

FINDINGS
of the
EDEN CONSOLIDATED
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

MAVERICK CREEK WIND, LLC

Comptroller Application Number 1277

December 19, 2018

RESOLUTION AND FINDINGS OF FACT
of the
EDEN CONSOLIDATED 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 MAVERICK CREEK WIND, LLC

STATE OF TEXAS §
COUNTY OF CONCHO §
EDEN CONSOLIDATED INDEPENDENT SCHOOL DISTRICT §

PREAMBLE

On the 19th day of December, 2018, a public meeting of the Board of Trustees of the Eden Consolidated Independent School District (the “Board”) was held to solicit input from interested parties on the application by Maverick Creek Wind, LLC (“Maverick Creek Wind” 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 Maverick Creek Wind 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, the Board of Trustees of the Eden Consolidated Independent School District, in accordance with Texas Tax Code §313.025(e) and (f) and 34 T.A.C. §9.1054, makes the following Findings regarding the Application:

On or about the 26th day of July, 2018, the Board of Trustees for the Eden Consolidated Independent School District received an Application for Appraised Value Limitation on Qualified Property from Maverick Creek Wind, 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 wind energy generation project (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 July 30, 2018. Thereafter, on or about August 30, 2018, the District on behalf of the Applicant, submitted pages for Amendment No. 01 (revised section 14, map and Schedule C), and the Comptroller determined the Application complete on September 13, 2018, the Application Review Start Date. Thereafter, on October 1, 2018, the Applicant submitted a Supplement No. 01 (section 10 to include tax rates), and on October 22, 2018 the District, on behalf of Applicant, submitted Amendment No. 02 (Schedule C). The Application and Amendments No. 01 and 02, and Supplement No. 01 are hereafter collectively referred to as the “Application.” A copy of the Application and Comptroller’s completeness letter of September 13, 2018 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Maverick Creek Wind, LLC is 32058653687. Maverick Creek Wind 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) and 313.031(b) of the Texas Tax Code, 34 T.A.C. §9.1054(a), 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 Concho 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 §§313.024, 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 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 November 28, 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 Eden Consolidated Independent School District. A copy of a report prepared by McDowell School Finance Consulting, LLC and dated October 9, 2018 is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of industrial property applicable to the Maverick Creek Wind Application in the Eden Consolidated 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 Application was deemed complete by the Comptroller. *See* "2017 Property Value Study Report," attached hereto as Attachment G; *see also* Attachment D.

After receipt of the completed Application, the District entered into negotiations with Maverick Creek Wind 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 §9.1051 and adopted by §9.1052(a)(6)) was submitted to and approved by the Comptroller, as required by 34 Tex. Admin. Code §9.1055(e)(1).

See copy of December 10, 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 Maverick Creek Wind'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 before 25th Anniversary of Limitation Start

This [table] represents the Comptroller’s determination that Maverick Creek 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	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$1,560,000	\$1,560,000	\$0	\$0
Limitation Period (10 Years)	2021	\$208,000	\$1,768,000	\$4,888,000	\$4,888,000
	2022	\$208,000	\$1,976,000	\$4,531,280	\$9,419,280
	2023	\$208,000	\$2,184,000	\$4,199,530	\$13,618,810
	2024	\$208,000	\$2,392,000	\$3,891,004	\$17,509,814
	2025	\$208,000	\$2,600,000	\$3,604,078	\$21,113,893
	2026	\$208,000	\$2,808,000	\$3,337,235	\$24,451,128
	2027	\$208,000	\$3,016,000	\$3,089,070	\$27,540,198
	2028	\$208,000	\$3,224,000	\$2,858,274	\$30,398,472
	2029	\$208,000	\$3,432,000	\$2,643,638	\$33,042,110
	2030	\$208,000	\$3,640,000	\$2,444,021	\$35,486,131
Maintain Viable Presence (5 Years)	2031	\$2,519,421	\$6,159,421	\$0	\$35,486,131
	2032	\$2,393,446	\$8,552,866	\$0	\$35,486,131
	2033	\$2,273,773	\$10,826,639	\$0	\$35,486,131
	2034	\$2,160,080	\$12,986,719	\$0	\$35,486,131
	2035	\$2,052,076	\$15,038,795	\$0	\$35,486,131
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$1,949,470	\$16,988,265	\$0	\$35,486,131
	2037	\$1,852,001	\$18,840,266	\$0	\$35,486,131
	2038	\$1,759,399	\$20,599,665	\$0	\$35,486,131
	2039	\$1,671,426	\$22,271,090	\$0	\$35,486,131
	2040	\$1,587,851	\$23,858,942	\$0	\$35,486,131
	2041	\$1,508,458	\$25,367,399	\$0	\$35,486,131
	2042	\$1,433,037	\$26,800,436	\$0	\$35,486,131
	2043	\$1,361,381	\$28,161,817	\$0	\$35,486,131
	2044	\$1,300,000	\$29,461,817	\$0	\$35,486,131
	2045	\$1,300,000	\$30,761,817	\$0	\$35,486,131

\$30,761,817

is less than

\$35,486,131

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

Source: CPA, Maverick Creek Wind, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2019	350	398	748.047	\$15,050,000	\$44,520,000	\$59,570,000	2907000	-1366000	\$4,273,000
2020	350	420	770	\$15,050,000	\$51,112,000	\$66,162,000	3067000	-854000	\$3,921,000
2021	9	52	61	\$445,662	\$11,029,338	\$11,475,000	549000	961000	-\$412,000
2022	9	18	27	\$445,662	\$7,977,338	\$8,423,000	420000	946000	-\$526,000
2023	9	7	16	\$445,662	\$6,024,338	\$6,470,000	328000	893000	-\$565,000
2024	9	(1)	8	\$445,662	\$4,071,338	\$4,517,000	351000	832000	-\$481,000
2025	9	7	16	\$445,662	\$3,582,338	\$4,028,000	343000	763000	-\$420,000
2026	9	5	14	\$445,662	\$3,216,338	\$3,662,000	328000	717000	-\$389,000
2027	9	9	18	\$445,662	\$3,460,338	\$3,906,000	343000	641000	-\$298,000
2028	9	14	23	\$445,662	\$4,193,338	\$4,639,000	351000	587000	-\$236,000
2029	9	16	25	\$445,662	\$4,193,338	\$4,639,000	359000	580000	-\$221,000
2030	9	22	31	\$445,662	\$4,193,338	\$4,639,000	336000	511000	-\$175,000
2031	9	18	27	\$445,662	\$4,437,338	\$4,883,000	275000	481000	-\$206,000
2032	9	22	31	\$445,662	\$3,949,338	\$4,395,000	275000	450000	-\$175,000
2033	9	20	29	\$445,662	\$4,437,338	\$4,883,000	259000	374000	-\$115,000
2034	9	22	31	\$445,662	\$5,169,338	\$5,615,000	259000	343000	-\$84,000
2035	9	22	31	\$445,662	\$4,437,338	\$4,883,000	206000	298000	-\$92,000
2036	9	22	31	\$445,662	\$4,437,338	\$4,883,000	183000	244000	-\$61,000
2037	9	22	31	\$445,662	\$4,925,338	\$5,371,000	214000	198000	\$16,000
2038	9	20	29	\$445,662	\$5,169,338	\$5,615,000	229000	191000	\$38,000
2039	9	26	35	\$445,662	\$6,146,338	\$6,592,000	259000	168000	\$91,000
2040	9	22	31	\$445,662	\$5,658,338	\$6,104,000	214000	122000	\$92,000
2041	9	24	33	\$445,662	\$6,146,338	\$6,592,000	275000	92000	\$183,000
2042	9	28	37	\$445,662	\$7,611,338	\$8,057,000	290000	69000	\$221,000
2043	9	24	33	\$445,662	\$7,855,338	\$8,301,000	290000	53000	\$237,000
2044	9	24	33	\$445,662	\$7,855,338	\$8,301,000	275000	61000	\$214,000
2045	9	26	35	\$445,662	\$7,855,338	\$8,301,000	259000	0	\$259,000
Total							\$13,444,000	\$8,355,000	\$5,089,000
							\$35,850,817	is greater than	\$35,486,131
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.

See Attachment D (at Attachment B thereof).

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. The Application states that for a project of the size and type described in the Application, the project will require less than ten (10) permanent jobs. Applicant reports in Tab 12 of the Application that wind projects create a large number of full and part-

time, but temporary jobs during the construction phase of the project but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences. The industry standard for employment is typically one full-time employee for approximately every 15 turbines. This number will vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain, and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Applicant reports that it has committed to creating nine (9) total jobs for approximately 116 turbines and 450 MW for the portion of this project that will be located within the District¹. This 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 nine (9) 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 \$49,518 (\$952 per week)², 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 \$815 per week, which exceeds 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 The total project, including portions outside of Eden CISD, will be approximately 130 turbines and 504 MW.

² The weekly salary in both the Application (Tab 1, §14#7.c) and the Comptroller's Economic Impact Analysis are rounded down. The Comptroller's annual value is lower than the Applicant's committed value (Tab 1, §14#10).

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 Eden CISD.

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 applicant's decision to invest capital and construct the project in this state." See Attachment C. The Economic Impact Analysis further states:

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Maverick Creek Wind, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Maverick Creek Wind, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. "Since 1977, RES has been active in the Americas where we developed and constructed our first wind project in the United States and today have over 7,500 MW of wind constructed in 13 states."
 - B. "The Applicant is a national wind and solar developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a wind project in order to be able to offer electricity at prices that are marketable to Texas customers at a [sic] competitive rates. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas."
 - C. "The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rate under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a PPA because of the lower price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher."

See Attachment D (at Attachment C thereof).

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 as of January 1, 2018, provides that the District is a Subchapter C, Category 3 District, with a minimum limitation of \$20,000,000. *See also* Attachments A and D.

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 Maverick Creek Wind's Application, that the project would add \$490,000,000 to the tax base at the peak investment level for tax year 2021 (school year 2021-2022). 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 \$750,000. *See* Attachment H at Section 6.2.A and Table VI of Attachment E.

Board Finding Number 9.

The effect of the Applicant's proposed project is not expected to increase the District's instructional facility needs. Eden CISD 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:

Maverick Creek Wind, 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 nine employees are expected. It is not known whether these would be new employees to the Eden CISD, 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 nine positions equates to 5 new students.

This projected student growth can be accommodated with the current facilities of Eden CISD.

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
2019-2020	1.04	0.00	0	0	0	0
2020-2021	1.0345	0.00	1,560,000	0	0	0
2021-2022	1.04	0.00	5,069,050	4,862,150	(3,667,941)	1,194,209
2022-2023	1.04	0.00	4,739,280	4,531,280	(117,889)	4,413,391
2023-2024	1.04	0.00	4,407,530	4,199,530	0	4,199,530
2024-2025	1.04	0.00	4,099,004	3,891,004	0	3,891,004
2025-2026	1.04	0.00	3,812,078	3,604,078	0	3,604,078
2026-2027	1.04	0.00	3,545,235	3,337,235	0	3,337,235
2027-2028	1.04	0.00	3,297,070	3,089,070	0	3,089,070
2028-2029	1.04	0.00	3,066,274	2,858,274	0	2,858,274
2029-2030	1.04	0.00	2,851,638	2,643,638	0	2,643,638
2030-2031	1.04	0.00	2,652,021	2,444,021	0	2,444,021
2031-2032	1.0345	0.00	2,519,421	0	0	0
2032-2033	1.04	0.00	2,380,788	0	0	0
2033-2034	1.04	0.00	2,273,773	0	0	0
2034-2035	1.04	0.00	2,160,080	0	0	0
2035-2036	1.04	0.00	2,052,076	0	0	0
Totals			50,485,319	35,460,281	(3,785,831)	31,674,450

See also Table 3 of Attachment D (The Comptroller estimates the M&O tax levy without any limitation in place at \$48,964,926).

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
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2020-2021	1.0345	0.00	1,560,000	0	0	0
2021-2022	1.04	0.00	5,069,050	4,862,150	(3,667,941)	1,194,209
2022-2023	1.04	0.00	4,739,280	4,531,280	(117,889)	4,413,391
2023-2024	1.04	0.00	4,407,530	4,199,530	0	4,199,530
2024-2025	1.04	0.00	4,099,004	3,891,004	0	3,891,004
2025-2026	1.04	0.00	3,812,078	3,604,078	0	3,604,078
2026-2027	1.04	0.00	3,545,235	3,337,235	0	3,337,235
2027-2028	1.04	0.00	3,297,070	3,089,070	0	3,089,070
2028-2029	1.04	0.00	3,066,274	2,858,274	0	2,858,274
2029-2030	1.04	0.00	2,851,638	2,643,638	0	2,643,638
2030-2031	1.04	0.00	2,652,021	2,444,021	0	2,444,021
2031-2032	1.0345	0.00	2,519,421	0	0	0
2032-2033	1.04	0.00	2,380,788	0	0	0
2033-2034	1.04	0.00	2,273,773	0	0	0
2034-2035	1.04	0.00	2,160,080	0	0	0
2035-2036	1.04	0.00	2,052,076	0	0	0
Totals			50,485,319	35,460,281	(3,785,831)	31,674,450

See also Table 4 of Attachment D (The Comptroller estimates the M&O tax levy with the limitation in place at \$13,478,795).

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. 32058653687) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on the Comptroller's acknowledgment that Applicant's right to transact business in Texas is active as a tax paying entity subject to taxes imposed by Chapter 171 of the Texas Tax Code.

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 Chapter 312 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 16).

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 verified by Applicant in its Application, the District's Financial Impact Analysis demonstrates that the District will incur a revenue loss during tax years 2021 and 2022 (school years 2021-22 and 2022-23). 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 all conflicts of interest known at the time of its consideration of the Agreement have been disclosed.

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 for all existing conflicts have been made, and disclosures will be made if any additional 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.

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 Maverick Creek Wind's Application and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

See Attachment D.

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 Eden Consolidated 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 Eden Consolidated 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 Eden Consolidated Independent School District Board of Trustees.

Dated this 19th day of December, 2018.

Eden Consolidated Independent School District

By Shawn Click
Signature

Shawn Click Board President
Printed Name and Title

Attest:

By Shelley R. Hyles
Signature

Shelley R. Hyles Board Secretary
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 December 10, 2018 Agreement Review Letter
J	Job Waiver Request



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 13, 2018

Molly Gandy
Superintendent
Eden Consolidated Independent School District
113 West Bryan Street
Eden, TX 76937

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Eden Consolidated Independent School District and Maverick Creek Wind, LLC, Application 1277

Dear Superintendent Gandy:

On July 30, 2018, the Comptroller's office received Maverick Creek Wind, LLC's (applicant) application for a limitation on appraised value (Application 1277) from Eden Consolidated 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 September 13, 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 Annette Holmes with our office. She can be reached by email at annette.holmes@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 5-3792 or at 512-475-3792.

Sincerely,

A handwritten signature in black ink that reads "Will Counihan".

Will Counihan
Director
Data Analysis & Transparency Division

cc: Sam Gregson, Cummings Westlake
Dan Spletstosser, Renewable Energy Systems America Inc.
Brian Evans, Renewable Energy Systems America Inc.
Fred Stormer, Underwood Law Firm, P.C.

See Application documents
(Comptroller No. 1277)
posted on Comptroller Website:
posted on Comptroller Website (8/22/18),
Amendment No. 1 (posted 9/20/18),
Supplement No. 1 (posted 10/19/18), and
Amendment No. 2 (posted 10/31/18)



Franchise Tax Account Status

As of : 12/14/2018 16:48:30

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

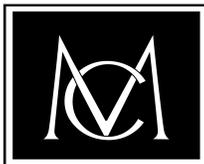
MAVERICK CREEK WIND, LLC	
Texas Taxpayer Number	32058653687
Mailing Address	11101 W 120TH AVE STE 400 BROOMFIELD, CO 80021-3436
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	10/26/2015
Texas SOS File Number	0802319425
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

See Certification Packet
(Comptroller No. 1277)
posted on Comptroller Website 12/14/18

See Certification Packet
(Comptroller No. 1277)
posted on Comptroller Website 12/14/18

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Maverick Creek Wind, LLC**

October 9, 2018



MCDOWELL
School Finance
CONSULTING

**Summary of Eden CISD Financial Impact
of the
Limited Appraised Value Application
from
Maverick Creek Wind, LLC**

Introduction

Maverick Creek Wind, LLC applied for a property value limitation from Eden Consolidated Independent School District under Chapter 313 of the Tax Code. The application was submitted on July 26, 2018 and subsequently approved for consideration by the Eden CISD Board of Trustees. Maverick Creek Wind, LLC (“Maverick Creek”), 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.

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.

Eden CISD 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 first two years of the agreement 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 2019 and 2020 be considered 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 qualified investment for the applicable school district as determined by the State Comptroller’s Office. Eden CISD 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, Eden CISD 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 Eden CISD. 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.

Eden CISD Financial Impact of Chapter 313 Agreement

Taxable Value Projections from Application

The following data shows the projected taxable values that Maverick Creek Wind reported in the application to the District:

	Year	School Year	Tax Year	Projected Taxable Value	Actual Taxable Value
Each Year Prior to Start of Value Limitation Period	0	2019-2020	2019	\$0	\$0
	0	2020-2021	2020	\$150,000,000	\$150,000,000
Value Limitation Period	1	2021-2022	2021	\$490,000,000	\$20,000,000
	2	2022-2023	2022	\$455,700,000	\$20,000,000
	3	2023-2024	2023	\$423,801,000	\$20,000,000
	4	2024-2025	2024	\$394,135,000	\$20,000,000
	5	2025-2026	2025	\$366,546,000	\$20,000,000
	6	2026-2027	2026	\$340,888,000	\$20,000,000
	7	2027-2028	2027	\$317,026,000	\$20,000,000
	8	2028-2029	2028	\$294,834,000	\$20,000,000
	9	2029-2030	2029	\$274,196,000	\$20,000,000
	10	2030-2031	2030	\$255,002,000	\$20,000,000
Continue to Maintain Viable Presence	11	2031-2032	2031	\$242,252,000	\$242,252,000
	12	2032-2033	2032	\$230,139,000	\$230,139,000
	13	2033-2034	2033	\$218,632,000	\$218,632,000
	14	2034-2035	2034	\$207,700,000	\$207,700,000
	15	2035-2036	2035	\$197,315,000	\$197,315,000
Additional Years for 25 Year Economic Impact Study	16	2036-2037	2036	\$187,449,000	\$187,449,000
	17	2037-2038	2037	\$178,077,000	\$178,077,000
	18	2038-2039	2038	\$169,173,000	\$169,173,000
	19	2039-2040	2039	\$160,714,000	\$160,714,000
	20	2040-2041	2040	\$152,678,000	\$152,678,000
	21	2041-2042	2041	\$145,044,000	\$145,044,000
	22	2042-2043	2042	\$137,792,000	\$137,792,000
	23	2043-2044	2043	\$130,902,000	\$130,902,000
	24	2044-2045	2044	\$125,000,000	\$125,000,000
	25	2045-2046	2045	\$125,000,000	\$125,000,000

Eden CISD Financial Impact of Chapter 313 Agreement

Taxable Value Impact from LAVA

The “Additional Value from Maverick Creek Wind” 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 qualified investment of Eden CISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Maverick Creek Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2019	0	n/a	0	0
Jan. 1, 2020	150,000,000	n/a	0	150,000,000
Jan. 1, 2021	490,000,000	(20,000,000)	470,000,000	20,000,000
Jan. 1, 2022	455,700,000	(20,000,000)	435,700,000	20,000,000
Jan. 1, 2023	423,801,000	(20,000,000)	403,801,000	20,000,000
Jan. 1, 2024	394,135,000	(20,000,000)	374,135,000	20,000,000
Jan. 1, 2025	366,546,000	(20,000,000)	346,546,000	20,000,000
Jan. 1, 2026	340,888,000	(20,000,000)	320,888,000	20,000,000
Jan. 1, 2027	317,026,000	(20,000,000)	297,026,000	20,000,000
Jan. 1, 2028	294,834,000	(20,000,000)	274,834,000	20,000,000
Jan. 1, 2029	274,196,000	(20,000,000)	254,196,000	20,000,000
Jan. 1, 2030	255,002,000	(20,000,000)	235,002,000	20,000,000
Jan. 1, 2031	242,252,000	n/a	0	242,252,000
Jan. 1, 2032	230,139,000	n/a	0	230,139,000
Jan. 1, 2033	218,632,000	n/a	0	218,632,000
Jan. 1, 2034	207,700,000	n/a	0	207,700,000
Jan. 1, 2035	197,315,000	n/a	0	197,315,000

Eden CISD Financial Impact of Chapter 313 Agreement

Maverick Creek Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Maverick Creek Wind is \$31.67 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.

Eden CISD's projected tax rates for maintenance & operations (M&O) and interest & sinking (I&S) are based on the following assumptions:

- The District has not held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.04 for the life of this agreement. The M&O rate for 2020-2021 and 2031-2032 is projected to decrease to \$1.0345 due to the rollback tax rate calculation.
- The District currently has no outstanding bond obligations and therefore has no I&S tax rate. The study assumes that they will have no bonded indebtedness during the agreement period; however, the district could call for a bond referendum and install an I&S tax during this agreement period.

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
2019-2020	1.04	0.00	0	0	0	0
2020-2021	1.0345	0.00	1,560,000	0	0	0
2021-2022	1.04	0.00	5,069,050	4,862,150	(3,667,941)	1,194,209
2022-2023	1.04	0.00	4,739,280	4,531,280	(117,889)	4,413,391
2023-2024	1.04	0.00	4,407,530	4,199,530	0	4,199,530
2024-2025	1.04	0.00	4,099,004	3,891,004	0	3,891,004
2025-2026	1.04	0.00	3,812,078	3,604,078	0	3,604,078
2026-2027	1.04	0.00	3,545,235	3,337,235	0	3,337,235
2027-2028	1.04	0.00	3,297,070	3,089,070	0	3,089,070
2028-2029	1.04	0.00	3,066,274	2,858,274	0	2,858,274
2029-2030	1.04	0.00	2,851,638	2,643,638	0	2,643,638
2030-2031	1.04	0.00	2,652,021	2,444,021	0	2,444,021
2031-2032	1.0345	0.00	2,519,421	0	0	0
2032-2033	1.04	0.00	2,380,788	0	0	0
2033-2034	1.04	0.00	2,273,773	0	0	0
2034-2035	1.04	0.00	2,160,080	0	0	0
2035-2036	1.04	0.00	2,052,076	0	0	0
Totals			50,485,319	35,460,281	(3,785,831)	31,674,450

Eden CISD 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 Eden 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 2018-2019 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$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 2018.
- A tax collection rate of 98% on current year tax levy with \$20,000 projected delinquent tax collections
- An annual taxable value increase of 1.0% was used to project the district’s taxable value, except as it related to the requested LAVA. The district’s 2018 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 2017-2018 was decreased 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.

Eden CISD 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 Maverick Creek Wind (Table III), the addition of Maverick Creek's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Maverick Creek's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Maverick Creek Wind, 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			
2019-2020	158,602,869	1,636,480	1,009,342	173,104	1,182,446	0	2,818,926
2020-2021	159,988,898	1,650,607	824,858	146,064	970,922	0	2,621,529
2021-2022	161,388,787	1,656,176	800,112	144,411	944,523	0	2,600,699
2022-2023	162,802,675	1,679,285	781,249	143,312	924,561	0	2,603,846
2023-2024	164,230,701	1,693,839	761,162	142,107	903,269	0	2,597,108
2024-2025	165,673,008	1,708,539	742,578	141,048	883,626	0	2,592,165
2025-2026	167,129,738	1,723,386	721,642	139,777	861,419	0	2,584,805
2026-2027	168,601,036	1,738,382	702,769	138,705	841,474	0	2,579,856
2027-2028	170,087,046	1,753,527	683,191	137,574	820,765	0	2,574,292
2028-2029	171,587,917	1,768,824	662,654	136,361	799,015	0	2,567,839
2029-2030	229,860,236	2,350,346	642,780	157,505	800,285	0	3,150,631
2030-2031	225,250,758	2,315,756	100,455	104,662	205,117	(37,098)	2,483,775
2031-2032	221,147,833	2,273,939	98,113	106,638	204,751	0	2,478,690
2032-2033	217,512,313	2,225,162	131,220	107,998	239,218	0	2,464,380
2033-2034	214,308,197	2,204,229	164,078	109,309	273,387	0	2,477,616
2034-2035	213,701,890	2,198,050	188,236	111,519	299,755	0	2,497,805
2035-2036	213,199,496	2,192,929	190,966	111,487	302,453	0	2,495,382

Eden CISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues *with* Maverick Creek Wind *without* Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State		Total State Revenue	Recapture Payment	Total District Revenue
			Revenue Tier I	Revenue Tier II			
2019-2020	158,602,869	1,636,480	1,009,342	173,104	1,182,446	0	2,818,926
2020-2021	309,988,898	3,162,698	824,858	247,506	1,072,364	0	4,235,062
2021-2022	651,388,787	6,623,845	64,880	138,261	203,141	(1,612,892)	5,214,094
2022-2023	618,502,675	6,323,779	237,472	0	237,472	(3,842,860)	2,718,391
2023-2024	588,031,701	6,013,219	66,455	0	66,455	(3,553,365)	2,526,309
2024-2025	559,808,008	5,725,563	103,557	0	103,557	(3,283,808)	2,545,312
2025-2026	533,675,738	5,459,223	66,259	0	66,259	(3,036,186)	2,489,296
2026-2027	509,489,036	5,212,712	103,187	0	103,187	(2,805,108)	2,510,791
2027-2028	487,113,046	4,984,656	66,062	0	66,062	(2,591,801)	2,458,917
2028-2029	466,421,917	4,773,772	102,816	0	102,816	(2,395,296)	2,481,292
2029-2030	504,056,236	5,157,341	64,918	1,135	66,053	(2,497,293)	2,726,101
2030-2031	480,252,758	4,914,736	102,434	0	102,434	(2,549,755)	2,467,415
2031-2032	463,399,833	4,742,971	65,678	0	65,678	(2,365,110)	2,443,539
2032-2033	447,651,313	4,558,334	102,078	0	102,078	(2,218,580)	2,441,832
2033-2034	432,940,197	4,432,526	63,480	7,191	70,671	(2,077,919)	2,425,278
2034-2035	421,401,890	4,314,928	99,705	12,966	112,671	(1,960,996)	2,466,603
2035-2036	410,514,496	4,203,964	63,280	17,702	80,982	(1,857,707)	2,427,239

TABLE V – District Revenues *with* Maverick Creek Wind *with* Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State		Total State Revenue	Payment		Total District Revenue
			Revenue Tier I	Revenue Tier II		Recapture Payment	for District Losses	
2019-2020	158,602,869	1,636,480	1,009,342	173,104	1,182,446	0	0	2,818,926
2020-2021	309,988,898	3,162,698	824,858	247,506	1,072,364	0	0	4,235,062
2021-2022	181,388,787	1,858,938	152,822	44,190	197,012	(509,797)	3,667,941	5,214,094
2022-2023	182,802,675	1,883,125	583,460	133,917	717,377	0	117,889	2,718,391
2023-2024	184,230,701	1,897,679	562,262	132,715	694,977	0	0	2,592,656
2024-2025	185,673,008	1,912,379	543,678	131,658	675,336	0	0	2,587,715
2025-2026	187,129,738	1,927,226	522,742	130,390	653,132	0	0	2,580,358
2026-2027	188,601,036	1,942,222	503,869	129,321	633,190	0	0	2,575,412
2027-2028	190,087,046	1,957,367	484,291	128,192	612,483	0	0	2,569,850
2028-2029	191,587,917	1,972,664	463,754	126,981	590,735	0	0	2,563,399
2029-2030	249,860,236	2,553,108	443,880	142,747	586,627	0	0	3,139,735
2030-2031	245,250,758	2,519,596	100,455	95,842	196,297	(226,878)	0	2,489,015
2031-2032	463,399,833	4,717,994	63,680	164,619	228,299	(360,011)	0	4,586,282
2032-2033	447,651,313	4,558,334	102,078	0	102,078	(2,218,580)	0	2,441,832
2033-2034	432,940,197	4,432,526	63,480	7,191	70,671	(2,077,919)	0	2,425,278
2034-2035	421,401,890	4,314,928	99,705	12,966	112,671	(1,960,996)	0	2,466,603
2035-2036	410,514,496	4,203,964	63,280	17,702	80,982	(1,857,707)	0	2,427,239

Eden CISD 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.

Eden CISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Maverick Creek Wind, LLC mutually agree in the LAVA that the greater of \$100 per student in average daily attendance (ADA) or \$50,000, the projected amount of these payments over the life of the agreement is \$750,000 of the \$31.67 million net tax savings amount. This amount will be computed annually according to Section IV of the Agreement.

TABLE VI - Calculation of the Payment in Lieu of Taxes:

Fiscal Year	Net Tax Savings	Eden CISD \$100/ADA	Maverick Creek Share
2019-2020	0	50,000	(50,000)
2020-2021	0	50,000	(50,000)
2021-2022	1,194,209	50,000	1,144,209
2022-2023	4,413,391	50,000	4,363,391
2023-2024	4,199,530	50,000	4,149,530
2024-2025	3,891,004	50,000	3,841,004
2025-2026	3,604,078	50,000	3,554,078
2026-2027	3,337,235	50,000	3,287,235
2027-2028	3,089,070	50,000	3,039,070
2028-2029	2,858,274	50,000	2,808,274
2029-2030	2,643,638	50,000	2,593,638
2030-2031	2,444,021	50,000	2,394,021
2031-2032	0	50,000	(50,000)
2032-2033	0	50,000	(50,000)
2033-2034	0	50,000	(50,000)
2034-2035	0	0	0
2035-2036	0	0	0
Totals	31,674,450	750,000	30,924,450

Eden CISD 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
Eden School	K-12	22	440	221	219
	Total	22	440	221	219

The building capacities are based on 20 students per classroom for all grade levels. Eden CISD is a kindergarten through 12th grade district.

Maverick Creek Wind, 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 nine full-time employees are expected. It is not known whether these would be new employees to the Eden CISD, 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 nine positions equates to 5 new students.

This minimal projected student growth can easily be accommodated with the current facilities of Eden CISD as displayed in Table VII above.

Eden CISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Maverick Creek Wind would be beneficial to both Maverick Creek Wind and Eden CISD under the current school finance system.

Maverick Creek Wind, 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 payments in lieu of taxes to the District, Maverick Creek Wind is projected to benefit from a 94% tax savings during that ten year period of this Agreement. Maverick Creek Wind 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.

Eden CISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Maverick Creek Wind 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

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.

September 21, 2018

Shan Click, President
Board of Trustees
Eden Consolidated Independent School District
PO Box 988
Eden, TX 76837-0988

Dear Ms. Click:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Maverick Creek Wind LLC project #1277 on the number and size of school facilities in Eden Consolidated Independent School District (ECISD). Based on an examination of ECISD enrollment and the number of potential new jobs, the TEA has determined that the Maverick Creek Wind LLC project should not have a significant impact on the number or size of school facilities in ECISD.

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', written over a horizontal line.

Al McKenzie
Director of State Funding

AM/rk
Cc: Misty Gandy


Taxes

Property Tax Assistance

2017 ISD Summary Worksheet**048/Concho****048-901/Eden CISD**

Category	Local Tax Roll Value	2017 WTD Mean Ratio	2017 PTAD Value Estimate	2017 Value Assigned
A. Single-Family Residences	31,212,780	.9944	31,388,556	31,212,780
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	681,250	N/A	681,250	681,250
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	28,639,840	.9725	29,449,095	28,639,840
D2. Real Prop Farm & Ranch	4,506,720	N/A	4,506,720	4,506,720
E. Real Prop NonQual Acres	34,481,770	.9633	35,795,464	34,481,770
F1. Commercial Real	6,032,520	.9564	6,307,528	6,032,520
F2. Industrial Real	20,814,582	N/A	20,814,582	20,814,582
G. Oil, Gas, Minerals	17,867,267	1.0624	16,817,834	17,867,267
J. Utilities	9,054,571	.9935	9,113,811	9,054,571
L1. Commercial Personal	1,897,690	N/A	1,897,690	1,897,690
L2. Industrial Personal	6,800,203	N/A	6,800,203	6,800,203
M. Other Personal	619,580	N/A	619,580	619,580

N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	203,800	N/A	203,800	203,800
Subtotal	162,812,573		164,396,113	162,812,573
Less Total Deductions	27,682,538		27,816,164	27,682,538
Total Taxable Value	135,130,035		136,579,949	135,130,035 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
138,475,775	135,130,035	138,475,775	135,130,035

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
3,345,740	0

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
138,475,775	135,130,035	138,475,775	135,130,035

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

164/Menard

048-901/Eden CISD

Category	Local Tax Roll Value	2017 WTD Mean Ratio	2017 PTAD Value Estimate	2017 Value Assigned
A. Single-Family Residences	0	N/A	0	0
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	333,050	N/A	333,050	333,050
D2. Real Prop Farm & Ranch	62,220	N/A	62,220	62,220
E. Real Prop NonQu al Acres	204,810	N/A	204,810	204,810

F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	97,990	N/A	97,990	97,990
J. Utilities	78,740	N/A	78,740	78,740
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Personal Property	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	776,810		776,810	776,810
Less Total Deductions	35,000		35,000	35,000
Total Taxable Value	741,810		741,810	741,810 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
751,810	741,810	751,810	741,810

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
10,000	0

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
751,810	741,810	751,810	741,810

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

048-901/Eden CISD

Category	Local Tax Roll Value	2017 WTD Mean Ratio	2017 PTAD Value Estimate	2017 Value Assigned
A. Single-Family Residences	31,212,780	.9944	31,388,556	31,212,780
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	681,250	N/A	681,250	681,250
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	28,972,890	.9728	29,782,145	28,972,890
D2. Real Prop Farm & Ranch	4,568,940	N/A	4,568,940	4,568,940
E. Real Prop NonQual Acres	34,686,580	.9635	36,000,274	34,686,580
F1. Commercial Real	6,032,520	.9564	6,307,528	6,032,520
F2. Industrial Real	20,814,582	N/A	20,814,582	20,814,582
G. Oil, Gas, Minerals	17,965,257	1.0620	16,915,824	17,965,257
J. Utilities	9,133,311	.9936	9,192,551	9,133,311
L1. Commercial Personal	1,897,690	N/A	1,897,690	1,897,690
L2. Industrial Personal	6,800,203	N/A	6,800,203	6,800,203
M. Other Personal	619,580	N/A	619,580	619,580
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	203,800	N/A	203,800	203,800
Subtotal	163,589,383		165,172,923	163,589,383
Less Total Deductions	27,717,538		27,851,164	27,717,538
Total Taxable Value	135,871,845		137,321,759	135,871,845 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

048-901/Eden CISD

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
139,227,585	135,871,845	139,227,585	135,871,845

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
3,355,740	0

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
139,227,585	135,871,845	139,227,585	135,871,845

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 (App No. 1277)
posted on Comptroller Website



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 10, 2018

Misty Gandy
Superintendent
Eden Consolidated Independent School District
113 West Bryan Street
Eden, TX 76937

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Eden Consolidated Independent School District and Maverick Creek Wind, LLC, Application 1277

Dear Superintendent Gandy:

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 Eden Consolidated Independent School District and Maverick Creek Wind, 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 Annette Holmes with our office. She can be reached by email at annette.holmes@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-3792, or at 512-475-3792.

Sincerely,

Will Counihan
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Brian Evans, Renewable Energy Systems America Inc.
Dan Spletstosser, Renewable Energy Systems America Inc.
Sam Gregson, Cummings Westlake

See Tab 12 in application documents
(Comptroller No. 1277)
posted on Comptroller Website (posted 8/22/18)