	\$210,000	\$253,750	\$58,800	\$312,550
2022	\$ 128,800,000	\$20,000,000		\$161,000	\$210,000	\$371,000	\$216,384	\$587,384
2023	\$ 117,600,000	\$20,000,000		\$147,000	\$210,000	\$357,000	\$197,568	\$554,568
2024	\$ 106,400,000	\$20,000,000		\$133,000	\$210,000	\$343,000	\$178,752	\$521,752
2025	\$ 93,800,000	\$20,000,000		\$117,250	\$210,000	\$327,250	\$157,584	\$484,834
2026	\$ 81,200,000	\$20,000,000		\$101,500	\$210,000	\$311,500	\$136,416	\$447,916
2027	\$ 68,600,000	\$20,000,000		\$85,750	\$210,000	\$295,750	\$115,248	\$410,998
2028	\$ 54,600,000	\$20,000,000		\$68,250	\$210,000	\$278,250	\$91,728	\$369,978
2029	\$ 42,000,000	\$20,000,000		\$52,500	\$210,000	\$262,500	\$70,560	\$333,060
2030	\$ 33,600,000	\$20,000,000		\$42,000	\$210,000	\$252,000	\$56,448	\$308,448
2031	\$ 28,000,000	\$28,000,000		\$35,000	\$294,000	\$329,000	\$235,200	\$564,200
2032	\$ 28,000,000	\$28,000,000		\$35,000	\$294,000	\$329,000	\$235,200	\$564,200
2033	\$ 28,000,000	\$28,000,000		\$35,000	\$294,000	\$329,000	\$235,200	\$564,200
2034	\$ 28,000,000	\$28,000,000		\$35,000	\$294,000	\$329,000	\$235,200	\$564,200
2035	\$ 28,000,000	\$28,000,000		\$35,000	\$294,000	\$329,000	\$235,200	\$564,200
			Total	\$1,127,000	\$3,570,000	\$4,697,000	\$2,455,488	\$7,152,488
			Diff	\$0	\$5,896,800	\$5,896,800	\$5,117,952	\$11,014,752
Assumes School Value Limitation and Tax Abatements with the County.								

Source: CPA, Core Solar SPV IX, 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 Core Solar SPV IX, 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	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2021	\$210,000	\$210,000	\$157,500	\$157,500
	2022	\$210,000	\$420,000	\$1,142,400	\$1,299,900
	2023	\$210,000	\$630,000	\$1,024,800	\$2,324,700
	2024	\$210,000	\$840,000	\$907,200	\$3,231,900
	2025	\$210,000	\$1,050,000	\$774,900	\$4,006,800
	2026	\$210,000	\$1,260,000	\$642,600	\$4,649,400
	2027	\$210,000	\$1,470,000	\$510,300	\$5,159,700
	2028	\$210,000	\$1,680,000	\$363,300	\$5,523,000
	2029	\$210,000	\$1,890,000	\$231,000	\$5,754,000
	2030	\$210,000	\$2,100,000	\$142,800	\$5,896,800
Maintain Viable Presence (5 Years)	2031	\$294,000	\$2,394,000	\$0	\$5,896,800
	2032	\$294,000	\$2,688,000	\$0	\$5,896,800
	2033	\$294,000	\$2,982,000	\$0	\$5,896,800
	2034	\$294,000	\$3,276,000	\$0	\$5,896,800
	2035	\$294,000	\$3,570,000	\$0	\$5,896,800
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$294,000	\$3,864,000	\$0	\$5,896,800
	2037	\$294,000	\$4,158,000	\$0	\$5,896,800
	2038	\$294,000	\$4,452,000	\$0	\$5,896,800
	2039	\$294,000	\$4,746,000	\$0	\$5,896,800
	2040	\$294,000	\$5,040,000	\$0	\$5,896,800
	2041	\$294,000	\$5,334,000	\$0	\$5,896,800
	2042	\$294,000	\$5,628,000	\$0	\$5,896,800
	2043	\$294,000	\$5,922,000	\$0	\$5,896,800
	2044	\$294,000	\$6,216,000	\$0	\$5,896,800
	2045	\$294,000	\$6,510,000	\$0	\$5,896,800

\$6,510,000

is greater than

\$5,896,800

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, Core Solar SPV IX, LLC

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