

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 2, 2020

AMENDED CERTIFICATION

Ron Cline
Superintendent
Paint Rock Independent School District
PO Box 277
Paint Rock, TX 76866

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Paint Rock Independent School District and 225DD 8me LLC, Application 1344

Dear Superintendent Cline:

This application (Application 1344) was originally submitted on February 11, 2019, to the Paint Rock Independent School District (school district) by 225DD 8me LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On April 10, 2019, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on June 4, 2019. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on September 9, 2019.

On September 16, 2020, the Comptroller received an amendment to the agreement to delay the limitation start date to 2022. 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, 2020.

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,

DocuSigned by:

11EA6DEF0EC441E...
Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Amended Attachment A - Economic Impact Analysis (CORRECTED)

The following tables summarize the Comptroller's economic impact analysis of 225DD 8me LLC (project) applying to Paint Rock 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 225DD 8me LLC.

	Original	Amendment No. 2
Applicant	225DD 8me LLC	225DD 8me LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Paint Rock ISD	Paint Rock ISD
2017-2018 Average Daily Attendance	222	222
County	Concho	Concho
Proposed Total Investment in District	\$251,500,000	\$251,500,000
Proposed Qualified Investment	\$230,500,000	\$230,500,000
Limitation Amount	\$20,000,000	\$20,000,000
Qualifying Time Period (Full Years)	2020-2021	2020-2021
Number of new qualifying jobs committed to by applicant	2*	2*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$865.70	\$865.70
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$865.70	\$865.70
Minimum annual wage committed to by applicant for qualified jobs	\$45,016.40	\$45,016.40
Minimum weekly wage required for non-qualifying jobs	\$760.75	\$760.75
Minimum annual wage required for non-qualifying jobs	\$39,559	\$39,559
Investment per Qualifying Job	\$125,750,000	\$125,750,000
Estimated M&O levy without any limit (15 years)	\$16,187,046	\$16,554,650
Estimated M&O levy with Limitation (15 years)	\$4,740,630	\$5,377,760
Estimated gross M&O tax benefit (15 years)	\$11,446,416	\$11,176,890

* 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 225DD 8me LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	500	900	1400	\$22,508,200	\$68,491,800	\$91,000,000
2021	502	961	1463	\$22,598,233	\$81,401,767	\$104,000,000
2022	2	45	47	\$90,033	\$16,909,967	\$17,000,000
2023	2	(10)	-8	\$90,033	\$9,909,967	\$10,000,000
2024	2	(47)	-45	\$90,033	\$3,909,967	\$4,000,000
2025	2	(53)	-51	\$90,033	\$909,967	\$1,000,000
2026	2	(61)	-59	\$90,033	-\$1,090,033	-\$1,000,000
2027	2	(55)	-53	\$90,033	-\$2,090,033	-\$2,000,000
2028	2	(47)	-45	\$90,033	-\$2,090,033	-\$2,000,000
2029	2	(39)	-37	\$90,033	-\$2,090,033	-\$2,000,000
2030	2	(29)	-27	\$90,033	-\$2,090,033	-\$2,000,000
2031	2	(23)	-21	\$90,033	-\$1,090,033	-\$1,000,000
2032	2	(6)	-4	\$90,033	-\$1,090,033	-\$1,000,000
2033	2	(4)	-2	\$90,033	-\$90,033	\$0
2034	2	0	2	\$90,033	\$909,967	\$1,000,000

Source: CPA REMI, 225DD 8me 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*	Paint Rock ISD I&S Tax Levy	Paint Rock ISD M&O Tax Levy	Paint Rock M&O and I&S Tax Levies	Concho County Tax Levy	Concho County Hospital District Tax Levy	Lipan Kickapoo Tax Levy	Estimated Total Property Taxes
			0.2700	1.1600	0.7891	0.2750	0.0103			
2021	\$55,000,000	\$55,000,000		\$148,500	\$638,000	\$786,500	\$433,988	\$151,250	\$5,665	\$1,377,403
2022	\$207,500,000	\$207,500,000		\$560,250	\$2,407,000	\$2,967,250	\$1,637,318	\$570,625	\$21,373	\$5,196,566
2023	\$186,785,000	\$186,785,000		\$504,320	\$2,166,706	\$2,671,026	\$1,473,863	\$513,659	\$19,239	\$4,677,786
2024	\$166,070,000	\$166,070,000		\$448,389	\$1,926,412	\$2,374,801	\$1,310,407	\$456,693	\$17,105	\$4,159,006
2025	\$145,355,000	\$145,355,000		\$392,459	\$1,686,118	\$2,078,577	\$1,146,951	\$399,726	\$14,972	\$3,640,226
2026	\$124,640,000	\$124,640,000		\$336,528	\$1,445,824	\$1,782,352	\$983,496	\$342,760	\$12,838	\$3,121,446
2027	\$103,925,000	\$103,925,000		\$280,598	\$1,205,530	\$1,486,128	\$820,040	\$285,794	\$10,704	\$2,602,665
2028	\$83,210,000	\$83,210,000		\$224,667	\$965,236	\$1,189,903	\$656,584	\$228,828	\$8,571	\$2,083,885
2029	\$62,495,000	\$62,495,000		\$168,737	\$724,942	\$893,679	\$493,129	\$171,861	\$6,437	\$1,565,105
2030	\$41,780,000	\$41,780,000		\$112,806	\$484,648	\$597,454	\$329,673	\$114,895	\$4,303	\$1,046,325
2031	\$41,765,000	\$41,765,000		\$112,766	\$484,474	\$597,240	\$329,555	\$114,854	\$4,302	\$1,045,950
2032	\$41,750,000	\$41,750,000		\$112,725	\$484,300	\$597,025	\$329,436	\$114,813	\$4,300	\$1,045,574
2033	\$41,735,000	\$41,735,000		\$112,685	\$484,126	\$596,811	\$329,318	\$114,771	\$4,299	\$1,045,198
2034	\$41,720,000	\$41,720,000		\$112,644	\$483,952	\$596,596	\$329,200	\$114,730	\$4,297	\$1,044,823
2035	\$41,705,000	\$41,705,000		\$112,604	\$483,778	\$596,382	\$329,081	\$114,689	\$4,296	\$1,044,447
2036	\$41,690,000	\$41,690,000		\$112,563	\$483,604	\$596,167	\$328,963	\$114,648	\$4,294	\$1,044,071
			Total	\$3,853,238	\$16,554,650	\$20,407,888	\$11,261,001	\$3,924,594	\$146,994	\$35,740,476

Source: CPA, 225DD 8me LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Concho 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*	Paint Rock ISD I&S Tax Levy	Paint Rock ISD M&O Tax Levy	Paint Rock M&O and I&S Tax Levies	Concho County Tax Levy	Concho County Hospital District Tax Levy	Lipan Kickapoo Tax Levy	Estimated Total Property Taxes
				0.2700	1.1600		0.7891	0.2750	0.0103	
2021	\$55,000,000	\$55,000,000		\$148,500	\$638,000	\$786,500	\$433,988	\$151,250	\$5,665	\$1,371,738
2022	\$207,500,000	\$20,000,000		\$560,250	\$232,000	\$792,250	\$1,637,318	\$570,625	\$21,373	\$3,000,193
2023	\$186,785,000	\$20,000,000		\$504,320	\$232,000	\$736,320	\$294,773	\$102,732	\$19,239	\$1,133,824
2024	\$166,070,000	\$20,000,000		\$448,389	\$232,000	\$680,389	\$262,081	\$91,339	\$17,105	\$1,033,809
2025	\$145,355,000	\$20,000,000		\$392,459	\$232,000	\$624,459	\$229,390	\$79,945	\$14,972	\$933,794
2026	\$124,640,000	\$20,000,000		\$336,528	\$232,000	\$568,528	\$196,699	\$68,552	\$12,838	\$833,779
2027	\$103,925,000	\$20,000,000		\$280,598	\$232,000	\$512,598	\$164,008	\$57,159	\$10,704	\$733,764
2028	\$83,210,000	\$20,000,000		\$224,667	\$232,000	\$456,667	\$131,317	\$45,766	\$8,571	\$633,749
2029	\$62,495,000	\$20,000,000		\$168,737	\$232,000	\$400,737	\$98,626	\$34,372	\$6,437	\$533,734
2030	\$41,780,000	\$20,000,000		\$112,806	\$232,000	\$344,806	\$65,935	\$22,979	\$4,303	\$433,720
2031	\$41,765,000	\$20,000,000		\$112,766	\$232,000	\$344,766	\$65,911	\$22,971	\$4,302	\$433,647
2032	\$41,750,000	\$41,750,000		\$112,725	\$484,300	\$597,025	\$65,887	\$22,963	\$4,300	\$685,875
2033	\$41,735,000	\$41,735,000		\$112,685	\$484,126	\$596,811	\$329,318	\$114,771	\$4,299	\$1,040,900
2034	\$41,720,000	\$41,720,000		\$112,644	\$483,952	\$596,596	\$329,200	\$114,730	\$4,297	\$1,040,526
2035	\$41,705,000	\$41,705,000		\$112,604	\$483,778	\$596,382	\$329,081	\$114,689	\$4,296	\$1,040,151
2036	\$41,690,000	\$41,690,000		\$112,563	\$483,604	\$596,167	\$328,963	\$114,648	\$4,294	\$1,039,777
			Total	\$3,853,238	\$5,377,760	\$9,230,998	\$4,962,494	\$1,729,489	\$146,994	\$15,922,981
			Diff	\$0	\$11,176,890	\$11,176,890	\$6,298,507	\$2,195,105	\$0	\$19,817,495

Source: CPA, 225DD 8me 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 (CORRECTED)

This represents the Comptroller’s determination that 225DD 8me 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	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$638,000	\$638,000	\$0	\$0
Limitation Period (10 Years)	2022	\$232,000	\$870,000	\$2,175,000	\$2,175,000
	2023	\$232,000	\$1,102,000	\$1,934,706	\$4,109,706
	2024	\$232,000	\$1,334,000	\$1,694,412	\$5,804,118
	2025	\$232,000	\$1,566,000	\$1,454,118	\$7,258,236
	2026	\$232,000	\$1,798,000	\$1,213,824	\$8,472,060
	2027	\$232,000	\$2,030,000	\$973,530	\$9,445,590
	2028	\$232,000	\$2,262,000	\$733,236	\$10,178,826
	2029	\$232,000	\$2,494,000	\$492,942	\$10,671,768
	2030	\$232,000	\$2,726,000	\$252,648	\$10,924,416
	2031	\$232,000	\$2,958,000	\$252,474	\$11,176,890
Maintain Viable Presence (5 Years)	2032	\$484,300	\$3,442,300	\$0	\$11,176,890
	2033	\$484,126	\$3,926,426	\$0	\$11,176,890
	2034	\$483,952	\$4,410,378	\$0	\$11,176,890
	2035	\$483,778	\$4,894,156	\$0	\$11,176,890
	2036	\$483,604	\$5,377,760	\$0	\$11,176,890
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$483,430	\$5,861,190	\$0	\$11,176,890
	2038	\$483,256	\$6,344,446	\$0	\$11,176,890
	2039	\$483,082	\$6,827,528	\$0	\$11,176,890
	2040	\$482,908	\$7,310,436	\$0	\$11,176,890
	2041	\$482,734	\$7,793,170	\$0	\$11,176,890
	2042	\$482,560	\$8,275,730	\$0	\$11,176,890
	2043	\$482,386	\$8,758,116	\$0	\$11,176,890
	2044	\$482,212	\$9,240,328	\$0	\$11,176,890
	2045	\$482,038	\$9,722,366	\$0	\$11,176,890
	2046	\$481,864	\$10,204,230	\$0	\$11,176,890
		\$10,204,230	is less than	\$11,176,890	

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, 225DD 8me LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2020	500	900	1400	\$22,508,200	\$68,491,800	\$91,000,000	7110000	-2580000	\$9,690,000
2021	502	961	1463	\$22,598,233	\$81,401,767	\$104,000,000	7570000	-1660000	\$9,230,000
2022	2	45	47	\$90,033	\$16,909,967	\$17,000,000	610000	1960000	-\$1,350,000
2023	2	(10)	-8	\$90,033	\$9,909,967	\$10,000,000	380000	1870000	-\$1,490,000
2024	2	(47)	-45	\$90,033	\$3,909,967	\$4,000,000	260000	1750000	-\$1,490,000
2025	2	(53)	-51	\$90,033	\$909,967	\$1,000,000	110000	1600000	-\$1,490,000
2026	2	(61)	-59	\$90,033	-\$1,090,033	-\$1,000,000	70000	1430000	-\$1,360,000
2027	2	(55)	-53	\$90,033	-\$2,090,033	-\$2,000,000	20000	1240000	-\$1,220,000
2028	2	(47)	-45	\$90,033	-\$2,090,033	-\$2,000,000	10000	1070000	-\$1,060,000
2029	2	(39)	-37	\$90,033	-\$2,090,033	-\$2,000,000	0	950000	-\$950,000
2030	2	(29)	-27	\$90,033	-\$2,090,033	-\$2,000,000	30000	840000	-\$810,000
2031	2	(23)	-21	\$90,033	-\$1,090,033	-\$1,000,000	20000	690000	-\$670,000
2032	2	(6)	-4	\$90,033	-\$1,090,033	-\$1,000,000	20000	600000	-\$580,000
2033	2	(4)	-2	\$90,033	-\$90,033	\$0	20000	480000	-\$460,000
2034	2	0	2	\$90,033	\$909,967	\$1,000,000	-30000	420000	-\$450,000
2035	2	4	6	\$90,033	\$909,967	\$1,000,000	-40000	350000	-\$390,000
2036	2	6	8	\$90,033	\$909,967	\$1,000,000	-50000	250000	-\$300,000
2037	2	6	8	\$90,033	\$909,967	\$1,000,000	-50000	200000	-\$250,000
2038	2	4	6	\$90,033	\$909,967	\$1,000,000	-110000	130000	-\$240,000
2039	2	4	6	\$90,033	\$1,909,967	\$2,000,000	-120000	80000	-\$200,000
2040	2	0	2	\$90,033	\$909,967	\$1,000,000	-170000	10000	-\$180,000
2041	2	0	2	\$90,033	\$909,967	\$1,000,000	-210000	-50000	-\$160,000
2042	2	(2)	0	\$90,033	\$909,967	\$1,000,000	-170000	-90000	-\$80,000
2043	2	(6)	-4	\$90,033	\$909,967	\$1,000,000	-170000	-130000	-\$40,000
2044	2	(10)	-8	\$90,033	-\$90,033	\$0	-170000	-140000	-\$30,000
2045	2	(8)	-6	\$90,033	-\$90,033	\$0	-210000	-230000	\$20,000
2046	2	(14)	-12	\$90,033	-\$90,033	\$0	-140000	-230000	\$90,000
						Total	\$14,590,000	\$10,810,000	\$3,780,000
							\$13,984,230	is greater than	\$11,176,890
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.