



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 24, 2019

AMENDED CERTIFICATION

Jeff Ballard
Superintendent
Prairiland Independent School District
466 FM 196 South
Pattonville, TX 75468

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Prairiland Independent School District and G.S.E. Twelve, LLC, Application 1288

Dear Superintendent Ballard:

This application (Application 1288) was originally submitted on August 27, 2018, to the Prairiland Independent School District (school district) by G.S.E. Twelve, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On November 28, 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 January 9, 2019. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on February 25, 2019.

On March 29, 2019, Comptroller received an amendment to the agreement to reduce the number of qualified jobs and revise the reinvestment zone. 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 G.S.E. Twelve, LLC (project) applying to Prairiland Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of G.S.E. Twelve, LLC.

	Original	Amendment No. 1
Applicant	G.S.E. Twelve, LLC	G.S.E. Twelve, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Prairiland ISD	Prairiland ISD
2017-2018 Average Daily Attendance	1,076	1,076
County	Lamar	Lamar
Proposed Total Investment in District	\$240,000,000	\$240,000,000
Proposed Qualified Investment	\$240,000,000	\$240,000,000
Limitation Amount	\$20,000,000	\$20,000,000
Qualifying Time Period (Full Years)	2020-2021	2020-2021
Number of new qualifying jobs committed to by applicant	10	2*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$818	\$818
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$818	\$818
Minimum annual wage committed to by applicant for qualified jobs	\$42,529	\$42,529
Minimum weekly wage required for non-qualifying jobs	\$816	\$816
Minimum annual wage required for non-qualifying jobs	\$42,407	\$42,407
Investment per Qualifying Job	\$24,000,000	\$120,000,000
Estimated M&O levy without any limit (15 years)	\$16,598,400	\$16,598,400
Estimated M&O levy with Limitation (15 years)	\$4,576,000	\$4,576,000
Estimated gross M&O tax benefit (15 years)	\$12,022,400	\$12,022,400

* 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 G.S.E. Twelve, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	300	261	561	\$12,758,790	\$22,271,210	\$35,030,000
2020	302	270	572.27	\$12,843,849	\$26,946,151	\$39,790,000
2021	2	19	21	\$85,059	\$6,384,941	\$6,470,000
2022	2	(0)	2	\$85,059	\$3,824,941	\$3,910,000
2023	2	(12)	-10	\$85,059	\$2,114,941	\$2,200,000
2024	2	(20)	-18	\$85,059	\$764,941	\$850,000
2025	2	(16)	-14	\$85,059	-\$85,059	\$0
2026	2	(16)	-14	\$85,059	-\$455,059	-\$370,000
2027	2	(14)	-12	\$85,059	-\$575,059	-\$490,000
2028	2	(12)	-10	\$85,059	-\$815,059	-\$730,000
2029	2	(12)	-10	\$85,059	-\$575,059	-\$490,000
2030	2	(8)	-6	\$85,059	-\$1,065,059	-\$980,000
2031	2	(10)	-8	\$85,059	-\$815,059	-\$730,000
2032	2	(6)	-4	\$85,059	-\$815,059	-\$730,000
2033	2	(6)	-4	\$85,059	-\$575,059	-\$490,000
2034	2	(8)	-6	\$85,059	-\$575,059	-\$490,000

Source: CPA REMI, G.S.E. Twelve, 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*	Prairiland ISD I&S Tax Levy	Prairiland ISD M&O Tax Levy	Prairiland ISD M&O and I&S Tax Levies	Lamar County Tax Levy	Paris Junior College Tax Levy	Estimated Total Property Taxes
			0.1295		1.0400		0.3943	0.0850	
2020	\$60,000,000	\$60,000,000		\$77,700	\$624,000	\$701,700	\$236,580	\$51,000	\$989,280
2021	\$240,000,000	\$240,000,000		\$310,800	\$2,496,000	\$2,806,800	\$946,320	\$204,000	\$3,957,120
2022	\$216,000,000	\$216,000,000		\$279,720	\$2,246,400	\$2,526,120	\$851,688	\$183,600	\$3,561,408
2023	\$192,000,000	\$192,000,000		\$248,640	\$1,996,800	\$2,245,440	\$757,056	\$163,200	\$3,165,696
2024	\$168,000,000	\$168,000,000		\$217,560	\$1,747,200	\$1,964,760	\$662,424	\$142,800	\$2,769,984
2025	\$144,000,000	\$144,000,000		\$186,480	\$1,497,600	\$1,684,080	\$567,792	\$122,400	\$2,374,272
2026	\$120,000,000	\$120,000,000		\$155,400	\$1,248,000	\$1,403,400	\$473,160	\$102,000	\$1,978,560
2027	\$96,000,000	\$96,000,000		\$124,320	\$998,400	\$1,122,720	\$378,528	\$81,600	\$1,582,848
2028	\$72,000,000	\$72,000,000		\$93,240	\$748,800	\$842,040	\$283,896	\$61,200	\$1,187,136
2029	\$48,000,000	\$48,000,000		\$62,160	\$499,200	\$561,360	\$189,264	\$40,800	\$791,424
2030	\$48,000,000	\$48,000,000		\$62,160	\$499,200	\$561,360	\$189,264	\$40,800	\$791,424
2031	\$48,000,000	\$48,000,000		\$62,160	\$499,200	\$561,360	\$189,264	\$40,800	\$791,424
2032	\$48,000,000	\$48,000,000		\$62,160	\$499,200	\$561,360	\$189,264	\$40,800	\$791,424
2033	\$48,000,000	\$48,000,000		\$62,160	\$499,200	\$561,360	\$189,264	\$40,800	\$791,424
2034	\$48,000,000	\$48,000,000		\$62,160	\$499,200	\$561,360	\$189,264	\$40,800	\$791,424
			Total	\$2,066,820	\$16,598,400	\$18,665,220	\$6,293,028	\$1,356,600	\$26,314,848

Source: CPA, G.S.E. Twelve, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Lamar 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		Prairiland ISD I&S Tax Levy	Prairiland ISD M&O Tax Levy	Prairiland ISD M&O and I&S Tax Levies	Lamar County Tax Levy	Paris Junior College Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1295	1.0400		0.3943	0.0850	
2020	\$60,000,000	\$20,000,000		\$77,700	\$208,000	\$285,700	\$82,803	\$51,000	\$419,503
2021	\$240,000,000	\$20,000,000		\$310,800	\$208,000	\$518,800	\$331,212	\$204,000	\$1,054,012
2022	\$216,000,000	\$20,000,000		\$279,720	\$208,000	\$487,720	\$298,091	\$183,600	\$969,411
2023	\$192,000,000	\$20,000,000		\$248,640	\$208,000	\$456,640	\$264,970	\$163,200	\$884,810
2024	\$168,000,000	\$20,000,000		\$217,560	\$208,000	\$425,560	\$231,848	\$142,800	\$800,208
2025	\$144,000,000	\$20,000,000		\$186,480	\$208,000	\$394,480	\$198,727	\$122,400	\$715,607
2026	\$120,000,000	\$20,000,000		\$155,400	\$208,000	\$363,400	\$165,606	\$102,000	\$631,006
2027	\$96,000,000	\$20,000,000		\$124,320	\$208,000	\$332,320	\$132,485	\$81,600	\$546,405
2028	\$72,000,000	\$20,000,000		\$93,240	\$208,000	\$301,240	\$99,364	\$61,200	\$461,804
2029	\$48,000,000	\$20,000,000		\$62,160	\$208,000	\$270,160	\$189,264	\$40,800	\$500,224
2030	\$48,000,000	\$48,000,000		\$62,160	\$499,200	\$561,360	\$189,264	\$40,800	\$791,424
2031	\$48,000,000	\$48,000,000		\$62,160	\$499,200	\$561,360	\$189,264	\$40,800	\$791,424
2032	\$48,000,000	\$48,000,000		\$62,160	\$499,200	\$561,360	\$189,264	\$40,800	\$791,424
2033	\$48,000,000	\$48,000,000		\$62,160	\$499,200	\$561,360	\$189,264	\$40,800	\$791,424
2034	\$48,000,000	\$48,000,000		\$62,160	\$499,200	\$561,360	\$189,264	\$40,800	\$791,424
			Total	\$2,066,820	\$4,576,000	\$6,642,820	\$2,940,689	\$1,356,600	\$10,940,109
			Diff	\$0	\$12,022,400	\$12,022,400	\$3,352,339	\$0	\$15,374,739

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, G.S.E. Twelve, 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 G.S.E. Twelve, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2020	\$208,000	\$208,000	\$416,000	\$416,000
	2021	\$208,000	\$416,000	\$2,288,000	\$2,704,000
	2022	\$208,000	\$624,000	\$2,038,400	\$4,742,400
	2023	\$208,000	\$832,000	\$1,788,800	\$6,531,200
	2024	\$208,000	\$1,040,000	\$1,539,200	\$8,070,400
	2025	\$208,000	\$1,248,000	\$1,289,600	\$9,360,000
	2026	\$208,000	\$1,456,000	\$1,040,000	\$10,400,000
	2027	\$208,000	\$1,664,000	\$790,400	\$11,190,400
	2028	\$208,000	\$1,872,000	\$540,800	\$11,731,200
	2029	\$208,000	\$2,080,000	\$291,200	\$12,022,400
Maintain Viable Presence (5 Years)	2030	\$499,200	\$2,579,200	\$0	\$12,022,400
	2031	\$499,200	\$3,078,400	\$0	\$12,022,400
	2032	\$499,200	\$3,577,600	\$0	\$12,022,400
	2033	\$499,200	\$4,076,800	\$0	\$12,022,400
	2034	\$499,200	\$4,576,000	\$0	\$12,022,400
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$499,200	\$5,075,200	\$0	\$12,022,400
	2036	\$499,200	\$5,574,400	\$0	\$12,022,400
	2037	\$499,200	\$6,073,600	\$0	\$12,022,400
	2038	\$499,200	\$6,572,800	\$0	\$12,022,400
	2039	\$499,200	\$7,072,000	\$0	\$12,022,400
	2040	\$499,200	\$7,571,200	\$0	\$12,022,400
	2041	\$499,200	\$8,070,400	\$0	\$12,022,400
	2042	\$499,200	\$8,569,600	\$0	\$12,022,400
	2043	\$499,200	\$9,068,800	\$0	\$12,022,400
	2044	\$499,200	\$9,568,000	\$0	\$12,022,400

\$9,568,000

is less than

\$12,022,400

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.

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2019	300	261	561	\$12,758,790	\$22,271,210	\$35,030,000	1820000	-1030000	\$2,850,000
2020	302	270	572.27	\$12,843,849	\$26,946,151	\$39,790,000	1930000	-630000	\$2,560,000
2021	2	19	21	\$85,059	\$6,384,941	\$6,470,000	250000	760000	-\$510,000
2022	2	(0)	2	\$85,059	\$3,824,941	\$3,910,000	110000	690000	-\$580,000
2023	2	(12)	-10	\$85,059	\$2,114,941	\$2,200,000	60000	600000	-\$540,000
2024	2	(20)	-18	\$85,059	\$764,941	\$850,000	50000	530000	-\$480,000
2025	2	(16)	-14	\$85,059	-\$85,059	\$0	-20000	440000	-\$460,000
2026	2	(16)	-14	\$85,059	-\$455,059	-\$370,000	-20000	360000	-\$380,000
2027	2	(14)	-12	\$85,059	-\$575,059	-\$490,000	-50000	270000	-\$320,000
2028	2	(12)	-10	\$85,059	-\$815,059	-\$730,000	-50000	190000	-\$240,000
2029	2	(12)	-10	\$85,059	-\$575,059	-\$490,000	-30000	140000	-\$170,000
2030	2	(8)	-6	\$85,059	-\$1,065,059	-\$980,000	-70000	70000	-\$140,000
2031	2	(10)	-8	\$85,059	-\$815,059	-\$730,000	-110000	10000	-\$120,000
2032	2	(6)	-4	\$85,059	-\$815,059	-\$730,000	-100000	-10000	-\$90,000
2033	2	(6)	-4	\$85,059	-\$575,059	-\$490,000	-110000	-80000	-\$30,000
2034	2	(8)	-6	\$85,059	-\$575,059	-\$490,000	-140000	-130000	-\$10,000
2035	2	(6)	-4	\$85,059	-\$815,059	-\$730,000	-200000	-200000	\$0
2036	2	(6)	-4	\$85,059	-\$1,305,059	-\$1,220,000	-210000	-280000	\$70,000
2037	2	(6)	-4	\$85,059	-\$1,305,059	-\$1,220,000	-240000	-340000	\$100,000
2038	2	(10)	-8	\$85,059	-\$1,795,059	-\$1,710,000	-260000	-400000	\$140,000
2039	2	(10)	-8	\$85,059	-\$1,545,059	-\$1,460,000	-260000	-450000	\$190,000
2040	2	(16)	-14	\$85,059	-\$2,775,059	-\$2,690,000	-320000	-520000	\$200,000
2041	2	(14)	-12	\$85,059	-\$2,525,059	-\$2,440,000	-320000	-590000	\$270,000
2042	2	(16)	-14	\$85,059	-\$2,525,059	-\$2,440,000	-320000	-580000	\$260,000
2043	2	(20)	-18	\$85,059	-\$3,015,059	-\$2,930,000	-320000	-600000	\$280,000
2044	2	(20)	-18	\$85,059	-\$3,505,059	-\$3,420,000	-340000	-570000	\$230,000
2045	2	(18)	-16	\$85,059	-\$3,995,059	-\$3,910,000	-380000	-640000	\$260,000
2046	2	(18)	-16	\$85,059	-\$3,505,059	-\$3,420,000	-290000	-630000	\$340,000
Total							\$60,000	-\$3,620,000	\$3,680,000
							\$13,248,000	is greater than	\$12,022,400
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.