



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 2, 2019

AMENDED CERTIFICATION

Raul Chavarria
Superintendent
Crockett County Consolidated Common School District
797 Ave D
P.O. box 400
Ozona, Texas 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 March 15, 2019, Comptroller received an amendment to the agreement to move the start of the limitation from 2020 to 2021 and decrease the project size. 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 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.

	Original	Amendment No. 1
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 Consolidated CSD	Crockett County Consolidated CSD
2017-2018 Average Daily Attendance	693	693
County	Crockett	Crockett
Proposed Total Investment in District	\$600,000,000	\$457,942,743
Proposed Qualified Investment	\$600,000,000	\$457,942,743
Limitation Amount	\$25,000,000	\$25,000,000
Qualifying Time Period (Full Years)	2019-2020	2019-2020
Number of new qualifying jobs committed to by applicant	10*	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	\$60,000,000	\$50,882,527
Estimated M&O levy without any limit (15 years)	\$79,823,088	\$49,512,769
Estimated M&O levy with Limitation (15 years)	\$25,012,396	\$18,328,063
Estimated gross M&O tax benefit (15 years)	\$54,810,692	\$31,184,706

* 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	266	236	502	\$13,300,000	\$20,700,000	\$34,000,000
2021	9	30	39	\$405,900	\$4,594,100	\$5,000,000
2022	9	22	31	\$405,900	\$3,594,100	\$4,000,000
2023	9	18	27	\$405,900	\$3,594,100	\$4,000,000
2024	9	12	21	\$405,900	\$2,594,100	\$3,000,000
2025	9	22	31	\$405,900	\$2,594,100	\$3,000,000
2026	9	14	23	\$405,900	\$2,594,100	\$3,000,000
2027	9	20	29	\$405,900	\$2,594,100	\$3,000,000
2028	9	18	27	\$405,900	\$2,594,100	\$3,000,000
2029	9	16	25	\$405,900	\$2,594,100	\$3,000,000
2030	9	16	25	\$405,900	\$1,594,100	\$2,000,000
2031	9	9	18	\$405,900	\$2,594,100	\$3,000,000
2032	9	9	18	\$405,900	\$1,594,100	\$2,000,000
2033	9	7	16	\$405,900	\$1,594,100	\$2,000,000
2034	9	9	18	\$405,900	\$1,594,100	\$2,000,000
2035	9	9	18	\$405,900	\$594,100	\$1,000,000

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 City Groundwater District Tax Levy	Estimated Total Property Taxes
				0.1440	1.0600		0.9500	0.2236	
2021	\$439,625,033	\$439,625,033		\$633,060	\$4,660,025	\$5,293,085	\$4,176,438	\$983,002	\$10,452,525
2022	\$421,307,324	\$421,307,324		\$606,683	\$4,465,858	\$5,072,540	\$4,002,420	\$942,043	\$10,017,003
2023	\$402,989,614	\$402,989,614		\$580,305	\$4,271,690	\$4,851,995	\$3,828,401	\$901,085	\$9,581,481
2024	\$384,671,904	\$384,671,904		\$553,928	\$4,077,522	\$4,631,450	\$3,654,383	\$860,126	\$9,145,959
2025	\$366,354,194	\$366,354,194		\$527,550	\$3,883,354	\$4,410,904	\$3,480,365	\$819,168	\$8,710,437
2026	\$348,036,485	\$348,036,485		\$501,173	\$3,689,187	\$4,190,359	\$3,306,347	\$778,210	\$8,274,915
2027	\$329,718,775	\$329,718,775		\$474,795	\$3,495,019	\$3,969,814	\$3,132,328	\$737,251	\$7,839,394
2028	\$311,401,065	\$311,401,065		\$448,418	\$3,300,851	\$3,749,269	\$2,958,310	\$696,293	\$7,403,872
2029	\$293,083,356	\$293,083,356		\$422,040	\$3,106,684	\$3,528,724	\$2,784,292	\$655,334	\$6,968,350
2030	\$274,765,646	\$274,765,646		\$395,663	\$2,912,516	\$3,308,178	\$2,610,274	\$614,376	\$6,532,828
2031	\$256,447,936	\$256,447,936		\$369,285	\$2,718,348	\$3,087,633	\$2,436,255	\$573,418	\$6,097,306
2032	\$238,130,226	\$238,130,226		\$342,908	\$2,524,180	\$2,867,088	\$2,262,237	\$532,459	\$5,661,784
2033	\$219,812,517	\$219,812,517		\$316,530	\$2,330,013	\$2,646,543	\$2,088,219	\$491,501	\$5,226,262
2034	\$201,494,807	\$201,494,807		\$290,153	\$2,135,845	\$2,425,997	\$1,914,201	\$450,542	\$4,790,741
2035	\$183,177,097	\$183,177,097		\$263,775	\$1,941,677	\$2,205,452	\$1,740,182	\$409,584	\$4,355,219
			Total	\$6,726,263	\$49,512,769	\$56,239,032	\$44,374,652	\$10,444,392	\$111,058,076

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 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	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 City Groundwater District Tax Levy	Estimated Total Property Taxes
				0.1440	1.0600		0.9500	0.2236	
2021	\$439,625,033	\$63,000,000		\$633,060	\$667,800	\$1,300,860	\$1,044,109	\$983,002	\$3,327,971
2022	\$421,307,324	\$63,000,000		\$606,683	\$667,800	\$1,274,483	\$1,000,605	\$942,043	\$3,217,131
2023	\$402,989,614	\$63,000,000		\$580,305	\$667,800	\$1,248,105	\$957,100	\$901,085	\$3,106,290
2024	\$384,671,904	\$63,000,000		\$553,928	\$667,800	\$1,221,728	\$1,461,753	\$860,126	\$3,543,607
2025	\$366,354,194	\$63,000,000		\$527,550	\$667,800	\$1,195,350	\$1,392,146	\$819,168	\$3,406,664
2026	\$348,036,485	\$63,000,000		\$501,173	\$667,800	\$1,168,973	\$1,322,539	\$778,210	\$3,269,721
2027	\$329,718,775	\$63,000,000		\$474,795	\$667,800	\$1,142,595	\$1,566,164	\$737,251	\$3,446,010
2028	\$311,401,065	\$63,000,000		\$448,418	\$667,800	\$1,116,218	\$1,479,155	\$696,293	\$3,291,665
2029	\$293,083,356	\$63,000,000		\$422,040	\$667,800	\$1,089,840	\$1,392,146	\$655,334	\$3,137,320
2030	\$274,765,646	\$63,000,000		\$395,663	\$667,800	\$1,063,463	\$1,305,137	\$614,376	\$2,982,975
2031	\$256,447,936	\$256,447,936		\$369,285	\$2,718,348	\$3,087,633	\$2,436,255	\$573,418	\$6,097,306
2032	\$238,130,226	\$238,130,226		\$342,908	\$2,524,180	\$2,867,088	\$2,262,237	\$532,459	\$5,661,784
2033	\$219,812,517	\$219,812,517		\$316,530	\$2,330,013	\$2,646,543	\$2,088,219	\$491,501	\$5,226,262
2034	\$201,494,807	\$201,494,807		\$290,153	\$2,135,845	\$2,425,997	\$1,914,201	\$450,542	\$4,790,741
2035	\$183,177,097	\$183,177,097		\$263,775	\$1,941,677	\$2,205,452	\$1,740,182	\$409,584	\$4,355,219
			Total	\$6,726,263	\$18,328,063	\$25,054,326	\$23,361,949	\$10,444,392	\$58,860,667
			Diff	\$0	\$31,184,706	\$31,184,706	\$21,012,703	\$0	\$52,197,409
Assumes School Value Limitation and Tax Abatements with the County.									

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	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2021	\$623,700	\$623,700	\$3,728,588	\$3,728,588
	2022	\$623,700	\$1,247,400	\$3,547,243	\$7,275,830
	2023	\$623,700	\$1,871,100	\$3,365,897	\$10,641,728
	2024	\$623,700	\$2,494,800	\$3,184,552	\$13,826,279
	2025	\$623,700	\$3,118,500	\$3,003,207	\$16,829,486
	2026	\$623,700	\$3,742,200	\$2,821,861	\$19,651,347
	2027	\$623,700	\$4,365,900	\$2,640,516	\$22,291,863
	2028	\$623,700	\$4,989,600	\$2,459,171	\$24,751,034
	2029	\$623,700	\$5,613,300	\$2,277,825	\$27,028,859
	2030	\$623,700	\$6,237,000	\$2,096,480	\$29,125,339
Maintain Viable Presence (5 Years)	2031	\$2,538,835	\$8,775,835	\$0	\$29,125,339
	2032	\$2,357,489	\$11,133,324	\$0	\$29,125,339
	2033	\$2,176,144	\$13,309,468	\$0	\$29,125,339
	2034	\$1,994,799	\$15,304,266	\$0	\$29,125,339
	2035	\$1,813,453	\$17,117,720	\$0	\$29,125,339
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$1,632,108	\$18,749,828	\$0	\$29,125,339
	2037	\$1,450,763	\$20,200,590	\$0	\$29,125,339
	2038	\$1,269,417	\$21,470,007	\$0	\$29,125,339
	2039	\$1,088,072	\$22,558,079	\$0	\$29,125,339
	2040	\$906,727	\$23,464,806	\$0	\$29,125,339
	2041	\$906,727	\$24,371,533	\$0	\$29,125,339
	2042	\$906,727	\$25,278,259	\$0	\$29,125,339
	2043	\$906,727	\$26,184,986	\$0	\$29,125,339
	2044	\$906,727	\$27,091,713	\$0	\$29,125,339
	2045	\$906,727	\$27,998,439	\$0	\$29,125,339

\$27,998,439

is less than

\$29,125,339

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, 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	266	236	502	\$13,300,000	\$20,700,000	\$34,000,000	1720000	-920000	\$2,640,000
2021	9	30	39	\$405,900	\$4,594,100	\$5,000,000	320000	320000	\$0
2022	9	22	31	\$405,900	\$3,594,100	\$4,000,000	270000	330000	-\$60,000
2023	9	18	27	\$405,900	\$3,594,100	\$4,000,000	240000	310000	-\$70,000
2024	9	12	21	\$405,900	\$2,594,100	\$3,000,000	220000	300000	-\$80,000
2025	9	22	31	\$405,900	\$2,594,100	\$3,000,000	240000	270000	-\$30,000
2026	9	14	23	\$405,900	\$2,594,100	\$3,000,000	240000	270000	-\$30,000
2027	9	20	29	\$405,900	\$2,594,100	\$3,000,000	250000	250000	\$0
2028	9	18	27	\$405,900	\$2,594,100	\$3,000,000	210000	230000	-\$20,000
2029	9	16	25	\$405,900	\$2,594,100	\$3,000,000	190000	240000	-\$50,000
2030	9	16	25	\$405,900	\$1,594,100	\$2,000,000	170000	220000	-\$50,000
2031	9	9	18	\$405,900	\$2,594,100	\$3,000,000	130000	190000	-\$60,000
2032	9	9	18	\$405,900	\$1,594,100	\$2,000,000	100000	180000	-\$80,000
2033	9	7	16	\$405,900	\$1,594,100	\$2,000,000	80000	110000	-\$30,000
2034	9	9	18	\$405,900	\$1,594,100	\$2,000,000	80000	100000	-\$20,000
2035	9	9	18	\$405,900	\$594,100	\$1,000,000	40000	60000	-\$20,000
2036	9	7	16	\$405,900	\$594,100	\$1,000,000	10000	20000	-\$10,000
2037	9	5	14	\$405,900	\$594,100	\$1,000,000	10000	-10000	\$20,000
2038	9	1	10	\$405,900	\$594,100	\$1,000,000	20000	-10000	\$30,000
2039	9	9	18	\$405,900	\$1,594,100	\$2,000,000	30000	-70000	\$100,000
2040	9	7	16	\$405,900	\$594,100	\$1,000,000	0	-110000	\$110,000
2041	9	9	18	\$405,900	\$594,100	\$1,000,000	-20000	-140000	\$120,000
2042	9	9	18	\$405,900	\$594,100	\$1,000,000	-30000	-140000	\$110,000
2043	9	5	14	\$405,900	\$594,100	\$1,000,000	20000	-200000	\$220,000
2044	9	3	12	\$405,900	\$594,100	\$1,000,000	20000	-190000	\$210,000
2045	9	5	14	\$405,900	\$594,100	\$1,000,000	-30000	-270000	\$240,000
2046	9	5	14	\$405,900	\$1,594,100	\$2,000,000	80000	-240000	\$320,000
Total							\$4,610,000	\$1,100,000	\$3,510,000
							\$31,508,439	is greater than	\$29,125,339

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.