



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 4, 2019

AMENDED CERTIFICATION

Heath Dickson
Superintendent
Roby Consolidated Independent School District
141 South College Street
Roby, TX 79543

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Roby Consolidated Independent School District and Mesquite Star Special, LLC, Application 1222

Dear Superintendent Dickson:

This application (Application 1222) was originally submitted on September 11, 2017, to the Roby Consolidated Independent School District (school district) by Mesquite Star Special, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On November 30, 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 28, 2018. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on April 9, 2018.

On April 25, 2019, the Comptroller received an amendment to the agreement to increase the number of jobs and increase the size of the project. 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

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Mesquite Star Special, LLC (project) applying to Roby Consolidated 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 Mesquite Star Special, LLC.

	Original	Amendment #1
Applicant	Mesquite Star Special, LLC	Mesquite Star Special, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Wind	Renewable Energy - Wind
School District	Roby Consolidated ISD	Roby Consolidated ISD
2016-2017 Average Daily Attendance	269	269
County	Fisher	Fisher
Proposed Total Investment in District	\$95,000,000	\$209,968,500
Proposed Qualified Investment	\$95,000,000	\$209,968,500
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*	5*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$893.58	\$893.58
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$893.58	\$893.58
Minimum annual wage committed to by applicant for qualified jobs	\$46,466	\$46,466
Minimum weekly wage required for non-qualifying jobs	\$738	\$738
Minimum annual wage required for non-qualifying jobs	\$38,428	\$38,428
Investment per Qualifying Job	\$47,500,000	\$41,993,700
Estimated M&O levy without any limit (15 years)	\$10,277,397	\$23,066,906
Estimated M&O levy with Limitation (15 years)	\$4,587,687	\$7,770,807
Estimated gross M&O tax benefit (15 years)	\$5,689,710	\$15,296,100

* 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 Mesquite Star Special, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	0	0	0	\$0	\$0	\$0
2019	200	240	439.77	\$8,000,000	\$21,482,000	\$29,482,000
2020	5	23	28	\$232,330	\$3,771,670	\$4,004,000
2021	5	16	21	\$232,330	\$2,795,670	\$3,028,000
2022	5	5	10	\$232,330	\$1,693,670	\$1,926,000
2023	5	(0)	5	\$232,330	\$1,003,670	\$1,236,000
2024	5	(2)	3	\$232,330	\$630,670	\$863,000
2025	5	(1)	4	\$232,330	\$508,670	\$741,000
2026	5	0	5	\$232,330	\$536,670	\$769,000
2027	5	2	7	\$232,330	\$650,670	\$883,000
2028	5	4	9	\$232,330	\$813,670	\$1,046,000
2029	5	6	11	\$232,330	\$991,670	\$1,224,000
2030	5	7	12	\$232,330	\$1,118,670	\$1,351,000
2031	5	8	13	\$232,330	\$1,245,670	\$1,478,000
2032	5	9	14	\$232,330	\$1,355,670	\$1,588,000
2033	5	9	14	\$232,330	\$1,442,670	\$1,675,000
2034	5	9	14	\$232,330	\$1,516,670	\$1,749,000

Source: CPA REMI, Mesquite Star Special, 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*	Roby Consolidated ISD I&S Tax Levy	Roby Consolidated ISD M&O Tax Levy	Roby Consolidated ISD M&O and I&S Tax Levies	Fisher County Tax Levy	Fisher County Hospital Tax Levy	Estimated Total Property Taxes
				0.0000	1.1700		0.8200	0.2800	
2019	\$186,177,130	\$186,177,130		\$0	\$2,178,272	\$2,178,272	\$1,526,652	\$521,296	\$4,226,221
2020	\$192,762,731	\$192,762,731		\$0	\$2,255,324	\$2,255,324	\$1,580,654	\$539,736	\$4,375,714
2021	\$179,287,300	\$179,287,300		\$0	\$2,097,661	\$2,097,661	\$1,470,156	\$502,004	\$4,069,822
2022	\$166,754,800	\$166,754,800		\$0	\$1,951,031	\$1,951,031	\$1,367,389	\$466,913	\$3,785,334
2023	\$155,098,500	\$155,098,500		\$0	\$1,814,652	\$1,814,652	\$1,271,808	\$434,276	\$3,520,736
2024	\$144,257,500	\$144,257,500		\$0	\$1,687,813	\$1,687,813	\$1,182,912	\$403,921	\$3,274,645
2025	\$134,175,700	\$134,175,700		\$0	\$1,569,856	\$1,569,856	\$1,100,241	\$375,692	\$3,045,788
2026	\$124,799,100	\$124,799,100		\$0	\$1,460,149	\$1,460,149	\$1,023,353	\$349,437	\$2,832,940
2027	\$116,078,700	\$116,078,700		\$0	\$1,358,121	\$1,358,121	\$951,845	\$325,020	\$2,634,986
2028	\$107,967,500	\$107,967,500		\$0	\$1,263,220	\$1,263,220	\$885,334	\$302,309	\$2,450,862
2029	\$102,577,500	\$102,577,500		\$0	\$1,200,157	\$1,200,157	\$841,136	\$287,217	\$2,328,509
2030	\$97,456,700	\$97,456,700		\$0	\$1,140,243	\$1,140,243	\$799,145	\$272,879	\$2,212,267
2031	\$92,591,100	\$92,591,100		\$0	\$1,083,316	\$1,083,316	\$759,247	\$259,255	\$2,101,818
2032	\$87,968,700	\$87,968,700		\$0	\$1,029,234	\$1,029,234	\$721,343	\$246,312	\$1,996,889
2033	\$83,577,500	\$83,577,500		\$0	\$977,857	\$977,857	\$685,336	\$234,017	\$1,897,209
			Total	\$0	\$23,066,906	\$23,066,906	\$16,166,550	\$5,520,285	\$44,753,741

Source: CPA, Mesquite Star Special, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Fisher 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 Fisher County and Fisher County Hospital District.

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Roby Consolidated ISD I&S Tax Levy	Roby Consolidated ISD M&O Tax Levy	Roby Consolidated ISD M&O and I&S Tax Levies	Fisher County Tax Levy	Fisher County Hospital Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0000	1.1700		0.8200	0.2800	
2020	\$186,177,130	\$20,000,000		\$0	\$234,000	\$234,000	\$1,526,652	\$521,296	\$2,281,948
2021	\$192,762,731	\$20,000,000		\$0	\$234,000	\$234,000	\$885,166	\$302,252	\$1,421,418
2022	\$179,287,300	\$20,000,000		\$0	\$234,000	\$234,000	\$823,287	\$281,122	\$1,338,410
2023	\$166,754,800	\$20,000,000		\$0	\$234,000	\$234,000	\$765,738	\$261,472	\$1,261,210
2024	\$155,098,500	\$20,000,000		\$0	\$234,000	\$234,000	\$712,212	\$243,194	\$1,189,407
2025	\$144,257,500	\$20,000,000		\$0	\$234,000	\$234,000	\$662,430	\$226,196	\$1,122,626
2026	\$134,175,700	\$20,000,000		\$0	\$234,000	\$234,000	\$616,135	\$210,387	\$1,060,522
2027	\$124,799,100	\$20,000,000		\$0	\$234,000	\$234,000	\$573,077	\$195,685	\$1,002,762
2028	\$116,078,700	\$20,000,000		\$0	\$234,000	\$234,000	\$533,033	\$182,011	\$949,045
2029	\$107,967,500	\$20,000,000		\$0	\$234,000	\$234,000	\$495,787	\$169,293	\$899,080
2030	\$102,577,500	\$102,577,500		\$0	\$1,200,157	\$1,200,157	\$471,036	\$160,842	\$1,832,034
2031	\$97,456,700	\$97,456,700		\$0	\$1,140,243	\$1,140,243	\$799,145	\$272,879	\$2,212,267
2032	\$92,591,100	\$92,591,100		\$0	\$1,083,316	\$1,083,316	\$759,247	\$259,255	\$2,101,818
2033	\$87,968,700	\$87,968,700		\$0	\$1,029,234	\$1,029,234	\$721,343	\$246,312	\$1,996,889
2034	\$83,577,500	\$83,577,500		\$0	\$977,857	\$977,857	\$685,336	\$234,017	\$1,897,209
			Total	\$0	\$7,770,807	\$7,770,807	\$11,029,626	\$3,766,214	\$22,566,646
			Diff	\$0	\$15,296,100	\$15,296,100	\$5,136,924	\$1,754,071	\$22,187,095

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

Source: CPA, Mesquite Star Special, 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 MESQUITE STAR SPECIAL, 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	\$234,000	\$234,000	\$1,944,272	\$1,944,272
	2021	\$234,000	\$468,000	\$2,021,324	\$3,965,596
	2022	\$234,000	\$702,000	\$1,863,661	\$5,829,258
	2023	\$234,000	\$936,000	\$1,717,031	\$7,546,289
	2024	\$234,000	\$1,170,000	\$1,580,652	\$9,126,941
	2025	\$234,000	\$1,404,000	\$1,453,813	\$10,580,754
	2026	\$234,000	\$1,638,000	\$1,335,856	\$11,916,610
	2027	\$234,000	\$1,872,000	\$1,226,149	\$13,142,759
	2028	\$234,000	\$2,106,000	\$1,124,121	\$14,266,880
	2029	\$234,000	\$2,340,000	\$1,029,220	\$15,296,100
Maintain Viable Presence (5 Years)	2030	\$1,200,157	\$3,540,157	\$0	\$15,296,100
	2031	\$1,140,243	\$4,680,400	\$0	\$15,296,100
	2032	\$1,083,316	\$5,763,716	\$0	\$15,296,100
	2033	\$1,029,234	\$6,792,950	\$0	\$15,296,100
	2034	\$977,857	\$7,770,807	\$0	\$15,296,100
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$929,044	\$8,699,851	\$0	\$15,296,100
	2036	\$882,668	\$9,582,519	\$0	\$15,296,100
	2037	\$838,609	\$10,421,128	\$0	\$15,296,100
	2038	\$796,752	\$11,217,880	\$0	\$15,296,100
	2039	\$756,992	\$11,974,873	\$0	\$15,296,100
	2040	\$722,414	\$12,697,286	\$0	\$15,296,100
	2041	\$722,343	\$13,419,630	\$0	\$15,296,100
	2042	\$722,274	\$14,141,904	\$0	\$15,296,100
	2043	\$722,208	\$14,864,112	\$0	\$15,296,100
	2044	\$722,142	\$15,586,254	\$0	\$15,296,100
		\$15,586,254	is greater than	\$15,296,100	

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, MESQUITE STAR SPECIAL, 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.