GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 15, 2019

AMENDED CERTIFICATION

Janet Hunt
Superintendent
Crane Independent School District
511 W. 8th Street
Crane, Texas 79731

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Crane Independent School District and Crane I Solar Electric LLC, Application 1234

Dear Superintendent Hunt:

This application (Application 1234) was originally submitted on October 12, 2017, to the Crane Independent School District (school district) by Crane I Solar Electric LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] On March 19, 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 May 29, 2018. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on November 15, 2018.

On September 11, 2019, Comptroller received an amendment to the agreement to move the start of the limitation from 2020 to 2021, shift the location of the solar panels and add a second reinvestment zone. 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

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 Crane I Solar Electric LLC (project) applying to Crane 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 Crane I Solar Electric LLC.

	Original	**Amendment No. 1**
Applicant	Crane I Solar Electric LLC	Crane I Solar Electric LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Crane ISD	Crane ISD
2016-2017 Average Daily Attendance	1,004	1,004
County	Crane	Crane
Proposed Total Investment in District	$289,400,000	$289,400,000
Proposed Qualified Investment	$289,400,000	$289,400,000
Limitation Amount	$20,000,000	$20,000,000
Qualifying Time Period (Full Years)	2019-2020	2019-2020
Number of new qualifying jobs committed to by applicant	2*	2*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	$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	$59,500	$59,500
Minimum weekly wage required for non-qualifying jobs	$1,049	$1,049
Minimum annual wage required for non-qualifying jobs	$54,536	$54,536
Investment per Qualifying Job	$144,700,000	$144,700,000
Estimated M&O levy without any limit (15 years)	$19,850,832	$18,539,928
Estimated M&O levy with Limitation (15 years)	$5,183,400	$4,841,100
Estimated gross M&O tax benefit (15 years)	$14,667,432	$13,698,828

** 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 Crane I Solar Electric LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	300	268	568	$14,580,000	$23,750,078	$38,330,078
2021	2	25	27.3438	$119,000	$4,885,883	$5,004,883
2022	2	14	16	$119,000	$3,421,039	$3,540,039
2023	2	4	6	$119,000	$2,078,266	$2,197,266
2024	2	2	4	$119,000	$1,467,914	$1,586,914
2025	2	4	6	$119,000	$1,101,703	$1,220,703
2026	2	2	4	$119,000	$1,101,703	$1,220,703
2027	2	6	8	$119,000	$1,101,703	$1,220,703
2028	2	4	6	$119,000	$1,101,703	$1,220,703
2029	2	2	4	$119,000	$1,101,703	$1,220,703
2030	2	4	6	$119,000	$857,563	$976,563
2031	2	4	6	$119,000	$857,563	$976,563
2032	2	8	10	$119,000	$857,563	$976,563
2033	2	6	8	$119,000	$857,563	$976,563
2034	2	8	10	$119,000	$857,563	$976,563
2035	2	2	4	$119,000	$613,422	$732,422

Source: CPA REMI, Crane I Solar Electric 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		Crane ISD I&S Tax Levy	Crane ISD M&O Tax Levy	Crane ISD M&O and I&S Tax Levies	Crane County Tax Levy	Crane Memorial Hospital District Tax Levy	Crane County Water District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0358	0.9900		0.7800	0.3678	0.3460	
2021	$289,000,000	$289,000,000		$103,462	$2,861,100	$2,964,562	$2,254,200	$1,062,826	$999,940	$6,281,588
2022	$242,760,000	$242,760,000		$86,908	$2,403,324	$2,490,232	$1,893,528	$892,774	$839,950	$5,276,534
2023	$219,640,000	$219,640,000		$78,631	$2,174,436	$2,253,067	$1,713,192	$807,748	$759,954	$4,774,007
2024	$193,630,000	$193,630,000		$69,320	$1,916,937	$1,986,257	$1,510,314	$712,094	$669,960	$4,208,664
2025	$167,620,000	$167,620,000		$60,008	$1,659,438	$1,719,446	$1,307,436	$616,439	$579,965	$3,643,321
2026	$141,610,000	$141,610,000		$50,696	$1,401,939	$1,452,635	$1,104,558	$520,785	$489,971	$3,077,978
2027	$112,710,000	$112,710,000		$40,350	$1,115,829	$1,156,179	$879,138	$414,502	$389,977	$2,449,819
2028	$86,700,000	$86,700,000		$31,039	$858,330	$889,369	$676,260	$318,848	$299,982	$1,884,477
2029	$69,360,000	$69,360,000		$24,831	$686,664	$711,495	$541,008	$255,078	$239,986	$1,507,581
2030	$60,690,000	$60,690,000		$21,727	$600,831	$622,558	$473,382	$223,194	$209,987	$1,319,134
2031	$57,800,000	$57,800,000		$20,692	$572,220	$592,912	$450,840	$212,565	$199,988	$1,256,318
2032	$57,800,000	$57,800,000		$20,692	$572,220	$592,912	$450,840	$212,565	$199,988	$1,256,318
2033	$57,800,000	$57,800,000		$20,692	$572,220	$592,912	$450,840	$212,565	$199,988	$1,256,318
2034	$57,800,000	$57,800,000		$20,692	$572,220	$592,912	$450,840	$212,565	$199,988	$1,256,318
2035	$57,800,000	$57,800,000		$20,692	$572,220	$592,912	$450,840	$212,565	$199,988	$1,256,318
			Total	$670,434	$18,539,928	$19,210,362	$14,607,216	$6,887,115	$6,479,611	$40,704,693

Source: CPA, Crane I Solar Electric LLC
*Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Crane County, Crane Memorial Hospital District and Crane County Water District, with all property tax incentives sought using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatements with the county, hospital district and water district.

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Crane ISD I&S Tax Levy	Crane ISD M&O Tax Levy	Crane ISD M&O and I&S Tax Levies	Crane County Tax Levy	Crane Memorial Hospital District Tax Levy	Crane County Water District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0358	0.9900		0.7800	0.3678	0.3460	
2021	$289,000,000	$20,000,000		$103,462	$198,000	$301,462	$225,420	$0	$99,994	$526,882
2022	$242,760,000	$20,000,000		$86,908	$198,000	$284,908	$189,353	$0	$83,995	$474,261
2023	$219,640,000	$20,000,000		$78,631	$198,000	$276,631	$171,319	$0	$75,995	$447,950
2024	$193,630,000	$20,000,000		$69,320	$198,000	$267,320	$151,031	$0	$66,996	$418,351
2025	$167,620,000	$20,000,000		$60,008	$198,000	$258,008	$130,744	$0	$57,997	$388,752
2026	$141,610,000	$20,000,000		$50,696	$198,000	$248,696	$165,684	$0	$73,496	$414,380
2027	$112,710,000	$20,000,000		$40,350	$198,000	$238,350	$131,871	$0	$58,496	$370,221
2028	$86,700,000	$20,000,000		$31,039	$198,000	$229,039	$101,439	$0	$44,997	$330,478
2029	$69,360,000	$20,000,000		$24,831	$198,000	$222,831	$81,151	$0	$35,998	$303,982
2030	$60,690,000	$20,000,000		$21,727	$198,000	$219,727	$71,007	$0	$31,498	$290,734
2031	$57,800,000	$57,800,000		$20,692	$572,220	$592,912	$450,840	$212,565	$199,988	$1,256,318
2032	$57,800,000	$57,800,000		$20,692	$572,220	$592,912	$450,840	$212,565	$199,988	$1,256,318
2033	$57,800,000	$57,800,000		$20,692	$572,220	$592,912	$450,840	$212,565	$199,988	$1,256,318
2034	$57,800,000	$57,800,000		$20,692	$572,220	$592,912	$450,840	$212,565	$199,988	$1,256,318
2035	$57,800,000	$57,800,000		$20,692	$572,220	$592,912	$450,840	$212,565	$199,988	$1,256,318
			Total	**$670,434**	**$4,841,100**	**$5,511,534**	**$3,673,219**	**$1,062,826**	**$1,629,402**	**$10,247,579**
			Diff	**$0**	**$13,698,828**	**$13,698,828**	**$10,933,997**	**$5,824,289**	**$4,850,209**	**$30,457,114**
Assumes School Value Limitation and Tax Abatements with the County, Hospital District and Water District.										

Source: CPA, Crane I Solar Electric LLC
*Tax Rate per $100 Valuation

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

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

This represents the Comptroller's determination that Crane I Solar Electric 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 and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2018	$0	$0	$0	$0
	2019	$0	$0	$0	$0
	2020	$0	$0	$0	$0
Limitation Period (10 Years)	2021	$198,000	$198,000	$2,663,100	$2,663,100
	2022	$198,000	$396,000	$2,205,324	$4,868,424
	2023	$198,000	$594,000	$1,976,436	$6,844,860
	2024	$198,000	$792,000	$1,718,937	$8,563,797
	2025	$198,000	$990,000	$1,461,438	$10,025,235
	2026	$198,000	$1,188,000	$1,203,939	$11,229,174
	2027	$198,000	$1,386,000	$917,829	$12,147,003
	2028	$198,000	$1,584,000	$660,330	$12,807,333
	2029	$198,000	$1,782,000	$488,664	$13,295,997
	2030	$198,000	$1,980,000	$402,831	$13,698,828
Maintain Viable Presence (5 Years)	2031	$572,220	$2,552,220	$0	$13,698,828
	2032	$572,220	$3,124,440	$0	$13,698,828
	2033	$572,220	$3,696,660	$0	$13,698,828
	2034	$572,220	$4,268,880	$0	$13,698,828
	2035	$572,220	$4,841,100	$0	$13,698,828
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	$572,220	$5,413,320	$0	$13,698,828
	2037	$572,220	$5,985,540	$0	$13,698,828
	2038	$572,220	$6,557,760	$0	$13,698,828
	2039	$572,220	$7,129,980	$0	$13,698,828
	2040	$572,220	$7,702,200	$0	$13,698,828
	2041	$572,220	$8,274,420	$0	$13,698,828
	2042	$572,220	$8,846,640	$0	$13,698,828
	2043	$572,220	$9,418,860	$0	$13,698,828
	2044	$572,220	$9,991,080	$0	$13,698,828
	2045	$572,220	$10,563,300	$0	$13,698,828

$10,563,300	is less than	**$13,698,828**

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?	**No**

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, Crane I Solar Electric LLC

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2020	300	268	568	$14,580,000	$23,750,078	$38,330,078	1930236.8	-1045227.1	$2,975,464
2021	2	25	27.3438	$119,000	$4,885,883	$5,004,883	267028.8	381469.7	-$114,441
2022	2	14	16	$119,000	$3,421,039	$3,540,039	183105.5	389099.1	-$205,994
2023	2	4	6	$119,000	$2,078,266	$2,197,266	152587.9	366210.9	-$213,623
2024	2	2	4	$119,000	$1,467,914	$1,586,914	160217.3	335693.4	-$175,476
2025	2	4	6	$119,000	$1,101,703	$1,220,703	167846.7	297546.4	-$129,700
2026	2	2	4	$119,000	$1,101,703	$1,220,703	167846.7	259399.4	-$91,553
2027	2	6	8	$119,000	$1,101,703	$1,220,703	175476.1	213623	-$38,147
2028	2	4	6	$119,000	$1,101,703	$1,220,703	175476.1	221252.4	-$45,776
2029	2	2	4	$119,000	$1,101,703	$1,220,703	183105.5	190734.9	-$7,629
2030	2	4	6	$119,000	$857,563	$976,563	183105.5	152587.9	$30,518
2031	2	4	6	$119,000	$857,563	$976,563	190734.9	144958.5	$45,776
2032	2	8	10	$119,000	$857,563	$976,563	190734.9	160217.3	$30,518
2033	2	6	8	$119,000	$857,563	$976,563	160217.3	106811.5	$53,406
2034	2	8	10	$119,000	$857,563	$976,563	129699.7	83923.3	$45,776
2035	2	2	4	$119,000	$613,422	$732,422	91552.7	83923.3	$7,629
2036	2	6	8	$119,000	$369,281	$488,281	68664.6	38147	$30,518
2037	2	6	8	$119,000	$613,422	$732,422	45776.4	-15258.8	$61,035
2038	2	2	4	$119,000	$613,422	$732,422	61035.2	-7629.4	$68,665
2039	2	2	4	$119,000	$369,281	$488,281	45776.4	-22888.2	$68,665
2040	2	(0)	2	$119,000	$369,281	$488,281	30517.6	-68664.6	$99,182
2041	2	2	4	$119,000	$125,141	$244,141	15258.8	-99182.1	$114,441
2042	2	2	4	$119,000	$613,422	$732,422	61035.2	-91552.7	$152,588
2043	2	2	4	$119,000	$369,281	$488,281	15258.8	-137329.1	$152,588
2044	2	(0)	2	$119,000	$369,281	$488,281	15258.8	-122070.3	$137,329
2045	2	(2)	0	$119,000	-$119,000	$0	-15258.8	-190734.9	$175,476
2046	2	(0)	2	$119,000	$857,563	$976,563	76293.9	-175476.1	$251,770
2047	2	(0)	2	$119,000	$1,345,844	$1,464,844	122070.3	-198364.3	$320,435
						Total	**$5,050,660**	**$1,251,220**	**$3,799,439**
							$14,362,739	is greater than	**$13,698,828**

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**

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.