

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

July 21, 2020

AMENDED CERTIFICATION

Stanley Jessee
Superintendent
Rivercrest Independent School District
4100 US Highway 271 S
Bogata, Texas 75417

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Rivercrest Independent School District and Delilah Solar Energy, LLC, Application 1385

Dear Superintendent Jessee:

This application (Application 1385) was originally submitted on June 17, 2019, to the Rivercrest Independent School District (school district) by Delilah Solar Energy, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On September 6, 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 November 18, 2019. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on May 12, 2020.

On June 9, 2020, Comptroller received an amendment to the agreement to modify the project boundary, decrease megawatt capacity and decrease investment. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

The information provided by the applicant related to eligibility has not changed and therefore, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

Based on the amended information provided by the applicant, the Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller previously determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value for the amendment.

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the amendment to the agreement by December 31, 2020.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

DocuSigned by:

11EA6DEF0EC441E...
Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Amended Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Delilah Solar Energy, LLC (project) applying to Rivercrest 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 Delilah Solar Energy, LLC.

	Original	Amendment No. 1
Applicant	Delilah Solar Energy, LLC	Delilah Solar Energy, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Rivercrest ISD	Rivercrest ISD
2018-2019 Average Daily Attendance	669	669
County	Red River	Red River
Proposed Total Investment in District	\$185,000,000	\$38,196,935
Proposed Qualified Investment	\$185,000,000	\$38,196,935
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	\$731	\$750
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$715.83	\$732.88
Minimum annual wage committed to by applicant for qualified jobs	\$38,000	\$39,000
Minimum weekly wage required for non-qualifying jobs	\$665.52	\$678.25
Minimum annual wage required for non-qualifying jobs	\$34,607	\$35,269
Investment per Qualifying Job	\$185,000,000	\$38,196,935
Estimated M&O levy without any limit (15 years)	\$12,601,442	\$2,774,920
Estimated M&O levy with Limitation (15 years)	\$4,101,803	\$2,162,091
Estimated gross M&O tax benefit (15 years)	\$8,499,638	\$612,828

* 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 Delilah Solar Energy, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	75	85	160	\$2,925,000	\$7,794,395	\$10,719,395
2021	100	115	215.304	\$3,900,000	\$11,780,563	\$15,680,563
2022	50	63	113	\$1,950,000	\$7,872,916	\$9,822,916
2023	1	7	8	\$39,000	\$2,405,760	\$2,444,760
2024	1	(1)	0	\$39,000	\$1,277,279	\$1,316,279
2025	1	(6)	-5	\$39,000	\$494,861	\$533,861
2026	1	(8)	-7	\$39,000	\$72,151	\$111,151
2027	1	(8)	-7	\$39,000	-\$104,624	-\$65,624
2028	1	(6)	-5	\$39,000	-\$113,268	-\$74,268
2029	1	(4)	-3	\$39,000	-\$15,936	\$23,065
2030	1	(2)	-1	\$39,000	\$131,502	\$170,502
2031	1	0	1	\$39,000	\$295,771	\$334,771
2032	1	2	3	\$39,000	\$448,922	\$487,922
2033	1	3	4	\$39,000	\$580,372	\$619,372
2034	1	3	4	\$39,000	\$683,498	\$722,498
2035	1	4	5	\$39,000	\$757,095	\$796,095
2036	1	4	5	\$39,000	\$787,980	\$826,980
2037	1	4	5	\$39,000	\$786,960	\$825,960

Source: CPA REMI, Delilah Solar Energy, 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*	Rivercrest ISD I&S Tax Levy	Rivercrest ISD M&O Tax Levy	Rivercrest ISD M&O and I&S Tax Levies	Red River County Tax Levy	Langford Creek Water District Tax Levy	Estimated Total Property Taxes
			0.2200	1.0600		0.81150	0.02566		
2023	\$38,136,935	\$38,136,935		\$83,901	\$404,252	\$488,153	\$309,481	\$9,786	\$807,420
2024	\$35,081,065	\$35,081,065		\$77,178	\$371,859	\$449,038	\$284,683	\$9,002	\$742,722
2025	\$31,783,510	\$31,783,510		\$69,924	\$336,905	\$406,829	\$257,923	\$8,156	\$672,908
2026	\$28,219,694	\$28,219,694		\$62,083	\$299,129	\$361,212	\$229,003	\$7,241	\$597,456
2027	\$24,373,229	\$24,373,229		\$53,621	\$258,356	\$311,977	\$197,789	\$6,254	\$516,020
2028	\$20,219,540	\$20,219,540		\$44,483	\$214,327	\$258,810	\$164,082	\$5,188	\$428,080
2029	\$15,734,046	\$15,734,046		\$34,615	\$166,781	\$201,396	\$127,682	\$4,037	\$333,115
2030	\$10,888,075	\$10,888,075		\$23,954	\$115,414	\$139,367	\$88,357	\$2,794	\$230,518
2031	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$66,484	\$2,102	\$173,452
2032	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$66,484	\$2,102	\$173,452
2033	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$66,484	\$2,102	\$173,452
2034	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$66,484	\$2,102	\$173,452
2035	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$66,484	\$2,102	\$173,452
2036	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$66,484	\$2,102	\$173,452
2037	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$66,484	\$2,102	\$173,452
			Total	\$575,927	\$2,774,920	\$3,350,846	\$2,124,384	\$67,174	\$5,542,405

Source: CPA, Delilah Solar Energy, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Red River County and Langford Creek Water District, with all property tax incentives sought and 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*	Rivercrest ISD I&S Tax Levy	Rivercrest ISD M&O Tax Levy	Rivercrest ISD M&O and I&S Tax Levies	Red River County Tax Levy	Langford Creek Water District Tax Levy	Estimated Total Property Taxes
				0.2200	1.0600		0.81150	0.02566	
2023	\$38,136,935	\$20,000,000		\$83,901	\$212,000	\$295,901	\$0	\$9,786	\$305,687
2024	\$35,081,065	\$20,000,000		\$77,178	\$212,000	\$289,178	\$0	\$9,002	\$298,180
2025	\$31,783,510	\$20,000,000		\$69,924	\$212,000	\$281,924	\$0	\$8,156	\$290,079
2026	\$28,219,694	\$20,000,000		\$62,083	\$212,000	\$274,083	\$0	\$7,241	\$281,324
2027	\$24,373,229	\$20,000,000		\$53,621	\$212,000	\$265,621	\$0	\$6,254	\$271,875
2028	\$20,219,540	\$20,000,000		\$44,483	\$212,000	\$256,483	\$0	\$5,188	\$261,671
2029	\$15,734,046	\$15,734,046		\$34,615	\$166,781	\$201,396	\$0	\$4,037	\$205,433
2030	\$10,888,075	\$10,888,075		\$23,954	\$115,414	\$139,367	\$0	\$2,794	\$142,161
2031	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$0	\$2,102	\$106,969
2032	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$0	\$2,102	\$106,969
2033	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$66,484	\$2,102	\$173,452
2034	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$66,484	\$2,102	\$173,452
2035	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$66,484	\$2,102	\$173,452
2036	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$66,484	\$2,102	\$173,452
2037	\$8,192,682	\$8,192,682		\$18,024	\$86,842	\$104,866	\$66,484	\$2,102	\$173,452
			Total	\$575,927	\$2,162,091	\$2,738,018	\$332,418	\$67,174	\$3,137,610
			Diff	\$0	\$612,828	\$612,828	\$1,791,966	\$0	\$2,404,794

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Delilah Solar Energy, 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 Delilah Solar Energy, 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	\$101,063	\$101,063	\$0	\$0
Limitation Period (10 Years)	2023	\$212,000	\$313,063	\$192,252	\$192,252
	2024	\$212,000	\$525,063	\$159,859	\$352,111
	2025	\$212,000	\$737,063	\$124,905	\$477,016
	2026	\$212,000	\$949,063	\$87,129	\$564,145
	2027	\$212,000	\$1,161,063	\$46,356	\$610,501
	2028	\$212,000	\$1,373,063	\$2,327	\$612,828
	2029	\$166,781	\$1,539,844	\$0	\$612,828
	2030	\$115,414	\$1,655,257	\$0	\$612,828
	2031	\$86,842	\$1,742,100	\$0	\$612,828
	2032	\$86,842	\$1,828,942	\$0	\$612,828
Maintain Viable Presence (5 Years)	2033	\$86,842	\$1,915,785	\$0	\$612,828
	2034	\$86,842	\$2,002,627	\$0	\$612,828
	2035	\$86,842	\$2,089,470	\$0	\$612,828
	2036	\$86,842	\$2,176,312	\$0	\$612,828
	2037	\$86,842	\$2,263,154	\$0	\$612,828
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$86,842	\$2,349,997	\$0	\$612,828
	2039	\$86,842	\$2,436,839	\$0	\$612,828
	2040	\$86,842	\$2,523,682	\$0	\$612,828
	2041	\$86,842	\$2,610,524	\$0	\$612,828
	2042	\$86,842	\$2,697,367	\$0	\$612,828
	2043	\$86,842	\$2,784,209	\$0	\$612,828
	2044	\$86,842	\$2,871,051	\$0	\$612,828
	2045	\$86,842	\$2,957,894	\$0	\$612,828
	2046	\$86,842	\$3,044,736	\$0	\$612,828
	2047	\$86,842	\$3,131,579	\$0	\$612,828
		\$3,131,579	is greater than	\$612,828	
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, Delilah Solar Energy, 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.