

FINDINGS
of the
***BRAZOS 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

FORT BEND SOLAR LLC

Comptroller Application Number 1226

August 15, 2018

RESOLUTION AND FINDINGS OF FACT
of the
BRAZOS 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 FORT BEND SOLAR LLC

STATE OF TEXAS §
COUNTIES OF FORT BEND AND AUSTIN §
BRAZOS INDEPENDENT SCHOOL DISTRICT §

PREAMBLE

On the 15th day of August, 2018, a public meeting of the Board of Trustees of the Brazos Independent School District (the “Board”) was held to solicit input from interested parties on the application by Fort Bend Solar LLC (“Fort Bend Solar” 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 Fort Bend Solar 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 Brazos Independent School District makes the following Findings regarding the Application:

On or about the 25th day of October, 2017, the Board of Trustees for the Brazos Independent School District received an Application for Appraised Value Limitation on Qualified Property from Fort Bend Solar, 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 renewable energy electric generation project; specifically, a solar photovoltaic facility designed to use solar power to generate electricity (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 November 2, 2017. Thereafter, on or about December 18, 2017, the District on behalf of the Applicant, submitted pages for Amendment No. 01 (revised pp. 5 and 7, Tabs 2, 11 and 13, and Schedules A1 and C); on or about January 18, 2018, submitted pages for Amendment No. 2 (revised p. 7, Tab 13, and Schedules A1 and C); and, on or about February 6, 2018, submitted pages for Amendment No. 3 (revised p. 7, Tabs 11 and 13). The Comptroller issued its notice of completeness on or about February 7, 2018, the Application Review Start Date. On behalf of the Applicant, the District submitted pages for Amendment No. 4 on or about April 6, 2018 (revised pp. 5 and 7, Tab 13 and all schedules). The Application and Amendment Nos. 01, 02, 03 and 04 are hereafter collectively referred to as the “Application.” A copy of the Application and Comptroller’s completeness letter of February 7, 2018 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Fort Bend Solar LLC is 32065072806. Fort Bend Solar 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 Fort Bend 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 May 8, 2018 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 Brazos Independent School District. A copy of a report prepared by McDowell School Finance Consulting, LLC and dated July 25, 2018 is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of industrial property applicable to the Fort Bend Solar Application in the Brazos 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 3 of §313.054 of the Texas Tax Code at the time the Certificate Decision was issued. *See* "2017 Property Value Study Report," attached hereto as Attachment G; *see also* Attachment D.

The District's Board of Trustees, by resolution dated June 25, 2018, granted Applicant's request to extend the statutory deadline by which the District must consider its Application until August 31, 2018. The Comptroller was provided notice of this extension, as set out under 34 Texas Administrative Code §9.1054(d). *See* Resolution authorizing extension of consideration period and notice to Applicant, collectively attached hereto as Attachment K.

After receipt of the completed Application, the District entered into negotiations with Fort Bend Solar 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 July 20, 2018, 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 Fort Bend Solar'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:

Certification decision required by 313.025(d)

Determination required by 313.026(c)(1)

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 B.

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 Fort Bend Solar, 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	\$20,223	\$20,223	\$0	\$0
	2020	\$838,144	\$858,368	\$0	\$0
Limitation Period (10 Years)	2021	\$208,000	\$1,066,368	\$1,742,781	\$1,742,781
	2022	\$208,000	\$1,274,368	\$1,586,467	\$3,329,248
	2023	\$208,000	\$1,482,368	\$1,417,791	\$4,747,039
	2024	\$208,000	\$1,690,368	\$1,235,494	\$5,982,533
	2025	\$208,000	\$1,898,368	\$1,038,740	\$7,021,273
	2026	\$208,000	\$2,106,368	\$826,270	\$7,847,543
	2027	\$208,000	\$2,314,368	\$596,828	\$8,444,371
	2028	\$208,000	\$2,522,368	\$348,947	\$8,793,318
	2029	\$208,000	\$2,730,368	\$211,072	\$9,004,390
	2030	\$208,000	\$2,938,368	\$211,072	\$9,215,462
Maintain Viable Presence (5 Years)	2031	\$419,072	\$3,357,440	\$0	\$9,215,462
	2032	\$419,072	\$3,776,512	\$0	\$9,215,462
	2033	\$419,072	\$4,195,584	\$0	\$9,215,462
	2034	\$419,072	\$4,614,656	\$0	\$9,215,462
	2035	\$419,072	\$5,033,729	\$0	\$9,215,462
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$419,072	\$5,452,801	\$0	\$9,215,462
	2037	\$419,072	\$5,871,873	\$0	\$9,215,462
	2038	\$419,072	\$6,290,945	\$0	\$9,215,462
	2039	\$419,072	\$6,710,017	\$0	\$9,215,462
	2040	\$419,072	\$7,129,090	\$0	\$9,215,462
	2041	\$419,072	\$7,548,162	\$0	\$9,215,462
	2042	\$419,072	\$7,967,234	\$0	\$9,215,462
	2043	\$419,072	\$8,386,306	\$0	\$9,215,462
	2044	\$419,072	\$8,805,378	\$0	\$9,215,462
	2045	\$419,072	\$9,224,451	\$0	\$9,215,462

\$9,224,451

 is greater than

 \$9,215,462

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, Fort Bend Solar, 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. Applicant states that a project of the size and type described in the Application will require less than ten (10) permanent jobs. Applicant reports in Tab 12 that solar 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. Applicant reports two (2) full-time positions are needed to operate a 200 MW facility. Applicant reports that it has committed to create two (2) total jobs for this 200 MW project, which is consistent with industry standards. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J.

See also Attachments A (Tab 4), and D.

Board Finding Number 4.

The Applicant will create two (2) 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 \$63,000 (\$1212 per week)¹, 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 \$969 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.

¹ Comptroller weekly wage value is rounded from those reported by Applicant in Tab 1, §14.

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 Brazos 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 Fort Bend Solar, LLC's decision to invest capital and construction the project in this state, see Attachment C." The Economic Impact Analysis further states:

- Per Fort Bend Solar, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. ". . . The Project is in the middle stages of development as of the date of this application. The Project was selected as a candidate for development based on the favorable solar data, nearby access to the electric grid, and favorable tax incentives under Texas Tax Code chapters 312 and 313."
 - B. "Obtaining a value limitation agreement is critical to the economic and competitive viability of this Project."
 - C. "None of the current Project agreements firmly commit the Applicant to the development of the Project. A number variables remain undetermined at this stage including the approval of this application. The Applicant could still elect to devote resources to other projects that it has in development. 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 decrease."
 - D. "The Applicant is a national real estate and solar developer with the ability to locate projects of this type and other types of real estate projects in other states within the United States. The Applicant is actively assessing and developing other projects that are competing for limited investment funds."
 - E. "The appraised value limitation is critical to the ability of the Project to move forward as currently sited. Examples of the Applicant's other projects that are competing with the Project for funding include: Nazareth Solar - 200 MW, Swisher County, Texas, Hudson Solar - 85 MW, Fresno County, California, Firehawk Solar & Storage - 75 MW+ 75MW 4-Hr, Kern County, California, Island Palm Communities- 35-Yr Military Housing Project, US Army Garrison, Hawaii, Clippership Wharf -485,000 sq. ft. urban renewal, Boston, Massachusetts."

See Attachment D.

Board Finding Number 7.

The proposed limitation on appraised value for the qualified property is \$20,000,000.

The Comptroller's Minimum School District Limitation Values Report, effective January 1, 2017, provides that the District is a Subchapter C, Category 3 District, with a minimum limitation of \$20,000,000. *See* Attachments A and D. The Comptroller's Minimum School District Limitation Values Report, effective January 1, 2018, provides that the District remained a Subchapter C, Category 3 District, with a minimum limitation of \$20,000,000.

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 Fort Bend Solar's Application, that the project would add \$187,575,100 to the tax base at the peak investment level for tax year 2021. 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 (Tab 14) 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 \$1,203,200. *See* Attachment H at Section 6.2.A and Table VI of Attachment E.

Board Finding Number 9.

The effect of the Applicant's proposal, if approved, is not expected to increase the District's instructional facility needs. Brazos 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:

Fort Bend Solar, 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 two employees are expected. It is not known whether these would be new employees to the Brazos 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 two positions equates to 1 new student.

This projected student growth can be accommodated with the current facilities of Brazos 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 further 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
2018-2019	1.04	0.412	0	0	0	0
2019-2020	1.04	0.406	20,223	0	0	0
2020-2021	1.04	0.310	838,144	0	0	0
2021-2022	1.04	0.236	1,950,781	1,742,781	(1,909,114)	(166,333)
2022-2023	1.04	0.242	1,794,467	1,586,467	0	1,586,467
2023-2024	1.04	0.252	1,625,791	1,417,791	0	1,417,791
2024-2025	1.04	0.260	1,443,494	1,235,494	0	1,235,494
2025-2026	1.04	0.279	1,246,740	1,038,740	0	1,038,740
2026-2027	1.04	0.286	1,034,270	826,270	0	826,270
2027-2028	1.04	0.303	804,828	596,828	0	596,828
2028-2029	1.04	0.323	556,947	348,947	0	348,947
2029-2030	1.04	0.335	419,072	211,072	0	211,072
2030-2031	1.04	0.334	419,072	211,072	0	211,072
2031-2032	1.04	0.345	419,072	0	0	0
2032-2033	1.04	0.341	419,072	0	0	0
2033-2034	1.04	0.340	419,072	0	0	0
2034-2035	1.04	0.386	419,072	0	0	0
2035-2036	1.04	0.385	419,072	0	0	0
Totals			14,249,191	9,215,462	(1,909,114)	7,306,349

See also Table 3 of Attachment D.

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 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
2018-2019	1.04	0.412	0	0	0	0
2019-2020	1.04	0.406	20,223	0	0	0
2020-2021	1.04	0.310	838,144	0	0	0
2021-2022	1.04	0.236	1,950,781	1,742,781	(1,909,114)	(166,333)
2022-2023	1.04	0.242	1,794,467	1,586,467	0	1,586,467
2023-2024	1.04	0.252	1,625,791	1,417,791	0	1,417,791
2024-2025	1.04	0.260	1,443,494	1,235,494	0	1,235,494
2025-2026	1.04	0.279	1,246,740	1,038,740	0	1,038,740
2026-2027	1.04	0.286	1,034,270	826,270	0	826,270
2027-2028	1.04	0.303	804,828	596,828	0	596,828
2028-2029	1.04	0.323	556,947	348,947	0	348,947
2029-2030	1.04	0.335	419,072	211,072	0	211,072
2030-2031	1.04	0.334	419,072	211,072	0	211,072
2031-2032	1.04	0.345	419,072	0	0	0
2032-2033	1.04	0.341	419,072	0	0	0
2033-2034	1.04	0.340	419,072	0	0	0
2034-2035	1.04	0.386	419,072	0	0	0
2035-2036	1.04	0.385	419,072	0	0	0
Totals			14,249,191	9,215,462	(1,909,114)	7,306,349

See also Table 4 of Attachment D.

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 was 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. A Chapter 313 application is a 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. 32065072806) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based 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 Chapters 312 and 313 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 Attachment K.

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 certified by Applicant in its Application, the District's Financial Impact Analysis projects that the District will incur a revenue loss during tax years 2021 (school year 2021-22). 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 Fort Bend Solar'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 Brazos 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,

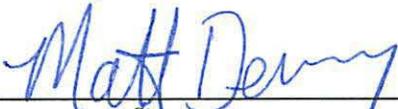
IT IS FURTHER ORDERED that the new jobs requirement pursuant to § 313.051(b) is hereby WAIVED; and,

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 Brazos 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 Brazos Independent School District Board of Trustees.

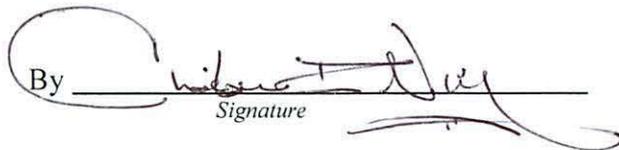
Dated this 15th day of August, 2018.

Brazos Independent School District

By 
Signature

Board President Matt Demny
Printed Name and Title

Attest:

By 
Signature

ARISTODERO R. NUNEZ, SEC
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 2017 Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's July 20, 2018 Agreement Review Letter
J	Job Waiver Request
K	Resolution and Notice to Applicant re Extension of 151 Day Deadline
L	Reinvestment Zone Resolutions



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

February 7, 2018

Brian Thompson
Superintendent
Brazos Independent School District
227 Educator Lane
Wallis, Texas 77485

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Brazos Independent School District and Fort Bend Solar, LLC, Application 1226

Dear Superintendent Thompson:

On November 2, 2017, the Comptroller's office received Fort Bend Solar LLC's (applicant) application for a limitation on appraised value (Application 1226) from Brazos 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 February 7, 2018.

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 Deisy Perez with our office. She can be reached by email at deisy.perez@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 5-2410 or at 512-475-2410.

Sincerely,

Will Counihan
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Craig Carson, Fort Bend Solar LLC
Ross Metersky, Lendlease Energy Development LLC
David Swell, Stahl, Bernal, Davies, Sewell & Chavarria, LLP

See Application documents
(Comptroller No. 1226)
posted on Comptroller Website:
Application (posted 12/18/17);
Amendment No. 1 (posted 1/22/18);
Amendment No. 2 (posted 2/15/18);
Amendment No. 3 (posted 3/12/18); and
Amendment No. 4 (posted 4/25/18)



Franchise Tax Account Status

As of : 08/04/2018 10:46:46

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

FORT BEND SOLAR LLC	
Texas Taxpayer Number	32065072806
Mailing Address	1999 BRYAN ST STE 900 DALLAS, TX 75201-3140
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	10/09/2017
Texas SOS File Number	0802833360
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

See Certification Packet
(Comptroller No. 1226)
posted on Comptroller Website

See Certification Packet
(Comptroller No. 1226)
posted on Comptroller Website

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Fort Bend Solar, LLC**

Amended – July 25, 2018



MCDOWELL
School Finance
CONSULTING

**Summary of Brazos ISD Financial Impact
of the
Limited Appraised Value Application
from
Fort Bend Solar, LLC**

Introduction

Fort Bend Solar, LLC applied for a property value limitation from Brazos Independent School District under Chapter 313 of the Tax Code. The application was submitted on October 25, 2017 and subsequently approved for consideration by the Brazos ISD Board of Trustees. Fort Bend Solar, LLC (“Fort Bend Solar”), 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:

Brazos 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 2018, 2019 & 2020 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. Brazos ISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million but less than \$90 million. Thus, Brazos ISD has a Minimum Qualified Investment amount of \$10 million and a Minimum Limitation Amount of \$20 million. A qualifying entity’s taxable value would be reduced to \$20 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 Brazos 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 2021 and continue through tax year 2030.

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

Tax years 2031 through 2035 will be the final five years of the agreement and the applicant agrees to maintain a viable presence with this project during this time.

Brazos ISD Financial Impact of Chapter 313 Agreement

Taxable Value Projections from Application

The following data shows the projected taxable values that Fort Bend Solar 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	2018-2019	2018	\$0	\$0
	0	2019-2020	2019	\$1,944,551	\$1,944,551
	0	2020-2021	2020	\$80,590,806	\$80,590,806
Value Limitation Period	1	2021-2022	2021	\$187,575,100	\$20,000,000
	2	2022-2023	2022	\$172,544,915	\$20,000,000
	3	2023-2024	2023	\$156,326,015	\$20,000,000
	4	2024-2025	2024	\$138,797,515	\$20,000,000
	5	2025-2026	2025	\$119,878,824	\$20,000,000
	6	2026-2027	2026	\$99,449,054	\$20,000,000
	7	2027-2028	2027	\$77,387,321	\$20,000,000
	8	2028-2029	2028	\$53,552,590	\$20,000,000
	9	2029-2030	2029	\$40,295,403	\$20,000,000
Continue to Maintain Viable Presence	10	2030-2031	2030	\$40,295,403	\$20,000,000
	11	2031-2032	2031	\$40,295,403	\$40,295,403
	12	2032-2033	2032	\$40,295,403	\$40,295,403
	13	2033-2034	2033	\$40,295,403	\$40,295,403
	14	2034-2035	2034	\$40,295,403	\$40,295,403
Additional Years for 25 Year Economic Impact Study	15	2035-2036	2035	\$40,295,403	\$40,295,403
	16	2036-2037	2036	\$40,295,403	\$40,295,403
	17	2037-2038	2037	\$40,295,403	\$40,295,403
	18	2038-2039	2038	\$40,295,403	\$40,295,403
	19	2039-2040	2039	\$40,295,403	\$40,295,403
	20	2040-2041	2040	\$40,295,403	\$40,295,403
	21	2041-2042	2041	\$40,295,403	\$40,295,403
	22	2042-2043	2042	\$40,295,403	\$40,295,403
	23	2043-2044	2043	\$40,295,403	\$40,295,403
	24	2044-2045	2044	\$40,295,403	\$40,295,403
	25	2045-2046	2045	\$40,295,403	\$40,295,403

Brazos ISD Financial Impact of Chapter 313 Agreement

Taxable Value Impact from LAVA

The “Additional Value from Fort Bend Solar” represents the values that the company estimated as their taxable values in the application that was filed with the district. During tax years 2021 through 2030, the company’s taxable value will be limited to the \$20,000,000 Minimum Limitation Amount of Brazos ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Fort Bend Solar	Minimum Limitation Amount	Abated Value	Taxable Value
Jan. 1, 2018	0	n/a	0	0
Jan. 1, 2019	1,944,551	n/a	0	1,944,551
Jan. 1, 2020	80,590,806	n/a	0	80,590,806
Jan. 1, 2021	187,575,100	(20,000,000)	167,575,100	20,000,000
Jan. 1, 2022	172,544,915	(20,000,000)	152,544,915	20,000,000
Jan. 1, 2023	156,326,015	(20,000,000)	136,326,015	20,000,000
Jan. 1, 2024	138,797,515	(20,000,000)	118,797,515	20,000,000
Jan. 1, 2025	119,878,824	(20,000,000)	99,878,824	20,000,000
Jan. 1, 2026	99,449,054	(20,000,000)	79,449,054	20,000,000
Jan. 1, 2027	77,387,321	(20,000,000)	57,387,321	20,000,000
Jan. 1, 2028	53,552,590	(20,000,000)	33,552,590	20,000,000
Jan. 1, 2029	40,295,403	(20,000,000)	20,295,403	20,000,000
Jan. 1, 2030	40,295,403	(20,000,000)	20,295,403	20,000,000
Jan. 1, 2031	40,295,403	n/a	0	40,295,403
Jan. 1, 2032	40,295,403	n/a	0	40,295,403
Jan. 1, 2033	40,295,403	n/a	0	40,295,403
Jan. 1, 2034	40,295,403	n/a	0	40,295,403
Jan. 1, 2035	40,295,403	n/a	0	40,295,403

Brazos ISD Financial Impact of Chapter 313 Agreement

Fort Bend Solar's Tax Benefit from Agreement

The projected amount of the net tax savings for Fort Bend Solar is \$7.306 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.

Brazos 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 2037 and currently have a \$.39 I&S tax rate. This district's annual debt payment is approximately \$1,075,000 per year and the debt rates below are calculated rates using the projected taxable values with the addition of Fort Bend Solar 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
2018-2019	1.04	0.412	0	0	0	0
2019-2020	1.04	0.406	20,223	0	0	0
2020-2021	1.04	0.310	838,144	0	0	0
2021-2022	1.04	0.236	1,950,781	1,742,781	(1,909,114)	(166,333)
2022-2023	1.04	0.242	1,794,467	1,586,467	0	1,586,467
2023-2024	1.04	0.252	1,625,791	1,417,791	0	1,417,791
2024-2025	1.04	0.260	1,443,494	1,235,494	0	1,235,494
2025-2026	1.04	0.279	1,246,740	1,038,740	0	1,038,740
2026-2027	1.04	0.286	1,034,270	826,270	0	826,270
2027-2028	1.04	0.303	804,828	596,828	0	596,828
2028-2029	1.04	0.323	556,947	348,947	0	348,947
2029-2030	1.04	0.335	419,072	211,072	0	211,072
2030-2031	1.04	0.334	419,072	211,072	0	211,072
2031-2032	1.04	0.345	419,072	0	0	0
2032-2033	1.04	0.341	419,072	0	0	0
2033-2034	1.04	0.340	419,072	0	0	0
2034-2035	1.04	0.386	419,072			
2035-2036	1.04	0.385	419,072	0	0	0
Totals			14,249,191	9,215,462	(1,909,114)	7,306,349

Brazos 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 Brazos 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 97% on current year tax levy with \$20,000 projected delinquent tax collections
- An annual taxable value increase of .5% 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 .25% 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.

Brazos 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 Fort Bend Solar (Table III), the addition of Fort Bend Solar's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Fort Bend Solar's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Fort Bend Solar, 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			
2018-2019	260,029,252	2,643,175	4,495,090	409,489	4,904,579	0	7,547,754
2019-2020	261,329,398	2,656,291	4,843,672	463,874	5,307,546	0	7,963,837
2020-2021	262,636,045	2,669,472	4,975,165	474,680	5,449,845	0	8,119,317
2021-2022	263,949,225	2,682,720	5,106,087	485,444	5,591,531	0	8,274,251
2022-2023	265,268,971	2,696,033	5,236,429	496,164	5,732,593	0	8,428,626
2023-2024	266,595,316	2,709,414	5,367,210	506,922	5,874,132	0	8,583,546
2024-2025	267,928,293	2,722,861	5,376,249	508,148	5,884,397	0	8,607,258
2025-2026	269,267,934	2,736,375	5,381,647	509,090	5,890,737	0	8,627,112
2026-2027	270,614,274	2,749,957	5,386,958	510,029	5,896,987	0	8,646,944
2027-2028	271,967,345	2,763,607	5,394,182	511,120	5,905,302	0	8,668,909
2028-2029	273,327,182	2,777,325	5,396,263	511,811	5,908,074	0	8,685,399
2029-2030	274,693,818	2,791,111	5,403,858	512,937	5,916,795	0	8,707,906
2030-2031	276,067,287	2,804,967	5,410,318	513,976	5,924,294	0	8,729,261
2031-2032	277,447,624	2,818,892	5,421,240	515,367	5,936,607	0	8,755,499
2032-2033	278,834,862	2,832,886	5,423,425	516,077	5,939,502	0	8,772,388
2033-2034	280,229,036	2,846,951	5,432,631	517,339	5,949,970	0	8,796,921
2034-2035	281,630,181	2,861,085	5,437,649	518,276	5,955,925	0	8,817,010
2035-2036	283,038,332	2,875,291	5,439,086	518,936	5,958,022	0	8,833,313

Brazos ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with Fort Bend Solar, LLC without Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State	State	Total State Revenue	Recapture Payment	Total District Revenue
			Revenue Tier I	Revenue Tier II			
2018-2019	260,029,252	2,643,175	4,495,090	409,489	4,904,579	0	7,547,754
2019-2020	261,329,398	2,656,291	4,843,672	463,874	5,307,546	0	7,963,837
2020-2021	343,226,851	3,482,472	4,975,165	619,620	5,594,785	0	9,077,257
2021-2022	451,524,326	4,574,977	4,300,179	592,328	4,892,507	0	9,467,484
2022-2023	437,813,887	4,436,666	3,360,678	406,323	3,767,001	0	8,203,667
2023-2024	422,921,332	4,286,430	3,641,761	421,235	4,062,996	0	8,349,426
2024-2025	406,725,808	4,123,050	3,813,079	426,252	4,239,331	0	8,362,381
2025-2026	389,146,758	3,945,712	3,993,672	431,411	4,425,083	0	8,370,795
2026-2027	370,063,328	3,753,199	4,188,169	437,003	4,625,172	0	8,378,371
2027-2028	349,354,667	3,544,290	4,399,692	442,009	4,841,701	0	8,385,991
2028-2029	326,879,773	3,317,563	4,622,390	447,100	5,069,490	0	8,387,053
2029-2030	314,989,221	3,197,611	4,868,332	470,613	5,338,945	0	8,536,556
2030-2031	316,362,690	3,211,467	5,007,364	496,872	5,504,236	0	8,715,703
2031-2032	317,743,026	3,225,392	5,018,286	498,260	5,516,546	0	8,741,938
2032-2033	319,130,265	3,239,386	5,020,471	498,968	5,519,439	0	8,758,825
2033-2034	320,524,439	3,253,451	5,029,677	500,227	5,529,904	0	8,783,355
2034-2035	321,925,584	3,267,585	5,034,695	501,162	5,535,857	0	8,803,442
2035-2036	323,333,735	3,281,791	5,036,132	501,820	5,537,952	0	8,819,743

TABLE V – District Revenues with Fort Bend Solar, LLC with Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State	State	Total State Revenue	Recapture Payment	Payment	Total District Revenue
			Revenue Tier I	Revenue Tier II			for District Losses	
2018-2019	260,029,252	2,643,175	4,495,090	409,489	4,904,579	0	0	7,547,754
2019-2020	261,329,398	2,656,291	4,843,672	463,874	5,307,546	0	0	7,963,837
2020-2021	343,226,851	3,482,472	4,975,165	619,620	5,594,785	0	0	9,077,257
2021-2022	283,949,225	2,884,480	4,300,944	372,947	4,673,891	0	1,909,114	9,467,484
2022-2023	285,268,971	2,897,793	5,036,429	488,304	5,524,733	0	0	8,422,526
2023-2024	286,595,316	2,911,174	5,167,210	499,062	5,666,272	0	0	8,577,446
2024-2025	287,928,293	2,924,621	5,176,249	499,015	5,675,264	0	0	8,599,885
2025-2026	289,267,934	2,938,135	5,181,647	499,955	5,681,602	0	0	8,619,737
2026-2027	290,614,274	2,951,717	5,186,958	500,891	5,687,849	0	0	8,639,566
2027-2028	291,967,345	2,965,367	5,194,182	501,980	5,696,162	0	0	8,661,529
2028-2029	293,327,182	2,979,085	5,196,263	502,669	5,698,932	0	0	8,678,017
2029-2030	294,693,818	2,992,871	5,203,858	503,792	5,707,650	0	0	8,700,521
2030-2031	296,067,287	3,006,727	5,210,318	504,828	5,715,146	0	0	8,721,873
2031-2032	317,743,026	3,225,392	5,221,240	541,083	5,762,323	0	0	8,987,715
2032-2033	319,130,265	3,239,386	5,020,471	498,968	5,519,439	0	0	8,758,825
2033-2034	320,524,439	3,253,451	5,029,677	500,227	5,529,904	0	0	8,783,355
2034-2035	321,925,584	3,267,585	5,034,695	501,162	5,535,857	0	0	8,803,442
2035-2036	323,333,735	3,281,791	5,036,132	501,820	5,537,952	0	0	8,819,743

Brazos 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.

Brazos ISD Financial Impact of Chapter 313 Agreement

Supplemental Payments

Assuming that the District and Fort Bend Solar, LLC mutually agree in the LAVA that the greater of \$100 per student in average daily attendance (ADA) or \$50,000, will be paid to Brazos ISD by Fort Bend Solar, the projected amount of these payments over the life of the agreement is \$1,203,200 of the \$7.306 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	Brazos ISD Supplemental	Fort Bend Solar Share
2018-2019	0	75,200	(75,200)
2019-2020	0	75,200	(75,200)
2020-2021	0	75,200	(75,200)
2021-2022	(166,333)	75,200	(241,533)
2022-2023	1,586,467	75,200	1,511,267
2023-2024	1,417,791	75,200	1,342,591
2024-2025	1,235,494	75,200	1,160,294
2025-2026	1,038,740	75,200	963,540
2026-2027	826,270	75,200	751,070
2027-2028	596,828	75,200	521,628
2028-2029	348,947	75,200	273,747
2029-2030	211,072	75,200	135,872
2030-2031	211,072	75,200	135,872
2031-2032	0	75,200	(75,200)
2032-2033	0	75,200	(75,200)
2033-2034	0	75,200	(75,200)
2034-2035	0	0	0
2035-2036	0	0	0
Totals	7,306,349	1,203,200	6,103,149

Brazos 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
Brazos High School	9-12	19	418	216	202
Brazos Middle School	6-8	15	330	200	130
Brazos Elementary	EE-5	26	572	338	234
Total		60	1,320	754	566

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

Fort Bend Solar, 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 two employees are expected. It is not known whether these would be new employees to the Brazos 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 two positions equates to 1 new student.

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

Brazos ISD Financial Impact of Chapter 313 Agreement

Conclusion

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

Fort Bend Solar, 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, Fort Bend Solar is projected to benefit from an 82% tax savings during that ten year period of this Agreement. Fort Bend Solar 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.

Brazos ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Fort Bend Solar 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.



Texas Education Agency

RECEIVED FEB 12 2018

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

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

February 9, 2018

Matt Demny, President
Board of Trustees
Brazos Independent School District
PO Box 227
Orchard, TX 77464-0227

Dear Mr. Demny:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Fort Bend Solar LLC project #1226 on the number and size of school facilities in Brazos Independent School District (BISD). Based on an examination of BISD enrollment and the number of potential new jobs, the TEA has determined that the Fort Bend Solar LLC project should not have a significant impact on the number or size of school facilities in BISD.

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,

A handwritten signature in black ink, appearing to read 'Al McKenzie', with a long horizontal flourish extending to the right.

Al McKenzie
Director of State Funding

AM/rk
Cc: Brian Thompson


Taxes

Property Tax Assistance

2017 ISD Summary Worksheet**008/Austin****008-903/Brazos ISD**

Category	Local Tax Roll Value	2017 WTD Mean Ratio	2017 PTAD Value Estimate	2017 Value Assigned
A. Single-Family Residences	72,186,832	1.0467	68,966,114	72,186,832
B. Multi-Family Residences	1,592,445	N/A	1,592,445	1,592,445
C1. Vacant Lots	3,814,486	N/A	3,814,486	3,814,486
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	2,539,725	1.0237	2,480,876	2,539,725
D2. Real Prop Farm & Ranch	281,313	N/A	281,313	281,313
E. Real Prop NonQual Acres	23,362,560	.9986	23,395,313	23,362,560
F1. Commercial Real	8,481,885	1.0992	7,716,416	8,481,885
F2. Industrial Real	116,938	N/A	116,938	116,938
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	14,947,851	.9117	16,395,581	14,947,851
L1. Commercial Personal	2,359,551	N/A	2,359,551	2,359,551
L2. Industrial Personal	4,620,000	N/A	4,620,000	4,620,000
M. Other Personal	3,349,772	N/A	3,349,772	3,349,772

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	137,653,358		135,088,805	137,653,358
Less Total Deductions	30,280,540		28,945,181	30,280,540
Total Taxable Value	107,372,818		106,143,624	107,372,818 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
111,482,304	107,372,818	109,712,841	105,603,355

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
4,109,486	1,769,463

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
111,482,304	107,372,818	109,712,841	105,603,355

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

079/Fort Bend

008-903/Brazos ISD

Category	Local Tax Roll Value	2017 WTD Mean Ratio	2017 PTAD Value Estimate	2017 Value Assigned
A. Single-Family Residences	71,105,090	N/A	71,105,090	71,105,090
B. Multi-Family Residences	156,820	N/A	156,820	156,820
C1. Vacant Lots	5,817,160	N/A	5,817,160	5,817,160
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	9,258,350	N/A	9,258,350	9,258,350
D2. Real Prop Farm & Ranch	0	N/A	0	0
E. Real Prop NonQual Acres	40,109,774	N/A	40,109,774	40,109,774

F1. Commercial Real	16,807,456	N/A	16,807,456	16,807,456
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	10,901,330	N/A	10,901,330	10,901,330
J. Utilities	22,880,224	N/A	22,880,224	22,880,224
L1. Commercial Personal	11,855,390	N/A	11,855,390	11,855,390
L2. Industrial Personal	3,826,350	N/A	3,826,350	3,826,350
M. Other Personal	3,093,820	N/A	3,093,820	3,093,820
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	11,550	N/A	11,550	11,550
Subtotal	195,823,314		195,823,314	195,823,314
Less Total Deductions	22,706,764		22,706,764	22,706,764
Total Taxable Value	173,116,550		173,116,550	173,116,550 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
177,715,718	173,116,550	176,004,539	171,405,371

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
4,599,168	1,711,179

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
177,715,718	173,116,550	176,004,539	171,405,371

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

008-903/Brazos ISD

Category	Local Tax Roll Value	2017 WTD Mean Ratio	2017 PTAD Value Estimate	2017 Value Assigned
A. Single-Family Residences	143,291,922	1.0230	140,071,204	143,291,922
B. Multi-Family Residences	1,749,265	N/A	1,749,265	1,749,265
C1. Vacant Lots	9,631,646	N/A	9,631,646	9,631,646
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	11,798,075	1.0050	11,739,226	11,798,075
D2. Real Prop Farm & Ranch	281,313	N/A	281,313	281,313
E. Real Prop NonQual Acres	63,472,334	.9995	63,505,087	63,472,334
F1. Commercial Real	25,289,341	1.0312	24,523,872	25,289,341
F2. Industrial Real	116,938	N/A	116,938	116,938
G. Oil, Gas, Minerals	10,901,330	N/A	10,901,330	10,901,330
J. Utilities	37,828,075	.9631	39,275,805	37,828,075
L1. Commercial Personal	14,214,941	N/A	14,214,941	14,214,941
L2. Industrial Personal	8,446,350	N/A	8,446,350	8,446,350
M. Other Personal	6,443,592	N/A	6,443,592	6,443,592
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	11,550	N/A	11,550	11,550
Subtotal	333,476,672		330,912,119	333,476,672
Less Total Deductions	52,987,304		51,651,945	52,987,304
Total Taxable Value	280,489,368		279,260,174	280,489,368 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

Comptroller Of Public Accounts - Property Tax Division

2017 ISD Summary Worksheet

008-903/Brazos ISD

Final Values Worksheet

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
289,198,022	280,489,368	285,717,380	277,008,726

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
8,708,654	3,480,642

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
289,198,022	280,489,368	285,717,380	277,008,726

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

See Agreement
(Comptroller No. 1226)
posted on Comptroller Website



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

July 20, 2018

Brian Thompson
Superintendent
Brazos Independent School District
227 Educator Lane
Wallis, Texas 77485

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Brazos Independent School District and Fort Bend Solar, LLC, Application 1226

Dear Superintendent Thompson:

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 Brazos Independent School District and Fort Bend Solar, 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 Deisy Perez with our office. She can be reached by email at deisy.perez@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-2410, or at 512-475-2410.

Sincerely,

Will Counihan
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Craig Carson, Fort Bend Solar LLC
Ross Metersky, Lendlease Energy Development LLC
David Swell, Stahl, Bernal, Davies, Sewell & Chavarria, LLP

See Tab 12 of Application
(Comptroller No. 1226)
posted on Comptroller Website
(posted 12/18/17)

Brazos I.S.D.

"Excellence in Education Since 1974"

Brian Thompson
Superintendent
Telephone (979) 478-6551

P.O. Box 819
227 Educator Lane
Wallis, TX 77485

June 26, 2018

Ross Metersky, Project Development Director *VIA EMAIL:*
ross.metersky@lendlease.com
Fort Bend Solar LLC
909 Lake Carolyn Parkway, Suite 260
Irving, TX 75039

Re: Request for Extension on Application of Fort Bend Solar LLC
 For an Appraised Value Limitation Agreement
 Comptroller App. No. 1226

Dear Mr. Metersky:

Please be advised that at a properly called meeting of the Brazos Independent School District Board of Trustees on June 25, 2018, the Board took action on the request for an extension to consider the application of Fort Bend Solar LLC for an Appraised Value Limitation Agreement with Brazos ISD. The District approved the request, and has granted the extension on the application until August 31, 2018. *See* enclosed copy of the Resolution granting the extension. The Board's action will be reflected in the Minutes of this meeting.

If you have any further questions concerning your extension, please do not hesitate to contact me or Fred Stormer at the Underwood Law Firm. Thank you for your cooperation in this matter.

Sincerely,



Brian Thompson, Superintendent

**RESOLUTION OF THE BOARD OF TRUSTEES
OF
BRAZOS INDEPENDENT SCHOOL DISTRICT**

The Board of Trustees of Brazos Independent School District (“the District”) does hereby make the following resolution regarding a pending application by Fort Bend Solar LLC (“Fort Bend Solar”) for an appraised value limitation agreement under Texas Tax Code, Chapter 313:

WHEREAS, on or about October 25, 2017, Fort Bend Solar submitted to the District an application under Texas Tax Code, Chapter 313 (the “Application”) for an appraised value limitation agreement (“Agreement”);

WHEREAS, on or about November 1, 2017, the Application was submitted to the Texas Comptroller;

WHEREAS, on or about February 7, 2018, the Texas Comptroller issued a letter deeming the Application complete, advising that it would move forward with its economic impact evaluation, and triggering the Application Review Start Date;

WHEREAS, Texas Tax Code §313.025(b) requires that the Board approve or disapprove an application before the 151st day after the date the application is deemed complete by the Comptroller (the “Deadline”), unless the Comptroller’s economic impact evaluation has not been received or an extension is agreed to by the Board and the applicant;

WHEREAS, due to a delay in approval of the reinvestment zone and ongoing negotiations with Fort Bend Solar, it is likely that the Agreement will not be approved by the Comptroller in time for the Board to issue its Findings of Fact, and approve and execute such an Agreement before the Deadline; and

WHEREAS, on May 21, 2018, Fort Bend Solar submitted a request to the District to extend the Deadline, a copy of which is attached here to as Exhibit “A.”

NOW BE IT THEREFORE RESOLVED, that the statements contained in the preamble of this Resolution are true and correct and adopted as findings of fact and operative provisions hereof, and that it is in the District’s best interest to extend the Deadline as requested;

BE IT FURTHER RESOLVED, that Board of Trustees finds that it is in the best interest of the District to grant Fort Bend Solar’ request, and extend the Deadline until August 31, 2018, in order to establish a reinvestment zone, complete negotiations and allow the Comptroller sufficient time to review and approve the Agreement of the parties; and

BE IT FURTHER RESOLVED, the superintendent is directed to provide notice to Fort Bend Solar of the Board's decision to grant its request, and extend the Deadline until August 31, 2018.

Passed and approved by the Brazos Independent School District Board of Trustees on this 25th day of June, 2018.

Brazos Independent School District

 6-25-18

By: President of the Board of Trustees



By: Secretary of the Board of Trustees

EXHIBIT A

From: Metersky, Ross <Ross.Metersky@lendlease.com>
Sent: Monday, May 21, 2018 7:25 AM
To: James Wester
Cc: Metersky, Ross
Subject: Fort Bend Solar Project

James,

Please extend the deadline for execution of the Brazos ISD AVL agreement to the latest date possible.

Thank you,

Ross

Sent from my iPhone

This email and any attachments are confidential and may also contain copyright material of the Lendlease Group. If you are not the intended recipient, please notify us immediately and delete all copies of this message. You must not copy, use, disclose, distribute or rely on the information contained in it. Copying or use of this communication or information in it is strictly prohibited and may be unlawful. Contracts cannot be concluded with the Lendlease Group nor service effected by email. None of the staff of the Lendlease Group are authorised to enter into contracts on behalf of any member of the Lendlease Group in this manner. The fact that this communication is in electronic form does not constitute our consent to conduct transactions by electronic means or to use or accept electronic records or electronic signatures. Confidentiality and legal privilege attached to this communication are not waived or lost by reason of mistaken delivery to you. Lendlease does not guarantee that this email or the attachment(s) are unaffected by computer virus, corruption or other defects and accepts no liability for any damage caused by this email or its attachments due to viruses, interception, corruption or unauthorised access. Lendlease Group may monitor email traffic data and also the content of email for the purposes of security and staff training. Please note that our servers may not be located in your country. A list of Lendlease Group entities can be found here<<http://www.lendlease.com/OperatingEntities>>.

**CERTIFICATE REGARDING ADOPTION OF
A RESOLUTION BY
BRAZOS INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES**

STATE OF TEXAS §
COUNTY OF FORT BEND §
BRAZOS INDEPENDENT SCHOOL DISTRICT §

WE, THE UNDERSIGNED, Officers of the Board of Trustees of the Brazos Independent School District (the "District"), hereby certify as follows:

1. The Board of Trustees of the District convened in a special meeting on August 15, 2018, beginning at 8:00 PM in the Board Room, 227 Educator Lane, Wallis, TX 77485, the regular designated meeting place, and the roll was called of the duly constituted officers and members of the Board, to wit:

Matthew Demny, President
Myles H. Marek, Vice President
Christopher Nanez, Secretary
Mark Fernandez, Member
Wayne Jetelina, Member
Felix Martinez II, Member
Brian Demny, Member

And all of the above persons were present, except the following:

Felix Martinez II

_____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting, a written:

**A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE
FOR TEXAS TAX CODE CHAPTER 313 APPRAISED VALUE LIMITATION IN THE
BRAZOS INDEPENDENT SCHOOL DISTRICT, IN PORTIONS OF FORT BEND
COUNTY, TEXAS, TO BE KNOWN AS THE FORT BEND SOLAR REINVESTMENT
ZONE; ESTABLISHING THE BOUNDARIES THEREOF;
AND PROVIDING FOR AN EFFECTIVE DATE**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be passed; and after due discussion, the motion, carrying with it the passage of the Resolution, prevailed and carried by the following vote:

Ayes 6
Nos 0
Abstain 0

RESOLUTION

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR TEXAS TAX CODE CHAPTER 313 APPRAISED VALUE LIMITATION IN THE BRAZOS INDEPENDENT SCHOOL DISTRICT, TEXAS, TO BE KNOWN AS THE FORT BEND SOLAR REINVESTMENT ZONE; ESTABLISHING THE BOUNDARIES THEREOF; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Board of Trustees of the Brazos Independent School District desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (V.T.C.A. Texas Tax Code § 312.0025), for the purpose of authorizing an *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*, as authorized by Chapter 313 of the Texas Tax Code; and

WHEREAS, on August 15, 2018, a hearing before the Board of Trustees of the Brazos Independent School District was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing, and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

WHEREAS, the Board of Trustees of Brazos Independent School District at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone, and whether all or part of the territory described should be included in the proposed reinvestment zone; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE BRAZOS INDEPENDENT SCHOOL DISTRICT:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Board of Trustees of the Brazos Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on adoption of the *Fort Bend Solar Reinvestment Zone* has been properly called, held and conducted and that notices of such hearing have been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and
- (b) That the boundaries of the *Fort Bend Solar Reinvestment Zone* be and, by the adoption

of this Resolution, is declared and certified to be, the area as described in the legal description attached hereto as “**EXHIBIT A**”; and,

- (c) That the map attached hereto as “**EXHIBIT B**” is declared to be and, by the adoption of this Resolution is certified to accurately depict and show the boundaries of the *Fort Bend Solar Reinvestment Zone* which is normatively described in **EXHIBIT A**; and
- (d) That creation of the *Fort Bend Solar Reinvestment Zone* with boundaries as described in **EXHIBIT A** and **EXHIBIT B** will result in benefits to the Brazos Independent School District and to land included in the reinvestment zone, and that the improvements sought are feasible and practical; and
- (e) The *Fort Bend Solar Reinvestment Zone* described in **EXHIBIT A** and **EXHIBIT B** meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract major investment in the zone that will be a benefit to the property, and would contribute to economic development within the Brazos Independent School District, and that the entire tract of land is located entirely within an unincorporated area of Fort Bend County and the Brazos Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Brazos Independent School District hereby creates a reinvestment zone under the provisions of Tex. Tax Code §312.0025, encompassing the area described by **EXHIBIT A** and **EXHIBIT B**, and such reinvestment zone is hereby designated and shall hereafter be referred to as the *Fort Bend Solar Reinvestment Zone*.

SECTION 4. That the *Fort Bend Solar Reinvestment Zone* shall take effect upon adoption by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject, of the meeting of the Brazos Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation in Fort Bend County of the State of Texas, and furthermore, such notice was in fact, delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

EXHIBIT A

DESCRIPTION OF REINVESTMENT ZONE

The Fort Bend Solar Reinvestment Zone includes the property described below. A map of The Fort Bend Solar Reinvestment Zone is also attached as Exhibit B. In the event of a discrepancy between this Exhibit A and the attached map on Exhibit B, Exhibit B shall control; provided however, the Fort Bend Solar Reinvestment Zone shall in no way be deemed to include any portion of any municipality located within the designated area.

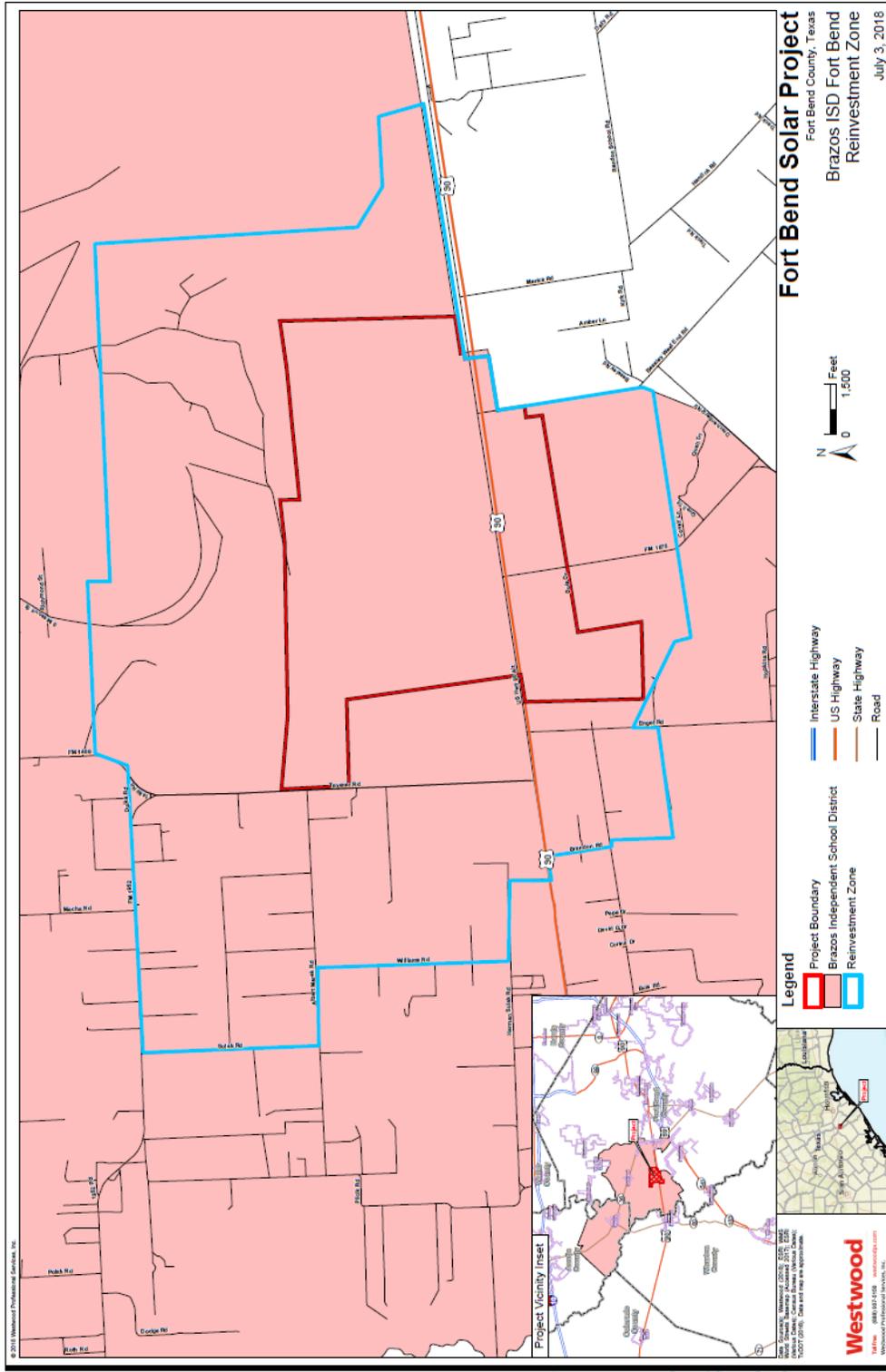
Tracts being situated in Fort Bend County, Texas, and being more fully described as follows:

- 96.9 acres in the HG Taylor Survey, Abstract 336
- 19.5 acres in the B.B.B. and C.R.R. Company Survey, Abstract 120
- 92.6 acres in the B.B.B. and C.R.R. Company Survey, Abstract 120
- 111.4 acres in the B.B.B. and C.R.R. Company Survey, Abstract 120
- 4.0 acres in the William Goodman Survey, Abstract 185
- 4.0 acres in the William Goodman Survey, Abstract 185
- 4.0 acres in the William Goodman Survey, Abstract 185
- 4.0 acres in the William Goodman Survey, Abstract 185
- 4.3 acres in the William Goodman Survey, Abstract 185
- 4.8 acres in the William Goodman Survey, Abstract 185
- 6.8 acres in the William Goodman Survey, Abstract 185
- 38.6 acres in the SA and MG Survey, Abstract 327
- 3.5 acres in the William Goodman Survey, Abstract 185
- 16.0 acres in the William Goodman Survey, Abstract 185
- 57.3 acres in the SN Cross Survey, Abstract 399
- 1,334 acres in the Mark Smith Survey, Abstract 314
- 320 acres in the B.B.B. and C.R.R. Company, Abstract 119
- 320 acres in the B.B.B. and C.R.R. Company, Abstract 119
- 1,280 acres in the James Frazier Survey, Abstract 173
- 280 acres in the William Goodman Survey, Abstract 185
- 437 acres in the German Emigration Company Survey, Abstract 180
- 144.3 acres in the Charles Baird League, Abstract 6
- 99.0 acres in the Charles Baird League, Abstract 6
- 74.0 acres in the Charles Baird League, Abstract 6
- 19.3 acres in the Charles Baird League, Abstract 6
- 10.7 acres in the Charles Baird League, Abstract 6
- 9.6 acres in the Charles Baird League, Abstract 6
- 19.1 acres in the Charles Baird League, Abstract 6
- 64 acres in the Charles Baird League, Abstract 6
- 91.2 acres in the Charles Baird League, Abstract 6

- 77.8 acres in the Charles Baird League, Abstract 6
- 133.3 acres in the Charles Baird League, Abstract 6
- 72.7 acres in the Charles Baird League, Abstract 6
- 36.9 acres in the Charles Baird League, Abstract 6
- 35.8 acres in the Charles Baird League, Abstract 6
- 48.0 acres in the Charles Baird League, Abstract 6
- 21.0 acres in the Charles Baird League, Abstract 6
- 69.0 acres in the Charles Baird League, Abstract 6
- 136.5 acres in the Charles Baird League, Abstract 6
- 48.7 acres in the Charles Baird League, Abstract 6
- 52.2 acres in the Charles Baird League, Abstract 6
- 26.4 acres in the Charles Baird League, Abstract 6
- 43.7 acres in the Charles Baird League, Abstract 6
- 25.7 acres in the Charles Baird League, Abstract 6
- 47.6 acres in the Charles Baird League, Abstract 6
- 31.7 acres in the Charles Baird League, Abstract 6
- 57.2 acres in the Charles Baird League, Abstract 6
- 57.6 acres in the Charles Baird League, Abstract 6
- 35.8 acres in the Charles Baird League, Abstract 6
- 26.0 acres in the Andrew Northington League, Abstract 65
- 303.3 acres in the Andrew Northington League, Abstract 65
- 110.2 acres in the HG Taylor Survey, Abstract 336
- 398.8 acres in the B.B.B. and C.R.R. Company Survey, Abstract 120
- 167.8 acres in the S.A. & M.G. Railroad Company Survey, Abstract 327

EXHIBIT B

MAP OF THE FORT BEND SOLAR REINVESTMENT ZONE



21N



THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

The Commissioners Court of Fort Bend County, Texas (the "Commissioners Court"), acting for and on behalf of Fort Bend County, Texas, convened in regular session at a regular term of said Court, open to the public, on the 7th day of August, 2018, in the Commissioners Courtroom, 401 Jackson St., 2nd Floor, Richmond, Texas.

WHEREUPON, among other business, the following was transacted at said meeting:

ORDER DESIGNATING FORT BEND COUNTY REINVESTMENT ZONE NO. 21

The Order was duly introduced for the consideration of the Commissioners Court and reviewed in full. It was then duly moved and seconded that the Order be adopted; and, after due discussion, the motion, carrying with it the adoption of the Order, prevailed and carried by the following vote:

AYES: 5

NAYESS: 0

The County Judge thereupon announced that the Motion had duly and lawfully carried and that the Order had been duly and lawfully adopted. The Order thus adopted follows:

ORDER DESIGNATING FORT BEND COUNTY REINVESTMENT ZONE NO. 21

WHEREAS, the County Commissioners Court passed and approved Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created in Fort Bend County, Texas, on February 14, 2017;

WHEREAS, pursuant to the Guidelines, the County has received a request for designation of a Reinvestment Zone and Tax Abatement;

WHEREAS, notice was given to all taxing entities where the proposed zone is to be located;

WHEREAS, after proper notice had been given in the July 30, 2018 edition of the Fort Bend Herald, the County has held a public hearing on August 7, 2018, where all interested persons were given an opportunity to speak, and evidence for and against the designation of Fort Bend County Reinvestment Zone NO. 21 was gathered;

WHEREAS, the County Commissioners Court has determined, based on evidence gathered, that the improvements sought to be located in proposed Reinvestment Zone NO. 21 are feasible and practical and would be a benefit to the land to be included in Reinvestment Zone NO. 21 and to the County after the expiration of the Tax Abatement Agreement; and

WHEREAS, the designation of Reinvestment Zone NO. 21 will reasonably likely contribute to the retention or expansion of primary employment, increase business opportunities in Fort Bend County and contribute to the economic development of both the property in Reinvestment Zone NO. 21 and to Fort Bend County;

NOW THEREFORE, BE IT ORDERED BY THE COUNTY COMMISSIONERS COURT OF FORT BEND COUNTY:

SECTION ONE

That the findings and provisions set out in the preamble of this Order are hereby found to be true and correct, and are made a part of this Order for all purposes.

SECTION TWO

That Fort Bend County Reinvestment Zone NO. 21 is hereby designated pursuant to the Guidelines for the purpose of encouraging economic development in Fort Bend County through tax abatement.

SECTION THREE

This designation shall be effective for five (5) years from the date of passage of this Order and may be renewed for five (5) year periods thereafter.

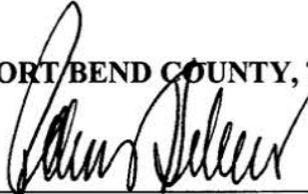
SECTION FOUR

The attached Exhibit A described tract(s) are to be combined and designated as Reinvestment Zone NO. 21.

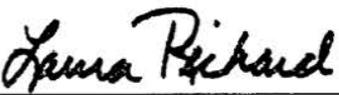
PASSED AND APPROVED this the 7th day of August 7, 2018.

FORT BEND COUNTY, TEXAS

By:


Robert E. Hebert, County Judge

ATTEST:


Laura Richard, County Clerk



Attachment: Exhibit A – Metes & Bounds
 Exhibit B - Map of Reinvestment Zone

Exhibit A – Metes & Bounds Descriptions of Reinvestment Zone

Fort Bend Solar Reinvestment Zone

Metes and Bounds:

BEING A 2548.27 ACRE TRACT SITUATED IN THE MARK SMITH SURVEY, ABSTRACT NUMBER 314, THE B.B.B. & C.R.R. CO. SURVEY, ABSTRACT NUMBER 119, THE JAMES FRAZIER SURVEY, ABSTRACT NUMBER 173, THE WILLIAM GOODMAN SURVEY, ABSTRACT NUMBER 185, THE GERMAN EMIGRATION COMPANY SURVEY, ABSTRACT NUMBER 180, THE B.B.B. & C.R.R. CO. SURVEY, ABSTRACT NUMBER 125, THE SAMUEL N. CROSS SURVEY, ABSTRACT NUMBER 399, THE S.A. & M.G.R.R. CO. SURVEY, ABSTRACT NUMBER 327, THE B.B.B. & C.R.R. CO. SURVEY, ABSTRACT NUMBER 120, AND THE H.C. TAYLOR SURVEY, ABSTRACT NUMBER 336, FORT BEND COUNTY, TEXAS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF A TRACT OF LAND DEEDED TO EARNEST R. SULAK AS DESCRIBED IN INSTRUMENT NO. 2003141312 OFFICIAL PUBLIC RECORDS, FORT BEND COUNTY, TEXAS (O.P.R.F.B.C.T.);

THENCE NORTH 02 DEGREES 11 MINUTES 59 SECONDS WEST, ALONG THE WEST LINE OF SAID TRACT, A DISTANCE OF 4474.53 FEET TO THE NORTHWEST CORNER OF SAID TRACT AND THE POINT OF BEGINNING;

(1)THENCE NORTH 02 DEGREES 11 MINUTES 59 SECONDS WEST, ALONG THE WEST LINE OF A 509.50 ACRE TRACT OF LAND DEEDED TO J.F.D. MOORE ESTATE HEIRS PARTNERSHIP, LTD AS DESCRIBED IN VOLUME 2729, PAGE 2237 O.P.R.F.B.C.T., A DISTANCE OF 1893.73 FEET TO A POINT FOR CORNER;

(2)THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, DEPARTING SAID WEST LINE, A DISTANCE OF 485.13 FEET TO A POINT FOR CORNER;

(3)THENCE NORTH 69 DEGREES 54 MINUTES 18 SECONDS EAST, A DISTANCE OF 1688.99 FEET TO A POINT FOR CORNER;

(4)THENCE SOUTH 51 DEGREES 12 MINUTES 10 SECONDS EAST, A DISTANCE OF 646.26 FEET TO A POINT FOR CORNER;

(5)THENCE SOUTH 54 DEGREES 41 MINUTES 14 SECONDS EAST, A DISTANCE OF 54.03 FEET TO A POINT FOR CORNER;

(6)THENCE SOUTH 56 DEGREES 58 MINUTES 11 SECONDS EAST, A DISTANCE OF 134.81 FEET TO A POINT FOR CORNER;

(7)THENCE SOUTH 60 DEGREES 38 MINUTES 20 SECONDS EAST, A DISTANCE OF 87.30 FEET TO A POINT FOR CORNER;

(8)THENCE SOUTH 71 DEGREES 17 MINUTES 28 SECONDS EAST, A DISTANCE OF 177.21 FEET TO A POINT FOR CORNER;

(9)THENCE SOUTH 78 DEGREES 21 MINUTES 20 SECONDS EAST, A DISTANCE OF 1804.92 FEET TO A POINT FOR CORNER;

(10)THENCE NORTH 84 DEGREES 06 MINUTES 09 SECONDS EAST, PASSING THE EAST LINE OF SAID TRACT AT 3977.65 FEET, A DISTANCE OF 8210.65 FEET TO A POINT FOR CORNER;

(11)THENCE SOUTH 42 DEGREES 59 MINUTES 42 SECONDS EAST, A DISTANCE OF 2467.28 FEET TO A POINT FOR CORNER;

(12)THENCE SOUTH 06 DEGREES 35 MINUTES 28 SECONDS EAST, A DISTANCE OF 308.30 FEET TO A POINT FOR CORNER;

(13)THENCE SOUTH 01 DEGREES 50 MINUTES 18 SECONDS EAST, PASSING THE NORTHEAST CORNER OF A 144.42 ACRE TRACT OF LAND DEEDED TO IVY MOORE MORRISON HEIRS, LTD AS DESCRIBED IN VOLUME 2732, PAGE 1604 O.P.R.F.B.C.T AT 160.90 FEET, AND THEN ALONG THE EAST LINE OF SAID 144.42 ACRE TRACT, A DISTANCE OF 3218.42 FEET TO A POINT ON THE NORTHERN LINE OF THE RAILROAD RIGHT OF WAY;

(14)THENCE NORTH 81 DEGREES 11 MINUTES 44 SECONDS EAST, WITH SAID NORTHERN RIGHT OF WAY LINE, A DISTANCE OF 1513.04 FEET TO A POINT FOR CORNER ON SAID NORTHERN RIGHT OF WAY LINE;

(15)THENCE SOUTH 08 DEGREES 57 MINUTES 59 SECONDS EAST, DEPARTING SAID NORTHERN RIGHT OF WAY LINE AND CROSSING HIGHWAY 90, A DISTANCE OF 5380.04 FEET TO A POINT ON THE SOUTH LINE OF SAID ABSTRACT NO. 125;

(16)THENCE SOUTH 81 DEGREES 16 MINUTES 20 SECONDS WEST, WITH THE SOUTH LINE OF SAID ABSTRACT 125, PASSING THE SOUTHWEST CORNER OF SAID ABSTRACT 125 AT APPROXIMATELY 3493 FEET, FOR A TOTAL DISTANCE OF 5357.13 FEET TO A POINT ON THE NORTHWESTERLY LINE OF SAID ABSTRACT NO. 399 AND THE SOUTHEASTERLY LINE OF SAID ABSTRACT NO. 327;

(17)THENCE NORTH 29 DEGREES 10 MINUTES 14 SECONDS EAST, WITH SAID SHARED LINE BETWEEN SAID ABSTRACT NO. 399 AND SAID ABSTRACT NO. 327, A DISTANCE OF 292.47 FEET TO THE WESTERLY CORNER OF SAID ABSTRACT NO. 399 AND THE EASTERLY CORNER OF SAID ABSTRACT NO. 327;

(18)THENCE NORTH 09 DEGREES 08 MINUTES 27 SECONDS WEST, WITH THE WESTERLY LINE OF SAID ABSTRACT 399 AND THE EASTERLY LINE OF SAID ABSTRACT 327, A DISTANCE OF 3051.85 FEET TO A POINT FOR CORNER ON SAID SHARED LINE;

(19)THENCE SOUTH 81 DEGREES 05 MINUTES 19 SECONDS WEST, DEPARTING SAID LINE, A DISTANCE OF 4844.02 FEET TO THE SOUTHWEST CORNER OF A 111.43 ACRE TRACT OF LAND DESCRIBED AS THE REMAINDER OF LOT NO. 2 OF THE TURKEY CREEK SUBDIVISION PLAT, VOLUME 53, PAGE 233, O.P.R.F.B.C.T. AND A POINT ON THE EAST LINE OF AN 80.00 FOOT ROAD EASEMENT DEEDED TO THE STATE OF TEXAS IN VOLUME 298, PAGE 303, O.P.R.F.B.C.T;

(20)THENCE NORTH 09 DEGREES 02 MINUTES 08 SECONDS WEST, ALONG THE EAST LINE OF SAID EASEMENT, PASSING THE NORTHWEST CORNER OF SAID 111.43 ACRE TRACT AT 1874.67 FEET, CONTINUING FOR A TOTAL DISTANCE OF 2099.56 FEET, CROSSING HIGHWAY 90 TO A POINT ON SAID NORTHERN RAILROAD RIGHT OF WAY LINE;

(21)THENCE SOUTH 81 DEGREES 11 MINUTES 44 SECONDS WEST, ALONG THE SAID NORTHERN RIGHT OF WAY LINE, PASSING THE SOUTHWEST CORNER OF A TRACT OF LAND DEEDED TO IVY MOORE MORRISON HEIRS, LTD. AS DESCRIBED IN VOLUME 2732, PAGE 1604, O.P.R.F.B.C.T. AT

391.44 FEET, CONTINUING FOR A TOTAL DISTANCE OF 3029.59 FEET TO THE SOUTHWEST CORNER OF A TRACT OF LAND DEEDED TO WADE MCNEILL EXEMPT UNITRUST AS DESCRIBED IN DOC. NO. FBC 1999005774 O.P.R.F.B.C.T.;

(22)THENCE NORTH 08 DEGREES 45 MINUTES 50 SECONDS WEST, AND ALONG THE WEST LINE OF SAID TRACT, A DISTANCE OF 4905.91 FEET TO THE NORTHEAST CORNER OF A TRACT OF LAND DEEDED TO EARNEST R. SULAK AS DESCRIBED IN INSTRUMENT NO. 2003141312 O.P.R.F.B.C.T.;

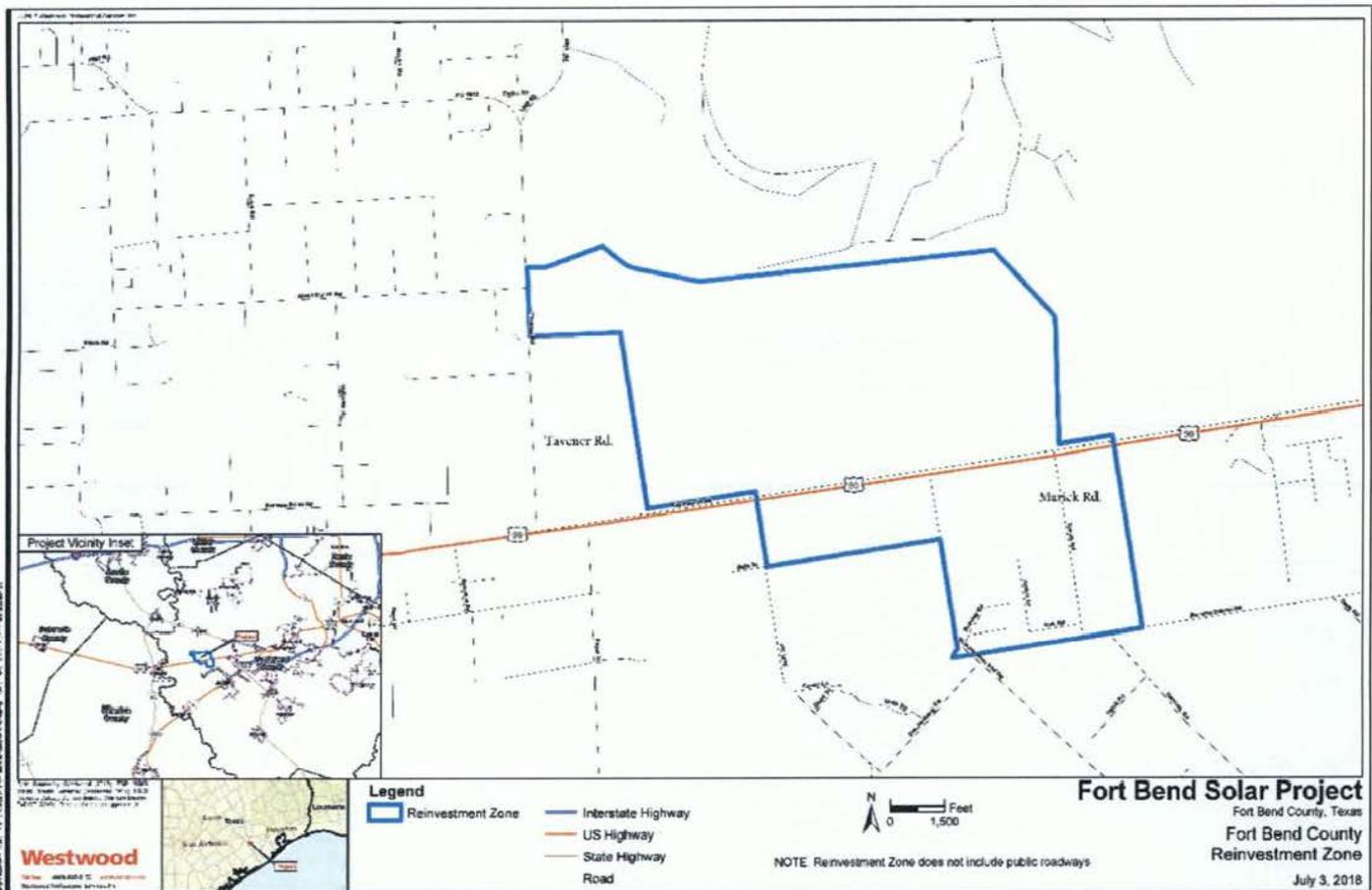
(23)THENCE SOUTH 87 DEGREES 48 MINUTES 01 SECONDS WEST, ALONG THE NORTH LINE OF SAID TRACT, A DISTANCE OF 2501.00 FEET TO THE POINT OF BEGINNING;

SAID TRACT CONTAINING A COMPUTED AREA OF 2548.27 ACRES OF LAND, MORE OR LESS.

This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.



Exhibit B – Map



RECORDER'S MEMORANDUM

This page is not satisfactory for photographic recordation due to carbon or photocopy, discolored paper, etc. All block-outs, additions and changes were presented at time instrument was filed and recorded.

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Laura Richard

Laura Richard, County Clerk
Fort Bend County Texas

August 10, 2018 01:58:12 PM

FEE: \$0.00 CR1

2018090527



THE STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS
 IN FORT BEND COUNTY, TEXAS**

WHEREAS, taxing entities in the State of Texas are authorized to provide tax abatements for historic preservation and economic development, pursuant to Chapter 312 of the Property Tax Code;

WHEREAS, the creation and retention of job opportunities that bring new wealth is the highest civic priority; and,

WHEREAS, Fort Bend County (hereinafter referred to as "County") must compete with other localities across the region and the nation currently offering tax inducements to attract new industry, expand existing industry and develop new tax base; and,

WHEREAS, any tax incentives offered by the County would reduce needed tax revenue unless strictly limited in application to those new and existing industries that bring new wealth to the community; and,

WHEREAS, any tax incentives should not adversely affect the competitive position of existing companies operating in the County; and,

WHEREAS, the abatement of property taxes, when offered to attract primary jobs in industries which bring in money from outside a community instead of merely recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area's economy; and,

WHEREAS, Texas law requires any eligible taxing jurisdiction to establish guidelines and criteria as to eligibility for tax abatement agreements prior to granting of any future tax abatement, said guidelines and criteria to be unchanged for a two-year period unless amended by a three-quarters vote; and,

WHEREAS, these guidelines and criteria shall not be construed as implying or suggesting that the County is under an obligation to provide tax abatement or other incentive to any applicant, and all applicants shall be considered on a case-by-case basis;

NOW, THEREFORE BE IT RESOLVED, that the County does hereby adopt these guidelines and criteria for granting tax abatements in reinvestment zones in Fort Bend County, Texas, and to provide consistency in the application and review process.

I. DEFINITIONS

- A. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain real property and/or Tangible Personal Property in a reinvestment zone designated by the County for economic development purposes.
- B. **“Agreement”** means a contractual agreement between a property owner and / or Lessee and the County.
- C. **“Base Year Value”** means the assessed value of eligible property January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements and Tangible Personal Property made after January 1 but before the execution of the Agreement.
- D. **“Deferred Maintenance”** means improvements necessary for continued operation which do not improve productivity, or alter the process technology, reduce pollution or conserve resources.
- E. **“Eligible Property”** Abatement may be extended to the value of buildings, structures, tangible personal property as defined in the Texas Tax Code including fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility.
- F. **“Expansion”** means the addition of buildings, structures, machinery, tangible personal property, equipment or payroll for purposes of increasing production or regional capacity
- G. **“Facility”** means property improvements completed or in the process of construction which together comprise an integral whole.
- H. **“Hotel”** means a commercial structure which provides overnight accommodations to travelers and which contains 150 rooms or more.
- I. **“Ineligible Property”** The following types of property shall be fully taxable and ineligible for tax abatement: land, existing improvements, tangible personal property that the Fort Bend Central Appraisal District classifies as inventory or supplies, real property used primarily to provide retail sales or services to the public, real property used for residential purposes, tangible personal property classified as furnishings, tangible personal property located in the reinvestment zone prior to the effective date of the tax abatement agreement, real property with a productive life of less than 10 years, or any other property for which abatement is not allowed by state law.
- J. **“Modernization”** means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, equipment, pollution control devices or resource conservation equipment.
- K. **“New Facility”** means a property previously undeveloped which is placed into service by means other than or in conjunction with Expansion or Modernization.
- L. **“Commercial Building”** means a new facility; a new addition to an existing facility or build out of unoccupied space within an existing facility
- M. **“Productive Life”** means the number of years a property improvement is expected to being service in a facility.
- N. **“Real Property”** means: land or an improvement or other property classified as such under state law.

- O. **“Reinvestment Zone”** means a geographic area of the County which meets the criteria of §312.202 of the Property Tax Code.
- P. **“Tangible Personal Property”** means tangible personal property classified as such under state law, but excluding inventory and/or supplies and tangible personal property that was located in the investment zone at any time before the period covered by the agreement with the County.

II. ABATEMENT AUTHORIZED

- A. **Submission:** Upon submission of an Economic Impact Statement signed by the company and certified by the Greater Fort Bend Economic Development Council, (hereinafter referred to as (“GFBEDC”) Eligible Property shall be considered for tax abatement as hereinafter provided.
- B. **Creation of New Value:** An abatement may only be granted for the additional value of eligible Improvements made subsequent to and specified in an abatement agreement between the County and the property owner or lessee, subject to such limitations as the County may require.
- C. **New and Existing Facilities:** An abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- D. **Economic Qualifications:** In order to be eligible for designation as a reinvestment zone and receive tax abatement the planned improvement:
 - 1. Must be expected to have an increased appraised ad valorem tax value of at least \$1,000,000 based upon the Fort Bend Central Appraisal District’s assessment of the eligible property; and
 - 2. Must be expected to prevent the loss of payroll or retain, increase or create payroll on a permanent basis in the County.
 - 3. Must not have the effect of transferring employment from one part of the County to another, unless there is a substantial threat of economic loss to the County.
- E. **Standards for Tax Abatement:** The following factors, among others, may be considered in determining whether to grant tax abatement; and, if so, the percentage of value to be abated and duration of the tax abatement:
 - 1. Value of land and existing improvements, if any;
 - 2. Type and value of proposed improvements;
 - 3. Productive life of proposed improvements;
 - 4. Number of existing jobs to be retained by proposed improvements;
 - 5. Number and type of new jobs to be created by proposed improvements;
 - 6. Amount of local payroll to be created;
 - 7. Whether persons residing, or projected to reside, within affected taxing jurisdictions will have the opportunity to fill the new jobs being created;
 - 8. Amount of local taxes to be generated directly;
 - 9. Amount that property tax base valuation will be increased during term of abatement and after abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than the economic qualifier stipulated in Section II(D)(1);
 - 10. The costs to be incurred by the County to provide facilities or services directly resulting from the new improvements;

11. The amount of ad valorem taxes to be paid to the County during the abatement period considering (a) the existing values; (b) the percentage of new value abated; (c) the abatement period; and (d) the value after expiration of the abatement period;
 12. The population growth of the County that occurs directly as a result of new improvements;
 13. The types and values of public improvements, if any, to be made by applicant seeking abatement;
 14. Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
 15. The impact on the business opportunities of existing businesses;
 16. The attraction of the other new businesses to the area as a result of the project;
 17. The overall compatibility with the zoning ordinances and comprehensive plan for the area;
 18. Whether the project is environmentally compatible with no negative impact on quality of life perceptions;
 19. Whether the company has agreed to participate in the continuing economic development process in Fort Bend County by becoming a trustee member of the Greater Fort Bend Economic Development Council for a minimum period coinciding with the term of any abatement granted by Fort Bend County.
- F. **Applications:** Each application for tax abatement shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.
- G. **Denial of Abatement:** Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:
1. There would be a substantial adverse effect on the provision of government service or tax base;
 2. The applicant has insufficient financial capacity;
 3. Planned or potential use of the property would constitute a hazard to public safety, health or morals;
 4. Violation of other codes or laws;
 5. The application was filed after the commencement of construction, alteration, or installation of improvements related to the project; o
 6. Any other reason deemed appropriate by the County.
- H. **Taxability:** From the execution of the abatement to the end of the agreement period, taxes shall be payable as follows:
1. The value of ineligible property as provided in Section I(I) shall be fully taxable; and
 2. The base year value of existing eligible property as determined each year shall be fully taxable. The additional value of new eligible property shall be fully taxable at the end of the abatement period.

III. APPLICATION

- A. Any present or potential owner of taxable property in the County may request the creation of a reinvestment zone and tax abatement by filing a written request with the Greater Fort Bend Economic Development Council for review and recommendation to the County for action on the application.

- B. The application shall consist of a completed application form which shall provide detailed information on the items described in Section II(E) hereof; a map and property description; a time schedule for undertaking and completing the planned improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.
- C. Prior to the adoption of an ordinance designating a reinvestment zone, the County shall give notice and hold a public hearing as provided by the Section 312.201 of the TEXAS TAX CODE. Before acting upon the application, through public hearing, the County shall afford the applicant, the public, and the designated representative of any governing body referenced hereinabove opportunity to show cause why the abatement should or should not be granted.
- D. The County shall not establish a reinvestment zone for the purpose of abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, installation or improvements related to a proposed modernization, expansion or new facility.
- E. Information that is provided to the County in connection with an application or request for tax abatement and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the tax abatement agreement is executed. That information in the custody of a taxing unit after the agreement is executed is not confidential.

IV. AGREEMENT

- A. Not later than the 7th day before the date on which the County enters into the abatement agreement, the County shall deliver to the presiding officer of the governing body of each taxing unit in which the property is located a written notice that the County intends to enter into the agreement. The notice shall include a copy of the prepared agreement.
- B. After approval, the County shall formally execute an Agreement with the owner of the facility and lessee as required, which shall include:
 - 1. Estimated value to be abated and the base year value;
 - 2. Percent of value to be abated each year as provided in Section II(D);
 - 3. The commencement date and the termination date of abatement;
 - 4. The proposed use of the facility, nature of construction, time schedule, map, property description and improvement list as provided in application, Section III(B);
 - 5. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections II, V, VI and VII;
 - 6. Contractual obligation in the event of delinquent taxes on any property owned by the entity in Fort Bend County that the taxes must be brought current or the abatement will be terminated, even if the delinquent taxes are for a property not subject to an abatement;
 - 7. Size of investment and number of jobs involved in the project; and

8. Such agreement shall normally be executed within sixty (60) days after the applicant has forwarded all necessary information and documentation to the County.

V. RECAPTURE

- A. The agreement may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination in the event that the company or individual:
 1. Allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and /or contest;
 2. Violates any of the terms and conditions of the abatement agreement; or
 3. Vacates any of the improvements subject to the agreement before the term of the abatement; and fails to cure during the cure period.
- B. Should the County determine that the company or individual is in default according to the terms and conditions of its agreement, the County shall notify the company or individual of such default in writing at the address stated in the agreement; and if such is not cured within thirty (30) days from the date of such notice ("Cure Period"), then the agreement may be terminated.

VI. ADMINISTRATION

- A. The Chief Appraiser of the Fort Bend Central Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. The market value will be determined before the appraisal roll is certified for each year. Each year, the company or individual receiving the abatement will render their property as set out by the guidelines of the TEXAS PROPERTY TAX CODE to the Chief Appraiser of the Fort Bend Central Appraisal District, and will furnish all other information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the County of the amount of the assessment.
- B. Each year, the company or individual receiving the abatement will inform the County by September 1st that the agreements have been met, and that they qualify for the abatement.
- C. The abatement agreement shall stipulate that the employees and/or designated representatives of the County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twentyfour (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
- D. Upon completion of construction, the designated representative of the County shall annually evaluate each facility receiving abatement to insure compliance with the agreement, and a formal report shall be made to the County.
- E. The County shall timely file with the Texas Department of Commerce and the State Property Tax Board all information required by the Tax Code.

VII. ASSIGNMENT

The abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by the Commissioners' Court; subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of the new contractual agreement with the County. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably withheld.

VIII. SUNSET PROVISION

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years, unless amended by three-quarters of the Commissioners' Court at which time all reinvestment zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on that review, the guidelines and criteria may be modified, renewed or eliminated.

IX. PUBLIC HEARINGS AND APPROVAL

- A. The Commissioners Court may not approve an order designating a reinvestment zone until it has held a public hearing at which interested parties are entitled to speak and present evidence for or against its designation. Notice of the hearing shall be published in a general circulation publication at least 7 days prior to the hearing.
- B. Prior to entering into a tax abatement agreement, the Commissioners Court may, at its option, hold a public meeting at which interested parties shall be entitled to speak and present written materials for or against the approval of the tax abatement agreement.

X. DISCRETION OF THE COUNTY The adoption of these guidelines and criteria by the County does not:

- A. Limit the discretion of the County to decide whether to enter into a specific tax abatement agreement;
- B. Limit the discretion of the County to delegate to its employees the authority to determine whether or not the County should consider a particular application or request for tax abatement; or
- C. Create any property, contract, or other legal rights in any person to have the County consider or grant a specific application or request for tax abatement.
- D. Limit the ability to deviate from these guidelines and criteria for good cause.

Passed and Approved this 14 day of February, 2017, to be effective February 25, 2017

Robert Hebert

Robert E. Hebert, County Judge

ATTEST:

Laura Richard

Laura Richard, County Clerk

MTR/Tax/Abatements/Guidelines 02.13.17

