



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 28, 2019

James Sanders  
Superintendent  
Scurry-Rosser Independent School District  
10705 South State Highway 34  
Scurry, Texas 75158

Re: Certificate for Limitation on Appraised Value of Property for School District  
Maintenance and Operations taxes by and between Scurry-Rosser Independent School  
District and Lily Solar, LLC, Application 1350

Dear Superintendent Sanders:

On March 22, 2019, the Comptroller issued written notice that Lily Solar, LLC (applicant) submitted a completed application (Application 1350) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on February 18, 2019, to the Scurry-Rosser 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 B; 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.

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<sup>1</sup> 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 1350.

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 B.

**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 March 22, 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](mailto: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 written in a cursive style with a large initial "L".

Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan

### Attachment A – Economic Impact Analysis

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

Applicant	Lily Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Scurry-Rosser ISD
2017-2018 Average Daily Attendance	980
County	Kaufman
Proposed Total Investment in District	\$115,121,000
Proposed Qualified Investment	\$115,121,000
Limitation Amount	\$40,000,000
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	\$1,179
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,179
Minimum annual wage committed to by applicant for qualified jobs	\$61,321.70
Minimum weekly wage required for non-qualifying jobs	\$811
Minimum annual wage required for non-qualifying jobs	\$42,147
Investment per Qualifying Job	\$57,560,500
Estimated M&O levy without any limit (15 years)	\$9,058,124
Estimated M&O levy with Limitation (15 years)	\$5,724,409
Estimated gross M&O tax benefit (15 years)	\$3,333,715

\* 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 Lily Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	200	230	430	\$7,600,000	\$21,640,000	\$29,240,000
2021	2	21	23.393	\$122,643	\$3,810,357	\$3,933,000
2022	2	16	18	\$122,643	\$2,837,357	\$2,960,000
2023	2	5	7	\$122,643	\$1,687,357	\$1,810,000
2024	2	(1)	1	\$122,643	\$936,357	\$1,059,000
2025	2	(4)	-2	\$122,643	\$515,357	\$638,000
2026	2	(4)	-2	\$122,643	\$300,357	\$423,000
2027	2	(3)	-1	\$122,643	\$226,357	\$349,000
2028	2	(2)	0	\$122,643	\$257,357	\$380,000
2029	2	(0)	2	\$122,643	\$358,357	\$481,000
2030	2	2	4	\$122,643	\$489,357	\$612,000
2031	2	3	5	\$122,643	\$630,357	\$753,000
2032	2	4	6	\$122,643	\$755,357	\$878,000
2033	2	5	7	\$122,643	\$858,357	\$981,000
2034	2	5	7	\$122,643	\$938,357	\$1,061,000
2035	2	5	7	\$122,643	\$995,357	\$1,118,000

Source: CPA REMI, Lily 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*	Scurry-Rosser ISD I&S Tax Levy	Scurry-Rosser ISD M&O Tax Levy	Scurry-Rosser ISD M&O and I&S Tax Levies	Kaufman County Tax Levy	Kaufman County Road and Bridge Tax Levy	Kaufman County Emergency Services District #5 Tax Levy	Trinity Valley Community College District Tax Levy	Estimated Total Property Taxes
2020	\$11,250,000	\$11,250,000	0.1600	\$18,000	\$131,625	\$149,625	\$53,802	\$12,375	\$5,625	\$15,586	\$237,012
2021	\$115,121,000	\$115,121,000		\$184,194	\$1,346,916	\$1,531,109	\$550,550	\$126,633	\$57,561	\$159,489	\$2,425,342
2022	\$103,648,900	\$103,648,900		\$165,838	\$1,212,692	\$1,378,530	\$495,686	\$114,014	\$51,824	\$143,595	\$2,183,650
2023	\$92,176,800	\$92,176,800		\$147,483	\$1,078,469	\$1,225,951	\$440,823	\$101,394	\$46,088	\$127,702	\$1,941,959
2024	\$80,704,700	\$80,704,700		\$129,128	\$944,245	\$1,073,373	\$385,959	\$88,775	\$40,352	\$111,808	\$1,700,267
2025	\$69,232,600	\$69,232,600		\$110,772	\$810,021	\$920,794	\$331,095	\$76,156	\$34,616	\$95,915	\$1,458,576
2026	\$57,760,500	\$57,760,500		\$92,417	\$675,798	\$768,215	\$276,232	\$63,537	\$28,880	\$80,021	\$1,216,884
2027	\$46,288,400	\$46,288,400		\$74,061	\$541,574	\$615,636	\$221,368	\$50,917	\$23,144	\$64,128	\$975,193
2028	\$34,816,300	\$34,816,300		\$55,706	\$407,351	\$463,057	\$166,504	\$38,298	\$17,408	\$48,235	\$733,501
2029	\$23,344,200	\$23,344,200		\$37,351	\$273,127	\$310,478	\$111,640	\$25,679	\$11,672	\$32,341	\$491,810
2030	\$23,334,200	\$23,334,200		\$37,335	\$273,010	\$310,345	\$111,593	\$25,668	\$11,667	\$32,327	\$491,599
2031	\$23,324,200	\$23,324,200		\$37,319	\$272,893	\$310,212	\$111,545	\$25,657	\$11,662	\$32,313	\$491,389
2032	\$23,314,200	\$23,314,200		\$37,303	\$272,776	\$310,079	\$111,497	\$25,646	\$11,657	\$32,299	\$491,178
2033	\$23,304,200	\$23,304,200		\$37,287	\$272,659	\$309,946	\$111,449	\$25,635	\$11,652	\$32,286	\$490,967
2034	\$23,294,200	\$23,294,200		\$37,271	\$272,542	\$309,813	\$111,401	\$25,624	\$11,647	\$32,272	\$490,757
2035	\$23,284,200	\$23,284,200		\$37,255	\$272,425	\$309,680	\$111,353	\$25,613	\$11,642	\$32,258	\$490,546
			<b>Total</b>	<b>\$1,238,718</b>	<b>\$9,058,124</b>	<b>\$10,296,841</b>	<b>\$3,702,496</b>	<b>\$851,618</b>	<b>\$387,099</b>	<b>\$1,072,575</b>	<b>\$16,310,630</b>

Source: CPA, Lily Solar, LLC  
 \*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Kaufman 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 and Trinity Valley Community College.

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*	Scurry-Rosser ISD I&S Tax Levy	Scurry-Rosser ISD M&O Tax Levy	Scurry-Rosser ISD M&O and I&S Tax Levies	Kaufman County Tax Levy	Kaufman County Road and Bridge Tax Levy	Kaufman County Emergency Services District #5 Tax Levy	Trinity Valley Community College District Tax Levy	Estimated Total Property Taxes
2020	\$11,250,000	\$11,250,000	0.1600	\$18,000	\$131,625	\$149,625	\$53,802	\$12,375	\$5,625	\$15,586	\$237,012
2021	\$115,121,000	\$40,000,000	0.1700	\$184,194	\$468,000	\$652,194	\$137,638	\$126,633	\$57,561	\$39,872	\$1,013,897
2022	\$103,648,900	\$40,000,000	0.1700	\$165,838	\$468,000	\$633,838	\$123,922	\$114,014	\$51,824	\$35,899	\$959,497
2023	\$92,176,800	\$40,000,000	0.1700	\$147,483	\$468,000	\$615,483	\$110,206	\$101,394	\$46,088	\$31,925	\$905,097
2024	\$80,704,700	\$40,000,000	0.1700	\$129,128	\$468,000	\$597,128	\$96,490	\$88,775	\$40,352	\$27,952	\$850,697
2025	\$69,232,600	\$40,000,000	0.1700	\$110,772	\$468,000	\$578,772	\$82,774	\$76,156	\$34,616	\$23,979	\$796,297
2026	\$57,760,500	\$40,000,000	0.1700	\$92,417	\$468,000	\$560,417	\$69,058	\$63,537	\$28,880	\$20,005	\$741,897
2027	\$46,288,400	\$40,000,000	0.1700	\$74,061	\$468,000	\$542,061	\$55,342	\$50,917	\$23,144	\$16,032	\$687,497
2028	\$34,816,300	\$34,816,300	0.1700	\$55,706	\$407,351	\$463,057	\$41,626	\$38,298	\$17,408	\$12,059	\$572,448
2029	\$23,344,200	\$23,344,200	0.1700	\$37,351	\$273,127	\$310,478	\$27,910	\$25,679	\$11,672	\$8,085	\$383,824
2030	\$23,334,200	\$23,334,200	0.1700	\$37,335	\$273,010	\$310,345	\$27,898	\$25,668	\$11,667	\$8,082	\$383,660
2031	\$23,324,200	\$23,324,200	0.1700	\$37,319	\$272,893	\$310,212	\$111,545	\$25,657	\$11,662	\$32,313	\$491,389
2032	\$23,314,200	\$23,314,200	0.1700	\$37,303	\$272,776	\$310,079	\$111,497	\$25,646	\$11,657	\$32,299	\$491,178
2033	\$23,304,200	\$23,304,200	0.1700	\$37,287	\$272,659	\$309,946	\$111,449	\$25,635	\$11,652	\$32,286	\$490,967
2034	\$23,294,200	\$23,294,200	0.1700	\$37,271	\$272,542	\$309,813	\$111,401	\$25,624	\$11,647	\$32,272	\$490,757
2035	\$23,284,200	\$23,284,200	0.1700	\$37,255	\$272,425	\$309,680	\$111,353	\$25,613	\$11,642	\$32,258	\$490,546
			<b>Total</b>	<b>\$1,238,718</b>	<b>\$5,724,409</b>	<b>\$6,963,126</b>	<b>\$1,383,909</b>	<b>\$851,618</b>	<b>\$387,099</b>	<b>\$400,904</b>	<b>\$9,986,658</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$3,333,715</b>	<b>\$3,333,715</b>	<b>\$2,318,587</b>	<b>\$0</b>	<b>\$0</b>	<b>\$671,671</b>	<b>\$6,323,973</b>
Assumes School Value Limitation and Tax Abatements with the County.											

Source: CPA, Lily 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 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller's determination that Lily 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)
<b>Limitation Pre-Years</b>	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$131,625	\$131,625	\$0	\$0
<b>Limitation Period (10 Years)</b>	2021	\$468,000	\$599,625	\$878,916	\$878,916
	2022	\$468,000	\$1,067,625	\$744,692	\$1,623,608
	2023	\$468,000	\$1,535,625	\$610,469	\$2,234,076
	2024	\$468,000	\$2,003,625	\$476,245	\$2,710,321
	2025	\$468,000	\$2,471,625	\$342,021	\$3,052,343
	2026	\$468,000	\$2,939,625	\$207,798	\$3,260,141
	2027	\$468,000	\$3,407,625	\$73,574	\$3,333,715
	2028	\$407,351	\$3,814,976	\$0	\$3,333,715
	2029	\$273,127	\$4,088,103	\$0	\$3,333,715
	2030	\$273,010	\$4,361,113	\$0	\$3,333,715
<b>Maintain Viable Presence (5 Years)</b>	2031	\$272,893	\$4,634,006	\$0	\$3,333,715
	2032	\$272,776	\$4,906,782	\$0	\$3,333,715
	2033	\$272,659	\$5,179,441	\$0	\$3,333,715
	2034	\$272,542	\$5,451,984	\$0	\$3,333,715
	2035	\$272,425	\$5,724,409	\$0	\$3,333,715
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2036	\$272,308	\$5,996,717	\$0	\$3,333,715
	2037	\$272,191	\$6,268,908	\$0	\$3,333,715
	2038	\$272,074	\$6,540,982	\$0	\$3,333,715
	2039	\$271,957	\$6,812,939	\$0	\$3,333,715
	2040	\$271,840	\$7,084,779	\$0	\$3,333,715
	2041	\$271,723	\$7,356,503	\$0	\$3,333,715
	2042	\$271,606	\$7,628,109	\$0	\$3,333,715
	2043	\$271,489	\$7,899,598	\$0	\$3,333,715
	2044	\$271,372	\$8,170,970	\$0	\$3,333,715
	2045	\$271,255	\$8,442,225	\$0	\$3,333,715

**\$8,442,225**

is greater than

**\$3,333,715**

<b>Analysis Summary</b>	
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 levy directly related to this project.

Source: CPA, Lily 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 Lily 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 Lily 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 Lily Solar, LLC but believes Kaufman County, Texas, would be an ideal location for this solar facility. Currently, there are locations across 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 Lily 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 Kaufman County and Scurry-Rosser 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 such as this application. If the 313 is not granted, the rate of return drops to 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 market locations for profitable solar energy projects, and bring those 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 Education of the Scurry-Rosser ISD dated February 18, 2019 “Discussion and possible Board Action to accept the Application of Lily Solar, LLC for an Appraised Value Limitation on Qualified Property; authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days subject to Board ratification.”
- Supplemental information provided by the applicant indicated the following:
  - A. “There are no alternate names for Lily Solar. It has been known as Lily Solar throughout the development process.”
  - B. “The project has applied to ERCOT. The INR # is 19INR0044 and it was assigned April 10, 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 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 Lily Solar, LLC but believes Kaufman County, Texas, would be an ideal location for this solar facility. Currently, there are locations across 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 Lily 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 Kaufman County and Scurry-Rosser 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 such as this application. If the 313 is not granted, the rate of return drops to 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 market locations for profitable solar energy projects, and bring those 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

**NOTICE OF REGULAR MEETING  
BOARD OF EDUCATION  
SCURRY-ROSSER INDEPENDENT SCHOOL DISTRICT**

Notice is hereby given that a Regular Meeting of the Board of Education of the Scurry-Rosser Independent School District will be held on Monday, February 18, 2019 beginning at 7:00 PM in the Scurry-Rosser Administration Building, 10705 South State Highway 34, Scurry, Texas.

If during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapter D and E. Before any closed meeting, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions or decisions will be taken in open meeting.

- Items do not have to be taken in the same order as shown on the meeting notice.

The subjects to be discussed or considered or upon which any formal action may be taken are as follows:

1. Opening
  - A. Call to Order
  - B. Prayer
  - C. Pledge
  - D. Open Forum
2. Discussion/Approval of Consent Agenda Items.
  - A. Previous Minutes of January 14, 2019 public hearing and regular school board meeting.
3. Discussion/Approval of 2019-2020 School Calendar.
4. Discussion/Approval of Update 112.
5. Discussion and possible Board Action to accept the Application of Lily Solar, LLC for an Appraised Value Limitation on Qualified Property; authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days subject to Board ratification.
6. Discussion and possible Board action to retain consultants to assist the District in processing of Application for Appraised Value Limitation on Qualified Property

from Lily Solar, LLC.

7. Discussion/Approval for the expansion of Texas Leadership Charter Academy's geographic boundaries.
8. Information Items
  - A. Report of Student Activity Accounts
  - B. Comparison of Revenues/Expenditures
  - C. Cash Position
  - D. Check Payments
  - E. Utilities
  - F. Donations
9. Superintendent Information
  - A. Early Voting - April 22 thru April 30, 2019.
  - B. Reminder Election Day - May 4, 2019.
10. EXECUTIVE SESSION
  - Tex. Gov't Code 551.074**
    - Personnel
    - Administrators Contracts
    - Teacher Resignation
  - Tex.Gov't Code 551.087**
    - Discussion concerning possible economic development agreement with Lily Solar, LLC.
11. Reconvene from Closed Session for action, if any, from Closed Session.
12. Adjourn

This notice was posted in compliance with the Texas Open Meetings Act on **February 15, 2019.**

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James Sanders, Superintendent

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)  
– Scurry-Rosser ISD – Lily Solar, LLC App. #1350

Comptroller Questions (via email on May 3, 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 May 3, 2019):

- 1. There are no alternate names for Lily Solar. It has been known as Lily Solar throughout the development process.*
- 2. The project has applied to ERCOT. The INR # is 19INR0044 and it was assigned April 10, 2017.*