



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 22, 2019

John Hardwick Jr.
Superintendent
Ganado Independent School District
P.O. Box 1200
Ganado, Texas 77962

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Ganado Independent School District and Ganado Solar, LLC, Application 1333

Dear Superintendent Hardwick:

On February 27, 2019, the Comptroller issued written notice that Ganado Solar, LLC (applicant) submitted a completed application (Application 1333) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on January 17, 2019, to the Ganado 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 1333.

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 27, 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,

A handwritten signature in blue ink that reads "Lisa Craven". The signature is fluid and cursive, with the first name "Lisa" and the last name "Craven" clearly legible.

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Ganado Solar, LLC (project) applying to Ganado 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 Ganado Solar, LLC.

Applicant	Ganado Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Ganado ISD
2017-2018 Average Daily Attendance	731
County	Jackson
Proposed Total Investment in District	\$142,500,000
Proposed Qualified Investment	\$142,500,00
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2020-2021
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,186
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,186
Minimum annual wage committed to by applicant for qualified jobs	\$61,646.20
Minimum weekly wage required for non-qualifying jobs	\$842
Minimum annual wage required for non-qualifying jobs	\$43,798
Investment per Qualifying Job	\$71,250,000
Estimated M&O levy without any limit (15 years)	\$7,934,680
Estimated M&O levy with Limitation (15 years)	\$4,307,992
Estimated gross M&O tax benefit (15 years)	\$3,626,688

* 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 Ganado Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	200	236	436	\$7,600,000	\$21,300,000	\$28,900,000
2020	202	249	450.752	\$7,723,292	\$25,164,708	\$32,888,000
2021	2	31	33	\$123,292	\$6,082,708	\$6,206,000
2022	2	12	14	\$123,292	\$3,809,708	\$3,933,000
2023	2	(5)	-3	\$123,292	\$1,847,708	\$1,971,000
2024	2	(12)	-10	\$123,292	\$658,708	\$782,000
2025	2	(14)	-12	\$123,292	\$86,708	\$210,000
2026	2	(12)	-10	\$123,292	-\$107,292	\$16,000
2027	2	(9)	-7	\$123,292	-\$66,292	\$57,000
2028	2	(5)	-3	\$123,292	\$112,708	\$236,000
2029	2	(2)	0	\$123,292	\$365,708	\$489,000
2030	2	2	4	\$123,292	\$643,708	\$767,000
2031	2	4	6	\$123,292	\$907,708	\$1,031,000
2032	2	6	8	\$123,292	\$1,124,708	\$1,248,000
2033	2	7	9	\$123,292	\$1,287,708	\$1,411,000
2034	2	7	9	\$123,292	\$1,400,708	\$1,524,000
2035	2	7	9	\$123,292	\$1,443,708	\$1,567,000

Source: CPA REMI, Ganado Solar, 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*	Ganado ISD I&S Tax Levy	Ganado ISD M&O Tax Levy	Ganado ISD M&O and I&S Tax Levies	Jackson County Tax Levy	Jackson County Hospital Tax Levy	Jackson County Flood District Tax Levy	Estimated Total Property Taxes
			0.3594	0.3594	1.0400		0.3821	0.2495	0.0643	
2020	\$14,000,000	\$14,000,000		\$50,316	\$145,600	\$195,916	\$53,494	\$34,930	\$34,930	\$319,270
2021	\$113,000,000	\$113,000,000		\$406,122	\$1,175,200	\$1,581,322	\$431,773	\$281,935	\$281,935	\$2,576,965
2022	\$101,740,000	\$101,740,000		\$365,654	\$1,058,096	\$1,423,750	\$388,749	\$253,841	\$253,841	\$2,320,181
2023	\$90,480,000	\$90,480,000		\$325,185	\$940,992	\$1,266,177	\$345,724	\$225,748	\$225,748	\$2,063,396
2024	\$79,220,000	\$79,220,000		\$284,717	\$823,888	\$1,108,605	\$302,700	\$197,654	\$197,654	\$1,806,612
2025	\$67,960,000	\$67,960,000		\$244,248	\$706,784	\$951,032	\$259,675	\$169,560	\$169,560	\$1,549,828
2026	\$56,700,000	\$56,700,000		\$203,780	\$589,680	\$793,460	\$216,651	\$141,467	\$141,467	\$1,293,044
2027	\$45,440,000	\$45,440,000		\$163,311	\$472,576	\$635,887	\$173,626	\$113,373	\$113,373	\$1,036,259
2028	\$34,180,000	\$34,180,000		\$122,843	\$355,472	\$478,315	\$130,602	\$85,279	\$85,279	\$779,475
2029	\$22,920,000	\$22,920,000		\$82,374	\$238,368	\$320,742	\$87,577	\$57,185	\$57,185	\$522,691
2030	\$22,910,000	\$22,910,000		\$82,339	\$238,264	\$320,603	\$87,539	\$57,160	\$57,160	\$522,463
2031	\$22,900,000	\$22,900,000		\$82,303	\$238,160	\$320,463	\$87,501	\$57,136	\$57,136	\$522,235
2032	\$22,890,000	\$22,890,000		\$82,267	\$238,056	\$320,323	\$87,463	\$57,111	\$57,111	\$522,006
2033	\$22,880,000	\$22,880,000		\$82,231	\$237,952	\$320,183	\$87,424	\$57,086	\$57,086	\$521,778
2034	\$22,870,000	\$22,870,000		\$82,195	\$237,848	\$320,043	\$87,386	\$57,061	\$57,061	\$521,550
2035	\$22,860,000	\$22,860,000		\$82,159	\$237,744	\$319,903	\$87,348	\$57,036	\$57,036	\$521,322
			Total	\$2,742,042	\$7,934,680	\$10,676,722	\$2,915,232	\$1,903,560	\$1,903,560	\$17,399,075

Source: CPA, Ganado Solar, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Jackson 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		Ganado ISD I&S Tax Levy	Ganado ISD M&O Tax Levy	Ganado ISD M&O and I&S Tax Levies	Jackson County Tax Levy	Jackson County Hospital Tax Levy	Jackson County Flood District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3594	1.0400		0.3821	0.2495	0.0643	
2020	\$14,000,000	\$14,000,000		\$50,316	\$145,600	\$195,916	\$53,494	\$34,930	\$34,930	\$319,270
2021	\$113,000,000	\$30,000,000		\$406,122	\$312,000	\$718,122	\$107,943	\$70,484	\$74,850	\$971,399
2022	\$101,740,000	\$30,000,000		\$365,654	\$312,000	\$677,654	\$97,187	\$63,460	\$74,850	\$913,151
2023	\$90,480,000	\$30,000,000		\$325,185	\$312,000	\$637,185	\$86,431	\$56,437	\$74,850	\$854,903
2024	\$79,220,000	\$30,000,000		\$284,717	\$312,000	\$596,717	\$75,675	\$49,413	\$74,850	\$796,655
2025	\$67,960,000	\$30,000,000		\$244,248	\$312,000	\$556,248	\$64,919	\$42,390	\$74,850	\$738,407
2026	\$56,700,000	\$30,000,000		\$203,780	\$312,000	\$515,780	\$54,163	\$35,367	\$74,850	\$680,159
2027	\$45,440,000	\$30,000,000		\$163,311	\$312,000	\$475,311	\$43,407	\$28,343	\$74,850	\$621,911
2028	\$34,180,000	\$30,000,000		\$122,843	\$312,000	\$434,843	\$32,650	\$21,320	\$74,850	\$563,663
2029	\$22,920,000	\$22,920,000		\$82,374	\$238,368	\$320,742	\$21,894	\$14,296	\$57,185	\$414,119
2030	\$22,910,000	\$22,910,000		\$82,339	\$238,264	\$320,603	\$21,885	\$14,290	\$57,160	\$413,938
2031	\$22,900,000	\$22,900,000		\$82,303	\$238,160	\$320,463	\$87,501	\$57,136	\$57,136	\$522,235
2032	\$22,890,000	\$22,890,000		\$82,267	\$238,056	\$320,323	\$87,463	\$57,111	\$57,111	\$522,006
2033	\$22,880,000	\$22,880,000		\$82,231	\$237,952	\$320,183	\$87,424	\$57,086	\$57,086	\$521,778
2034	\$22,870,000	\$22,870,000		\$82,195	\$237,848	\$320,043	\$87,386	\$57,061	\$57,061	\$521,550
2035	\$22,860,000	\$22,860,000		\$82,159	\$237,744	\$319,903	\$87,348	\$57,036	\$57,036	\$521,322
			Total	\$2,742,042	\$4,307,992	\$7,050,034	\$1,096,770	\$716,159	\$1,033,504	\$9,896,467
			Diff	\$0	\$3,626,688	\$3,626,688	\$1,818,462	\$1,187,402	\$870,056	\$7,502,608

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Ganado Solar, 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 Ganado 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.

	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	\$145,600	\$145,600	\$0	\$0
Limitation Period (10 Years)	2021	\$312,000	\$457,600	\$863,200	\$863,200
	2022	\$312,000	\$769,600	\$746,096	\$1,609,296
	2023	\$312,000	\$1,081,600	\$628,992	\$2,238,288
	2024	\$312,000	\$1,393,600	\$511,888	\$2,750,176
	2025	\$312,000	\$1,705,600	\$394,784	\$3,144,960
	2026	\$312,000	\$2,017,600	\$277,680	\$3,422,640
	2027	\$312,000	\$2,329,600	\$160,576	\$3,583,216
	2028	\$312,000	\$2,641,600	\$43,472	\$3,626,688
	2029	\$238,368	\$2,879,968	\$0	\$3,626,688
	2030	\$238,264	\$3,118,232	\$0	\$3,626,688
Maintain Viable Presence (5 Years)	2031	\$238,160	\$3,356,392	\$0	\$3,626,688
	2032	\$238,056	\$3,594,448	\$0	\$3,626,688
	2033	\$237,952	\$3,832,400	\$0	\$3,626,688
	2034	\$237,848	\$4,070,248	\$0	\$3,626,688
	2035	\$237,744	\$4,307,992	\$0	\$3,626,688
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$237,640	\$4,545,632	\$0	\$3,626,688
	2037	\$237,536	\$4,783,168	\$0	\$3,626,688
	2038	\$237,432	\$5,020,600	\$0	\$3,626,688
	2039	\$237,328	\$5,257,928	\$0	\$3,626,688
	2040	\$237,224	\$5,495,152	\$0	\$3,626,688
	2041	\$237,120	\$5,732,272	\$0	\$3,626,688
	2042	\$237,016	\$5,969,288	\$0	\$3,626,688
	2043	\$236,912	\$6,206,200	\$0	\$3,626,688
	2044	\$236,808	\$6,443,008	\$0	\$3,626,688
	2045	\$236,704	\$6,679,712	\$0	\$3,626,688

\$6,679,712

is greater than

\$3,626,688

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

Source: CPA, Ganado 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.

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 Ganado 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:

- Per Ganado Solar, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Currently, SunChase Power, LLC is considering a variety of other locations for Ganado Solar, LLC but believes Jackson County, Texas, would be an ideal location for this solar facility. Currently, there are locations across the world and other parts of the United States being evaluated for the establishment of this solar facility. In the event a 313 agreement is not permitted, SunChase Power, LLC will allocate the investment for Ganado Solar, LLC to another area outside of Texas namely Louisiana, Mississippi, Oklahoma, Tennessee, Florida, or Arkansas for the continuation of this project. Unfortunately, this would also preclude Jackson County and Ganado Independent School District from receiving the economic benefits associated with the development of a solar facility within their jurisdiction.”
 - B. “Property taxes are often the highest operating expense for a solar generation facility, as solar plants do not have any associated fuel costs to produce electricity. Further, with the Texas wholesale electricity price already below the international average, the necessity of limiting the property tax liability becomes paramount. The magnitude at which tax expenses affect the feasibility of a project is what causes agreements like the Ch. 313 to be so important to companies like this applicant. If the 313 is not granted, the rate of return drops too low for investors to tolerate, and the capital once allocated to the project must be reapportioned to out-of-state projects with better cash flows (due to tax incentives and higher wholesale electricity rates). Effectively, whether or not the project is built hinges heavily on the execution of a 313 agreement.”
 - C. “SunChase Power, LLC is a renewable energy company focused on developing utility-scale and large industrial behind-the-meter solar energy projects. They work with landowners and large industrial electricity users to identify promising locations for profitable solar energy projects, and bring those projects to market. SunChase has a national footprint, and the ability to locate projects of this type to other states in the US with strong solar characteristics. SunChase Power,

LLC is actively developing projects in Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Tennessee, and Florida.”

- According to the Board of Trustees of Ganado ISD dated January 17, 2019, “Discussion and possible action to accept an Application for Value Limitation Agreement from Ganado Solar LLC pursuant to Chapter 313 of the Texas Property Tax Code; Mr. Bures made the motion that we accept the Application for Value Limitation Agreement from Ganado Solar LLC pursuant to Chapter 313 of the Texas Property Tax Code; authorize the Superintendent of Schools to review the Application for completeness and submit the Application to the Comptroller of Public Accounts: and authorize the Superintendent of Schools to approve any request for extension of the deadline for Board Action beyond the 150-day Board review period as may be required.”
- Supplemental information provided by the applicant indicated the following:
 - A. “The project has been referred to as “Mustang Creek Solar” but only for interconnection purposes with ERCOT.”
 - B. “18INR0050; assigned 11/10/2016”

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 type="checkbox"/> Land has no existing improvements	<input checked="" type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<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 a Determining Factor

Currently, SunChase Power, LLC is considering a variety of other locations for Ganado Solar, LLC but believes Jackson County, Texas, would be an ideal location for this solar facility. Currently, there are locations across the world and other parts of the United States being evaluated for the establishment of this solar facility. In the event a 313 agreement is not permitted, SunChase Power, LLC will allocate the investment for Ganado Solar, LLC to another area outside of Texas namely Louisiana, Mississippi, Oklahoma, Tennessee, Florida, or Arkansas for the continuation of this project. Unfortunately, this would also preclude Jackson County and Ganado Independent School District from receiving the economic benefits associated with the development of a solar facility within their jurisdiction.

Property taxes are often the highest operating expense for a solar generation facility, as solar plants do not have any associated fuel costs to produce electricity. Further, with the Texas wholesale electricity price already below the international average, the necessity of limiting the property tax liability becomes paramount. The magnitude at which tax expenses affect the feasibility of a project is what causes agreements like the Ch. 313 to be so important to companies like this applicant. If the 313 is not granted, the rate of return drops too low for investors to tolerate, and the capital once allocated to the project must be reapportioned to out-of-state projects with better cash flows (due to tax incentives and higher wholesale electricity rates). Effectively, whether or not the project is built hinges heavily on the execution of a 313 agreement.

SunChase Power, LLC is a renewable energy company focused on developing utility-scale and large industrial behind-the-meter solar energy projects. They work with landowners and large industrial electricity users to identify promising locations for profitable solar energy projects, and bring those projects to market. SunChase has a national footprint, and the ability to locate projects of this type to other states in the US with strong solar characteristics. SunChase Power, LLC is actively developing projects in Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Tennessee, and Florida.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

Minutes of the Regular Meeting

The Board of Trustees Ganado ISD

A Regular Meeting of the Board of Trustees of Ganado ISD was held Thursday, January 17, 2019, beginning at 6:00 PM in the Ganado ISD Board Room at 210 South 6th Street, Ganado, TX.

1. The meeting was called to order, Mr. Green was not present
2. Closed Session: the board convened in Closed Session at 6:00 pm to discuss and Possibly Approve Implementation of Security Devices or Security Personnel-(Gov't Code 551.076)
3. Personnel Update- this includes discussion of the Superintendent's evaluation (Gov't Code 551.074)
4. Consultation with legal counsel regarding and Application for Value Limitation Agreement from Ganado Solar LLC pursuant to Chapter 313 of the Texas Property Tax Code; (Gov't. Code 551.071).
5. Consultation with District legal counsel in connection with the Agreement between Ganado ISD and Don Krueger Construction Co. dated June 5, 2017; (Gov't. Code 551.071).
6. Open Session: 6:33 pm with no action taken.
(Student Led Prayer and Pledge to the Flags)
Prayer Led By: Ty Reid
Pledge Led By: Ty Reid
7. Students & Staff Achievements/Recognitions
No Motion Required
Elementary Student: Isabel Lara presented by Diane Bubela Elementary Teacher, plaque for January Student of the month given by Mary Kay George

JH Student: Logan Tupa was not able to attend due to Basketball game

HS Student: Nathaniel Palacios presented by Wanda Helcamp HS Teacher, plaque for January Student of the month given by Chris Hajovsky
8. Public Comments
No Motion Required
9. Action to Adopt updated Policy CCG (Local).
Mr. Tegeler made the motion to adopt updated Policy CCG (Local). Mr. Bures seconded the motion. The motion passed 6-0.
10. Acknowledgement of Conflict of Interest Policy BBFA (Legal) and (Local)

11. Discussion and possible action to accept an Application for Value Limitation Agreement from Ganado Solar LLC pursuant to Chapter 313 of the Texas Property Tax Code; Mr. Bures made the motion that **we accept the Application for Value Limitation Agreement from Ganado Solar LLC pursuant to Chapter 313 of the Texas Property Tax Code; authorize the Superintendent of Schools to review the Application for completeness and submit the Application to the Comptroller of Public Accounts; and authorize the Superintendent of Schools to approve any request for extension of the deadline for Board Action beyond the 150-day Board review period as may be required. Mr. Benavides seconded the motion. The motion passed 6-0.**
12. Discussion and possible action to retain attorneys/consultants to assist the District in the review and processing of the Application for the Value Limitation Agreement from Ganado Solar LLC pursuant to Chapter 313 of the Texas Property Tax Code.

Mr. Bures made the motion that we retain attorneys/consultants to assist the District in the review and processing of the Application for the Value Limitation Agreement from Ganado Solar LLC pursuant to Chapter 313 of the Texas Property Tax Code. Mr. Hajovsky seconded the motion. The motion passed 6-0.

13. Administrator's Reports
 - a. Board Planning Calendar-
 - b. Facility/construction update-OBR
This will usually include a written summary of the 2016 Bond Program progress.
 - c. Additional reports from Administrators
 1. Calendar committee is meeting to prepare calendar for 2019-2020
 2. More attention being given to building more momentum to keeping our classrooms and extracurricular facilities clean and revealing pride in our "brand".
Principals have been helpful in ideas to address this. This will be ongoing as we listen to and implement new ideas.
 3. The filing window for two Board Member Positions opens on January 16, 2019 and ends on February 15, 2019.
14. Consider and Possibly approve Dana Parks for our 1/2 vote to serve on the Jackson County Appraisal District Board.
Mr. Tegeler made the motion that we submit our 1/2 vote for Dana Parks to serve another term on the Jackson County Appraisal District Board. Mr. Hajovsky seconded the motion. The motion carried 5-0 with Ms. George abstaining
15. Board to call for Board Election and approve the 2019 Election Calendar as presented.
Mr. Tegeler made the motion that we set the Board Election and approve the 2019 Election Calendar as presented. Mr. Bures seconded the motion. The motion carried 6-0.

16. Consider and Possible Approval of the Consent Agenda
Mr. Bures made the motion that we approve the consent agenda. Mr. Benavides seconded the motion. The motion carried 6-0
- a. Minutes of the December 18, 2018 Meeting
 - b. Reports, Bills, and Investment Report
 - c. Transportation Report
 - d. Donations
 - First State Bank \$7,500.00 Softball Sign
 - Booster Club \$ 1,556.48 Powerlifting Medals
 - e. Purchase Orders
 - Over 25,000.
 - Atzenhoffer (Suburban) \$ 44,015.63
17. The Board reconvened into Closed Session at 7:48 pm. The Board came into Open Session at 10:17 pm with the following action taken. Mr. Bures made the motion to extend Dr. Hardwick's contract for one year at a salary of \$107,000.00 Mr. Benavides seconded the motion. The motion carried 6-0.

Adjourn

Time: 10:17 pm

President

ATTEST –

Secretary

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Ganado ISD – Ganado Solar, LLC App. #1333

Comptroller Questions (via email on April 5, 2019):

1. *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.*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number.*

Applicant Response (via email on April 9, 2019):

1. *The project has been referred to as "Mustang Creek Solar" but only for interconnection purposes with ERCOT.*
2. *18INR0050; assigned 11/10/2016.*