



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 29, 2019

AMENDED CERTIFICATION

Jerry Burger
Superintendent
Wilson Independent School District
P.O. Box 9
Wilson, Texas 79381

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Wilson Independent School District and Sage Draw Wind, LLC Application 1250

Dear Superintendent Burger:

This application (Application 1250) was originally submitted on April 13, 2018, to the Wilson Independent School District (school district) by Sage Draw Wind, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On June 6, 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 August 24, 2018. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on October 9, 2018.

On March 19, 2019, Comptroller received an amendment to the agreement to increase the installed capacity and decrease investment values. 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



Franchise Tax Account Status

As of : 05/23/2019 16:58:18

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

SAGE DRAW WIND, LLC

Texas Taxpayer Number 32061883339

Mailing Address 401 N MICHIGAN AVE STE 501 CHICAGO,
IL 60611-5883

Right to Transact Business in Texas ACTIVE

State of Formation DE

Effective SOS Registration Date 10/21/2016

Texas SOS File Number 0802568518

Registered Agent Name NATIONAL REGISTERED AGENTS, INC.

Registered Office Street Address 1999 BRYAN ST., STE. 900 DALLAS, TX
75201

Amended Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Sage Draw Wind, LLC (project) Applying to Wilson 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 Sage Draw Wind, LLC.

	Original	Amendment No. 1
Applicant	Sage Draw Wind, LLC	Sage Draw Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Wilson ISD	Wilson ISD
2016-2017 Average Daily Attendance	110	110
County	Lynn	Lynn
Proposed Total Investment in District	\$171,500,000	\$167,040,000
Proposed Qualified Investment	\$171,500,000	\$167,040,000
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	3*	3*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$804	\$804
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$804	\$804
Minimum annual wage committed to by applicant for qualified jobs	\$41,811	\$41,811
Minimum weekly wage required for non-qualifying jobs	\$823	\$823
Minimum annual wage required for non-qualifying jobs	\$42,810	\$42,810
Investment per Qualifying Job	\$57,166,667	\$55,680,000
Estimated M&O levy without any limit (15 years)	\$18,093,144	\$17,435,469
Estimated M&O levy with Limitation (15 years)	\$6,146,993	\$5,957,805
Estimated gross M&O tax benefit (15 years)	\$11,946,151	\$11,477,664

* 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 Sage Draw Wind, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	104	820	924	\$4,160,000	\$53,091,000	\$57,251,000
2020	3	28	31	\$125,433	\$7,198,567	\$7,324,000
2021	3	7	10	\$125,433	\$4,269,567	\$4,395,000
2022	3	(11)	-8	\$125,433	\$2,193,567	\$2,319,000
2023	3	(19)	-16	\$125,433	\$606,567	\$732,000
2024	3	(23)	-20	\$125,433	-\$247,433	-\$122,000
2025	3	(17)	-14	\$125,433	-\$735,433	-\$610,000
2026	3	(21)	-18	\$125,433	-\$1,102,433	-\$977,000
2027	3	(21)	-18	\$125,433	-\$1,590,433	-\$1,465,000
2028	3	(19)	-16	\$125,433	-\$1,590,433	-\$1,465,000
2029	3	(19)	-16	\$125,433	-\$1,834,433	-\$1,709,000
2030	3	(19)	-16	\$125,433	-\$2,322,433	-\$2,197,000
2031	3	(23)	-20	\$125,433	-\$2,322,433	-\$2,197,000
2032	3	(15)	-12	\$125,433	-\$2,322,433	-\$2,197,000
2033	3	(19)	-16	\$125,433	-\$2,078,433	-\$1,953,000

Source: CPA REMI, Sage Draw Wind, 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*	Wilson ISD I&S Tax Levy	Wilson ISD M&O Tax Levy	Wilson M&O and I&S Tax Levies	Lynn County Tax Levy	Lynn Co Hospital Tax Levy	High Plains UWD Tax Levy	Estimated Total Property Taxes
			0.0000	0.0000	1.1700		0.8500	0.2899	0.0069	
2020	\$167,040,000	\$167,040,000		\$0	\$1,954,368	\$1,954,368	\$1,419,840	\$484,249	\$11,526	\$3,869,983
2021	\$153,676,800	\$153,676,800		\$0	\$1,798,019	\$1,798,019	\$1,306,253	\$445,509	\$10,604	\$3,560,384
2022	\$141,382,656	\$141,382,656		\$0	\$1,654,177	\$1,654,177	\$1,201,753	\$409,868	\$9,755	\$3,275,553
2023	\$130,072,044	\$130,072,044		\$0	\$1,521,843	\$1,521,843	\$1,105,612	\$377,079	\$8,975	\$3,013,509
2024	\$119,666,280	\$119,666,280		\$0	\$1,400,095	\$1,400,095	\$1,017,163	\$346,913	\$8,257	\$2,772,428
2025	\$110,092,978	\$110,092,978		\$0	\$1,288,088	\$1,288,088	\$935,790	\$319,160	\$7,596	\$2,550,634
2026	\$101,285,539	\$101,285,539		\$0	\$1,185,041	\$1,185,041	\$860,927	\$293,627	\$6,989	\$2,346,583
2027	\$93,182,696	\$93,182,696		\$0	\$1,090,238	\$1,090,238	\$792,053	\$270,137	\$6,430	\$2,158,857
2028	\$85,728,081	\$85,728,081		\$0	\$1,003,019	\$1,003,019	\$728,689	\$248,526	\$5,915	\$1,986,148
2029	\$78,869,834	\$78,869,834		\$0	\$922,777	\$922,777	\$670,394	\$228,644	\$5,442	\$1,827,256
2030	\$72,560,247	\$72,560,247		\$0	\$848,955	\$848,955	\$616,762	\$210,352	\$5,007	\$1,681,076
2031	\$66,755,428	\$66,755,428		\$0	\$781,039	\$781,039	\$567,421	\$193,524	\$4,606	\$1,546,590
2032	\$61,414,993	\$61,414,993		\$0	\$718,555	\$718,555	\$522,027	\$178,042	\$4,238	\$1,422,863
2033	\$56,501,794	\$56,501,794		\$0	\$661,071	\$661,071	\$480,265	\$163,799	\$3,899	\$1,309,034
2034	\$51,981,650	\$51,981,650		\$0	\$608,185	\$608,185	\$441,844	\$150,695	\$3,587	\$1,204,311
			Total	\$0	\$17,435,469	\$17,435,469	\$12,666,794	\$4,320,122	\$102,825	\$34,525,209

Source: CPA, Sage Draw Wind, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Lynn County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county.

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		Wilson ISD I&S Tax Levy	Wilson ISD M&O Tax Levy	Wilson M&O and I&S Tax Levies	Lynn County Tax Levy	Lynn Co Hospital Tax Levy	High Plains UWD Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0000	1.1700		0.8500	0.2899	0.0069	
2020	\$167,040,000	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$484,249	\$11,526	\$729,775
2021	\$153,676,800	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$445,509	\$10,604	\$690,113
2022	\$141,382,656	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$409,868	\$9,755	\$653,624
2023	\$130,072,044	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$377,079	\$8,975	\$620,054
2024	\$119,666,280	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$346,913	\$8,257	\$589,170
2025	\$110,092,978	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$319,160	\$7,596	\$560,756
2026	\$101,285,539	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$293,627	\$6,989	\$534,615
2027	\$93,182,696	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$270,137	\$6,430	\$510,566
2028	\$85,728,081	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$248,526	\$5,915	\$488,441
2029	\$78,869,834	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$228,644	\$5,442	\$468,086
2030	\$72,560,247	\$72,560,247		\$0	\$848,955	\$848,955	\$616,762	\$210,352	\$5,007	\$1,681,076
2031	\$66,755,428	\$66,755,428		\$0	\$781,039	\$781,039	\$567,421	\$193,524	\$4,606	\$1,546,590
2032	\$61,414,993	\$61,414,993		\$0	\$718,555	\$718,555	\$522,027	\$178,042	\$4,238	\$1,422,863
2033	\$56,501,794	\$56,501,794		\$0	\$661,071	\$661,071	\$480,265	\$163,799	\$3,899	\$1,309,034
2034	\$51,981,650	\$51,981,650		\$0	\$608,185	\$608,185	\$441,844	\$150,695	\$3,587	\$1,204,311
			Total	\$0	\$5,957,805	\$5,957,805	\$2,628,320	\$4,320,122	\$102,825	\$13,009,071
			Diff	\$0	\$11,477,664	\$11,477,664	\$10,038,474	\$0	\$0	\$21,516,138

Source: CPA, Sage Draw Wind, 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 Sage Draw Wind, 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	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2020	\$234,000	\$234,000	\$1,720,368	\$1,720,368
	2021	\$234,000	\$468,000	\$1,564,019	\$3,284,387
	2022	\$234,000	\$702,000	\$1,420,177	\$4,704,564
	2023	\$234,000	\$936,000	\$1,287,843	\$5,992,407
	2024	\$234,000	\$1,170,000	\$1,166,095	\$7,158,502
	2025	\$234,000	\$1,404,000	\$1,054,088	\$8,212,590
	2026	\$234,000	\$1,638,000	\$951,041	\$9,163,631
	2027	\$234,000	\$1,872,000	\$856,238	\$10,019,868
	2028	\$234,000	\$2,106,000	\$769,019	\$10,788,887
	2029	\$234,000	\$2,340,000	\$688,777	\$11,477,664
Maintain Viable Presence (5 Years)	2030	\$848,955	\$3,188,955	\$0	\$11,477,664
	2031	\$781,039	\$3,969,993	\$0	\$11,477,664
	2032	\$718,555	\$4,688,549	\$0	\$11,477,664
	2033	\$661,071	\$5,349,620	\$0	\$11,477,664
	2034	\$608,185	\$5,957,805	\$0	\$11,477,664
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$559,530	\$6,517,336	\$0	\$11,477,664
	2036	\$514,768	\$7,032,104	\$0	\$11,477,664
	2037	\$473,587	\$7,505,690	\$0	\$11,477,664
	2038	\$435,700	\$7,941,390	\$0	\$11,477,664
	2039	\$400,844	\$8,342,234	\$0	\$11,477,664
	2040	\$368,776	\$8,711,010	\$0	\$11,477,664
	2041	\$339,274	\$9,050,284	\$0	\$11,477,664
	2042	\$312,132	\$9,362,416	\$0	\$11,477,664
	2043	\$287,162	\$9,649,578	\$0	\$11,477,664
	2044	\$264,189	\$9,913,766	\$0	\$11,477,664

\$9,913,766

is less than

\$11,477,664

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, Sage Draw Wind, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2019	104	820	924	\$4,160,000	\$53,091,000	\$57,251,000	7050000	-1678000	\$8,728,000
2020	3	28	31	\$125,433	\$7,198,567	\$7,324,000	336000	679000	-\$343,000
2021	3	7	10	\$125,433	\$4,269,567	\$4,395,000	183000	626000	-\$443,000
2022	3	(11)	-8	\$125,433	\$2,193,567	\$2,319,000	92000	580000	-\$488,000
2023	3	(19)	-16	\$125,433	\$606,567	\$732,000	46000	488000	-\$442,000
2024	3	(23)	-20	\$125,433	-\$247,433	-\$122,000	15000	412000	-\$397,000
2025	3	(17)	-14	\$125,433	-\$735,433	-\$610,000	-53000	328000	-\$381,000
2026	3	(21)	-18	\$125,433	-\$1,102,433	-\$977,000	-76000	252000	-\$328,000
2027	3	(21)	-18	\$125,433	-\$1,590,433	-\$1,465,000	-122000	160000	-\$282,000
2028	3	(19)	-16	\$125,433	-\$1,590,433	-\$1,465,000	-137000	69000	-\$206,000
2029	3	(19)	-16	\$125,433	-\$1,834,433	-\$1,709,000	-153000	8000	-\$161,000
2030	3	(19)	-16	\$125,433	-\$2,322,433	-\$2,197,000	-168000	-61000	-\$107,000
2031	3	(23)	-20	\$125,433	-\$2,322,433	-\$2,197,000	-206000	-130000	-\$76,000
2032	3	(15)	-12	\$125,433	-\$2,322,433	-\$2,197,000	-221000	-183000	-\$38,000
2033	3	(19)	-16	\$125,433	-\$2,078,433	-\$1,953,000	-221000	-237000	\$16,000
2034	3	(21)	-18	\$125,433	-\$2,322,433	-\$2,197,000	-282000	-275000	-\$7,000
2035	3	(21)	-18	\$125,433	-\$3,055,433	-\$2,930,000	-351000	-343000	-\$8,000
2036	3	(23)	-20	\$125,433	-\$3,299,433	-\$3,174,000	-359000	-427000	\$68,000
2037	3	(24)	-21	\$125,433	-\$3,543,433	-\$3,418,000	-381000	-488000	\$107,000
2038	3	(24)	-21	\$125,433	-\$4,031,433	-\$3,906,000	-412000	-534000	\$122,000
2039	3	(24)	-21	\$125,433	-\$4,275,433	-\$4,150,000	-427000	-603000	\$176,000
2040	3	(28)	-25	\$125,433	-\$5,252,433	-\$5,127,000	-473000	-679000	\$206,000
2041	3	(28)	-25	\$125,433	-\$5,252,433	-\$5,127,000	-519000	-748000	\$229,000
2042	3	(30)	-27	\$125,433	-\$6,229,433	-\$6,104,000	-519000	-778000	\$259,000
2043	3	(38)	-35	\$125,433	-\$6,961,433	-\$6,836,000	-549000	-809000	\$260,000
2044	3	(40)	-37	\$125,433	-\$6,473,433	-\$6,348,000	-549000	-801000	\$252,000
Total							\$1,544,000	-\$5,172,000	\$6,716,000
							\$16,629,766	is greater than	\$11,946,151
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.