



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 4, 2019

AMENDED CERTIFICATION

Dr. Bobby Azam
Superintendent
Andrews Independent School District
1610 South 6th Street
Andrews, Texas 79714

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Andrews Independent School District and Jumbo Hill Wind Project, LLC, Application 1301

Dear Superintendent Azam:

This application (Application 1301) was originally submitted on September 11, 2018, to the Andrews Independent School District (school district) by Jumbo Hill Wind Project, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On December 17, 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 March 9, 2019. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on April 9, 2019.

On August 16, 2019, Comptroller received an amendment to the agreement to defer the start of the limitation and decrease the number of turbines and the number of qualified jobs by one. 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,



FOR

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 Jumbo Hill Wind Project, LLC (project) applying to Andrews 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 Jumbo Hill Wind Project, LLC.

	Original	Amendment No. 1
Applicant	Jumbo Hill Wind Project, LLC	Jumbo Hill Wind Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Andrews ISD	Andrews ISD
2017-2018 Average Daily Attendance	3,840	3,840
County	Andrews	Andrews
Proposed Total Investment in District	\$170,000,000	\$170,000,000
Proposed Qualified Investment	\$170,000,000	\$170,000,000
Limitation Amount	\$30,000,000	\$30,000,000
Qualifying Time Period (Full Years)	2020-2021	2020-2021
Number of new qualifying jobs committed to by applicant	5*	4*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,085	\$1,085
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$1,055	\$1,055
Minimum annual wage committed to by applicant for qualified jobs	\$56,430	\$56,430
Minimum weekly wage required for non-qualifying jobs	\$1,244	\$1,244
Minimum annual wage required for non-qualifying jobs	\$64,663	\$64,663
Investment per Qualifying Job	\$34,000,000	\$42,500,000
Estimated M&O levy without any limit (15 years)	\$15,457,413	\$15,457,413
Estimated M&O levy with Limitation (15 years)	\$6,394,032	\$6,394,032
Estimated gross M&O tax benefit (15 years)	\$9,063,380	\$9,063,380

* 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 Jumbo Hill Wind Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	100	126	226	\$5,600,000	\$10,706,826	\$16,306,826
2020	104	143	246.995	\$5,825,720	\$13,263,044	\$19,088,764
2021	4	34	38	\$225,720	\$4,451,004	\$4,676,724
2022	4	18	22	\$225,720	\$3,095,126	\$3,320,846
2023	4	6	10	\$225,720	\$2,019,467	\$2,245,187
2024	4	0	4	\$225,720	\$1,303,379	\$1,529,099
2025	4	(2)	2	\$225,720	\$905,972	\$1,131,692
2026	4	(2)	2	\$225,720	\$732,008	\$957,728
2027	4	(0)	4	\$225,720	\$717,672	\$943,392
2028	4	1	5	\$225,720	\$800,307	\$1,026,027
2029	4	3	7	\$225,720	\$934,762	\$1,160,482
2030	4	5	9	\$225,720	\$1,098,249	\$1,323,969
2031	4	6	10	\$225,720	\$1,126,460	\$1,352,180
2032	4	6	10	\$225,720	\$1,211,795	\$1,437,515
2033	4	7	11	\$225,720	\$1,299,221	\$1,524,941
2034	4	7	11	\$225,720	\$1,382,243	\$1,607,963
2035	4	7	11	\$225,720	\$1,447,799	\$1,673,519

Source: CPA REMI, Jumbo Hill Wind 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*	Andrews ISD I&S Tax Levy	Andrews ISD M&O Tax Levy	Andrews ISD M&O and I&S Tax Levies	Andrews County Tax Levy	Andrews County Hospital District Tax Levy	Estimated Total Property Taxes
2021	\$163,212,000	\$163,212,000		\$228,497	\$1,730,047	\$1,958,544	\$846,907	\$790,844	\$3,596,295
2022	\$150,187,380	\$150,187,380		\$210,262	\$1,591,986	\$1,802,249	\$779,322	\$727,733	\$3,309,304
2023	\$138,203,922	\$138,203,922		\$193,485	\$1,464,962	\$1,658,447	\$717,140	\$669,667	\$3,045,254
2024	\$127,178,351	\$127,178,351		\$178,050	\$1,348,091	\$1,526,140	\$659,928	\$616,243	\$2,802,311
2025	\$117,034,058	\$117,034,058		\$163,848	\$1,240,561	\$1,404,409	\$607,290	\$567,089	\$2,578,787
2026	\$107,700,559	\$107,700,559		\$150,781	\$1,141,626	\$1,292,407	\$558,858	\$521,863	\$2,373,128
2027	\$99,113,009	\$99,113,009		\$138,758	\$1,050,598	\$1,189,356	\$514,297	\$480,252	\$2,183,906
2028	\$91,211,751	\$91,211,751		\$127,696	\$966,845	\$1,094,541	\$473,298	\$441,967	\$2,009,805
2029	\$83,941,898	\$83,941,898		\$117,519	\$889,784	\$1,007,303	\$435,575	\$406,740	\$1,849,618
2030	\$77,252,957	\$77,252,957		\$108,154	\$818,881	\$927,035	\$400,866	\$374,329	\$1,702,230
2031	\$71,098,470	\$71,098,470		\$99,538	\$753,644	\$853,182	\$368,930	\$344,508	\$1,566,619
2032	\$65,435,699	\$65,435,699		\$91,610	\$693,618	\$785,228	\$339,546	\$317,069	\$1,441,843
2033	\$60,225,322	\$60,225,322		\$84,315	\$638,388	\$722,704	\$312,509	\$291,822	\$1,327,035
2034	\$55,431,162	\$55,431,162		\$77,604	\$587,570	\$665,174	\$287,632	\$268,592	\$1,221,398
2035	\$51,019,940	\$51,019,940		\$71,428	\$540,811	\$612,239	\$264,742	\$247,217	\$1,124,199
			Total	\$2,041,545	\$15,457,413	\$17,498,958	\$7,566,841	\$7,065,933	\$32,131,732

Source: CPA, Jumbo Hill Wind Project, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district Andrews County and Andrews County Hospital District, with all property tax incentives sought using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatements with the county and hospital district.

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		Andrews ISD I&S Tax Levy	Andrews ISD M&O Tax Levy	Andrews ISD M&O and I&S Tax Levies	Andrews County Tax Levy	Andrews County Hospital District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1400	1.0600		0.5189	0.4846	
2021	\$163,212,000	\$30,000,000		\$228,497	\$318,000	\$546,497	\$0	\$0	\$546,497
2022	\$150,187,380	\$30,000,000		\$210,262	\$318,000	\$528,262	\$0	\$0	\$528,262
2023	\$138,203,922	\$30,000,000		\$193,485	\$318,000	\$511,485	\$0	\$0	\$511,485
2024	\$127,178,351	\$30,000,000		\$178,050	\$318,000	\$496,050	\$0	\$0	\$496,050
2025	\$117,034,058	\$30,000,000		\$163,848	\$318,000	\$481,848	\$0	\$0	\$481,848
2026	\$107,700,559	\$30,000,000		\$150,781	\$318,000	\$468,781	\$0	\$0	\$468,781
2027	\$99,113,009	\$30,000,000		\$138,758	\$318,000	\$456,758	\$0	\$0	\$456,758
2028	\$91,211,751	\$30,000,000		\$127,696	\$318,000	\$445,696	\$0	\$0	\$445,696
2029	\$83,941,898	\$30,000,000		\$117,519	\$318,000	\$435,519	\$0	\$0	\$435,519
2030	\$77,252,957	\$30,000,000		\$108,154	\$318,000	\$426,154	\$0	\$0	\$426,154
2031	\$71,098,470	\$71,098,470		\$99,538	\$753,644	\$853,182	\$368,930	\$344,508	\$1,566,619
2032	\$65,435,699	\$65,435,699		\$91,610	\$693,618	\$785,228	\$339,546	\$317,069	\$1,441,843
2033	\$60,225,322	\$60,225,322		\$84,315	\$638,388	\$722,704	\$312,509	\$291,822	\$1,327,035
2034	\$55,431,162	\$55,431,162		\$77,604	\$587,570	\$665,174	\$287,632	\$268,592	\$1,221,398
2035	\$51,019,940	\$51,019,940		\$71,428	\$540,811	\$612,239	\$264,742	\$247,217	\$1,124,199
			Total	\$2,041,545	\$6,394,032	\$8,435,577	\$1,573,360	\$1,469,207	\$11,478,144
			Diff	\$0	\$9,063,380	\$9,063,380	\$5,993,481	\$5,596,726	\$20,653,588
Assumes School Value Limitation and Tax Abatements with the County and Hospital District.									

Source: CPA, Jumbo Hill Wind 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 Jumbo Hill Wind 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 directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$269,346	\$269,346	\$0	\$0
Limitation Period (10 Years)	2021	\$318,000	\$587,346	\$1,412,047	\$1,412,047
	2022	\$318,000	\$905,346	\$1,273,986	\$2,686,033
	2023	\$318,000	\$1,223,346	\$1,146,962	\$3,832,995
	2024	\$318,000	\$1,541,346	\$1,030,091	\$4,863,086
	2025	\$318,000	\$1,859,346	\$922,561	\$5,785,647
	2026	\$318,000	\$2,177,346	\$823,626	\$6,609,272
	2027	\$318,000	\$2,495,346	\$732,598	\$7,341,870
	2028	\$318,000	\$2,813,346	\$648,845	\$7,990,715
	2029	\$318,000	\$3,131,346	\$571,784	\$8,562,499
	2030	\$318,000	\$3,449,346	\$500,881	\$9,063,380
Maintain Viable Presence (5 Years)	2031	\$753,644	\$4,202,990	\$0	\$9,063,380
	2032	\$693,618	\$4,896,608	\$0	\$9,063,380
	2033	\$638,388	\$5,534,997	\$0	\$9,063,380
	2034	\$587,570	\$6,122,567	\$0	\$9,063,380
	2035	\$540,811	\$6,663,378	\$0	\$9,063,380
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$497,787	\$7,161,165	\$0	\$9,063,380
	2037	\$458,198	\$7,619,364	\$0	\$9,063,380
	2038	\$421,771	\$8,041,135	\$0	\$9,063,380
	2039	\$388,252	\$8,429,387	\$0	\$9,063,380
	2040	\$357,410	\$8,786,797	\$0	\$9,063,380
	2041	\$329,029	\$9,115,826	\$0	\$9,063,380
	2042	\$302,913	\$9,418,739	\$0	\$9,063,380
	2043	\$278,881	\$9,697,620	\$0	\$9,063,380
	2044	\$256,767	\$9,954,387	\$0	\$9,063,380
	2045	\$236,417	\$10,190,805	\$0	\$9,063,380

\$10,190,805

is greater than

\$9,063,380

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

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levv directly related to this project.

Source: CPA, Jumbo Hill Wind Project, 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.