



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 11, 2019

AMENDED CERTIFICATION

Kim Alexander
Superintendent
Roscoe Collegiate Independent School District
P.O. Box 40
Roscoe, TX 76870

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Roscoe Collegiate Independent School District and Mesquite Star Special, LLC, Application 1223

Dear Superintendent Alexander:

This application (Application 1223) was originally submitted on September 18, 2017, to the Roscoe Collegiate 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 December 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 March 2, 2018. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on April 16, 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

Amended Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Mesquite Star Special, LLC (project) applying to Roscoe Collegiate 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 No. 1
Applicant	Mesquite Star Special, LLC	Mesquite Star Special, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Wind	Renewable Energy - Wind
School District	Roscoe Collegiate ISD	Roscoe Collegiate ISD
2016-2017 Average Daily Attendance	521	521
County	Fisher	Fisher
Proposed Total Investment in District	\$81,250,000	\$179,013,500
Proposed Qualified Investment	\$81,250,000	\$179,013,500
Limitation Amount	\$30,000,000	\$30,000,000
Qualifying Time Period (Full Years)	2019-2020	2019-2020
Number of new qualifying jobs committed to by applicant	3*	4*
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	\$27,083,333	\$44,753,375
Estimated M&O levy without any limit (15 years)	\$8,789,684	\$19,577,535
Estimated M&O levy with Limitation (15 years)	\$5,432,193	\$8,170,297
Estimated gross M&O tax benefit (15 years)	\$3,357,491	\$11,407,237

* 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	150	180	329,828	\$6,000,000	\$16,111,000	\$22,111,000
2020	4	22	26	\$185,864	\$3,229,136	\$3,415,000
2021	4	21	25	\$185,864	\$2,826,136	\$3,012,000
2022	4	14	18	\$185,864	\$2,181,136	\$2,367,000
2023	4	10	14	\$185,864	\$1,751,136	\$1,937,000
2024	4	8	12	\$185,864	\$1,488,136	\$1,674,000
2025	4	8	12	\$185,864	\$1,368,136	\$1,554,000
2026	4	8	12	\$185,864	\$1,333,136	\$1,519,000
2027	4	8	12	\$185,864	\$1,350,136	\$1,536,000
2028	4	9	13	\$185,864	\$1,401,136	\$1,587,000
2029	4	9	13	\$185,864	\$1,468,136	\$1,654,000
2030	4	8	12	\$185,864	\$1,366,136	\$1,552,000
2031	4	8	12	\$185,864	\$1,349,136	\$1,535,000
2032	4	8	12	\$185,864	\$1,358,136	\$1,544,000
2033	4	8	12	\$185,864	\$1,379,136	\$1,565,000

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*	Roscoe Collegiate I&S Tax Levy	Roscoe Collegiate ISD M&O Tax Levy	Roscoe Collegiate ISD M&O and I&S Tax Levies	Fisher County Tax Levy	Fisher County Hospital District Tax Levy	Estimated Total Property Taxes
				0.2300	1.1700		0.8155	0.2800	
2020	\$140,346,584	\$140,346,584		\$322,797	\$1,642,055	\$1,964,852	\$1,144,533	\$392,970	\$3,502,356
2021	\$165,608,969	\$165,608,969		\$380,901	\$1,937,625	\$2,318,526	\$1,350,549	\$463,705	\$4,132,780
2022	\$154,016,000	\$154,016,000		\$354,237	\$1,801,987	\$2,156,224	\$1,256,008	\$431,245	\$3,843,477
2023	\$143,235,000	\$143,235,000		\$329,441	\$1,675,850	\$2,005,290	\$1,168,089	\$401,058	\$3,574,437
2024	\$133,209,000	\$133,209,000		\$306,381	\$1,558,545	\$1,864,926	\$1,086,326	\$372,985	\$3,324,237
2025	\$123,884,000	\$123,884,000		\$284,933	\$1,449,443	\$1,734,376	\$1,010,280	\$346,875	\$3,091,531
2026	\$115,212,000	\$115,212,000		\$264,988	\$1,347,980	\$1,612,968	\$939,560	\$322,594	\$2,875,121
2027	\$107,147,000	\$107,147,000		\$246,438	\$1,253,620	\$1,500,058	\$873,789	\$300,012	\$2,673,859
2028	\$99,647,000	\$99,647,000		\$229,188	\$1,165,870	\$1,395,058	\$812,626	\$279,012	\$2,486,696
2029	\$92,672,000	\$92,672,000		\$213,146	\$1,084,262	\$1,297,408	\$755,745	\$259,482	\$2,312,634
2030	\$88,038,000	\$88,038,000		\$202,487	\$1,030,045	\$1,232,532	\$717,954	\$246,506	\$2,196,993
2031	\$83,636,000	\$83,636,000		\$192,363	\$978,541	\$1,170,904	\$682,056	\$234,181	\$2,087,141
2032	\$79,454,000	\$79,454,000		\$182,744	\$929,612	\$1,112,356	\$647,951	\$222,471	\$1,982,779
2033	\$75,481,000	\$75,481,000		\$173,606	\$883,128	\$1,056,734	\$615,551	\$211,347	\$1,883,632
2034	\$71,707,000	\$71,707,000		\$164,926	\$838,972	\$1,003,898	\$584,774	\$200,780	\$1,789,452
				Total	\$3,848,575	\$19,577,535	\$23,426,110	\$13,645,793	\$41,757,124

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		Roscoe Collegiate ISD I&S Tax Levy	Roscoe Collegiate ISD M&O Tax Levy	Roscoe Collegiate ISD M&O and I&S Tax Levies	Fisher County Tax Levy	Fisher County Hospital District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2300	1.1700		0.8155	0.2800	
2020	\$140,346,584	\$30,000,000		\$322,797	\$351,000	\$673,797	\$640,939	\$220,063	\$1,534,799
2021	\$165,608,969	\$30,000,000		\$380,901	\$351,000	\$731,901	\$756,308	\$259,675	\$1,747,883
2022	\$154,016,000	\$30,000,000		\$354,237	\$351,000	\$705,237	\$703,365	\$241,497	\$1,650,098
2023	\$143,235,000	\$30,000,000		\$329,441	\$351,000	\$680,441	\$654,130	\$224,592	\$1,559,163
2024	\$133,209,000	\$30,000,000		\$306,381	\$351,000	\$657,381	\$608,343	\$208,872	\$1,474,595
2025	\$123,884,000	\$30,000,000		\$284,933	\$351,000	\$635,933	\$565,757	\$194,250	\$1,395,940
2026	\$115,212,000	\$30,000,000		\$264,988	\$351,000	\$615,988	\$526,153	\$180,652	\$1,322,793
2027	\$107,147,000	\$30,000,000		\$246,438	\$351,000	\$597,438	\$489,322	\$168,006	\$1,254,767
2028	\$99,647,000	\$30,000,000		\$229,188	\$351,000	\$580,188	\$455,071	\$156,246	\$1,191,505
2029	\$92,672,000	\$30,000,000		\$213,146	\$351,000	\$564,146	\$423,217	\$145,310	\$1,132,672
2030	\$88,038,000	\$88,038,000		\$202,487	\$1,030,045	\$1,232,532	\$717,954	\$246,506	\$2,196,993
2031	\$83,636,000	\$83,636,000		\$192,363	\$978,541	\$1,170,904	\$682,056	\$234,181	\$2,087,141
2032	\$79,454,000	\$79,454,000		\$182,744	\$929,612	\$1,112,356	\$647,951	\$222,471	\$1,982,779
2033	\$75,481,000	\$75,481,000		\$173,606	\$883,128	\$1,056,734	\$615,551	\$211,347	\$1,883,632
2034	\$71,707,000	\$71,707,000		\$164,926	\$838,972	\$1,003,898	\$584,774	\$200,780	\$1,789,452
			Total	\$3,848,575	\$8,170,297	\$12,018,872	\$9,070,890	\$3,114,450	\$24,204,212
			Diff	\$0	\$11,407,237	\$11,407,237	\$4,574,903	\$1,570,772	\$17,552,912

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

Amended 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	\$351,000	\$351,000	\$1,291,055	\$1,291,055
	2021	\$351,000	\$702,000	\$1,586,625	\$2,877,680
	2022	\$351,000	\$1,053,000	\$1,450,987	\$4,328,667
	2023	\$351,000	\$1,404,000	\$1,324,850	\$5,653,517
	2024	\$351,000	\$1,755,000	\$1,207,545	\$6,861,062
	2025	\$351,000	\$2,106,000	\$1,098,443	\$7,959,505
	2026	\$351,000	\$2,457,000	\$996,980	\$8,956,485
	2027	\$351,000	\$2,808,000	\$902,620	\$9,859,105
	2028	\$351,000	\$3,159,000	\$814,870	\$10,673,975
	2029	\$351,000	\$3,510,000	\$733,262	\$11,407,237
Maintain Viable Presence (5 Years)	2030	\$1,030,045	\$4,540,045	\$0	\$11,407,237
	2031	\$978,541	\$5,518,586	\$0	\$11,407,237
	2032	\$929,612	\$6,448,198	\$0	\$11,407,237
	2033	\$883,128	\$7,331,325	\$0	\$11,407,237
	2034	\$838,972	\$8,170,297	\$0	\$11,407,237
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$797,027	\$8,967,325	\$0	\$11,407,237
	2036	\$757,177	\$9,724,502	\$0	\$11,407,237
	2037	\$719,316	\$10,443,818	\$0	\$11,407,237
	2038	\$683,350	\$11,127,168	\$0	\$11,407,237
	2039	\$649,186	\$11,776,354	\$0	\$11,407,237
	2040	\$628,539	\$12,404,893	\$0	\$11,407,237
	2041	\$628,539	\$13,033,431	\$0	\$11,407,237
	2042	\$628,539	\$13,661,970	\$0	\$11,407,237
	2043	\$628,539	\$14,290,509	\$0	\$11,407,237
	2044	\$628,539	\$14,919,047	\$0	\$11,407,237

\$14,919,047

is greater than

\$11,407,237

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.