

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 23, 2020

AMENDED CERTIFICATION

Jeff Ballard
Superintendent
Prairiland Independent School District
466 FM 196 South
Pattonville, Texas 75468

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Prairiland Independent School District and Samson Solar Energy II LLC, Application 1371

Dear Superintendent Ballard:

This application (Application 1371) was originally submitted on May 13, 2019, to the Prairiland Independent School District (school district) by Samson Solar Energy II LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On September 25, 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 December 10, 2019. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on April 20, 2020.

On July 29, 2020, Comptroller received an amendment to the agreement to change the project boundary, move the start of the limitation from 2022 to 2023, decrease investment and decrease the MW from 250 to 200. 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:

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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 Samson Solar Energy II LLC (project) applying to Prairiland 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 Samson Solar Energy II LLC.

	Original	Amendment No. 1
Applicant	Samson Solar Energy II LLC	Samson Solar Energy II LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Prairiland ISD	Prairiland ISD
2017-2018 Average Daily Attendance	1,076	1,076
County	Lamar and Red River	Lamar and Red River
Proposed Total Investment in District	\$230,000,000	\$140,841,539
Proposed Qualified Investment	\$230,000,000	\$70,670,769
Limitation Amount	\$20,000,000	\$20,000,000
Qualifying Time Period (Full Years)	2021-2022	2021-2022
Number of new qualifying jobs committed to by applicant	1*	1*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$824	\$824
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$824	\$824
Minimum annual wage committed to by applicant for qualified jobs	\$42,858	\$42,858
Minimum weekly wage required for non-qualifying jobs	\$812	\$812
Minimum annual wage required for non-qualifying jobs	\$42,212	\$42,212
Investment per Qualifying Job	\$230,000,000	\$140,841,539
Estimated M&O levy without any limit (15 years)	\$14,847,804	\$9,796,126
Estimated M&O levy with Limitation (15 years)	\$4,742,937	\$3,421,242
Estimated gross M&O tax benefit (15 years)	\$10,104,867	\$6,374,884

* 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 Samson Solar Energy II LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	100	121	221	\$5,000,000	\$11,000,000	\$16,000,000
2022	100	126	226	\$5,000,000	\$14,000,000	\$19,000,000
2023	1	15	16	\$42,858	\$2,957,142	\$3,000,000
2024	1	8	9	\$42,858	\$1,957,142	\$2,000,000
2025	1	1	2	\$42,858	\$957,142	\$1,000,000
2026	1	(3)	-2	\$42,858	\$957,142	\$1,000,000
2027	1	(3)	-2	\$42,858	\$957,142	\$1,000,000
2028	1	(3)	-2	\$42,858	-\$42,858	\$0
2029	1	(1)	0	\$42,858	-\$42,858	\$0
2030	1	0	1	\$42,858	\$957,142	\$1,000,000
2031	1	1	2	\$42,858	\$957,142	\$1,000,000
2032	1	2	3	\$42,858	\$957,142	\$1,000,000
2033	1	3	4	\$42,858	\$957,142	\$1,000,000
2034	1	3	4	\$42,858	\$957,142	\$1,000,000
2035	1	4	5	\$42,858	\$957,142	\$1,000,000
2036	1	4	5	\$42,858	\$957,142	\$1,000,000

Source: CPA REMI, Samson Solar Energy II 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*	Prairiland ISD I&S Tax Levy	Prairiland ISD M&O Tax Levy	Prairiland ISD M&O and I&S Tax Levies	Lamar County Tax Levy	Paris Junior College Tax Levy	Estimated Total Property Taxes
				0.1295	0.9700		0.3940	0.0850	
2023	\$70,670,769	\$70,670,769		\$91,519	\$685,506	\$777,025	\$114,162	\$24,629	\$915,815
2024	\$140,831,539	\$140,831,539		\$182,377	\$1,366,066	\$1,548,443	\$227,499	\$49,080	\$1,825,022
2025	\$129,576,327	\$129,576,327		\$167,801	\$1,256,890	\$1,424,692	\$209,318	\$45,157	\$1,679,167
2026	\$117,431,928	\$117,431,928		\$152,074	\$1,139,090	\$1,291,164	\$189,700	\$40,925	\$1,521,789
2027	\$104,307,893	\$104,307,893		\$135,079	\$1,011,787	\$1,146,865	\$168,499	\$36,351	\$1,351,716
2028	\$90,143,921	\$90,143,921		\$116,736	\$874,396	\$991,132	\$145,618	\$31,415	\$1,168,166
2029	\$74,849,563	\$74,849,563		\$96,930	\$726,041	\$822,971	\$120,912	\$26,085	\$969,968
2030	\$58,334,369	\$58,334,369		\$75,543	\$565,843	\$641,386	\$94,233	\$20,330	\$755,949
2031	\$40,492,815	\$40,492,815		\$52,438	\$392,780	\$445,219	\$65,412	\$14,112	\$524,742
2032	\$30,565,432	\$30,565,432		\$39,582	\$296,485	\$336,067	\$49,375	\$10,652	\$396,094
2033	\$30,557,095	\$30,557,095		\$39,571	\$296,404	\$335,975	\$49,362	\$10,649	\$395,986
2034	\$30,548,924	\$30,548,924		\$39,561	\$296,325	\$335,885	\$49,349	\$10,646	\$395,880
2035	\$30,540,917	\$30,540,917		\$39,550	\$296,247	\$335,797	\$49,336	\$10,644	\$395,777
2036	\$30,533,069	\$30,533,069		\$39,540	\$296,171	\$335,711	\$49,323	\$10,641	\$395,675
2037	\$30,525,379	\$30,525,379		\$39,530	\$296,096	\$335,627	\$49,311	\$10,638	\$395,575
			Total	\$1,307,833	\$9,796,126	\$11,103,960	\$1,631,409	\$351,954	\$13,087,322

Source: CPA, Samson Solar Energy II LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Lamar 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		Prairiland ISD I&S Tax Levy	Prairiland ISD M&O Tax Levy	Prairiland ISD M&O and I&S Tax Levies	Lamar County Tax Levy	Paris Junior College Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1295	0.9700		0.3940	0.0850	
2023	\$70,670,769	\$20,000,000		\$91,519	\$194,000	\$285,519	\$45,665	\$24,629	\$355,812
2024	\$140,831,539	\$20,000,000		\$182,377	\$194,000	\$376,377	\$91,000	\$49,080	\$516,456
2025	\$129,576,327	\$20,000,000		\$167,801	\$194,000	\$361,801	\$83,727	\$45,157	\$490,686
2026	\$117,431,928	\$20,000,000		\$152,074	\$194,000	\$346,074	\$75,880	\$40,925	\$462,879
2027	\$104,307,893	\$20,000,000		\$135,079	\$194,000	\$329,079	\$67,400	\$36,351	\$432,830
2028	\$90,143,921	\$20,000,000		\$116,736	\$194,000	\$310,736	\$58,247	\$31,415	\$400,399
2029	\$74,849,563	\$20,000,000		\$96,930	\$194,000	\$290,930	\$48,365	\$26,085	\$365,380
2030	\$58,334,369	\$20,000,000		\$75,543	\$194,000	\$269,543	\$37,693	\$20,330	\$327,566
2031	\$40,492,815	\$20,000,000		\$52,438	\$194,000	\$246,438	\$26,165	\$14,112	\$286,715
2032	\$30,565,432	\$20,000,000		\$39,582	\$194,000	\$233,582	\$19,750	\$10,652	\$263,984
2033	\$30,557,095	\$30,557,095		\$39,571	\$296,404	\$335,975	\$49,362	\$10,649	\$395,986
2034	\$30,548,924	\$30,548,924		\$39,561	\$296,325	\$335,885	\$49,349	\$10,646	\$395,880
2035	\$30,540,917	\$30,540,917		\$39,550	\$296,247	\$335,797	\$49,336	\$10,644	\$395,777
2036	\$30,533,069	\$30,533,069		\$39,540	\$296,171	\$335,711	\$49,323	\$10,641	\$395,675
2037	\$30,525,379	\$30,525,379		\$39,530	\$296,096	\$335,627	\$49,311	\$10,638	\$395,575
			Total	\$1,307,833	\$3,421,242	\$4,729,076	\$800,572	\$351,954	\$5,881,601
			Diff	\$0	\$6,374,884	\$6,374,884	\$830,837	\$0	\$7,205,721

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Samson Solar Energy II 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 Samson Solar Energy II 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	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
	2022	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2023	\$194,000	\$194,000	\$491,506	\$491,506
	2024	\$194,000	\$388,000	\$1,172,066	\$1,663,572
	2025	\$194,000	\$582,000	\$1,062,890	\$2,726,463
	2026	\$194,000	\$776,000	\$945,090	\$3,671,552
	2027	\$194,000	\$970,000	\$817,787	\$4,489,339
	2028	\$194,000	\$1,164,000	\$680,396	\$5,169,735
	2029	\$194,000	\$1,358,000	\$532,041	\$5,701,776
	2030	\$194,000	\$1,552,000	\$371,843	\$6,073,619
	2031	\$194,000	\$1,746,000	\$198,780	\$6,272,400
	2032	\$194,000	\$1,940,000	\$102,485	\$6,374,884
Maintain Viable Presence (5 Years)	2033	\$296,404	\$2,236,404	\$0	\$6,374,884
	2034	\$296,325	\$2,532,728	\$0	\$6,374,884
	2035	\$296,247	\$2,828,975	\$0	\$6,374,884
	2036	\$296,171	\$3,125,146	\$0	\$6,374,884
	2037	\$296,096	\$3,421,242	\$0	\$6,374,884
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$296,023	\$3,717,265	\$0	\$6,374,884
	2039	\$295,951	\$4,013,217	\$0	\$6,374,884
	2040	\$295,881	\$4,309,098	\$0	\$6,374,884
	2041	\$295,812	\$4,604,910	\$0	\$6,374,884
	2042	\$295,745	\$4,900,655	\$0	\$6,374,884
	2043	\$295,679	\$5,196,334	\$0	\$6,374,884
	2044	\$295,614	\$5,491,948	\$0	\$6,374,884
	2045	\$295,551	\$5,787,499	\$0	\$6,374,884
	2046	\$295,488	\$6,082,988	\$0	\$6,374,884
	2047	\$295,428	\$6,378,415	\$0	\$6,374,884
		\$6,378,415	is greater than	\$6,374,884	
Analysis Summary					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					Yes

Source: CPA, Samson Solar Energy II 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.