



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 6, 2019

AMENDED CERTIFICATION

Martin Cuellar
Superintendent
Santa Maria Independent School District
P.O. Box 448
Santa Maria, Texas 78592

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Santa Maria Independent School District and Rayos Del Sol Solar Project, LLC, Application 1252

Dear Superintendent Cuellar:

This application (Application 1252) was originally submitted on February 16, 2018, to the Santa Maria Independent School District (school district) by Rayos Del Sol Solar Project, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On May 25, 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 2, 2018. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on October 23, 2018.

On November 8, 2019, Comptroller received an amendment to the agreement to move the limitation from 2020 to 2021. 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 Rayos Del Sol Solar Project, LLC (project) applying to Santa Maria 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 Rayos Del Sol Solar Project, LLC.

	Original	Amendment No. 1
Applicant	Rayos Del Sol Solar Project, LLC	Rayos Del Sol Solar Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Santa Maria ISD	Santa Maria ISD
2016-2017 Average Daily Attendance	635	635
County	Cameron	Cameron
Proposed Total Investment in District	\$162,000,000	\$162,000,000
Proposed Qualified Investment	\$162,000,000	\$162,000,000
Limitation Amount	\$10,000,000	\$10,000,000
Qualifying Time Period (Full Years)	2020-2021	2020-2021
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	\$772	\$772
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$772	\$772
Minimum annual wage committed to by applicant for qualified jobs	\$40,154	\$40,154
Minimum weekly wage required for non-qualifying jobs	\$620	\$620
Minimum annual wage required for non-qualifying jobs	\$32,228	\$32,228
Investment per Qualifying Job	\$81,000,000	\$81,000,000
Estimated M&O levy without any limit (15 years)	\$9,572,946	\$11,734,329
Estimated M&O levy with Limitation (15 years)	\$2,731,477	\$2,799,077
Estimated gross M&O tax benefit (15 years)	\$6,841,469	\$8,935,252

* 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 Rayos Del Sol Solar Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	202	165	367	\$8,423,709	\$15,380,002	\$23,803,711
2021	2	18	19.5313	\$80,309	\$2,971,449	\$3,051,758
2022	2	6	8	\$80,309	\$2,116,957	\$2,197,266
2023	2	2	4	\$80,309	\$1,384,535	\$1,464,844
2024	2	(2)	0	\$80,309	\$774,183	\$854,492
2025	2	(0)	2	\$80,309	\$530,043	\$610,352
2026	2	(0)	2	\$80,309	\$407,973	\$488,281
2027	2	(0)	2	\$80,309	\$407,973	\$488,281
2028	2	2	4	\$80,309	\$407,973	\$488,281
2029	2	(6)	-4	\$80,309	\$163,832	\$244,141
2030	2	(2)	0	\$80,309	-\$324,449	-\$244,141
2031	2	(2)	0	\$80,309	\$163,832	\$244,141
2032	2	(2)	0	\$80,309	-\$80,309	\$0
2033	2	(2)	0	\$80,309	-\$324,449	-\$244,141
2034	2	(0)	2	\$80,309	\$163,832	\$244,141
2035	2	(0)	2	\$80,309	-\$80,309	\$0

Source: CPA REMI, Rayos Del Sol Solar Project, 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*	Santa Maria ISD I&S Tax Levy	Santa Maria ISD M&O Tax Levy	Santa Maria ISD M&O and I&S Tax Levies	Cameron County Tax Levy	South Texas ISD Tax Levy	Emergency Services District #1 Tax Levy	Estimated Total Property Taxes
				0.4150	1.0684		0.4108	0.0492	0.0936	
2021	\$162,000,000	\$162,000,000		\$672,300	\$1,730,727	\$2,403,027	\$665,501	\$79,704	\$151,679	\$3,148,232
2022	\$146,610,000	\$146,610,000		\$608,432	\$1,566,308	\$2,174,739	\$602,278	\$72,132	\$137,269	\$2,849,150
2023	\$131,220,000	\$131,220,000		\$544,563	\$1,401,889	\$1,946,452	\$539,056	\$64,560	\$122,860	\$2,550,068
2024	\$115,830,000	\$115,830,000		\$480,695	\$1,237,470	\$1,718,164	\$475,833	\$56,988	\$108,450	\$2,250,986
2025	\$100,440,000	\$100,440,000		\$416,826	\$1,073,051	\$1,489,877	\$412,611	\$49,416	\$94,041	\$1,951,904
2026	\$85,050,000	\$85,050,000		\$352,958	\$908,632	\$1,261,589	\$349,388	\$41,845	\$79,631	\$1,652,822
2027	\$69,660,000	\$69,660,000		\$289,089	\$744,213	\$1,033,302	\$286,165	\$34,273	\$65,222	\$1,353,740
2028	\$54,270,000	\$54,270,000		\$225,221	\$579,794	\$805,014	\$222,943	\$26,701	\$50,812	\$1,054,658
2029	\$38,880,000	\$38,880,000		\$161,352	\$415,374	\$576,726	\$159,720	\$19,129	\$36,403	\$755,576
2030	\$32,400,000	\$32,400,000		\$134,460	\$346,145	\$480,605	\$133,100	\$15,941	\$30,336	\$629,646
2031	\$32,400,000	\$32,400,000		\$134,460	\$346,145	\$480,605	\$133,100	\$15,941	\$30,336	\$629,646
2032	\$32,400,000	\$32,400,000		\$134,460	\$346,145	\$480,605	\$133,100	\$15,941	\$30,336	\$629,646
2033	\$32,400,000	\$32,400,000		\$134,460	\$346,145	\$480,605	\$133,100	\$15,941	\$30,336	\$629,646
2034	\$32,400,000	\$32,400,000		\$134,460	\$346,145	\$480,605	\$133,100	\$15,941	\$30,336	\$629,646
2035	\$32,400,000	\$32,400,000		\$134,460	\$346,145	\$480,605	\$133,100	\$15,941	\$30,336	\$629,646
			Total	\$4,558,194	\$11,734,329	\$16,292,523	\$4,512,096	\$540,393	\$1,028,383	\$21,345,012

Source: CPA, Rayos Del Sol Solar Project, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Cameron County, South Texas ISD and Emergency Services District #1, 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 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		Santa Maria ISD I&S Tax Levy	Santa Maria ISD M&O Tax Levy	Santa Maria ISD M&O and I&S Tax Levies	Cameron County Tax Levy	South Texas ISD Tax Levy	Emergency Services District #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.4150	1.0684		0.4108	0.0492	0.0936	
2021	\$162,000,000	\$10,000,000		\$672,300	\$106,835	\$779,135	\$99,825	\$79,704	\$151,679	\$878,969
2022	\$146,610,000	\$10,000,000		\$608,432	\$106,835	\$715,267	\$90,342	\$72,132	\$137,269	\$805,608
2023	\$131,220,000	\$10,000,000		\$544,563	\$106,835	\$651,398	\$80,858	\$64,560	\$122,860	\$732,256
2024	\$115,830,000	\$10,000,000		\$480,695	\$106,835	\$587,530	\$71,375	\$56,988	\$108,450	\$658,903
2025	\$100,440,000	\$10,000,000		\$416,826	\$106,835	\$523,661	\$61,892	\$49,416	\$94,041	\$585,555
2026	\$85,050,000	\$10,000,000		\$352,958	\$106,835	\$459,793	\$52,408	\$41,845	\$79,631	\$512,207
2027	\$69,660,000	\$10,000,000		\$289,089	\$106,835	\$395,924	\$42,925	\$34,273	\$65,222	\$438,846
2028	\$54,270,000	\$10,000,000		\$225,221	\$106,835	\$332,056	\$33,441	\$26,701	\$50,812	\$365,499
2029	\$38,880,000	\$10,000,000		\$161,352	\$106,835	\$268,187	\$23,958	\$19,129	\$36,403	\$292,147
2030	\$32,400,000	\$10,000,000		\$134,460	\$106,835	\$241,295	\$19,965	\$15,941	\$30,336	\$261,266
2031	\$32,400,000	\$32,400,000		\$134,460	\$346,145	\$480,605	\$133,100	\$15,941	\$30,336	\$613,701
2032	\$32,400,000	\$32,400,000		\$134,460	\$346,145	\$480,605	\$133,100	\$15,941	\$30,336	\$613,701
2033	\$32,400,000	\$32,400,000		\$134,460	\$346,145	\$480,605	\$133,100	\$15,941	\$30,336	\$613,701
2034	\$32,400,000	\$32,400,000		\$134,460	\$346,145	\$480,605	\$133,100	\$15,941	\$30,336	\$613,701
2035	\$32,400,000	\$32,400,000		\$134,460	\$346,145	\$480,605	\$133,100	\$15,941	\$30,336	\$613,701
			Total	\$4,558,194	\$2,799,077	\$7,357,271	\$1,242,490	\$540,393	\$1,028,383	\$8,599,761
			Diff	\$0	\$8,935,252	\$8,935,252	\$3,269,606	\$0	\$0	\$12,745,251

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Rayos Del Sol Solar Project, 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 Rayos Del Sol Solar Project, 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	\$106,835	\$106,835	\$1,623,892	\$1,623,892
	2022	\$106,835	\$213,670	\$1,459,473	\$3,083,365
	2023	\$106,835	\$320,505	\$1,295,054	\$4,378,419
	2024	\$106,835	\$427,340	\$1,130,635	\$5,509,054
	2025	\$106,835	\$534,175	\$966,216	\$6,475,269
	2026	\$106,835	\$641,010	\$801,797	\$7,277,066
	2027	\$106,835	\$747,845	\$637,378	\$7,914,444
	2028	\$106,835	\$854,680	\$472,959	\$8,387,402
	2029	\$106,835	\$961,515	\$308,539	\$8,695,942
	2030	\$106,835	\$1,068,350	\$239,310	\$8,935,252
Maintain Viable Presence (5 Years)	2031	\$346,145	\$1,414,495	\$0	\$8,935,252
	2032	\$346,145	\$1,760,641	\$0	\$8,935,252
	2033	\$346,145	\$2,106,786	\$0	\$8,935,252
	2034	\$346,145	\$2,452,932	\$0	\$8,935,252
	2035	\$346,145	\$2,799,077	\$0	\$8,935,252
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$346,145	\$3,145,222	\$0	\$8,935,252
	2037	\$346,145	\$3,491,368	\$0	\$8,935,252
	2038	\$346,145	\$3,837,513	\$0	\$8,935,252
	2039	\$346,145	\$4,183,659	\$0	\$8,935,252
	2040	\$346,145	\$4,529,804	\$0	\$8,935,252
	2041	\$346,145	\$4,875,949	\$0	\$8,935,252
	2042	\$346,145	\$5,222,095	\$0	\$8,935,252
	2043	\$346,145	\$5,568,240	\$0	\$8,935,252
	2044	\$346,145	\$5,914,386	\$0	\$8,935,252
	2045	\$346,145	\$6,260,531	\$0	\$8,935,252

\$6,260,531

 is less than

\$8,935,252

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 levv directly related to this project.
 Source: CPA, Rayos Del Sol Solar Project, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2020	202	165	367	\$8,423,709	\$15,380,002	\$23,803,711	1205444.3	-671386.7	\$1,876,831
2021	2	18	19,5313	\$80,309	\$2,971,449	\$3,051,758	152587.9	251770	-\$99,182
2022	2	6	8	\$80,309	\$2,116,957	\$2,197,266	114440.9	228881.8	-\$114,441
2023	2	2	4	\$80,309	\$1,384,535	\$1,464,844	99182.1	205993.7	-\$106,812
2024	2	(2)	0	\$80,309	\$774,183	\$854,492	99182.1	190734.9	-\$91,553
2025	2	(0)	2	\$80,309	\$530,043	\$610,352	83923.3	167846.7	-\$83,923
2026	2	(0)	2	\$80,309	\$407,973	\$488,281	83923.3	137329.1	-\$53,406
2027	2	(0)	2	\$80,309	\$407,973	\$488,281	68664.6	106811.5	-\$38,147
2028	2	2	4	\$80,309	\$407,973	\$488,281	61035.2	83923.3	-\$22,888
2029	2	(6)	-4	\$80,309	\$163,832	\$244,141	45776.4	83923.3	-\$38,147
2030	2	(2)	0	\$80,309	-\$324,449	-\$244,141	30517.6	38147	-\$7,629
2031	2	(2)	0	\$80,309	\$163,832	\$244,141	45776.4	30517.6	\$15,259
2032	2	(2)	0	\$80,309	-\$80,309	\$0	61035.2	15258.8	\$45,776
2033	2	(2)	0	\$80,309	-\$324,449	-\$244,141	45776.4	-22888.2	\$68,665
2034	2	(0)	2	\$80,309	\$163,832	\$244,141	45776.4	-38147	\$83,923
2035	2	(0)	2	\$80,309	-\$80,309	\$0	7629.4	-61035.2	\$68,665
2036	2	(2)	0	\$80,309	-\$568,590	-\$488,281	-30517.6	-106811.5	\$76,294
2037	2	(2)	0	\$80,309	-\$324,449	-\$244,141	-30517.6	-144958.5	\$114,441
2038	2	(2)	0	\$80,309	-\$324,449	-\$244,141	-30517.6	-137329.1	\$106,812
2039	2	(4)	-2	\$80,309	-\$568,590	-\$488,281	-76293.9	-160217.3	\$83,923
2040	2	(6)	-4	\$80,309	-\$1,545,153	-\$1,464,844	-106811.5	-175476.1	\$68,665
2041	2	(4)	-2	\$80,309	-\$1,301,012	-\$1,220,703	-106811.5	-205993.7	\$99,182
2042	2	(6)	-4	\$80,309	-\$1,301,012	-\$1,220,703	-137329.1	-213623	\$76,294
2043	2	(8)	-6	\$80,309	-\$1,545,153	-\$1,464,844	-152587.9	-244140.6	\$91,553
2044	2	(12)	-10	\$80,309	-\$2,033,434	-\$1,953,125	-167846.7	-228881.8	\$61,035
2045	2	(10)	-8	\$80,309	-\$2,033,434	-\$1,953,125	-198364.3	-305175.8	\$106,812
2046	2	(10)	-8	\$80,309	-\$2,033,434	-\$1,953,125	-137329.1	-305175.8	\$167,847
2047	2	(4)	-2	\$80,309	-\$1,056,871	-\$976,563	-122070.3	-343322.8	\$221,253
Total							\$953,674	-\$1,823,425	\$2,777,100
							\$9,037,631	is greater than	\$8,935,252
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.