



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 29, 2020

AMENDED CERTIFICATION

Raul Chavarria
Superintendent
Crockett County Consolidated Common School District
797 Avenue D,
PO Box 400,
Ozona, TX 76943

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Crockett County Consolidated Common School District and White Mesa Wind, LLC, Application 1284

Dear Superintendent Chavarria:

This application (Application 1284) was originally submitted on July 18, 2018, to the Crockett County Consolidated Common School District (school district) by White Mesa Wind, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On September 14, 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 October 31, 2018. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on December 19, 2018.

On October 16, 2020, the Comptroller received an amendment to the agreement to change the limitation from year 2021 to 2022 and to increase the investment amount and the MW from 350 to 498.6. 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, 2020.

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,

DocuSigned by:

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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 White Mesa Wind, LLC (project) applying to Crockett County Consolidated Common 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 White Mesa Wind, LLC.

	Amendment No. 1	Amendment No. 2
Applicant	White Mesa Wind, LLC	White Mesa Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation-Wind	Renewable Energy Electric Generation-Wind
School District	Crockett County CCSD	Crockett County CCSD
2017-2018 Average Daily Attendance	693	693
County	Crockett	Crockett
Proposed Total Investment in District	\$457,942,743	\$514,312,000
Proposed Qualified Investment	\$457,942,743	\$50,000,000
Limitation Amount	\$63,000,000	\$63,000,000
Qualifying Time Period (Full Years)	2019-2020	2019-2020
Number of new qualifying jobs committed to by applicant	9*	9*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$867	\$867
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$45,016	\$45,016
Minimum annual wage committed to by applicant for qualified jobs	\$45,100	\$45,100
Minimum weekly wage required for non-qualifying jobs	\$773	\$773
Minimum annual wage required for non-qualifying jobs	\$40,210	\$40,210
Investment per Qualifying Job	\$50,882,527	\$57,145,778
Estimated M&O levy without any limit (15 years)	\$49,512,769	\$40,898,333
Estimated M&O levy with Limitation (15 years)	\$18,328,063	\$12,248,355
Estimated gross M&O tax benefit (15 years)	\$31,184,706	\$28,649,978

* 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 White Mesa Wind, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	0	0	0	\$0	\$0	\$0
2020	50	255	304.69	\$2,500,000	\$17,520,000	\$20,020,000
2021	266	2,146	2412	\$13,300,000	\$149,660,000	\$162,960,000
2022	9	91	100	\$405,900	\$20,224,100	\$20,630,000
2023	9	16	25	\$405,900	\$12,044,100	\$12,450,000
2024	9	(30)	-21	\$405,900	\$5,944,100	\$6,350,000
2025	9	(50)	-41	\$405,900	\$2,154,100	\$2,560,000
2026	9	(60)	-51	\$405,900	-\$645,900	-\$240,000
2027	9	(58)	-49	\$405,900	-\$1,625,900	-\$1,220,000
2028	9	(58)	-49	\$405,900	-\$2,845,900	-\$2,440,000
2029	9	(50)	-41	\$405,900	-\$3,095,900	-\$2,690,000
2030	9	(44)	-35	\$405,900	-\$3,575,900	-\$3,170,000
2031	9	(38)	-29	\$405,900	-\$3,095,900	-\$2,690,000
2032	9	(30)	-21	\$405,900	-\$3,335,900	-\$2,930,000
2033	9	(29)	-20	\$405,900	-\$2,845,900	-\$2,440,000
2034	9	(25)	-16	\$405,900	-\$2,355,900	-\$1,950,000

Source: CPA REMI, White Mesa 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*	Crockett County CCSD I&S Tax Levy	Crockett County CCSD M&O Tax Levy	Crockett County CCSD M&O and I&S Tax Levies	Crockett County Tax Levy	Crockett County Water District Tax Levy	Estimated Total Property Taxes
				0.1443	0.9900		0.9474	0.0215	
2021	\$25,000,000	\$25,000,000		\$36,075	\$247,500	\$283,575	\$236,859	\$5,377	\$525,812
2022	\$514,312,000	\$514,312,000		\$742,152	\$5,091,689	\$5,833,841	\$4,872,782	\$110,623	\$10,817,247
2023	\$478,330,160	\$478,330,160		\$690,230	\$4,735,469	\$5,425,699	\$4,531,877	\$102,884	\$10,060,460
2024	\$442,348,320	\$442,348,320		\$638,309	\$4,379,248	\$5,017,557	\$4,190,972	\$95,145	\$9,303,673
2025	\$406,366,480	\$406,366,480		\$586,387	\$4,023,028	\$4,609,415	\$3,850,066	\$87,405	\$8,546,887
2026	\$370,384,640	\$370,384,640		\$534,465	\$3,666,808	\$4,201,273	\$3,509,161	\$79,666	\$7,790,100
2027	\$334,402,800	\$334,402,800		\$482,543	\$3,310,588	\$3,793,131	\$3,168,256	\$71,927	\$7,033,314
2028	\$298,420,960	\$298,420,960		\$430,621	\$2,954,368	\$3,384,989	\$2,827,351	\$64,187	\$6,276,527
2029	\$262,439,120	\$262,439,120		\$378,700	\$2,598,147	\$2,976,847	\$2,486,445	\$56,448	\$5,519,740
2030	\$226,457,280	\$226,457,280		\$326,778	\$2,241,927	\$2,568,705	\$2,145,540	\$48,709	\$4,762,954
2031	\$190,475,440	\$190,475,440		\$274,856	\$1,885,707	\$2,160,563	\$1,804,635	\$40,969	\$4,006,167
2032	\$154,493,600	\$154,493,600		\$222,934	\$1,529,487	\$1,752,421	\$1,463,730	\$33,230	\$3,249,380
2033	\$118,511,760	\$118,511,760		\$171,012	\$1,173,266	\$1,344,279	\$1,122,824	\$25,491	\$2,492,594
2034	\$103,082,400	\$103,082,400		\$148,748	\$1,020,516	\$1,169,264	\$976,641	\$22,172	\$2,168,076
2035	\$103,067,400	\$103,067,400		\$148,726	\$1,020,367	\$1,169,094	\$976,499	\$22,169	\$2,167,761
2036	\$103,052,400	\$103,052,400		\$148,705	\$1,020,219	\$1,168,923	\$976,357	\$22,166	\$2,167,445
			Total	\$5,961,242	\$40,898,333	\$46,859,575	\$39,139,994	\$888,568	\$86,888,137

Source: CPA, White Mesa Wind, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Crockett 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.

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	Tax Rate*	Crockett County CCSD I&S Tax Levy	Crockett County CCSD M&O Tax Levy	Crockett County CCSD M&O and I&S Tax Levies	Crockett County Tax Levy	Crockett County Water District Tax Levy	Estimated Total Property Taxes
				0.1443	0.9900		0.9474	0.0215	
2021	\$25,000,000	\$25,000,000		\$36,075	\$247,500	\$283,575	\$236,859	\$5,377	\$525,812
2022	\$514,312,000	\$63,000,000		\$742,152	\$623,700	\$1,365,852	\$4,872,782	\$110,623	\$6,349,258
2023	\$478,330,160	\$63,000,000		\$690,230	\$623,700	\$1,313,930	\$4,531,877	\$102,884	\$5,948,691
2024	\$442,348,320	\$63,000,000		\$638,309	\$623,700	\$1,262,009	\$4,190,972	\$95,145	\$5,548,125
2025	\$406,366,480	\$63,000,000		\$586,387	\$623,700	\$1,210,087	\$3,850,066	\$87,405	\$5,147,559
2026	\$370,384,640	\$63,000,000		\$534,465	\$623,700	\$1,158,165	\$3,509,161	\$79,666	\$4,746,992
2027	\$334,402,800	\$63,000,000		\$482,543	\$623,700	\$1,106,243	\$3,168,256	\$71,927	\$4,346,426
2028	\$298,420,960	\$63,000,000		\$430,621	\$623,700	\$1,054,321	\$2,827,351	\$64,187	\$3,945,859
2029	\$262,439,120	\$63,000,000		\$378,700	\$623,700	\$1,002,400	\$2,486,445	\$56,448	\$3,545,293
2030	\$226,457,280	\$63,000,000		\$326,778	\$623,700	\$950,478	\$2,145,540	\$48,709	\$3,144,727
2031	\$190,475,440	\$63,000,000		\$274,856	\$623,700	\$898,556	\$1,804,635	\$40,969	\$2,744,160
2032	\$154,493,600	\$154,493,600		\$222,934	\$1,529,487	\$1,752,421	\$1,463,730	\$33,230	\$3,249,380
2033	\$118,511,760	\$118,511,760		\$171,012	\$1,173,266	\$1,344,279	\$1,122,824	\$25,491	\$2,492,594
2034	\$103,082,400	\$103,082,400		\$148,748	\$1,020,516	\$1,169,264	\$976,641	\$22,172	\$2,168,076
2035	\$103,067,400	\$103,067,400		\$148,726	\$1,020,367	\$1,169,094	\$976,499	\$22,169	\$2,167,761
2036	\$103,052,400	\$103,052,400		\$148,705	\$1,020,219	\$1,168,923	\$976,357	\$22,166	\$2,167,445
			Total	\$5,961,242	\$12,248,355	\$18,209,597	\$39,139,994	\$888,568	\$58,238,159
			Diff	\$0	\$28,649,978	\$28,649,978	\$0	\$0	\$28,649,978

Source: CPA, White Mesa 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 White Mesa 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	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$247,500	\$247,500	\$0	\$0
Limitation Period (10 Years)	2022	\$623,700	\$871,200	\$4,467,989	\$4,467,989
	2023	\$623,700	\$1,494,900	\$4,111,769	\$8,579,757
	2024	\$623,700	\$2,118,600	\$3,755,548	\$12,335,306
	2025	\$623,700	\$2,742,300	\$3,399,328	\$15,734,634
	2026	\$623,700	\$3,366,000	\$3,043,108	\$18,777,742
	2027	\$623,700	\$3,989,700	\$2,686,888	\$21,464,630
	2028	\$623,700	\$4,613,400	\$2,330,668	\$23,795,297
	2029	\$623,700	\$5,237,100	\$1,974,447	\$25,769,744
	2030	\$623,700	\$5,860,800	\$1,618,227	\$27,387,971
	2031	\$623,700	\$6,484,500	\$1,262,007	\$28,649,978
	Maintain Viable Presence (5 Years)	2032	\$1,529,487	\$8,013,987	\$0
2033		\$1,173,266	\$9,187,253	\$0	\$28,649,978
2034		\$1,020,516	\$10,207,769	\$0	\$28,649,978
2035		\$1,020,367	\$11,228,136	\$0	\$28,649,978
2036		\$1,020,219	\$12,248,355	\$0	\$28,649,978
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$1,020,070	\$13,268,425	\$0	\$28,649,978
	2038	\$1,019,922	\$14,288,347	\$0	\$28,649,978
	2039	\$1,019,773	\$15,308,120	\$0	\$28,649,978
	2040	\$1,019,625	\$16,327,745	\$0	\$28,649,978
	2041	\$1,019,476	\$17,347,221	\$0	\$28,649,978
	2042	\$1,019,328	\$18,366,549	\$0	\$28,649,978
	2043	\$1,019,179	\$19,385,728	\$0	\$28,649,978
	2044	\$1,019,031	\$20,404,759	\$0	\$28,649,978
	2045	\$1,018,882	\$21,423,641	\$0	\$28,649,978
	2046	\$1,018,734	\$22,442,375	\$0	\$28,649,978
		\$22,442,375	is less than	\$28,649,978	
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, White Mesa Wind, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2019	0	0	0	\$0	\$0	\$0	0	0	\$0
2020	50	255	304.69	\$2,500,000	\$17,520,000	\$20,020,000	2150000	-560000	\$2,710,000
2021	266	2,146	2412	\$13,300,000	\$149,660,000	\$162,960,000	18120000	-4230000	\$22,350,000
2022	9	91	100	\$405,900	\$20,224,100	\$20,630,000	840000	1870000	-\$1,030,000
2023	9	16	25	\$405,900	\$12,044,100	\$12,450,000	560000	1850000	-\$1,290,000
2024	9	(30)	-21	\$405,900	\$5,944,100	\$6,350,000	400000	1760000	-\$1,360,000
2025	9	(50)	-41	\$405,900	\$2,154,100	\$2,560,000	270000	1630000	-\$1,360,000
2026	9	(60)	-51	\$405,900	-\$645,900	-\$240,000	160000	1450000	-\$1,290,000
2027	9	(58)	-49	\$405,900	-\$1,625,900	-\$1,220,000	110000	1270000	-\$1,160,000
2028	9	(58)	-49	\$405,900	-\$2,845,900	-\$2,440,000	10000	1090000	-\$1,080,000
2029	9	(50)	-41	\$405,900	-\$3,095,900	-\$2,690,000	-20000	980000	-\$1,000,000
2030	9	(44)	-35	\$405,900	-\$3,575,900	-\$3,170,000	-20000	820000	-\$840,000
2031	9	(38)	-29	\$405,900	-\$3,095,900	-\$2,690,000	-50000	660000	-\$710,000
2032	9	(30)	-21	\$405,900	-\$3,335,900	-\$2,930,000	-100000	540000	-\$640,000
2033	9	(29)	-20	\$405,900	-\$2,845,900	-\$2,440,000	-80000	420000	-\$500,000
2034	9	(25)	-16	\$405,900	-\$2,355,900	-\$1,950,000	-130000	330000	-\$460,000
2035	9	(25)	-16	\$405,900	-\$3,095,900	-\$2,690,000	-180000	240000	-\$420,000
2036	9	(25)	-16	\$405,900	-\$2,605,900	-\$2,200,000	-180000	140000	-\$320,000
2037	9	(21)	-12	\$405,900	-\$2,605,900	-\$2,200,000	-200000	40000	-\$240,000
2038	9	(21)	-12	\$405,900	-\$2,845,900	-\$2,440,000	-270000	-30000	-\$240,000
2039	9	(25)	-16	\$405,900	-\$2,605,900	-\$2,200,000	-320000	-130000	-\$190,000
2040	9	(27)	-18	\$405,900	-\$3,825,900	-\$3,420,000	-380000	-210000	-\$170,000
2041	9	(27)	-18	\$405,900	-\$3,825,900	-\$3,420,000	-410000	-280000	-\$130,000
2042	9	(30)	-21	\$405,900	-\$4,315,900	-\$3,910,000	-440000	-320000	-\$120,000
2043	9	(32)	-23	\$405,900	-\$4,315,900	-\$3,910,000	-460000	-360000	-\$100,000
2044	9	(38)	-29	\$405,900	-\$4,795,900	-\$4,390,000	-470000	-370000	-\$100,000
2045	9	(34)	-25	\$405,900	-\$4,795,900	-\$4,390,000	-500000	-480000	-\$20,000
2046	9	(38)	-29	\$405,900	-\$4,795,900	-\$4,390,000	-460000	-490000	\$30,000
						Total	\$17,950,000	\$7,630,000	\$10,320,000
							\$32,762,375	is greater than	\$28,649,978
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.