



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

August 23, 2019

Dr. Marc Faulker
Superintendent
China Spring Independent School District
PO Box 250
China Spring, TX 76633

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between China Spring Independent School
District and Glory Leasing, LLC, Application 1368

Dear Superintendent Faulker:

On June 26, 2019, the Comptroller issued written notice that Glory Leasing, LLC (applicant) submitted a completed application (Application 1368) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on April 15, 2019, to the China Spring 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 1368.

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 June 26, 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 written in a cursive style with a large initial "L" and "C".

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Glory Leasing, LLC (project) applying to China Spring 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 Glory Leasing, LLC.

Applicant	Glory Leasing, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	China Spring ISD
2017-2018 Average Daily Attendance	2,601
County	McLennan
Proposed Total Investment in District	\$75,200,000
Proposed Qualified Investment	\$75,200,000
Limitation Amount	\$15,000,000
Qualifying Time Period (Full Years)	2020-2021
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$947
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$947
Minimum annual wage committed to by applicant for qualified jobs	\$49,260
Minimum weekly wage required for non-qualifying jobs	\$891
Minimum annual wage required for non-qualifying jobs	\$46,333
Investment per Qualifying Job	\$75,200,000
Estimated M&O levy without any limit (15 years)	\$3,330,990
Estimated M&O levy with Limitation (15 years)	\$1,949,779
Estimated gross M&O tax benefit (15 years)	\$1,381,211

* 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 Glory Leasing, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	75	94	169	\$3,750,000	\$8,516,000	\$12,266,000
2021	175	219	394.301	\$8,750,000	\$21,508,000	\$30,258,000
2022	1	21	22	\$49,260	\$4,289,740	\$4,339,000
2023	1	9	10	\$49,260	\$2,690,740	\$2,740,000
2024	1	(4)	-3	\$49,260	\$1,202,740	\$1,252,000
2025	1	(10)	-9	\$49,260	\$335,740	\$385,000
2026	1	(11)	-10	\$49,260	-\$106,260	-\$57,000
2027	1	(10)	-9	\$49,260	-\$263,260	-\$214,000
2028	1	(8)	-7	\$49,260	-\$226,260	-\$177,000
2029	1	(5)	-4	\$49,260	-\$85,260	-\$36,000
2030	1	(2)	-1	\$49,260	\$107,740	\$157,000
2031	1	0	1	\$49,260	\$313,740	\$363,000
2032	1	2	3	\$49,260	\$503,740	\$553,000
2033	1	3	4	\$49,260	\$660,740	\$710,000
2034	1	4	5	\$49,260	\$781,740	\$831,000
2035	1	4	5	\$49,260	\$864,740	\$914,000
2036	1	4	5	\$49,260	\$896,740	\$946,000

Source: CPA REMI, Glory Leasing, 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*	China Spring ISD I&S Tax Levy	China Spring ISD M&O Tax Levy	China Spring ISD M&O and I&S Tax Levies	McLennan County Tax Levy	McLennan Community College District Tax Levy	Estimated Total Property Taxes
				0.3187	0.9700		0.4853	0.1477	
2021	\$1,867,500	\$1,867,500		\$5,952	\$18,115	\$24,067	\$9,063	\$2,758	\$35,888
2022	\$48,591,800	\$48,591,800		\$154,872	\$471,340	\$626,212	\$235,813	\$71,768	\$933,793
2023	\$44,396,500	\$44,396,500		\$141,501	\$430,646	\$572,147	\$215,453	\$65,572	\$853,172
2024	\$40,201,500	\$40,201,500		\$128,130	\$389,955	\$518,085	\$195,095	\$59,376	\$772,556
2025	\$35,483,900	\$35,483,900		\$113,094	\$344,194	\$457,288	\$172,201	\$52,408	\$681,897
2026	\$30,766,600	\$30,766,600		\$98,059	\$298,436	\$396,495	\$149,308	\$45,441	\$591,245
2027	\$26,049,500	\$26,049,500		\$83,025	\$252,680	\$335,705	\$126,416	\$38,474	\$500,596
2028	\$20,809,800	\$20,809,800		\$66,325	\$201,855	\$268,180	\$100,989	\$30,735	\$399,904
2029	\$16,093,300	\$16,093,300		\$51,293	\$156,105	\$207,398	\$78,100	\$23,769	\$309,266
2030	\$12,945,700	\$12,945,700		\$41,261	\$125,573	\$166,834	\$62,825	\$19,120	\$248,779
2031	\$11,367,100	\$11,367,100		\$36,229	\$110,261	\$146,490	\$55,164	\$16,789	\$218,443
2032	\$11,357,400	\$11,357,400		\$36,198	\$110,167	\$146,365	\$55,117	\$16,774	\$218,256
2033	\$11,348,000	\$11,348,000		\$36,168	\$110,076	\$146,244	\$55,071	\$16,761	\$218,076
2034	\$11,338,800	\$11,338,800		\$36,139	\$109,986	\$146,125	\$55,026	\$16,747	\$217,899
2035	\$11,329,900	\$11,329,900		\$36,111	\$109,900	\$146,011	\$54,983	\$16,734	\$217,728
2036	\$11,321,200	\$11,321,200		\$36,083	\$109,816	\$145,899	\$54,941	\$16,721	\$217,561
			Total	\$1,094,488	\$3,330,990	\$4,425,477	\$1,666,501	\$507,190	\$6,599,168

Source: CPA, Glory Leasing, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and McLennan 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*	China Spring ISD I&S Tax Levy	China Spring ISD M&O Tax Levy	China Spring ISD M&O and I&S Tax Levies	McLennan County Tax Levy	McLennan Community College District Tax Levy	Estimated Total Property Taxes
				0.3187	0.9700		0.4853	0.1477	
2021	\$1,867,500	\$1,867,500		\$5,952	\$18,115	\$24,067	\$9,063	\$2,758	\$35,888
2022	\$48,591,800	\$15,000,000		\$154,872	\$145,500	\$300,372	\$23,581	\$71,768	\$395,721
2023	\$44,396,500	\$15,000,000		\$141,501	\$145,500	\$287,001	\$21,545	\$65,572	\$374,118
2024	\$40,201,500	\$15,000,000		\$128,130	\$145,500	\$273,630	\$19,510	\$59,376	\$352,516
2025	\$35,483,900	\$15,000,000		\$113,094	\$145,500	\$258,594	\$17,220	\$52,408	\$328,223
2026	\$30,766,600	\$15,000,000		\$98,059	\$145,500	\$243,559	\$14,931	\$45,441	\$303,931
2027	\$26,049,500	\$15,000,000		\$83,025	\$145,500	\$228,525	\$25,283	\$38,474	\$292,282
2028	\$20,809,800	\$15,000,000		\$66,325	\$145,500	\$211,825	\$20,198	\$30,735	\$262,758
2029	\$16,093,300	\$15,000,000		\$51,293	\$145,500	\$196,793	\$15,620	\$23,769	\$236,182
2030	\$12,945,700	\$12,945,700		\$41,261	\$125,573	\$166,834	\$62,825	\$19,120	\$248,779
2031	\$11,367,100	\$11,367,100		\$36,229	\$110,261	\$146,490	\$55,164	\$16,789	\$218,443
2032	\$11,357,400	\$11,357,400		\$36,198	\$110,167	\$146,365	\$55,117	\$16,774	\$218,256
2033	\$11,348,000	\$11,348,000		\$36,168	\$110,076	\$146,244	\$55,071	\$16,761	\$218,076
2034	\$11,338,800	\$11,338,800		\$36,139	\$109,986	\$146,125	\$55,026	\$16,747	\$217,899
2035	\$11,329,900	\$11,329,900		\$36,111	\$109,900	\$146,011	\$54,983	\$16,734	\$217,728
2036	\$11,321,200	\$11,321,200		\$36,083	\$109,816	\$145,899	\$54,941	\$16,721	\$217,561
			Total	\$1,094,488	\$1,949,779	\$3,044,266	\$551,015	\$507,190	\$4,102,470
			Diff	\$0	\$1,381,211	\$1,381,211	\$1,115,486	\$0	\$2,496,698

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Glory Leasing, 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 Glory Leasing, 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	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$18,115	\$18,115	\$0	\$0
Limitation Period (10 Years)	2022	\$145,500	\$163,615	\$325,840	\$325,840
	2023	\$145,500	\$309,115	\$285,146	\$610,987
	2024	\$145,500	\$454,615	\$244,455	\$855,441
	2025	\$145,500	\$600,115	\$198,694	\$1,054,135
	2026	\$145,500	\$745,615	\$152,936	\$1,207,071
	2027	\$145,500	\$891,115	\$107,180	\$1,314,251
	2028	\$145,500	\$1,036,615	\$56,355	\$1,370,606
	2029	\$145,500	\$1,182,115	\$10,605	\$1,381,211
	2030	\$125,573	\$1,307,688	\$0	\$1,381,211
	2031	\$110,261	\$1,417,949	\$0	\$1,381,211
Maintain Viable Presence (5 Years)	2032	\$110,167	\$1,528,116	\$0	\$1,381,211
	2033	\$110,076	\$1,638,191	\$0	\$1,381,211
	2034	\$109,986	\$1,748,178	\$0	\$1,381,211
	2035	\$109,900	\$1,858,078	\$0	\$1,381,211
	2036	\$109,816	\$1,967,893	\$0	\$1,381,211
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$109,733	\$2,077,627	\$0	\$1,381,211
	2038	\$109,653	\$2,187,279	\$0	\$1,381,211
	2039	\$109,574	\$2,296,853	\$0	\$1,381,211
	2040	\$109,497	\$2,406,351	\$0	\$1,381,211
	2041	\$109,423	\$2,515,774	\$0	\$1,381,211
	2042	\$109,350	\$2,625,124	\$0	\$1,381,211
	2043	\$109,279	\$2,734,403	\$0	\$1,381,211
	2044	\$109,210	\$2,843,613	\$0	\$1,381,211
	2045	\$109,143	\$2,952,757	\$0	\$1,381,211
	2046	\$109,077	\$3,061,834	\$0	\$1,381,211

\$3,061,834

is greater than

\$1,381,211

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

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, Glory Leasing, 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 Glory Leasing, 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 Glory Leasing, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Linn Partners is family investment firm established in 2005 and based out of Fort Worth. As a firm, we invest in real estate, agriculture and ranch opportunities, and other business ventures where we can add value. Renewable energy projects are slowly becoming synonymous with ranching investments not only in Texas but also neighboring states, especially to the north in Oklahoma and Kansas, and to the west in New Mexico.”
 - B. “Linn Partners is keen to develop and build the proposed Glory Leasing Solar Project as per this application on L Bar L Ranch, which is situated within the China Spring Independent School District, but since this Project is still in early- to mid- stage of development, further investment could be redeployed to other counties within the state of Texas or an entirely different state within the United States. Linn Partners is currently considering comparable solar development opportunities within New Mexico, Arizona, and Colorado. This Project, as with the aforementioned projects, are limited to a finite amount of capital investment.”
 - C. “In addition to the capital that will be deployed by Glory Leasing LLC, the solar project’s ultimate financier/operator will be a nationally-renowned entity with limited investment capital to deploy across the U.S. Consistent with the 313 applications filed by these companies on other renewable energy projects, the successful completion of market-competitive tax incentives is a necessity that provides a level playing field for all successful utility-scale solar projects in Texas.”
 - D. “Key development characteristics, such as securing tax abatement commercial terms for example, will determine the ultimate location of the Glory Leasing Solar Project. Tax abatements, along with a few several other development variables, have a significant impact on the competitiveness of the project’s generation and ultimately likelihood for success. Therefore, Linn Partners is continually comparing investment opportunities, rate of return, and market viability of each project based upon financial metrics.”

- E. "Due to an extremely competitive power market in ERCOT, the Chapter 313 appraised value limitation agreement is a necessity for a solar project of this size, and the commercial terms associated have a significant impact on the project's likelihood for success. There are only a few developmental variables for solar project which enhance the economics (i.e. property taxes, land rental payment, geotechnical adders), and since solar projects all compete with each other within ERCOT, a project without an appraised value limitation agreement is not competitive and is very unlikely to reach the point of construction.
- F. Therefore, this appraised value limitation is critical to the ability of the proposed project to move forward as currently sited within the China Springs Independent School District."
- According to Regular Meeting of the Board of Trustees China Spring ISD dated April 15, 2019 "Consideration, discussion, and possible approval to accept an Application for Value Limitation Agreement from Markum Solar 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."
- An August 13, 2019 *wacotrib.com* article states, "Notice of Public Hearing - Proposed Designation of County Reinvestment. Hereinafter "Markum Solar Property" or "Property". Proposed to be called County Reinvestment Zone No. 6. The Owner of the Project, Glory Leasing, LLC, an affiliate of Linn Family Partnership, Ltd, is proposing to develop and construct/install facilities and equipment for, and the operation of an approximately 161 MWac solar electric generating farm/system/facility, photovoltaic panels, central inverters, and other equipment and appurtenances required to capture solar energy and convert it to electricity, with approximately one half of the Project to be located on the Property described above."
- Supplemental information provided by the applicant indicated the following:
 - A. "The only project other name is Markum Solar, which I believe either Brazos Electric or ERCOT tagged it as."
 - B. "Yes, the project is currently being studied as a 161MWac solar energy facility proceeding through the Full Interconnection Study process. The GNIR for the project is 20INR0230."

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

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Supporting Information

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<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

Documentation to assist in determining if limitation is a determining factor.

Linn Partners is family investment firm established in 2005 and based out of Fort Worth. As a firm, we invest in real estate, agriculture and ranch opportunities, and other business ventures where we can add value. Renewable energy projects are slowly becoming synonymous with ranching investments not only in Texas but also neighboring states, especially to the north in Oklahoma and Kansas, and to the west in New Mexico.

Linn Partners is keen to develop and build the proposed Glory Leasing Solar Project as per this application on L Bar L Ranch, which is situated within the China Spring Independent School District, but since this Project is still in early- to mid- stage of development, further investment could be redeployed to other counties within the state of Texas or an entirely different state within the United States. Linn Partners is currently considering comparable solar development opportunities within New Mexico, Arizona, and Colorado. This Project, as with the aforementioned projects, are limited to a finite amount of capital investment.

In addition to the capital that will be deployed by Glory Leasing LLC, the solar project's ultimate financier/operator will be a nationally-renowned entity with limited investment capital to deploy across the U.S. Consistent with the 313 applications filed by these companies on other renewable energy projects, the successful completion of market-competitive tax incentives is a necessity that provides a level playing field for all successful utility-scale solar projects in Texas. Key development characteristics, such as securing tax abatement commercial terms for example, will determine the ultimate location of the Glory Leasing Solar Project. Tax abatements, along with a few several other development variables, have a significant impact on the competitiveness of the project's generation and ultimately likelihood for success. Therefore, Linn Partners is continually comparing investment opportunities, rate of return, and market viability of each project based upon financial metrics.

Due to an extremely competitive power market in ERCOT, the Chapter 313 appraised value limitation agreement is a necessity for a solar project of this size, and the commercial terms associated have a significant impact on the project's likelihood for success. There are only a few developmental variables for solar project which enhance the economics (i.e. property taxes, land rental payment, geotechnical adders), and since solar projects all compete with each other within ERCOT, a project without an appraised value limitation agreement is not competitive and is very unlikely to reach the point of construction. Therefore, this

appraised value limitation is critical to the ability of the proposed project to move forward as currently sited within the China Springs Independent School District.

Supporting Information

**Additional information
provided by the Applicant or
located by the Comptroller**

Notice of Regular Meeting

The Board of Trustees China Spring ISD

A Regular Meeting of the Board of Trustees of China Spring ISD will be held April 15, 2019, beginning at 6:00 PM in the Administration Building at 12166 Yankie Rd, China Spring, TX 76633.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. Call to Order
2. Prayer - Bubba Galvan
3. Pledge of Allegiance
4. China Spring ISD Mission, Vision, and Beliefs statements
 - A. MISSION STATEMENT
Our mission, in partnership with the community, is to provide individualized learning experiences to prepare students for success in life.
 - B. VISION STATEMENT
Our vision in China Spring Independent School District is to strive for continuous improvement of our educational system by providing opportunities for all to achieve excellence.
 - C. BELIEF STATEMENT
Our educational system promotes a shared culture serving all stakeholders.
5. Staff Recognition
 - A. Elementary Faculty Member of the Month - Holly Johnson
 - B. Secondary Faculty Member of the Month - Daniel Farris
 - C. Staff Member of the Month - E. J. Tatsch
6. Campus Presentation - Middle School
7. Approval of minutes from the regularly scheduled board meeting held on March 25, 2019 (Action Item)
8. Presentation by Wes Jackson with Cummings Westlake LLC representing the Markum Solar Project Investment Team in Connection with an Application for Value Limitation Agreement Pursuant to Chapter 313 of the Texas Property Tax Code (Information Item)

9. Consideration, discussion, and possible approval of board policy CCGB(LOCAL) in reference to chapter 313 agreements of the Texas Property Tax Code (Action Item)
10. Discussion and acknowledgement of the Conflict of Interest Policy BBFA (LEGAL) and (LOCAL) (Information Item)
11. Consideration, discussion, and possible approval to accept an Application for Value Limitation Agreement from Markum Solar 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 (Action Item)
12. Consideration, discussion, and possible approval of entering into an agreement with Jigsaw School Finance Consulting Services to assist the District in the review and processing of the Application for Value Limitation Agreement from Markum Solar pursuant to Chapter 313 of the Texas Property Tax Code (Action Item)
13. Consideration, discussion, and possible approval of entering into an agreement to retain attorneys Sara Leon & Associates, LLC to assist the District in the review and processing of the Application for Value Limitation Agreement from Markum Solar pursuant to Chapter 313 of the Texas Property Tax Code (Action Item)
14. Public Comment
15. Extra-Curricular and Student Organization Reports (Information Item)
 - A. Band
 - B. FFA
 - C. Athletics
16. Reports to the Board (Information Item)
 - A. Campus Principals
 - B. Executive Director of Business and Finance
 - C. Executive Director of Curriculum and Instruction
 - D. Director of Special Education
 - E. Assistant Superintendent
 - F. Superintendent
 1. Resignations and Retirements
 2. Education Foundation
17. Executive Session, Govt. Code 551.074 and 551.074.
 - A. Consideration, discussion, and possible approval of probationary teacher contracts for the 2019-2020 school year (Action Item)
 - B. Consideration, discussion, and possible approval of teacher, nurses, librarian, and counselor contracts for the 2019-2020 school year (Action Item)
 - C. Consultation with legal counsel regarding an Application for Value Limitation Agreement from Markum Solar pursuant to Chapter 313 of the Texas Property Tax Code.

⚠ Weather Alert

Heat Advisory until 8PM CDT WED

Notice of Public Hearing - Proposed Designation of County Reinvestment

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Details for Notice of Public Hearing - Proposed Designation of County Reinvestment

Aug 13, 2019

NOTICE OF PUBLIC HEARING ON THE PROPOSED DESIGNATION OF A COUNTY REINVESTMENT ZONE BY THE COMMISSIONERS COURT OF MCLENNAN COUNTY, TEXAS On 27 day of August, 2019 at 9:00 A.M. in the Commissioners Courtroom at 501 Washington Avenue, Waco, Texas, the Commissioners Court of McLennan County, Texas will hold a public hearing on the matter of the proposed designation of certain property in unincorporated McLennan County as a Reinvestment Zone under Subchapter C, Chapter 312 of the Texas Property Tax Code. This designation would allow for tax abatement agreements to be entered into by the County with owners of property within the Reinvestment Zone and/or property to be installed on the property. The property to be considered for Reinvestment Zone designation is generally described as: The proposed reinvestment zone is situated entirely within L Bar L Ranch, a privately-owned 783-acre parcel with a parcel ID number of 108668001 situated along roughly one mile and a half of the Bosque / McLennan County Line within McLennan County. All that certain property described in that certain Assumption Warranty Deed dated June 10, 2004, from Bill C. Latham to L Bar L Ranch, LP, recorded in Volume 0569, Page 0786, as Document MCC 2004026071, Official Public Records of McLennan County, Texas. More informally, the southwest corner of the reinvestment zone boundary is located at the intersection of China Spring Road to the south and Markum Ranch Road to

the west. The proposed reinvestment zone spans north for half a mile along the east side of Markum Ranch Road until it intersects with the McLennan / Bosque County Line. The entirety of the southern border of the reinvestment zone is adjacent to China Springs Road before turning east and north for a half a mile and then one mile, respectively, to reach the northeast corner of the proposed reinvestment zone at which point the reinvestment zone intersects with the Bosque / McLennan County Line. Hereinafter "Markum Solar Property" or "Property". Proposed to be called County Reinvestment Zone No. 6. The Owner of the Project, Glory Leasing, LLC, an affiliate of Linn Family Partnership, Ltd, is proposing to develop and construct/install facilities and equipment for, and the operation of an approximately 161 MWac solar electric generating farm/system/facility, photovoltaic panels, central inverters, and other equipment and appurtenances required to capture solar energy and convert it to electricity, with approximately one half of the Project to be located on the Property described above. The Property described above is in an unincorporated area of McLennan County located in northwest McLennan County near 18780 FM 1637, Valley Mills, Texas. (hereinafter "Project"). The Owner's proposed and estimated capital investment for the Project in McLennan County, including real and personal property improvements, is \$65,000,000. Glory Leasing, LLC is the applicant for tax abatement. The land is owned by L Bar L Ranch, LP. As part of the Markum Solar Project the land has been leased by L Bar L Ranch, LP. to Glory Leasing, LLC. School Districts that may be affected by receiving tax revenues or payments in lieu of taxes are Valley Mills ISD and China Spring ISD. At the hearing, interested persons are entitled to speak and present evidence for or against the designation. Upon the close of the public hearing, the Commissioners Court intends to take action on whether or not to designate the Reinvestment Zone.

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COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
- China Spring ISD - Glory Leasing, LLC, App. #1368

Comptroller Questions (via email on August 14, 2019):

1. *Please list any other names by which this project may have 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 GINR number and when was it assigned.*

Applicant Response (via email on August 14, 2019):

1. *The only project other name is Markum Solar, which I believe either Brazos Electric or ERCOT tagged it as.*
2. *Yes, the project is currently being studied as a 161MWac solar energy facility proceeding through the Full Interconnection Study process. The GNIR for the project is 20INR0230*