



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

March 22, 2019

Janice Sykora
Superintendent
Woodsboro ISD
408 S. Kasten St
Woodsboro, Texas 78393

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Woodsboro Independent School District and Cranell Wind Farm, LLC, Application 1326

Dear Superintendent Sykora:

On February 13, 2019, the Comptroller issued written notice that Cranell Wind Farm, LLC (applicant) submitted a completed application (Application 1326) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on December 21, 2018, to the Woodsboro Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application 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)

Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

¹ All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1326.

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.

Certificate 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.

Determination required by 313.026(c)(2)

The Comptroller has 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, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

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 agreement by December 31, 2019.

Note that any building or improvement existing as of the application review start date of February 13, 2019, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Cranell Wind Farm, LLC (project) applying to Woodsboro 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 Cranell Wind Farm, LLC.

Applicant	Cranell Wind Farm, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Woodsboro ISD
2017-2018 Average Daily Attendance	466
County	Refugio
Proposed Total Investment in District	\$250,750,000
Proposed Qualified Investment	\$250,750,000
Limitation Amount	\$25,000,000
Qualifying Time Period (Full Years)	2020-2021
Number of new qualifying jobs committed to by applicant	5*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,275
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,275
Minimum annual wage committed to by applicant for qualified jobs	\$66,304
Minimum weekly wage required for non-qualifying jobs	\$736
Minimum annual wage required for non-qualifying jobs	\$38,260
Investment per Qualifying Job	\$50,150,000
Estimated M&O levy without any limit (15 years)	\$26,969,371
Estimated M&O levy with Limitation (15 years)	\$8,715,736
Estimated gross M&O tax benefit (15 years)	\$18,253,635

* 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 Cranell Wind Farm, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	250	221	471	\$11,183,250	\$18,606,750	\$29,790,000
2020	5	18	23.44	\$331,518	\$3,818,482	\$4,150,000
2021	5	16	21	\$331,518	\$3,088,482	\$3,420,000
2022	5	11	16	\$331,518	\$2,358,482	\$2,690,000
2023	5	7	12	\$331,518	\$1,618,482	\$1,950,000
2024	5	5	10	\$331,518	\$1,258,482	\$1,590,000
2025	5	11	16	\$331,518	\$1,128,482	\$1,460,000
2026	5	7	12	\$331,518	\$1,258,482	\$1,590,000
2027	5	11	16	\$331,518	\$1,618,482	\$1,950,000
2028	5	11	16	\$331,518	\$1,618,482	\$1,950,000
2029	5	9	14	\$331,518	\$1,618,482	\$1,950,000
2030	5	5	10	\$331,518	\$888,482	\$1,220,000
2031	5	1	6	\$331,518	\$1,128,482	\$1,460,000
2032	5	7	12	\$331,518	\$398,482	\$730,000
2033	5	7	12	\$331,518	\$1,128,482	\$1,460,000
2034	5	3	8	\$331,518	\$398,482	\$730,000
2035	5	3	8	\$331,518	\$398,482	\$730,000

Source: CPA REMI, Cranell Wind Farm, 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		Woodsboro I&S Tax Levy	Woodsboro M&O Tax Levy	M&O and I&S Tax Levies	Refugio Co Tax Levy	Refugio Co H D Tax Levy	Refugio GW Const DistricTax Levy	Drainage District #1 Tax Levy	Refugio Co WCIS #2 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3300	1.1700		0.8000	0.3060	0.0200	0.1541	0.0011	
2020	\$250,750,000	\$250,750,000		\$827,475	\$2,933,775	\$3,761,250	\$2,006,000	\$767,295	\$50,150	\$386,406	\$2,783	\$6,973,884
2021	\$231,943,750	\$231,943,750		\$765,414	\$2,713,742	\$3,479,156	\$1,855,550	\$709,748	\$46,389	\$357,425	\$2,575	\$6,450,843
2022	\$214,547,969	\$214,547,969		\$708,008	\$2,510,211	\$3,218,220	\$1,716,384	\$656,517	\$42,910	\$330,618	\$2,381	\$5,967,030
2023	\$198,456,871	\$198,456,871		\$654,908	\$2,321,945	\$2,976,853	\$1,587,655	\$607,278	\$39,691	\$305,822	\$2,203	\$5,519,502
2024	\$183,572,606	\$183,572,606		\$605,790	\$2,147,799	\$2,753,589	\$1,468,581	\$561,732	\$36,715	\$282,885	\$2,038	\$5,105,540
2025	\$169,804,660	\$169,804,660		\$560,355	\$1,986,715	\$2,547,070	\$1,358,437	\$519,602	\$33,961	\$261,669	\$1,885	\$4,722,624
2026	\$157,069,311	\$157,069,311		\$518,329	\$1,837,711	\$2,356,040	\$1,256,554	\$480,632	\$31,414	\$242,044	\$1,743	\$4,368,427
2027	\$145,289,112	\$145,289,112		\$479,454	\$1,699,883	\$2,179,337	\$1,162,313	\$444,585	\$29,058	\$223,891	\$1,613	\$4,040,795
2028	\$134,392,429	\$134,392,429		\$443,495	\$1,572,391	\$2,015,886	\$1,075,139	\$411,241	\$26,878	\$207,099	\$1,492	\$3,737,736
2029	\$124,312,997	\$124,312,997		\$410,233	\$1,454,462	\$1,864,695	\$994,504	\$380,398	\$24,863	\$191,566	\$1,380	\$3,457,406
2030	\$114,989,522	\$114,989,522		\$379,465	\$1,345,377	\$1,724,843	\$919,916	\$351,868	\$22,998	\$177,199	\$1,276	\$3,198,100
2031	\$106,365,308	\$106,365,308		\$351,006	\$1,244,474	\$1,595,480	\$850,922	\$325,478	\$21,273	\$163,909	\$1,181	\$2,958,243
2032	\$98,387,910	\$98,387,910		\$324,680	\$1,151,139	\$1,475,819	\$787,103	\$301,067	\$19,678	\$151,616	\$1,092	\$2,736,374
2033	\$91,008,817	\$91,008,817		\$300,329	\$1,064,803	\$1,365,132	\$728,071	\$278,487	\$18,202	\$140,245	\$1,010	\$2,531,146
2034	\$84,183,155	\$84,183,155		\$277,804	\$984,943	\$1,262,747	\$673,465	\$257,600	\$16,837	\$129,726	\$934	\$2,341,310
			Total	\$7,606,746	\$26,969,371	\$34,576,116	\$18,440,595	\$7,053,528	\$461,015	\$3,552,120	\$25,586	\$64,108,960

Source: CPA, Cranell Wind Farm, LLC

*Tax Rate per \$100 Valuation

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

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Woodsboro I&S Tax Levy 0.3300	Woodsboro M&O Tax Levy 1.1700	M&O and I&S Tax Levies	Refugio Co Tax Levy 0.8000	Refugio Co H D Tax Levy 0.3060	Refugio GW Const Distric Tax Levy 0.0200	Drainage District #1 Tax Levy 0.1541	Refugio Co WCIS #2 Tax Levy 0.0011	Estimated Total Property Taxes	
2020	\$250,750,000	\$25,000,000		\$827,475	\$292,500	\$1,119,975	\$702,100	\$767,295	\$50,150	\$386,406	\$2,783	\$2,589,370	
2021	\$231,943,750	\$25,000,000		\$765,414	\$292,500	\$1,057,914	\$649,443	\$709,748	\$46,389	\$357,425	\$2,575	\$2,417,105	
2022	\$214,547,969	\$25,000,000		\$708,008	\$292,500	\$1,000,508	\$600,734	\$656,517	\$42,910	\$330,618	\$2,381	\$2,257,759	
2023	\$198,456,871	\$25,000,000		\$654,908	\$292,500	\$947,408	\$555,679	\$607,278	\$39,691	\$305,822	\$2,203	\$2,110,365	
2024	\$183,572,606	\$25,000,000		\$605,790	\$292,500	\$898,290	\$514,003	\$561,732	\$36,715	\$282,885	\$2,038	\$1,974,025	
2025	\$169,804,660	\$25,000,000		\$560,355	\$292,500	\$852,855	\$475,453	\$519,602	\$33,961	\$261,669	\$1,885	\$1,847,911	
2026	\$157,069,311	\$25,000,000		\$518,329	\$292,500	\$810,829	\$439,794	\$480,632	\$31,414	\$242,044	\$1,743	\$1,731,255	
2027	\$145,289,112	\$25,000,000		\$479,454	\$292,500	\$771,954	\$406,810	\$444,585	\$29,058	\$223,891	\$1,613	\$1,623,348	
2028	\$134,392,429	\$25,000,000		\$443,495	\$292,500	\$735,995	\$376,299	\$411,241	\$26,878	\$207,099	\$1,492	\$1,523,535	
2029	\$124,312,997	\$25,000,000		\$410,233	\$292,500	\$702,733	\$348,076	\$380,398	\$24,863	\$191,566	\$1,380	\$1,431,207	
2030	\$114,989,522	\$114,989,522		\$379,465	\$1,345,377	\$1,724,843	\$919,916	\$351,868	\$22,998	\$177,199	\$1,276	\$2,996,627	
2031	\$106,365,308	\$106,365,308		\$351,006	\$1,244,474	\$1,595,480	\$850,922	\$325,478	\$21,273	\$163,909	\$1,181	\$2,771,880	
2032	\$98,387,910	\$98,387,910		\$324,680	\$1,151,139	\$1,475,819	\$787,103	\$301,067	\$19,678	\$151,616	\$1,092	\$2,563,989	
2033	\$91,008,817	\$91,008,817		\$300,329	\$1,064,803	\$1,365,132	\$728,071	\$278,487	\$18,202	\$140,245	\$1,010	\$2,371,690	
2034	\$84,183,155	\$84,183,155		\$277,804	\$984,943	\$1,262,747	\$673,465	\$257,600	\$16,837	\$129,726	\$934	\$2,193,813	
				Total	\$7,606,746	\$8,715,736	\$16,322,482	\$9,027,869	\$7,053,528	\$461,015	\$3,552,120	\$25,586	\$32,403,878
				Diff	\$0	\$18,253,635	\$18,253,635	\$9,412,726	\$0	\$0	\$0	\$0	\$31,705,082

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Cranell Wind Farm, 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 Cranell Wind Farm, 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	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2020	\$292,500	\$292,500	\$2,641,275	\$2,641,275
	2021	\$292,500	\$585,000	\$2,421,242	\$5,062,517
	2022	\$292,500	\$877,500	\$2,217,711	\$7,280,228
	2023	\$292,500	\$1,170,000	\$2,029,445	\$9,309,674
	2024	\$292,500	\$1,462,500	\$1,855,299	\$11,164,973
	2025	\$292,500	\$1,755,000	\$1,694,215	\$12,859,188
	2026	\$292,500	\$2,047,500	\$1,545,211	\$14,404,398
	2027	\$292,500	\$2,340,000	\$1,407,383	\$15,811,781
	2028	\$292,500	\$2,632,500	\$1,279,891	\$17,091,672
	2029	\$292,500	\$2,925,000	\$1,161,962	\$18,253,635
Maintain Viable Presence (5 Years)	2030	\$1,345,377	\$4,270,377	\$0	\$18,253,635
	2031	\$1,244,474	\$5,514,852	\$0	\$18,253,635
	2032	\$1,151,139	\$6,665,990	\$0	\$18,253,635
	2033	\$1,064,803	\$7,730,793	\$0	\$18,253,635
	2034	\$984,943	\$8,715,736	\$0	\$18,253,635
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$911,072	\$9,626,808	\$0	\$18,253,635
	2036	\$842,742	\$10,469,550	\$0	\$18,253,635
	2037	\$779,536	\$11,249,086	\$0	\$18,253,635
	2038	\$721,071	\$11,970,157	\$0	\$18,253,635
	2039	\$666,991	\$12,637,148	\$0	\$18,253,635
	2040	\$616,966	\$13,254,114	\$0	\$18,253,635
	2041	\$586,755	\$13,840,869	\$0	\$18,253,635
	2042	\$586,755	\$14,427,624	\$0	\$18,253,635
	2043	\$586,755	\$15,014,379	\$0	\$18,253,635
	2044	\$586,755	\$15,601,134	\$0	\$18,253,635

\$15,601,134

is less than

\$18,253,635

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, Cranell Wind Farm, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2019	250	221	471	\$11,183,250	\$18,606,750	\$29,790,000	1540000	-870000	\$2,410,000
2020	5	18	23.44	\$331,518	\$3,818,482	\$4,150,000	190000	310000	-\$120,000
2021	5	16	21	\$331,518	\$3,088,482	\$3,420,000	190000	290000	-\$100,000
2022	5	11	16	\$331,518	\$2,358,482	\$2,690,000	130000	270000	-\$140,000
2023	5	7	12	\$331,518	\$1,618,482	\$1,950,000	90000	240000	-\$150,000
2024	5	5	10	\$331,518	\$1,258,482	\$1,590,000	130000	220000	-\$90,000
2025	5	11	16	\$331,518	\$1,128,482	\$1,460,000	140000	180000	-\$40,000
2026	5	7	12	\$331,518	\$1,258,482	\$1,590,000	180000	170000	\$10,000
2027	5	11	16	\$331,518	\$1,618,482	\$1,950,000	160000	130000	\$30,000
2028	5	11	16	\$331,518	\$1,618,482	\$1,950,000	140000	110000	\$30,000
2029	5	9	14	\$331,518	\$1,618,482	\$1,950,000	180000	110000	\$70,000
2030	5	5	10	\$331,518	\$888,482	\$1,220,000	110000	80000	\$30,000
2031	5	1	6	\$331,518	\$1,128,482	\$1,460,000	110000	50000	\$60,000
2032	5	7	12	\$331,518	\$398,482	\$730,000	100000	50000	\$50,000
2033	5	7	12	\$331,518	\$1,128,482	\$1,460,000	110000	10000	\$100,000
2034	5	3	8	\$331,518	\$398,482	\$730,000	50000	20000	\$30,000
2035	5	3	8	\$331,518	\$398,482	\$730,000	40000	0	\$40,000
2036	5	3	8	\$331,518	\$398,482	\$730,000	40000	-50000	\$90,000
2037	5	5	10	\$331,518	\$158,482	\$490,000	0	-80000	\$80,000
2038	5	1	6	\$331,518	\$158,482	\$490,000	50000	-40000	\$90,000
2039	5	7	12	\$331,518	\$888,482	\$1,220,000	50000	-80000	\$130,000
2040	5	3	8	\$331,518	\$888,482	\$1,220,000	30000	-100000	\$130,000
2041	5	7	12	\$331,518	\$158,482	\$490,000	-20000	-110000	\$90,000
2042	5	5	10	\$331,518	\$398,482	\$730,000	-50000	-130000	\$80,000
2043	5	(1)	4	\$331,518	\$158,482	\$490,000	-50000	-110000	\$60,000
2044	5	(1)	4	\$331,518	\$158,482	\$490,000	-80000	-110000	\$30,000
2045	5	(1)	4	\$331,518	-\$331,518	\$0	-90000	-180000	\$90,000
2046	5	(1)	4	\$331,518	\$158,482	\$490,000	20000	-140000	\$160,000
Total							\$3,490,000	\$240,000	\$3,250,000
							\$18,851,134	is greater than	\$18,253,635

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.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines 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.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Cranell Wind Farm, 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:

- EON Climate & Renewables North America, LLC is the parent company.
- Per Cranell Wind Farm, LLC. in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “The Company is currently considering several other projects in Texas (Val Verde County, Jack County, Kenedy County, Willacy County, Hardeman County, San Patricio County and several others), Oklahoma (Vici complex, Major, Boiling Springs), Kansas (four project sites), Missouri, Indiana, Illinois, plus Canada. The Company has received tax incentives on several of these project which significantly improve the financial viability of the investment.”
 - B. “EON has not built a project Texas that did not have a Chapter 313 agreement, as it is crucial to exceeding the company financial hurdle. EON recently sold a project that was unable to get a Chapter 313 agreement, as it was unable to meet the minimum financial hurdle. Without a Chapter 313 agreement, this Project would probably not be built.”
- According to the The Advance-Guard Press and National Wind Watch, dated July 4, 2018, “Acknowledging that accepting an application from E.ON to build a wind farm in South Refugio County meant not approving the wind farm, school district trustees moved to OK accepting the application.” Rich Saunders of the wind energy company conducted a small presentation about wind company and what it could mean for the Woodsboro school district Monday night, June 18.
- Mysoutex.com reported the same as bullet above on July 3, 2018.
- Supplemental information provided by the applicant stated the following:
 - A. In ERCOT’s records, the project is known as Cranell Wind Farm, LLC.
 - B. The project received the IGNR number from ERCOT, 19INR0112 on September 12, 2017.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In Tab 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (complete Section 13)
<input type="checkbox"/> Expansion of existing operation on the land (complete Section 13)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value

TAB 5

LIMITATION AS DETERMINING FACTOR

Cranell Wind Farm, LLC
Application for Appraised Value Limitations on Qualified Property

Tab 5

Section 8 — Limitation as Determining Factor

- 1) N/A
- 2) Cranell Wind Farm, LLC has entered into contracts for work for preliminary land work.
- 3) N/A
- 4) N/A
- 5) N/A
- 6) No.
- 7) The Company is currently considering several other projects in Texas (Val Verde County, Jack County, Kenedy County, Willacy County, Hardeman County, San Patricio County and several others), Oklahoma (Vici complex, Major, Boiling Springs), Kansas (four project sites), Missouri, Indiana, Illinois, plus Canada. The Company has received tax incentives on several of these projects which significantly improve the financial viability of the investment. EON has not built a project in Texas that did not have a Chapter 313 agreement, as it is crucial to exceeding the company financial hurdle. EON recently sold a project that was unable to get a Chapter 313 agreement, as it was unable to meet the minimum financial hurdle. Without a Chapter 313 agreement, this Project would probably not be built.
- 8) N/A
- 9) N/A
- 10) N/A

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Woodsboro ISD – Cranell Wind Farm, LLC App. #1326

Comptroller Questions (via email on February 6, 2019):

1. *Is Core Solar SPV I, LLC currently known by any other project names?*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when it was assigned.*
3. *Please also list any other names by which this project may have been known in the past – in media reports, investor presentations, or any listings with any federal or state agency.*

Applicant Response (via email on February 6, 2019):

1. *Is the Core Solar SPV I, LLC currently known by any other project names?*
No.
2. *Has this project applied to ERCOT at this time? Yes.*
If so, please provide the project's IGNR number and when was it assigned.
Tab 4 reflects the ERCOT number as 1911NR0112
3. *Please also list any other names by which this project may have been known in the past- in media reports, investor presentations, or any listings with any federal or state agency.*
This project has only been known as Cranell Wind Farm, LLC

Applicant Response (via email on February 13, 2019):

1. *If so, please provide the project's IGNR number and when was it assigned.*
September 12, 2017

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filed: July 4, 2018 • Texas

WISD trustees approve application from energy company to offer break to establish wind farm

| Credit: The Advance-Guard Press | Jul 3, 2018 | www.mysoutex.com --

WOODSBORO – Acknowledging that accepting an application from E.ON to build a wind farm in South Refugio County meant not approving the wind farm, school district trustees moved to OK accepting the application.

Rich Saunders of the wind energy company conducted a small presentation about wind company and what it could mean for the Woodsboro school district Monday night, June 18.

He advised that the district should enter into a Chapter 313 with the wind farm industry.

A Chapter 313 – an appraised value limitation – is filed with the state comptrollers office, and is an agreement by the industry to build or install property and create jobs.

In exchange for the introduction of a new industry, E.ON is seeking a 10-year limitation on the taxable property value for school district maintenance and operations tax (M&O) purposes.

He said the district would benefit, receiving as much as \$50,000 a year.

Saunders said E.ON wants to build a wind farm on 18,000 acres of land called the Cranell Wind Project in South Refugio County. Each turbine would take 200 to 300 acres.

The wind farm would have 100 wind turbines, each reaching a height of 492 feet with a tower 270 feet high.

He said the wind farm would produce about 5,200 megawatts, enough to provide energy for 5 million homes.

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The wind farm would be constructed off U.S. Highway 77 and construction would start in late 2018 or early 2019.

“We did a lot of studies. It’s a feasible project,” Saunders said.

Those studies include environmental, FAA approval and acquiring grid connections.

He said the project would have 200 to 300 construction jobs over 30 years.

And 10 to 12 full-time tech jobs would be created.

He added that his company will present the school district with a \$75,000 check to cover the cost of evaluating the application for a Chapter 313, which ultimately will be decided upon by the comptroller’s office.

He said the cost should cover using the district’s lawyer and financial adviser.

He said to make the project viable, his company would need the school tax value limitation and a county abatement.

“We are asking you and the county to entice us to come over,” Saunders said.

Saunders assured trustees there would be no downside to the approval of the application.

Over 10 years, Saunders estimated a \$25 million investment in the project.

Source: The Advance-Guard Press | Jul 3, 2018 | www.mysoutex.com

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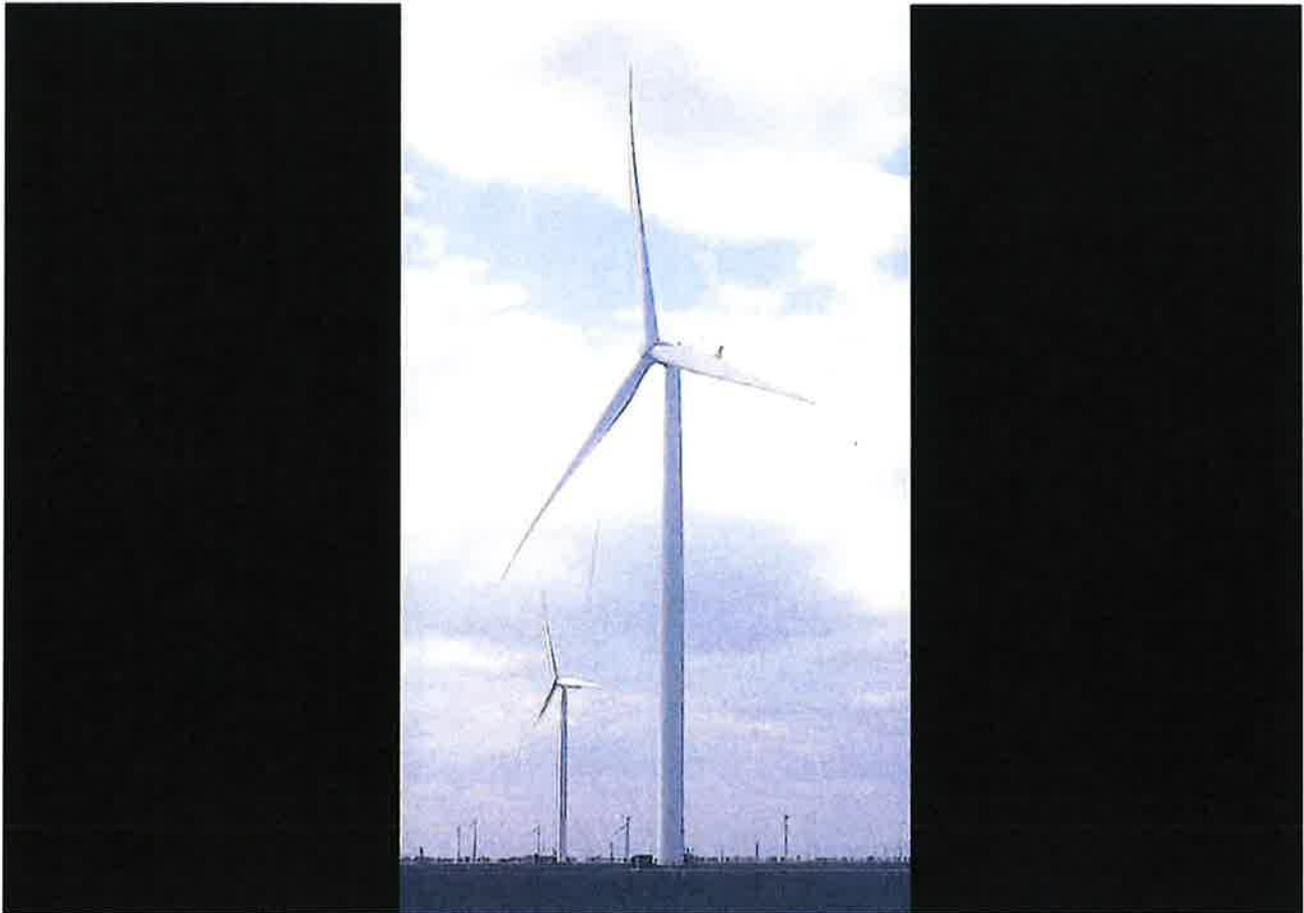
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WISD trustees approve application from energy company to offer break to establish wind farm

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