

**FINDINGS**  
of the  
***CARRIZO SPRINGS***  
***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**

***SHAKES SOLAR, LLC***

***Comptroller Application Number 1297***

**March 26, 2019**

**RESOLUTION AND FINDINGS OF FACT**  
**of the**  
**CARRIZO SPRINGS 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 SHAKES SOLAR, LLC**

STATE OF TEXAS §  
COUNTY OF DIMMIT §  
CARRIZO SPRINGS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT §

**PREAMBLE**

On the 26<sup>th</sup> day of March, 2019, a public meeting of the Board of Trustees of the Carrizo Springs Consolidated Independent School District (the “Board”) was held to solicit input from interested parties on the application by Shakes Solar, LLC (“Shakes Solar” 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 Shakes Solar 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 Carrizo Springs 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 18<sup>th</sup> day of September, 2018, the Board of Trustees for the Carrizo Springs Consolidated Independent School District received an Application for Appraised Value Limitation on Qualified Property from Shakes Solar, 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, the development of a utility-scale photovoltaic solar energy project (the “Property”). *See* Application, page 4, Section 6.2.5, and Tab 8, 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 September 26, 2018. Thereafter, on or about November 8, 2018, the District on behalf of the Applicant, received and then submitted pages to the Comptroller for Amendment No. 01 (revised section 9, Tabs 7, 8, 11, and Schedules A1-C), and the Comptroller issued its notice of completeness and determined the Application complete as of November 30, 2018, the Application Review Start Date. On or about March 21, 2019, the District received Supplement No. 1

(corrections to Tab 16). The Application, Amendment No. 01 and Supplement No. 1 are hereafter collectively referred to as the “Application.” A copy of the Application and Comptroller’s completeness letter of November 30, 2018 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Shakes Solar, LLC is 32060985267. Shakes Solar 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 Dimmit Central 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 January 9, 2019 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 Carrizo Springs Consolidated Independent School District. A copy of a report prepared by Moak, Casey & Associates and dated January 17, 2019, is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of industrial property applicable to the Shakes Solar Application in the Carrizo Springs 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 1 of §313.054 of the Texas Tax Code at the time the Application was deemed complete by the Comptroller. *See* “2018 Preliminary 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 Shakes Solar 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 March 12, 2019, 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 Shakes Solar’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 8) 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 25<sup>th</sup> 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'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.

*See Attachment C.*

Also in support of Finding Number 2, the Comptroller's Economic Impact Analysis states:

**Attachment B - Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start**

This [table] represents the Comptroller's determination that Shakes Solar, 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 directly related to this project, using estimated taxable values provided in the application.

*[see table on next page]*

	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)
<b>Limitation Pre-Years</b>	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2021	\$318,000	\$318,000	\$1,456,864	\$1,456,864
	2022	\$318,000	\$636,000	\$1,302,528	\$2,759,392
	2023	\$318,000	\$954,000	\$1,148,192	\$3,907,584
	2024	\$318,000	\$1,272,000	\$993,856	\$4,901,440
	2025	\$318,000	\$1,590,000	\$839,520	\$5,740,960
	2026	\$318,000	\$1,908,000	\$685,184	\$6,426,144
	2027	\$318,000	\$2,226,000	\$530,848	\$6,956,992
	2028	\$318,000	\$2,544,000	\$376,512	\$7,333,504
	2029	\$318,000	\$2,862,000	\$222,176	\$7,555,680
	2030	\$318,000	\$3,180,000	\$67,840	\$7,623,520
<b>Maintain Viable Presence (5 Years)</b>	2031	\$385,840	\$3,565,840	\$0	\$7,623,520
	2032	\$385,840	\$3,951,680	\$0	\$7,623,520
	2033	\$385,840	\$4,337,520	\$0	\$7,623,520
	2034	\$385,840	\$4,723,360	\$0	\$7,623,520
	2035	\$385,840	\$5,109,200	\$0	\$7,623,520
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2036	\$385,840	\$5,495,040	\$0	\$7,623,520
	2037	\$385,840	\$5,880,880	\$0	\$7,623,520
	2038	\$385,840	\$6,266,720	\$0	\$7,623,520
	2039	\$385,840	\$6,652,560	\$0	\$7,623,520
	2040	\$385,840	\$7,038,400	\$0	\$7,623,520
	2041	\$385,840	\$7,424,240	\$0	\$7,623,520
	2042	\$385,840	\$7,810,080	\$0	\$7,623,520
	2043	\$385,840	\$8,195,920	\$0	\$7,623,520
	2044	\$385,840	\$8,581,760	\$0	\$7,623,520
	2045	\$385,840	\$8,967,600	\$0	\$7,623,520

**\$8,967,600**

is greater than

**\$7,623,520**

<b>Analysis Summary</b>	
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

Source: CPA, Shakes Solar, LLC

**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.

**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 solar projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of highly skilled technicians to operate a solar energy project once construction operations cease and commercial operations begin. The permanent employees of a solar energy project maintain and service solar energy units, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. Typically, solar PV projects of 100 to 200 MW in size require three (3) full-time onsite employees, although this number varies depending on the units selected as well as the support and technical assistance offered by the PV manufacturer. In addition to the onsite employees described, there may be asset managers or technicians who supervise, monitor, and support the solar energy project operations from offsite locations. Applicant reports that it has committed to creating three (3) total jobs for this 200 MW project, which is consistent with industry standards reported by Applicant. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J.

#### **Board Finding Number 4.**

*The Applicant will create three (3) 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 \$28,200 (\$542 per week)<sup>1</sup>, an amount equal to at least 110% of the County average weekly wage for manufacturing jobs as defined under §313.021(5)(A); (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 \$1,021 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.

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<sup>1</sup> Comptroller weekly wage value is rounded from the wage reported by Applicant in Tab 1, §14.

## 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 Carrizo Springs 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 construction 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 Shakes Solar, 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:

- Shakes Solar, LLC is a wholly owned subsidiary of Cypress Creek Renewables, LLC
- Per Cypress Creek in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. "Our collective experience includes over 6.0 gigawatts of solar projects in the U.S., representing over \$2 billion of investment. Based on this experience, the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as well as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to: Georgia, Minnesota, Idaho, North Carolina, Indiana, South Carolina, Maryland and Oregon. For these reasons, Cypress Creek studies various competing sites throughout the market areas outside and inside the State of Texas where solar energy development is attractive. Without a Value Limitation program, Cypress Creek would seek to move to alternative sites OUTSIDE of the State of Texas."
  - B. "Shakes Solar, LLC is currently in a period of evaluation to determine whether the identified site in Carrizo Springs CISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the planned 200 MW Shakes

could be redeployed to other renewable energy development projects in other power markets in the United States."

- C. "Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate [sic] returns necessary to attract tax and sponsor equity investment."

See Attachment D.

### **Board Finding Number 7.**

***The proposed limitation on appraised value for the qualified property is \$30,000,000.***

The Comptroller's Minimum School District Limitation Values Report, effective as of January 1, 2019, provides that the District is a Subchapter C, Category 1 District, with a minimum limitation of \$30,000,000. See 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, the analysis prepared by Moak, Casey & Associates projects that the Project would add \$167,440,000 to the tax base for debt service purposes at the peak investment level for the 2021-22 school year (tax year 2021). See Table 5, Attachment E. The Project remains fully taxable for debt services taxes, with the District currently levying an I&S tax rate of \$0.0567 per \$100 taxable assessed value. See Attachment E, Table 1, p. 3. As a result, local taxpayers could see a potential benefit from the addition of the project to the local I&S tax roll. See Attachment E, Table 1, p. 3. In addition, the estimated potential revenue gains from Supplemental Payments as provided for in the proposed Agreement, are \$2,843,400. See Attachments E (last page dated 03/26/19) and H (Article VI).

**Board Finding Number 9.**

*The effect of the Applicant's proposed project is not expected to increase the District's instructional facility needs. Carrizo Springs CISD can easily accommodate the student growth anticipated from Applicant's project with its existing facilities.*

See 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 receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Table 5 of Attachment E (column labeled "Taxes after Value Limit"), and the total amount of M&O taxes that would be imposed on the qualified property with the limitation on appraised valued is estimated to be \$7,623,500.*

See also Attachment D, p. 1 and Table 4.

**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 not receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Table 5 of Attachment E (column labeled "Taxes before Value Limit"), and the total amount of M&O taxes that would be imposed on the qualified property without the limitation on appraised valued is estimated to be \$12,732,720.*

See also Attachment D, p. 1 and Table 3.

**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 record 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. 32060985267) 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 franchise-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 Texas Tax Code §312.2011, designation of an area as an enterprise zone under Chapter 2303 of the Texas Government Code constitutes designation of the area as a reinvestment zone under Chapter 312 of the Texas Tax Code. Dimmit County was a designated enterprise zone county in 2000 and 2010, and such designation as an enterprise zone remains intact until at least the public release of updated information by the Texas Economic Development Bank after the next federal decennial census. See Tex. Gov't Code §2303.109.*

***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 (Tab 16).

**Board Finding Number 15.**

***Prior to the approval of this Application, the Board has reviewed an aerial image of the project area retrieved from Google Earth. Based on this photo, it appears no construction has begun on the project site.***

See Attachment K.

**Board Finding Number 16.**

***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 certified by Applicant in its Application, the District's Financial Impact Analysis demonstrates that the District will incur a total estimated revenue loss of \$580,288 during tax years 2021-26 (SY 2021-22 through 2026-27). See Table 5 in Attachment E. 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 Estimated Financial Impact Table 5 dated 1/22/2019 at Attachment E, and proposed Agreement, Article IV at Attachment H.

**Board Finding Number 17.**

***The Board finds that there are no conflicts of interest at the time of its consideration of the Agreement.***

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 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.

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.

The Board further finds that it is unaware that a conflict of interest exists as to the Application for which these Findings are being made, as of the time of action on these Findings.

**Board Finding Number 18.**

*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 Shakes Solar's Application and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.*

**Board Finding Number 19.**

*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 Carrizo Springs 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 (f) 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 Carrizo Springs 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,

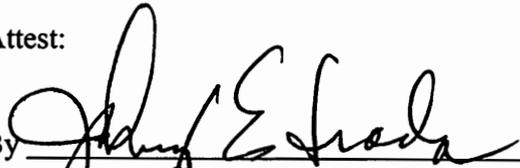
IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Carrizo Springs Consolidated Independent School District Board of Trustees.

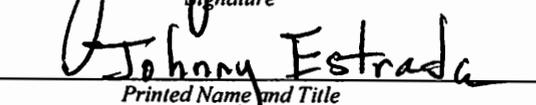
Dated this 26<sup>th</sup> day of March, 2019.

Carrizo Springs Consolidated Independent School District

By  \_\_\_\_\_  
*Signature*

  
*Printed Name and Title*

Attest:  
By  \_\_\_\_\_  
*Signature*

  
*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 2018 Preliminary Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's March 12, 2019 Agreement Review Letter
J	Job Waiver Request
K	Google Earth Satellite Image of Project Area as of 3/20/2019



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 30, 2018

Alberto Gonzales  
Superintendent  
Carrizo Springs Consolidated Independent School District  
300 N. 7<sup>th</sup> Street  
Carrizo Springs, Texas 78834

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Carrizo Springs Consolidated Independent School District and Shakes Solar, LLC, Application 1297

Dear Superintendent Gonzales:

On September 26, 2018, the Comptroller's office received Shakes Solar, LLC's (applicant) application for a limitation on appraised value (Application 1297) from Carrizo Springs 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 November 30, 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 90<sup>th</sup> 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 Ginger Flowers with our office. She can be reached by email at [ginger.flowers@cpa.texas.gov](mailto:ginger.flowers@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 5-0552 or at 512-475-0552.

Sincerely,

Will Counihan  
Director  
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.  
Geoff Fallon, Cypress Creek Renewables, LLC  
Nicko Keene, Cypress Creek Renewables, LLC  
Robert Pena, Jr., Texas Energy Consultants

See Application documents  
(Comptroller No. 1297)  
posted on Comptroller Website:  
posted on Comptroller Website (10/31/18), and  
Amendment No. 1 (posted 11/15/18)



## Franchise Tax Account Status

As of : 03/18/2019 16:11:51

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

SHAKES SOLAR, LLC	
<b>Texas Taxpayer Number</b>	32060985267
<b>Mailing Address</b>	211 E 7TH ST STE 620 AUSTIN, TX 78701-3218
<b>Right to Transact Business in Texas</b>	ACTIVE
<b>State of Formation</b>	TX
<b>Effective SOS Registration Date</b>	07/08/2016
<b>Texas SOS File Number</b>	0802494937
<b>Registered Agent Name</b>	CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO
<b>Registered Office Street Address</b>	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

See Certification Packet  
(Comptroller No. 1297)  
posted on Comptroller Website 01/09/19

See Certification Packet  
(Comptroller No. 1297)  
posted on Comptroller Website 01/09/19

**CHAPTER 313 PROPERTY VALUE LIMITATION  
FINANCIAL IMPACT OF THE PROPOSED SHAKES SOLAR,  
LLC PROJECT IN THE CARRIZO SPRINGS CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT  
(PROJECT # 1297)**

**PREPARED BY**



**JANUARY 17, 2019**

## Executive Summary

Shakes Solar, LLC (Company) has requested that the Carrizo Springs Consolidated Independent School District (CSCISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to CSCISD on September 18, 2018 the Company plans to invest \$167.4 million in new taxable value to construct a solar renewable energy electric generation facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Shakes Solar project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, CSCISD may offer a minimum value limitation of \$30 million. This value limitation, under the proposed application, will begin in the 2021-22 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report, incorporating the major legislative changes adopted in 2017. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to CSCISD	\$580,288
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the District.)	\$7.0 million

## Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. The Comptroller issued a Completeness Letter for this Application on November 30, 2018.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. The Certificate for this proposed Application was issued on January 9, 2019.

After the Comptroller's certificate is received, Underwood will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review prior to final adoption by the school district's board of trustees.

Prior to final board meeting, the District's legal counsel will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. The school board will also be asked to consider the adoption of a requested job waiver during this meeting.

## How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). (For more detailed information on the school finance funding system, please review the Texas Education Agency's website ([Manuals and Presentations](#)) or ([School Finance-One Page Descriptions](#)).

Because the general school finance formula system calculates state aid entitlements using the Comptroller's certified property value for the preceding year, the first year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state but require some type of compensation from the Company under the revenue protection provisions of the agreement. **If the full value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

## Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment remained at \$5,140 and the Tier II Austin yield increased to \$106.28 per WADA for 2018-19, which is maintained for future years.

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously-approved Chapter 313

projects are also factored into the M&O tax bases used. The impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes is beyond the scope of this revenue report.

ADA: 2,051  
 Local Tax Base: \$5.3 billion  
 M&O Tax Rate: \$1.06 per \$100  
 I&S Tax Rate: \$0.0567 per \$100  
 Wealth per WADA: \$1,797,892

Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

**Table 1 – Base District Information with Shakes Solar Project Value and Limitation Values**

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP0	2020-21	2,050.67	2,927.26	\$1.0600	\$0.0567	\$5,266,486,318	\$5,266,486,318	\$5,275,975,041	\$5,275,975,041	\$1,802,358	\$1,802,358
QTP2/VL2	2022-23	2,050.67	2,927.26	\$1.0600	\$0.0567	\$5,419,366,318	\$5,296,486,318	\$5,443,415,041	\$5,305,975,041	\$1,859,559	\$1,812,607
VL4	2024-25	2,050.67	2,927.26	\$1.0600	\$0.0567	\$5,390,246,318	\$5,296,486,318	\$5,414,295,041	\$5,305,975,041	\$1,849,611	\$1,812,607
VL6	2026-27	2,050.67	2,927.26	\$1.0600	\$0.0567	\$5,361,126,318	\$5,296,486,318	\$5,385,175,041	\$5,305,975,041	\$1,839,663	\$1,812,607
VL8	2028-29	2,050.67	2,927.26	\$1.0600	\$0.0567	\$5,332,006,318	\$5,296,486,318	\$5,356,055,041	\$5,305,975,041	\$1,829,715	\$1,812,607
VL10	2030-31	2,050.67	2,927.26	\$1.0600	\$0.0567	\$5,302,886,318	\$5,296,486,318	\$5,326,935,041	\$5,305,975,041	\$1,819,767	\$1,812,607
VP2	2032-33	2,050.67	2,927.26	\$1.0600	\$0.0567	\$5,302,886,318	\$5,302,886,318	\$5,312,375,041	\$5,312,375,041	\$1,814,793	\$1,814,793
VP4	2034-35	2,050.67	2,927.26	\$1.0600	\$0.0567	\$5,302,886,318	\$5,302,886,318	\$5,312,375,041	\$5,312,375,041	\$1,814,793	\$1,814,793
VP5	2035-36	2,050.67	2,927.26	\$1.0600	\$0.0567	\$5,302,886,318	\$5,302,886,318	\$5,312,375,041	\$5,312,375,041	\$1,814,793	\$1,814,793

\*Basic Allotment: \$5,140; AISD Yield: \$106.28; Equalized Wealth: \$514,000 per WADA

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

### M&O Impact of the Shakes Solar project on CSCISD

A model is established to make a calculation of the “Baseline Revenue Model” (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the “Value Limitation Revenue Model” (Table 3) by adding the project’s limited value of \$30 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$580,288 over the course of the Agreement, with most of the loss reflected in the first limitation year (2021-22 school year). Nearly all the reduction in M&O taxes under the limitation agreement would offset through a reduction in recapture costs owed to the state under current law.

**Table 2- "Baseline Revenue Model" --Project Value Added with No Value Limitation**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate		Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
<b>QTP0</b>	2019-20	\$51,707,595	\$588,877	-\$36,632,166	\$3,102,456	\$0	\$0	\$0	\$184,334	\$18,951,096
<b>QTP0</b>	2020-21	\$51,707,595	\$903,519	-\$36,632,166	\$3,102,456	\$0	\$0	\$0	\$184,334	\$19,265,738
QTP1/VL1	2021-22	\$53,375,995	\$588,877	-\$37,823,586	\$3,202,560	\$0	\$0	\$0	\$184,334	\$19,528,179
QTP2/VL2	2022-23	\$53,230,395	\$903,519	-\$38,188,848	\$3,193,824	\$0	\$0	\$0	\$184,334	\$19,323,224
VL3	2023-24	\$53,084,795	\$588,877	-\$38,044,047	\$3,185,088	\$0	\$0	\$0	\$184,334	\$18,999,046
VL4	2024-25	\$52,939,195	\$903,519	-\$37,899,251	\$3,176,352	\$0	\$0	\$0	\$184,334	\$19,304,149
VL5	2025-26	\$52,793,595	\$588,877	-\$37,754,459	\$3,167,616	\$0	\$0	\$0	\$184,334	\$18,979,963
VL6	2026-27	\$52,647,995	\$903,519	-\$37,609,671	\$3,158,880	\$0	\$0	\$0	\$184,334	\$19,285,056
VL7	2027-28	\$52,502,395	\$588,877	-\$37,464,888	\$3,150,144	\$0	\$0	\$0	\$184,334	\$18,960,862
VL8	2028-29	\$52,356,795	\$903,519	-\$37,320,109	\$3,141,408	\$0	\$0	\$0	\$184,334	\$19,265,946
VL9	2029-30	\$52,211,195	\$588,877	-\$37,175,334	\$3,132,672	\$0	\$0	\$0	\$184,334	\$18,941,743
VL10	2030-31	\$52,065,595	\$903,519	-\$37,030,565	\$3,123,936	\$0	\$0	\$0	\$184,334	\$19,246,819
<b>VP1</b>	2031-32	\$52,064,315	\$588,877	-\$36,989,143	\$3,123,859	\$0	\$0	\$0	\$184,334	\$18,972,241
<b>VP2</b>	2032-33	\$52,064,315	\$903,519	-\$36,989,143	\$3,123,859	\$0	\$0	\$0	\$184,334	\$19,286,883
<b>VP3</b>	2033-34	\$52,064,315	\$588,877	-\$36,989,143	\$3,123,859	\$0	\$0	\$0	\$184,334	\$18,972,241
<b>VP4</b>	2034-35	\$52,064,315	\$903,519	-\$36,989,143	\$3,123,859	\$0	\$0	\$0	\$184,334	\$19,286,883
<b>VP5</b>	2035-36	\$52,064,315	\$588,877	-\$36,989,143	\$3,123,859	\$0	\$0	\$0	\$184,334	\$18,972,241

QTP= Qualifying Time Period  
 VL= Value Limitation  
 VP= Viable Presence

**Table 3- "Value Limitation Revenue Model" --Project Value Added with Value Limit**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate		Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
<b>QTP0</b>	2019-20	\$51,707,595	\$588,877	-\$36,632,166	\$3,102,456	\$0	\$0	\$0	\$184,334	\$18,951,096
<b>QTP0</b>	2020-21	\$51,707,595	\$903,519	-\$36,632,166	\$3,102,456	\$0	\$0	\$0	\$184,334	\$19,265,738
QTP1/VL1	2021-22	\$52,001,595	\$588,877	-\$36,842,114	\$3,120,096	\$0	\$0	\$0	\$184,334	\$19,052,787
QTP2/VL2	2022-23	\$52,001,595	\$903,519	-\$36,926,378	\$3,120,096	\$0	\$0	\$0	\$184,334	\$19,283,165
VL3	2023-24	\$52,001,595	\$588,877	-\$36,926,378	\$3,120,096	\$0	\$0	\$0	\$184,334	\$18,968,523
VL4	2024-25	\$52,001,595	\$903,519	-\$36,926,378	\$3,120,096	\$0	\$0	\$0	\$184,334	\$19,283,165
VL5	2025-26	\$52,001,595	\$588,877	-\$36,926,378	\$3,120,096	\$0	\$0	\$0	\$184,334	\$18,968,523
VL6	2026-27	\$52,001,595	\$903,519	-\$36,926,378	\$3,120,096	\$0	\$0	\$0	\$184,334	\$19,283,165
VL7	2027-28	\$52,001,595	\$588,877	-\$36,926,378	\$3,120,096	\$0	\$0	\$0	\$184,334	\$18,968,523
VL8	2028-29	\$52,001,595	\$903,519	-\$36,926,378	\$3,120,096	\$0	\$0	\$0	\$184,334	\$19,283,165
VL9	2029-30	\$52,001,595	\$588,877	-\$36,926,378	\$3,120,096	\$0	\$0	\$0	\$184,334	\$18,968,523
VL10	2030-31	\$52,001,595	\$903,519	-\$36,926,378	\$3,120,096	\$0	\$0	\$0	\$184,334	\$19,283,165
<b>VP1</b>	2031-32	\$52,064,315	\$588,877	-\$36,971,269	\$3,123,859	\$0	\$0	\$0	\$184,334	\$18,990,116
<b>VP2</b>	2032-33	\$52,064,315	\$903,519	-\$36,989,143	\$3,123,859	\$0	\$0	\$0	\$184,334	\$19,286,883
<b>VP3</b>	2033-34	\$52,064,315	\$588,877	-\$36,989,143	\$3,123,859	\$0	\$0	\$0	\$184,334	\$18,972,241
<b>VP4</b>	2034-35	\$52,064,315	\$903,519	-\$36,989,143	\$3,123,859	\$0	\$0	\$0	\$184,334	\$19,286,883
<b>VP5</b>	2035-36	\$52,064,315	\$588,877	-\$36,989,143	\$3,123,859	\$0	\$0	\$0	\$184,334	\$18,972,241

QTP= Qualifying Time Period  
 VL= Value Limitation  
 VP= Viable Presence

**Table 4 – Value Limit less Project Value with No Limit**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
<b>QTP0</b>	2019-20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>QTP0</b>	2020-21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL2	2022-23	-\$1,228,800	\$0	\$1,262,470	-\$73,728	\$0	\$0	\$0	\$0	-\$40,058
VL4	2024-25	-\$937,600	\$0	\$972,872	-\$56,256	\$0	\$0	\$0	\$0	-\$20,984
VL6	2026-27	-\$646,400	\$0	\$683,293	-\$38,784	\$0	\$0	\$0	\$0	-\$1,891
VL8	2028-29	-\$355,200	\$0	\$393,731	-\$21,312	\$0	\$0	\$0	\$0	\$17,219
VL10	2030-31	-\$64,000	\$0	\$104,187	-\$3,840	\$0	\$0	\$0	\$0	\$36,347
<b>VP2</b>	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>VP4</b>	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>VP5</b>	2035-36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

***M&O Impact on the Taxpayer***

Under the assumptions used here, the potential tax savings from the value limitation total \$7.6 million over the life of the agreement. The CSCISD revenue losses are expected to total approximately \$580,288 over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$7.0 million, prior to any negotiations with Shakes Solar on supplemental payments. (See Table 5.)

***I&S Funding Impact on School District***

The project remains fully taxable for debt services taxes, with CSCISD currently levying a \$0.0567 per \$100 I&S tax rate. The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Local taxpayers should benefit from the addition of the Shakes Solar project to the local I&S tax roll. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

**Table 5 - Estimated Financial Impact of the Shakes Solar Project Property Value Limitation Request Submitted to CSCISD at \$1.0600 M&O Tax Rate**

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits	
<b>QTP0</b>	2019-20	\$0	\$0	\$0	\$1.060	\$0	\$0	\$0	\$0	\$0	
<b>QTP0</b>	2020-21	\$0	\$0	\$0	\$1.060	\$0	\$0	\$0	\$0	\$0	
QTP1/VL1	2021-22	\$167,440,000	\$30,000,000	\$137,440,000	\$1.060	\$1,774,864	\$318,000	\$1,456,864	-\$475,392	\$981,472	
QTP2/VL2	2022-23	\$152,880,000	\$30,000,000	\$122,880,000	\$1.060	\$1,620,528	\$318,000	\$1,302,528	-\$40,058	\$1,262,470	
VL3	2023-24	\$138,320,000	\$30,000,000	\$108,320,000	\$1.060	\$1,466,192	\$318,000	\$1,148,192	-\$30,523	\$1,117,669	
VL4	2024-25	\$123,760,000	\$30,000,000	\$93,760,000	\$1.060	\$1,311,856	\$318,000	\$993,856	-\$20,984	\$972,872	
VL5	2025-26	\$109,200,000	\$30,000,000	\$79,200,000	\$1.060	\$1,157,520	\$318,000	\$839,520	-\$11,440	\$828,080	
VL6	2026-27	\$94,640,000	\$30,000,000	\$64,640,000	\$1.060	\$1,003,184	\$318,000	\$685,184	-\$1,891	\$683,293	
VL7	2027-28	\$80,080,000	\$30,000,000	\$50,080,000	\$1.060	\$848,848	\$318,000	\$530,848	\$0	\$530,848	
VL8	2028-29	\$65,520,000	\$30,000,000	\$35,520,000	\$1.060	\$694,512	\$318,000	\$376,512	\$0	\$376,512	
VL9	2029-30	\$50,960,000	\$30,000,000	\$20,960,000	\$1.060	\$540,176	\$318,000	\$222,176	\$0	\$222,176	
VL10	2030-31	\$36,400,000	\$30,000,000	\$6,400,000	\$1.060	\$385,840	\$318,000	\$67,840	\$0	\$67,840	
<b>VP1</b>	2031-32	\$36,400,000	\$36,400,000	\$0	\$1.060	\$385,840	\$385,840	\$0	\$0	\$0	
<b>VP2</b>	2032-33	\$36,400,000	\$36,400,000	\$0	\$1.060	\$385,840	\$385,840	\$0	\$0	\$0	
<b>VP3</b>	2033-34	\$36,400,000	\$36,400,000	\$0	\$1.060	\$385,840	\$385,840	\$0	\$0	\$0	
<b>VP4</b>	2034-35	\$36,400,000	\$36,400,000	\$0	\$1.060	\$385,840	\$385,840	\$0	\$0	\$0	
<b>VP5</b>	2035-36	\$36,400,000	\$36,400,000	\$0	\$1.060	\$385,840	\$385,840	\$0	\$0	\$0	
							<b>\$12,732,720</b>	<b>\$5,109,200</b>	<b>\$7,623,520</b>	<b>-\$580,288</b>	<b>\$7,043,232</b>

QTP= Qualifying Time Period  
 VL= Value Limitation  
 VP= Viable Presence

**Note: School district revenue-loss estimates are subject to change based on numerous factors, including:**

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

**I&S Funding Impact on School District**

The project remains fully taxable for debt services taxes, with CSCISD currently levying a \$0.0567 per \$100 I&S tax rate. The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Local taxpayers should benefit from the addition of the Shakes Solar project to the local I&S tax roll. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.



**Estimated Financial Impact of the #1297 - Shakes Solar, LLC Chapter 313  
Property Value Limitation Request Submitted to Carrizo Springs Consolidated ISD**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits	School District Tax Benefit	Company Tax Benefit
QTP0	2019-20	\$0	\$0	\$0	\$1.060	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP0	2020-21	\$0	\$0	\$0	\$1.060	\$0	\$0	\$0	\$0	\$0	\$203,100	-\$203,100
<b>QTP1/VL1</b>	2021-22	\$167,440,000	\$30,000,000	\$137,440,000	\$1.060	\$1,774,864	\$318,000	\$1,456,864	-\$475,392	\$981,472	\$203,100	\$778,372
<b>QTP2/VL2</b>	2022-23	\$152,880,000	\$30,000,000	\$122,880,000	\$1.060	\$1,620,528	\$318,000	\$1,302,528	-\$40,058	\$1,262,470	\$203,100	\$1,059,370
<b>VL3</b>	2023-24	\$138,320,000	\$30,000,000	\$108,320,000	\$1.060	\$1,466,192	\$318,000	\$1,148,192	-\$30,523	\$1,117,669	\$203,100	\$914,569
<b>VL4</b>	2024-25	\$123,760,000	\$30,000,000	\$93,760,000	\$1.060	\$1,311,856	\$318,000	\$993,856	-\$20,984	\$972,872	\$203,100	\$769,772
<b>VL5</b>	2025-26	\$109,200,000	\$30,000,000	\$79,200,000	\$1.060	\$1,157,520	\$318,000	\$839,520	-\$11,440	\$828,080	\$203,100	\$624,980
<b>VL6</b>	2026-27	\$94,640,000	\$30,000,000	\$64,640,000	\$1.060	\$1,003,184	\$318,000	\$685,184	-\$1,891	\$683,293	\$203,100	\$480,193
<b>VL7</b>	2027-28	\$80,080,000	\$30,000,000	\$50,080,000	\$1.060	\$848,848	\$318,000	\$530,848	\$0	\$530,848	\$203,100	\$327,748
<b>VL8</b>	2028-29	\$65,520,000	\$30,000,000	\$35,520,000	\$1.060	\$694,512	\$318,000	\$376,512	\$0	\$376,512	\$203,100	\$173,412
<b>VL9</b>	2029-30	\$50,960,000	\$30,000,000	\$20,960,000	\$1.060	\$540,176	\$318,000	\$222,176	\$0	\$222,176	\$203,100	\$19,076
<b>VL10</b>	2030-31	\$36,400,000	\$30,000,000	\$6,400,000	\$1.060	\$385,840	\$318,000	\$67,840	\$0	\$67,840	\$203,100	-\$135,260
VP1	2031-32	\$36,400,000	\$36,400,000	\$0	\$1.060	\$385,840	\$385,840	\$0	\$0	\$0	\$203,100	-\$203,100
VP2	2032-33	\$36,400,000	\$36,400,000	\$0	\$1.060	\$385,840	\$385,840	\$0	\$0	\$0	\$203,100	-\$203,100
VP3	2033-34	\$36,400,000	\$36,400,000	\$0	\$1.060	\$385,840	\$385,840	\$0	\$0	\$0	\$203,100	-\$203,100
VP4	2034-35	\$36,400,000	\$36,400,000	\$0	\$1.060	\$385,840	\$385,840	\$0	\$0	\$0		\$0
VP5	2035-36	\$36,400,000	\$36,400,000	\$0	\$1.060	\$385,840	\$385,840	\$0	\$0	\$0		\$0
						\$12,732,720	\$5,109,200	\$7,623,520	-\$580,288	\$7,043,232	\$2,843,400	\$4,199,832

QTP= Qualifying Time Period  
VL= Value Limitation  
VP= Viable Presence

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this table.



Texas Education Agency

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9888 FAX • [tea.texas.gov](http://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.

December 7, 2018

Ninfa M Cadena, President  
Board of Trustees  
Carrizo Springs Independent School District  
300 North Seventh Street  
Carrizo Springs, TX 78834-3102

Dear Dr. Cadena:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Shakes Solar LLC project #1297 on the number and size of school facilities in Carrizo Springs Independent School District (CSISD). Based on an examination of CSISD enrollment and the number of potential new jobs, the TEA has determined that the Shakes Solar LLC project should not have a significant impact on the number or size of school facilities in CSISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at [al.mckenzie@tea.state.tx.us](mailto:al.mckenzie@tea.state.tx.us) if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a long horizontal flourish extending to the right.

Al McKenzie  
Director of State Funding

AM/rk  
Cc: Alberto Gonzalez


**Taxes**

Property Tax Assistance

**2018 ISD Summary Worksheet****064/Dimmit****064-903/Carrizo Springs CISD**

<b>Category</b>	<b>Local Tax Roll Value</b>	<b>2018 WTD Mean Ratio</b>	<b>2018 PTAD Value Estimate</b>	<b>2018 Value Assigned</b>
<b>A. Single-Family Residences</b>	196,807,351	N/A	196,807,351	196,807,351
<b>B. Multi-Family Residences</b>	2,550,129	N/A	2,550,129	2,550,129
<b>C1. Vacant Lots</b>	6,123,258	N/A	6,123,258	6,123,258
<b>C2. Colonia Lots</b>	0	N/A	0	0
<b>D1. Rural Real(Taxable)</b>	76,278,936	N/A	76,278,936	76,278,936
<b>D2. Real Prop Farm &amp; Ranch</b>	3,039,698	N/A	3,039,698	3,039,698
<b>E. Real Prop NonQual Acres</b>	127,949,879	N/A	127,949,879	127,949,879
<b>F1. Commercial Real</b>	138,952,559	N/A	138,952,559	138,952,559
<b>F2. Industrial Real</b>	4,903	N/A	4,903	4,903
<b>G. Oil, Gas, Minerals</b>	4,360,010,786	N/A	4,360,010,786	4,360,010,786
<b>J. Utilities</b>	425,607,956	N/A	425,607,956	425,607,956
<b>L1. Commercial Personal</b>	61,978,256	N/A	61,978,256	61,978,256
<b>L2. Industrial Personal</b>	265,155,138	N/A	265,155,138	265,155,138
<b>M. Other Personal</b>	15,742,358	N/A	15,742,358	15,742,358

<b>N. Intangible Personal Prop</b>	0	N/A	0	0
<b>O. Residential Inventory</b>	0	N/A	0	0
<b>S. Special Inventory</b>	1,391,120	N/A	1,391,120	1,391,120
<b>Subtotal</b>	5,681,592,327		5,681,592,327	5,681,592,327
<b>Less Total Deductions</b>	102,350,131		102,350,131	102,350,131
<b>Total Taxable Value</b>	5,579,242,196		5,579,242,196	5,579,242,196 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

<b>T1</b>	<b>T2</b>	<b>T3</b>	<b>T4</b>
5,596,095,270	5,579,242,196	5,582,452,683	5,565,599,609

<b>Loss To the Additional \$10,000 Homestead Exemption</b>	<b>50% of the loss to the Local Optional Percentage Homestead Exemption</b>
16,853,074	13,642,587

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

<b>T7</b>	<b>T8</b>	<b>T9</b>	<b>T10</b>
5,596,095,270	5,579,242,196	5,582,452,683	5,565,599,609

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

See Agreement (App No. 1297)  
posted on Comptroller Website



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

March 12, 2019

Alberto Gonzales  
Superintendent  
Carrizo Springs Consolidated Independent School District  
300 N. 7<sup>th</sup> Street  
Carrizo Springs, Texas 78834

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Carrizo Springs Consolidated Independent School District and Shakes Solar, LLC, Application 1297

Dear Superintendent Gonzales:

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 Carrizo Springs Consolidated Independent School District and Shakes Solar, 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 Ginger Flowers with our office. She can be reached by email at [ginger.flowers@cpa.texas.gov](mailto:ginger.flowers@cpa.texas.gov) or by phone at 1-800-531-5441, ext. 5-0552, or at 512-475-0552.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Counihan", is written over a light blue horizontal line.

Will Counihan  
Director  
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, L.C.  
Geoff Fallon, Cypress Creek Renewables, LLC  
Nicko Keene, Cypress Creek Renewables, LLC  
Robert Pena, Jr., Texas Energy Consultants

See Tab 12 in application documents,  
(Comptroller No. 1297)  
posted on Comptroller Website  
(posted 10/31/18)

Google Earth Satellite Image of Project Area



Source: <https://earth.app.goo.gl/ctEjz7>  
Accessed: 3/20/2019