



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 15, 2019

AMENDED CERTIFICATION

Ronnie Golston
Superintendent
McCamey Independent School District
111 E. 11th
McCamey, Texas 79752

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between McCamey Independent School District and Roadrunner Solar Project, LLC, Application 1300

Dear Superintendent Golston:

This application (Application 1300) was originally submitted on September 24, 2018, to the McCamey Independent School District (school district) by Roadrunner Solar Project, 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 17, 2019. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on May 15, 2019.

On May 8, 2019, Comptroller received an amendment to the agreement to change the start of the start of the qualifying time period. 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 Roadrunner Solar Project, LLC (project) applying to McCamey 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 Roadrunner Solar Project, LLC.

	Original	Amendment No. 1
Applicant	Roadrunner Solar Project, LLC	Roadrunner Solar Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	McCamey ISD	McCamey ISD
2017-2018 Average Daily Attendance	488	488
County	Upton	Upton
Proposed Total Investment in District	\$360,000,000	\$360,000,000
Proposed Qualified Investment	\$360,000,000	\$360,000,000
Limitation Amount	\$25,000,000	\$25,000,000
Qualifying Time Period (Full Years)	2021-2022	2020-2021
Number of new qualifying jobs committed to by applicant	10*	10*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,154	\$1,154
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,154	\$1,154
Minimum annual wage committed to by applicant for qualified jobs	\$60,034	\$60,034
Minimum weekly wage required for non-qualifying jobs	\$1,297	\$1,297
Minimum annual wage required for non-qualifying jobs	\$67,458	\$67,458
Investment per Qualifying Job	\$36,000,000	\$36,000,000
Estimated M&O levy without any limit (15 years)	\$24,336,000	\$24,336,000
Estimated M&O levy with Limitation (15 years)	\$6,344,000	\$6,344,000
Estimated gross M&O tax benefit (15 years)	\$17,992,000	\$17,992,000

* 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 Roadrunner Solar Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	200	195	395	\$12,006,720	\$15,581,280	\$27,588,000
2020	210	210	419,922	\$12,607,056	\$19,619,944	\$32,227,000
2021	10	29	39	\$600,336	\$5,869,664	\$6,470,000
2022	10	15	25	\$600,336	\$4,282,664	\$4,883,000
2023	10	8	18	\$600,336	\$2,939,664	\$3,540,000
2024	10	(0)	10	\$600,336	\$1,962,664	\$2,563,000
2025	10	8	18	\$600,336	\$1,840,664	\$2,441,000
2026	10	(0)	10	\$600,336	\$1,108,664	\$1,709,000
2027	10	4	14	\$600,336	\$1,108,664	\$1,709,000
2028	10	4	14	\$600,336	\$1,352,664	\$1,953,000
2029	10	2	12	\$600,336	\$1,108,664	\$1,709,000
2030	10	4	14	\$600,336	\$620,664	\$1,221,000
2031	10	(0)	10	\$600,336	\$620,664	\$1,221,000
2032	10	4	14	\$600,336	\$131,664	\$732,000
2033	10	4	14	\$600,336	\$620,664	\$1,221,000
2034	10	4	14	\$600,336	\$620,664	\$1,221,000

Source: CPA REMI, Roadrunner Solar Project, 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*	McCamey ISD I&S Tax Levy	McCamey ISD M&O Tax Levy	M&O and I&S Tax Levies	Upton County Tax Levy	McCamey Hos. Dis. Tax Levy	Estimated Total Property Taxes
				0.4670	1.0400		0.4175	0.6905	
2020	\$180,000,000	\$180,000,000		\$840,600	\$1,872,000	\$2,712,600	\$751,541	\$1,242,839	\$4,706,980
2021	\$342,000,000	\$342,000,000		\$1,597,140	\$3,556,800	\$5,153,940	\$1,427,929	\$2,361,394	\$8,943,262
2022	\$306,000,000	\$306,000,000		\$1,429,020	\$3,182,400	\$4,611,420	\$1,277,620	\$2,112,826	\$8,001,866
2023	\$270,000,000	\$270,000,000		\$1,260,900	\$2,808,000	\$4,068,900	\$1,127,312	\$1,864,258	\$7,060,470
2024	\$234,000,000	\$234,000,000		\$1,092,780	\$2,433,600	\$3,526,380	\$977,004	\$1,615,690	\$6,119,074
2025	\$198,000,000	\$198,000,000		\$924,660	\$2,059,200	\$2,983,860	\$826,696	\$1,367,123	\$5,177,678
2026	\$162,000,000	\$162,000,000		\$756,540	\$1,684,800	\$2,441,340	\$676,387	\$1,118,555	\$4,236,282
2027	\$126,000,000	\$126,000,000		\$588,420	\$1,310,400	\$1,898,820	\$526,079	\$869,987	\$3,294,886
2028	\$90,000,000	\$90,000,000		\$420,300	\$936,000	\$1,356,300	\$375,771	\$621,419	\$2,353,490
2029	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2030	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2031	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2032	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2033	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2034	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
			Total	\$10,927,800	\$24,336,000	\$35,263,800	\$9,770,038	\$16,156,904	\$61,190,743

Source: CPA, Roadrunner Solar Project, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Upton 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		McCamey ISD I&S Tax Levy	McCameyISD M&O Tax Levy	M&O and I&S Tax Levies	Upton County Tax Levy	McCamey Hos. Dis. Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.4670	1.0400		0.4175	0.6905	
2020	\$180,000,000	\$25,000,000		\$840,600	\$260,000	\$1,100,600	\$751,541	\$1,242,839	\$3,094,980
2021	\$342,000,000	\$25,000,000		\$1,597,140	\$260,000	\$1,857,140	\$285,586	\$826,488	\$2,969,214
2022	\$306,000,000	\$25,000,000		\$1,429,020	\$260,000	\$1,689,020	\$255,524	\$739,489	\$2,684,033
2023	\$270,000,000	\$25,000,000		\$1,260,900	\$260,000	\$1,520,900	\$225,462	\$652,490	\$2,398,853
2024	\$234,000,000	\$25,000,000		\$1,092,780	\$260,000	\$1,352,780	\$195,401	\$565,492	\$2,113,672
2025	\$198,000,000	\$25,000,000		\$924,660	\$260,000	\$1,184,660	\$165,339	\$478,493	\$1,828,492
2026	\$162,000,000	\$25,000,000		\$756,540	\$260,000	\$1,016,540	\$135,277	\$391,494	\$1,543,312
2027	\$126,000,000	\$25,000,000		\$588,420	\$260,000	\$848,420	\$105,216	\$304,496	\$1,258,131
2028	\$90,000,000	\$25,000,000		\$420,300	\$260,000	\$680,300	\$75,154	\$217,497	\$972,951
2029	\$72,000,000	\$25,000,000		\$336,240	\$260,000	\$596,240	\$60,123	\$173,997	\$830,361
2030	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$60,123	\$173,997	\$1,319,161
2031	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$60,123	\$173,997	\$1,319,161
2032	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2033	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2034	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
			Total	\$10,927,800	\$6,344,000	\$17,271,800	\$3,276,721	\$7,432,176	\$27,980,697
			Diff	\$0	\$17,992,000	\$17,992,000	\$6,493,318	\$8,724,728	\$33,210,046

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Roadrunner Solar Project, 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 Roadrunner Solar Project, 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
	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2020	\$260,000	\$260,000	\$1,612,000	\$1,612,000
	2021	\$260,000	\$520,000	\$3,296,800	\$4,908,800
	2022	\$260,000	\$780,000	\$2,922,400	\$7,831,200
	2023	\$260,000	\$1,040,000	\$2,548,000	\$10,379,200
	2024	\$260,000	\$1,300,000	\$2,173,600	\$12,552,800
	2025	\$260,000	\$1,560,000	\$1,799,200	\$14,352,000
	2026	\$260,000	\$1,820,000	\$1,424,800	\$15,776,800
	2027	\$260,000	\$2,080,000	\$1,050,400	\$16,827,200
	2028	\$260,000	\$2,340,000	\$676,000	\$17,503,200
	2029	\$260,000	\$2,600,000	\$488,800	\$17,992,000
Maintain Viable Presence (5 Years)	2030	\$748,800	\$3,348,800	\$0	\$17,992,000
	2031	\$748,800	\$4,097,600	\$0	\$17,992,000
	2032	\$748,800	\$4,846,400	\$0	\$17,992,000
	2033	\$748,800	\$5,595,200	\$0	\$17,992,000
	2034	\$748,800	\$6,344,000	\$0	\$17,992,000
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$748,800	\$7,092,800	\$0	\$17,992,000
	2036	\$748,800	\$7,841,600	\$0	\$17,992,000
	2037	\$748,800	\$8,590,400	\$0	\$17,992,000
	2038	\$748,800	\$9,339,200	\$0	\$17,992,000
	2039	\$748,800	\$10,088,000	\$0	\$17,992,000
	2040	\$748,800	\$10,836,800	\$0	\$17,992,000
	2041	\$748,800	\$11,585,600	\$0	\$17,992,000
	2042	\$748,800	\$12,334,400	\$0	\$17,992,000
	2043	\$748,800	\$13,083,200	\$0	\$17,992,000
	2044	\$748,800	\$13,832,000	\$0	\$17,992,000

\$13,832,000 is less than **\$17,992,000**

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 levy directly related to this project.
Source: CPA, Roadrunner Solar Project, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2019	200	195	395	\$12,006,720	\$15,581,280	\$27,588,000	1373000	-717000	\$2,090,000
2020	210	210	419,922	\$12,607,056	\$19,619,944	\$32,227,000	1534000	-481000	\$2,015,000
2021	10	29	39	\$600,336	\$5,869,664	\$6,470,000	275000	504000	-\$229,000
2022	10	15	25	\$600,336	\$4,282,664	\$4,883,000	183000	473000	-\$290,000
2023	10	8	18	\$600,336	\$2,939,664	\$3,540,000	122000	427000	-\$305,000
2024	10	(0)	10	\$600,336	\$1,962,664	\$2,563,000	145000	374000	-\$229,000
2025	10	8	18	\$600,336	\$1,840,664	\$2,441,000	122000	320000	-\$198,000
2026	10	(0)	10	\$600,336	\$1,108,664	\$1,709,000	122000	275000	-\$153,000
2027	10	4	14	\$600,336	\$1,108,664	\$1,709,000	107000	214000	-\$107,000
2028	10	4	14	\$600,336	\$1,352,664	\$1,953,000	107000	168000	-\$61,000
2029	10	2	12	\$600,336	\$1,108,664	\$1,709,000	76000	160000	-\$84,000
2030	10	4	14	\$600,336	\$620,664	\$1,221,000	31000	107000	-\$76,000
2031	10	(0)	10	\$600,336	\$620,664	\$1,221,000	15000	53000	-\$38,000
2032	10	4	14	\$600,336	\$131,664	\$732,000	23000	38000	-\$15,000
2033	10	4	14	\$600,336	\$620,664	\$1,221,000	23000	-31000	\$54,000
2034	10	4	14	\$600,336	\$620,664	\$1,221,000	-15000	-53000	\$38,000
2035	10	4	14	\$600,336	\$131,664	\$732,000	-69000	-92000	\$23,000
2036	10	2	12	\$600,336	\$131,664	\$732,000	-122000	-168000	\$46,000
2037	10	(0)	10	\$600,336	-\$356,336	\$244,000	-130000	-206000	\$76,000
2038	10	(4)	6	\$600,336	-\$112,336	\$488,000	-137000	-237000	\$100,000
2039	10	2	12	\$600,336	-\$356,336	\$244,000	-137000	-290000	\$153,000
2040	10	(2)	8	\$600,336	-\$844,336	-\$244,000	-183000	-359000	\$176,000
2041	10	(2)	8	\$600,336	-\$600,336	\$0	-214000	-397000	\$183,000
2042	10	(6)	4	\$600,336	-\$844,336	-\$244,000	-229000	-404000	\$175,000
2043	10	(6)	4	\$600,336	-\$600,336	\$0	-168000	-450000	\$282,000
2044	10	(8)	2	\$600,336	-\$600,336	\$0	-137000	-458000	\$321,000
2045	10	(4)	6	\$600,336	-\$1,088,336	-\$488,000	-168000	-534000	\$366,000
2046	10	(4)	6	\$600,336	-\$600,336	\$0	-92000	-534000	\$442,000
Total							\$2,457,000	-\$2,298,000	\$4,755,000
							\$18,587,000	is greater than	\$17,992,000
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.