

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

April 13, 2020

AMENDED CERTIFICATION

Eric Pustejovsky
Superintendent
Abbott Independent School District
219 First Street
Abbott, Texas 76621

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Abbott Independent School District and Sun Valley Solar, LLC, Application 1364

Dear Superintendent Pustejovsky:

This application (Application 1364) was originally submitted on March 20, 2019, to the Abbott Independent School District (school district) by Sun Valley Solar, LLC, (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On June 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 April 16, 2019. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on November 13, 2019.

On March 3, 2020, Comptroller received an amendment to the agreement to move the start of limitation from 2021 to 2022 and increase the size of the project boundary and reinvestment zone. 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:

11E A6DEF0EC441E...
Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Amended Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Sun Valley Solar, LLC (project) applying to Abbott 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 Sun Valley Solar, LLC.

	Original	Amendment No. 1
Applicant	Sun Valley Solar, LLC	Sun Valley Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Abbott ISD	Abbott ISD
2017-2018 Average Daily Attendance	268	268
County	Hill	Hill
Proposed Total Investment in District	\$230,000,000	\$230,000,000
Proposed Qualified Investment	\$230,000,000	\$230,000,000
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	\$947	\$947
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$947	\$947
Minimum annual wage committed to by applicant for qualified jobs	\$49,259	\$49,259
Minimum weekly wage required for non-qualifying jobs	\$789	\$789
Minimum annual wage required for non-qualifying jobs	\$41,016	\$41,016
Investment per Qualifying Job	\$115,000,000	\$115,000,000
Estimated M&O levy without any limit (15 years)	\$15,510,793	\$15,510,793
Estimated M&O levy with Limitation (15 years)	\$4,397,472	\$4,397,472
Estimated gross M&O tax benefit (15 years)	\$11,113,320	\$11,113,320

* 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 Sun Valley Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	50	46	96	\$2,750,000	\$4,208,008	\$6,958,008
2021	400	373	773,438	\$22,000,000	\$33,419,922	\$55,419,922
2022	2	29	31	\$98,518	\$6,615,349	\$6,713,867
2023	2	10	12	\$98,518	\$4,418,083	\$4,516,602
2024	2	(2)	0	\$98,518	\$2,464,958	\$2,563,477
2025	2	(0)	2	\$98,518	\$1,732,537	\$1,831,055
2026	2	(6)	-4	\$98,518	\$1,244,255	\$1,342,773
2027	2	(4)	-2	\$98,518	\$1,122,185	\$1,220,703
2028	2	(4)	-2	\$98,518	\$1,122,185	\$1,220,703
2029	2	(2)	0	\$98,518	\$633,904	\$732,422
2030	2	(0)	2	\$98,518	\$389,763	\$488,281
2031	2	(0)	2	\$98,518	\$389,763	\$488,281
2032	2	6	8	\$98,518	\$633,904	\$732,422
2033	2	2	4	\$98,518	\$389,763	\$488,281
2034	2	6	8	\$98,518	\$1,122,185	\$1,220,703
2035	2	6	8	\$98,518	\$878,044	\$976,563
2036	2	10	12	\$98,518	\$633,904	\$732,422

Source: CPA REMI, Sun Valley 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*	Abbott ISD I&S Tax Levy	Abbott ISD M&O Tax Levy	Abbott ISD M&O and I&S Tax Levies	Hill County Tax Levy	Hill County ESD #1 District Tax Levy	Hill County ESD #2 District Tax Levy	Hill College District Tax Levy	Tehuacana Creek Water and Improvement District Tax Levy	Estimated Total Property Taxes
				0.2899	1.0200		0.5399	0.0300	0.0500	0.0941	0.0248	
2022	\$230,000,000	\$230,000,000		\$666,770	\$2,346,000	\$3,012,770	\$1,241,729	\$69,000	\$115,000	\$216,504	\$56,989	\$4,323,499
2023	\$207,035,000	\$207,035,000		\$600,194	\$2,111,757	\$2,711,951	\$1,117,745	\$62,111	\$103,518	\$194,886	\$51,299	\$3,891,807
2024	\$184,070,450	\$184,070,450		\$533,620	\$1,877,519	\$2,411,139	\$993,763	\$55,221	\$92,035	\$173,269	\$45,609	\$3,460,123
2025	\$161,105,900	\$161,105,900		\$467,046	\$1,643,280	\$2,110,326	\$869,782	\$48,332	\$80,553	\$151,652	\$39,919	\$3,028,440
2026	\$138,141,350	\$138,141,350		\$400,472	\$1,409,042	\$1,809,514	\$745,800	\$41,442	\$69,071	\$130,035	\$34,229	\$2,596,756
2027	\$115,176,800	\$115,176,800		\$333,898	\$1,174,803	\$1,508,701	\$621,819	\$34,553	\$57,588	\$108,418	\$28,539	\$2,165,073
2028	\$92,212,250	\$92,212,250		\$267,323	\$940,565	\$1,207,888	\$497,837	\$27,664	\$46,106	\$86,801	\$22,848	\$1,733,389
2029	\$69,247,700	\$69,247,700		\$200,749	\$706,327	\$907,076	\$373,856	\$20,774	\$34,624	\$65,184	\$17,158	\$1,301,706
2030	\$46,283,150	\$46,283,150		\$134,175	\$472,088	\$606,263	\$249,874	\$13,885	\$23,142	\$43,567	\$11,468	\$870,022
2031	\$46,268,600	\$46,268,600		\$134,133	\$471,940	\$606,072	\$249,796	\$13,881	\$23,134	\$43,554	\$11,464	\$869,749
2032	\$46,254,050	\$46,254,050		\$134,090	\$471,791	\$605,882	\$249,717	\$13,876	\$23,127	\$43,540	\$11,461	\$869,475
2033	\$46,239,500	\$46,239,500		\$134,048	\$471,643	\$605,691	\$249,639	\$13,872	\$23,120	\$43,526	\$11,457	\$869,202
2034	\$46,224,950	\$46,224,950		\$134,006	\$471,494	\$605,501	\$249,560	\$13,867	\$23,112	\$43,512	\$11,454	\$868,928
2035	\$46,210,400	\$46,210,400		\$133,964	\$471,346	\$605,310	\$249,482	\$13,863	\$23,105	\$43,499	\$11,450	\$868,655
2036	\$46,195,850	\$46,195,850		\$133,922	\$471,198	\$605,119	\$249,403	\$13,859	\$23,098	\$43,485	\$11,446	\$868,381
			Total	\$4,408,411	\$15,510,793	\$19,919,203	\$8,209,802	\$456,200	\$760,333	\$1,431,433	\$376,791	\$28,585,205

Source: CPA, Sun Valley Solar, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Hill County, Hill College, Hill County ESD #1, Hill County ESD #2 and Tehuacana Creek Water Improvement District, with all property tax incentives sought using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax 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		Abbott ISD I&S Tax Levy	Abbott ISD M&O Tax Levy	Abbott ISD M&O and I&S Tax Levies	Hill County Tax Levy	Hill County ESD #1 District Tax Levy	Hill County ESD #2 District Tax Levy	Hill College District Tax Levy	Tehuacana Creek Water and Improvement District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2899	1.0200		0.5399	0.0300	0.0500	0.0941	0.0248	
2022	\$230,000,000	\$20,000,000		\$666,770	\$204,000	\$870,770	\$434,605	\$69,000	\$115,000	\$216,504	\$56,989	\$1,374,375
2023	\$207,035,000	\$20,000,000		\$600,194	\$204,000	\$804,194	\$391,211	\$62,111	\$103,518	\$194,886	\$51,299	\$1,257,516
2024	\$184,070,450	\$20,000,000		\$533,620	\$204,000	\$737,620	\$347,817	\$55,221	\$92,035	\$173,269	\$45,609	\$1,140,658
2025	\$161,105,900	\$20,000,000		\$467,046	\$204,000	\$671,046	\$304,424	\$48,332	\$80,553	\$151,652	\$39,919	\$1,023,801
2026	\$138,141,350	\$20,000,000		\$400,472	\$204,000	\$604,472	\$261,030	\$41,442	\$69,071	\$130,035	\$34,229	\$906,944
2027	\$115,176,800	\$20,000,000		\$333,898	\$204,000	\$537,898	\$217,637	\$34,553	\$57,588	\$108,418	\$28,539	\$790,087
2028	\$92,212,250	\$20,000,000		\$267,323	\$204,000	\$471,323	\$174,243	\$27,664	\$46,106	\$86,801	\$22,848	\$673,230
2029	\$69,247,700	\$20,000,000		\$200,749	\$204,000	\$404,749	\$130,850	\$20,774	\$34,624	\$65,184	\$17,158	\$556,373
2030	\$46,283,150	\$20,000,000		\$134,175	\$204,000	\$338,175	\$87,456	\$13,885	\$23,142	\$43,567	\$11,468	\$439,516
2031	\$46,268,600	\$20,000,000		\$134,133	\$204,000	\$338,133	\$87,429	\$13,881	\$23,134	\$43,554	\$11,464	\$439,442
2032	\$46,254,050	\$46,254,050		\$134,090	\$471,791	\$605,882	\$249,717	\$13,876	\$23,127	\$43,540	\$11,461	\$869,475
2033	\$46,239,500	\$46,239,500		\$134,048	\$471,643	\$605,691	\$249,639	\$13,872	\$23,120	\$43,526	\$11,457	\$869,202
2034	\$46,224,950	\$46,224,950		\$134,006	\$471,494	\$605,501	\$249,560	\$13,867	\$23,112	\$43,512	\$11,454	\$868,928
2035	\$46,210,400	\$46,210,400		\$133,964	\$471,346	\$605,310	\$249,482	\$13,863	\$23,105	\$43,499	\$11,450	\$868,655
2036	\$46,195,850	\$46,195,850		\$133,922	\$471,198	\$605,119	\$249,403	\$13,859	\$23,098	\$43,485	\$11,446	\$868,381
			Total	\$4,408,411	\$4,397,472	\$8,805,883	\$3,684,501	\$456,200	\$760,333	\$1,431,433	\$376,791	\$12,946,584
			Diff	\$0	\$11,113,320	\$11,113,320	\$4,525,301	\$0	\$0	\$0	\$0	\$15,638,621

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Sun Valley 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 Sun Valley 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 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	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2022	\$204,000	\$204,000	\$2,142,000	\$2,142,000
	2023	\$204,000	\$408,000	\$1,907,757	\$4,049,757
	2024	\$204,000	\$612,000	\$1,673,519	\$5,723,276
	2025	\$204,000	\$816,000	\$1,439,280	\$7,162,556
	2026	\$204,000	\$1,020,000	\$1,205,042	\$8,367,598
	2027	\$204,000	\$1,224,000	\$970,803	\$9,338,401
	2028	\$204,000	\$1,428,000	\$736,565	\$10,074,966
	2029	\$204,000	\$1,632,000	\$502,327	\$10,577,292
	2030	\$204,000	\$1,836,000	\$268,088	\$10,845,381
	2031	\$204,000	\$2,040,000	\$267,940	\$11,113,320
Maintain Viable Presence (5 Years)	2032	\$471,791	\$2,511,791	\$0	\$11,113,320
	2033	\$471,643	\$2,983,434	\$0	\$11,113,320
	2034	\$471,494	\$3,454,929	\$0	\$11,113,320
	2035	\$471,346	\$3,926,275	\$0	\$11,113,320
	2036	\$471,198	\$4,397,472	\$0	\$11,113,320
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$471,049	\$4,868,522	\$0	\$11,113,320
	2038	\$470,901	\$5,339,423	\$0	\$11,113,320
	2039	\$470,752	\$5,810,175	\$0	\$11,113,320
	2040	\$470,604	\$6,280,779	\$0	\$11,113,320
	2041	\$470,456	\$6,751,235	\$0	\$11,113,320
	2042	\$470,307	\$7,221,542	\$0	\$11,113,320
	2043	\$470,159	\$7,691,701	\$0	\$11,113,320
	2044	\$470,010	\$8,161,711	\$0	\$11,113,320
	2045	\$469,862	\$8,631,573	\$0	\$11,113,320
	2046	\$469,714	\$9,101,287	\$0	\$11,113,320
		\$9,101,287	is less than	\$11,113,320	

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, Sun Valley Solar, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2020	50	46	96	\$2,750,000	\$4,208,008	\$6,958,008	343322.8	-167846.7	\$511,170
2021	400	373	773.438	\$22,000,000	\$33,419,922	\$55,419,922	2700805.7	-1365661.6	\$4,066,467
2022	2	29	31	\$98,518	\$6,615,349	\$6,713,867	305175.8	579834	-\$274,658
2023	2	10	12	\$98,518	\$4,418,083	\$4,516,602	259399.4	587463.4	-\$328,064
2024	2	(2)	0	\$98,518	\$2,464,958	\$2,563,477	274658.2	579834	-\$305,176
2025	2	(0)	2	\$98,518	\$1,732,537	\$1,831,055	244140.6	549316.4	-\$305,176
2026	2	(6)	-4	\$98,518	\$1,244,255	\$1,342,773	244140.6	518798.8	-\$274,658
2027	2	(4)	-2	\$98,518	\$1,122,185	\$1,220,703	251770	450134.3	-\$198,364
2028	2	(4)	-2	\$98,518	\$1,122,185	\$1,220,703	228881.8	411987.3	-\$183,106
2029	2	(2)	0	\$98,518	\$633,904	\$732,422	236511.2	411987.3	-\$175,476
2030	2	(0)	2	\$98,518	\$389,763	\$488,281	221252.4	381469.7	-\$160,217
2031	2	(0)	2	\$98,518	\$389,763	\$488,281	167846.7	350952.1	-\$183,105
2032	2	6	8	\$98,518	\$633,904	\$732,422	175476.1	328064	-\$152,588
2033	2	2	4	\$98,518	\$389,763	\$488,281	160217.3	259399.4	-\$99,182
2034	2	6	8	\$98,518	\$1,122,185	\$1,220,703	160217.3	236511.2	-\$76,294
2035	2	6	8	\$98,518	\$878,044	\$976,563	152587.9	205993.7	-\$53,406
2036	2	10	12	\$98,518	\$633,904	\$732,422	114440.9	152587.9	-\$38,147
2037	2	8	10	\$98,518	\$878,044	\$976,563	99182.1	137329.1	-\$38,147
2038	2	4	6	\$98,518	\$878,044	\$976,563	91552.7	114440.9	-\$22,888
2039	2	10	12	\$98,518	\$1,610,466	\$1,708,984	106811.5	83923.3	\$22,888
2040	2	6	8	\$98,518	\$1,122,185	\$1,220,703	61035.2	15258.8	\$45,776
2041	2	8	10	\$98,518	\$1,122,185	\$1,220,703	45776.4	-7629.4	\$53,406
2042	2	2	4	\$98,518	\$1,122,185	\$1,220,703	15258.8	-15258.8	\$30,518
2043	2	2	4	\$98,518	\$878,044	\$976,563	30517.6	-38147	\$68,665
2044	2	(0)	2	\$98,518	\$878,044	\$976,563	0	-38147	\$38,147
2045	2	(0)	2	\$98,518	\$878,044	\$976,563	-15258.8	-83923.3	\$68,665
2046	2	2	4	\$98,518	\$1,366,326	\$1,464,844	30517.6	-91552.7	\$122,070
2047	2	4	6	\$98,518	\$1,854,607	\$1,953,125	76293.9	-91552.7	\$167,847
						Total	\$6,782,532	\$4,455,566	\$2,326,965
							\$11,428,252	is greater than	\$11,113,320
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.