



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

July 15, 2019

AMENDED CERTIFICATION

Michael Meek
Superintendent
Iraan-Sheffield Independent School District
P.O. Box 486
Iraan, Texas 79744-0486

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Iraan-Sheffield Independent School District and RE Maplewood LLC, Application 1233

Dear Superintendent Meek:

This application (Application 1233) was originally submitted on December 11, 2017, to the Iraan-Sheffield Independent School District (school district) by RE Maplewood LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On March 8, 2018, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on April 17, 2018. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on June 11, 2018.

On May 20, 2019, Comptroller received an amendment to the agreement to defer the start of limitation and add a second reinvestment zone to accommodate the increased capacity. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement and determinations required:

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

Determination required by 313.025(h)

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

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

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

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

Determination required by 313.026(c)(2)

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

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

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

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

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,



Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Amended Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of RE Maplewood LLC (project) applying to Iraan-Sheffield Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of RE Maplewood LLC.

	Original	Amendment No. 1
Applicant	RE Maplewood LLC	RE Maplewood LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Iraan-Sheffield ISD	Iraan-Sheffield ISD
2016-2017 Average Daily Attendance	471	471
County	Pecos	Pecos
Proposed Total Investment in District	\$142,100,519	\$200,000,000
Proposed Qualified Investment	\$140,000,000	\$200,000,000
Limitation Amount	\$30,000,000	\$30,000,000
Qualifying Time Period (Full Years)	2019-2020	2019-2020
Number of new qualifying jobs committed to by applicant	2*	2*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,144	\$1,144
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,144	\$1,144
Minimum annual wage committed to by applicant for qualified jobs	\$59,486.90	\$59,486.90
Minimum weekly wage required for non-qualifying jobs	\$858	\$858
Minimum annual wage required for non-qualifying jobs	\$44,084	\$44,084
Investment per Qualifying Job	\$71,050,260	\$100,000,000
Estimated M&O levy without any limit (15 years)	\$9,664,187	\$14,025,390
Estimated M&O levy with Limitation (15 years)	\$4,898,598	\$5,314,840
Estimated gross M&O tax benefit (15 years)	\$4,765,589	\$8,710,550

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table 2 is the estimated statewide economic impact of RE Maplewood LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	400	499	899	\$21,631,600	\$42,526,378	\$64,157,978
2020	400	555	955.312	\$21,631,600	\$52,054,152	\$73,685,752
2021	2	103	105	\$118,974	\$15,063,827	\$15,182,801
2022	2	30	32	\$118,974	\$8,742,585	\$8,861,558
2023	2	(18)	-16	\$118,974	\$3,902,836	\$4,021,810
2024	2	(41)	-39	\$118,974	\$789,329	\$908,303
2025	2	(47)	-45	\$118,974	-\$858,712	-\$739,739
2026	2	(44)	-42	\$118,974	-\$1,498,841	-\$1,379,868
2027	2	(35)	-33	\$118,974	-\$1,459,163	-\$1,340,189
2028	2	(25)	-23	\$118,974	-\$1,024,585	-\$905,611
2029	2	(15)	-13	\$118,974	-\$408,633	-\$289,659
2030	2	(5)	-3	\$118,974	\$325,438	\$444,411
2031	2	2	4	\$118,974	\$989,564	\$1,108,538
2032	2	7	9	\$118,974	\$1,577,350	\$1,696,324
2033	2	11	13	\$118,974	\$2,045,655	\$2,164,629
2034	2	13	15	\$118,974	\$2,385,276	\$2,504,250
2035	2	13	15	\$118,974	\$2,577,370	\$2,696,344

Source: CPA REMI, RE Maplewood LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Iraan-Sheffield ISD I&S Tax Levy	Iraan-Sheffield ISD M&O Tax Levy	Iraan-Sheffield ISD M&O and I&S Tax Levies	Pecos County Tax Levy	Iraan General Hospital District Tax Levy	Midland College District Tax Levy	Middle Pecos Groundwater Conservation District Tax Levy	Estimated Total Property Taxes
				0.1100	1.0600		0.7990	0.4584	0.0345	0.0249	
2021	\$200,000,000	\$200,000,000		\$220,000	\$2,120,000	\$2,340,000	\$1,598,000	\$916,800	\$69,000	\$49,800	\$4,973,600
2022	\$180,040,000	\$180,040,000		\$198,044	\$1,908,424	\$2,106,468	\$1,438,520	\$825,303	\$62,114	\$44,830	\$4,477,235
2023	\$160,080,000	\$160,080,000		\$176,088	\$1,696,848	\$1,872,936	\$1,279,039	\$733,807	\$55,228	\$39,860	\$3,980,869
2024	\$140,120,000	\$140,120,000		\$154,132	\$1,485,272	\$1,639,404	\$1,119,559	\$642,310	\$48,341	\$34,890	\$3,484,504
2025	\$120,160,000	\$120,160,000		\$132,176	\$1,273,696	\$1,405,872	\$960,078	\$550,813	\$41,455	\$29,920	\$2,988,139
2026	\$100,200,000	\$100,200,000		\$110,220	\$1,062,120	\$1,172,340	\$800,598	\$459,317	\$34,569	\$24,950	\$2,491,774
2027	\$80,240,000	\$80,240,000		\$88,264	\$850,544	\$938,808	\$641,118	\$367,820	\$27,683	\$19,980	\$1,995,408
2028	\$60,280,000	\$60,280,000		\$66,308	\$638,968	\$705,276	\$481,637	\$276,324	\$20,797	\$15,010	\$1,499,043
2029	\$40,320,000	\$40,320,000		\$44,352	\$427,392	\$471,744	\$322,157	\$184,827	\$13,910	\$10,040	\$1,002,678
2030	\$40,310,000	\$40,310,000		\$44,341	\$427,286	\$471,627	\$322,077	\$184,781	\$13,907	\$10,037	\$1,002,429
2031	\$40,300,000	\$40,300,000		\$44,330	\$427,180	\$471,510	\$321,997	\$184,735	\$13,904	\$10,035	\$1,002,180
2032	\$40,290,000	\$40,290,000		\$44,319	\$427,074	\$471,393	\$321,917	\$184,689	\$13,900	\$10,032	\$1,001,932
2033	\$40,280,000	\$40,280,000		\$44,308	\$426,968	\$471,276	\$321,837	\$184,644	\$13,897	\$10,030	\$1,001,683
2034	\$40,270,000	\$40,270,000		\$44,297	\$426,862	\$471,159	\$321,757	\$184,598	\$13,893	\$10,027	\$1,001,434
2035	\$40,260,000	\$40,260,000		\$44,286	\$426,756	\$471,042	\$321,677	\$184,552	\$13,890	\$10,025	\$1,001,186
			Total	\$1,455,465	\$14,025,390	\$15,480,855	\$10,571,969	\$6,065,320	\$456,487	\$329,464	\$32,904,094

Source: CPA, RE Maplewood LLC

*Tax Rate per \$100 Valuation

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller’s determination that RE Maplewood LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$286,200	\$286,200	\$0	\$0
Limitation Period (10 Years)	2021	\$318,000	\$604,200	\$1,802,000	\$1,802,000
	2022	\$318,000	\$922,200	\$1,590,424	\$3,392,424
	2023	\$318,000	\$1,240,200	\$1,378,848	\$4,771,272
	2024	\$318,000	\$1,558,200	\$1,167,272	\$5,938,544
	2025	\$318,000	\$1,876,200	\$955,696	\$6,894,240
	2026	\$318,000	\$2,194,200	\$744,120	\$7,638,360
	2027	\$318,000	\$2,512,200	\$532,544	\$8,170,904
	2028	\$318,000	\$2,830,200	\$320,968	\$8,491,872
	2029	\$318,000	\$3,148,200	\$109,392	\$8,601,264
	2030	\$318,000	\$3,466,200	\$109,286	\$8,710,550
Maintain Viable Presence (5 Years)	2031	\$427,180	\$3,893,380	\$0	\$8,710,550
	2032	\$427,074	\$4,320,454	\$0	\$8,710,550
	2033	\$426,968	\$4,747,422	\$0	\$8,710,550
	2034	\$426,862	\$5,174,284	\$0	\$8,710,550
	2035	\$426,756	\$5,601,040	\$0	\$8,710,550
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$426,650	\$6,027,690	\$0	\$8,710,550
	2037	\$426,544	\$6,454,234	\$0	\$8,710,550
	2038	\$426,438	\$6,880,672	\$0	\$8,710,550
	2039	\$426,332	\$7,307,004	\$0	\$8,710,550
	2040	\$426,226	\$7,733,230	\$0	\$8,710,550
	2041	\$426,120	\$8,159,350	\$0	\$8,710,550
	2042	\$426,014	\$8,585,364	\$0	\$8,710,550
	2043	\$425,908	\$9,011,272	\$0	\$8,710,550
	2044	\$425,802	\$9,437,074	\$0	\$8,710,550
	2045	\$425,696	\$9,862,770	\$0	\$8,710,550

\$9,862,770

is greater than

\$8,710,550

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, RE Maplewood LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.