

**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 II, LLC, Application 1386

Dear Superintendent Jessee:

This application (Application 1386) was originally submitted on June 17, 2019, to the Rivercrest Independent School District (school district) by Delilah Solar Energy II, 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 increase megawatt capacity, increase investment and modify the project boundary. 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 II, 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 II, LLC.

	Original	Amendment No. 1
Applicant	Delilah Solar Energy II, LLC	Delilah Solar Energy II, 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	\$201,754,483
Proposed Qualified Investment	\$185,000,000	\$201,754,483
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	\$201,754,483
Estimated M&O levy without any limit (15 years)	\$12,601,442	\$14,680,059
Estimated M&O levy with Limitation (15 years)	\$4,101,803	\$4,417,097
Estimated gross M&O tax benefit (15 years)	\$8,499,638	\$10,262,962

* 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 II, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	75	62	137	\$2,925,000	\$5,741,992	\$8,666,992
2021	100	86	185.547	\$3,900,000	\$8,795,313	\$12,695,313
2022	50	44	94	\$1,950,000	\$5,862,500	\$7,812,500
2023	1	7	8	\$39,000	\$2,158,266	\$2,197,266
2024	1	3	4	\$39,000	\$1,303,773	\$1,342,773
2025	1	7	8	\$39,000	\$1,181,703	\$1,220,703
2026	1	1	2	\$39,000	\$937,563	\$976,563
2027	1	5	6	\$39,000	\$1,181,703	\$1,220,703
2028	1	7	8	\$39,000	\$937,563	\$976,563
2029	1	3	4	\$39,000	\$1,181,703	\$1,220,703
2030	1	5	6	\$39,000	\$937,563	\$976,563
2031	1	3	4	\$39,000	\$693,422	\$732,422
2032	1	7	8	\$39,000	\$693,422	\$732,422
2033	1	3	4	\$39,000	\$205,141	\$244,141
2034	1	3	4	\$39,000	\$205,141	\$244,141
2035	1	1	2	\$39,000	-\$283,141	-\$244,141
2036	1	3	4	\$39,000	-\$283,141	-\$244,141
2037	1	1	2	\$39,000	\$205,141	\$244,141

Source: CPA REMI, Delilah 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		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
			Tax Rate*	0.2200	1.0600		0.81150	0.02566	
2023	\$201,754,483	\$201,754,483		\$443,860	\$2,138,598	\$2,582,457	\$1,637,238	\$51,770	\$4,271,465
2024	\$185,588,119	\$185,588,119		\$408,294	\$1,967,234	\$2,375,528	\$1,506,048	\$47,622	\$3,929,197
2025	\$168,143,183	\$168,143,183		\$369,915	\$1,782,318	\$2,152,233	\$1,364,482	\$43,146	\$3,559,860
2026	\$149,289,649	\$149,289,649		\$328,437	\$1,582,470	\$1,910,908	\$1,211,486	\$38,308	\$3,160,701
2027	\$128,940,835	\$128,940,835		\$283,670	\$1,366,773	\$1,650,443	\$1,046,355	\$33,086	\$2,729,884
2028	\$106,966,716	\$106,966,716		\$235,327	\$1,133,847	\$1,369,174	\$868,035	\$27,448	\$2,264,657
2029	\$83,237,268	\$83,237,268		\$183,122	\$882,315	\$1,065,437	\$675,470	\$21,359	\$1,762,266
2030	\$57,600,796	\$57,600,796		\$126,722	\$610,568	\$737,290	\$467,430	\$14,780	\$1,219,501
2031	\$43,341,457	\$43,341,457		\$95,351	\$459,419	\$554,771	\$351,716	\$11,121	\$917,608
2032	\$43,341,457	\$43,341,457		\$95,351	\$459,419	\$554,771	\$351,716	\$11,121	\$917,608
2033	\$43,341,457	\$43,341,457		\$95,351	\$459,419	\$554,771	\$351,716	\$11,121	\$917,608
2034	\$43,341,457	\$43,341,457		\$95,351	\$459,419	\$554,771	\$351,716	\$11,121	\$917,608
2035	\$43,341,457	\$43,341,457		\$95,351	\$459,419	\$554,771	\$351,716	\$11,121	\$917,608
2036	\$43,341,457	\$43,341,457		\$95,351	\$459,419	\$554,771	\$351,716	\$11,121	\$917,608
2037	\$43,341,457	\$43,341,457		\$95,351	\$459,419	\$554,771	\$351,716	\$11,121	\$917,608
			Total	\$3,046,805	\$14,680,059	\$17,726,864	\$11,238,555	\$355,368	\$29,320,787

Source: CPA, Delilah Solar Energy II, 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	\$201,754,483	\$20,000,000		\$443,860	\$212,000	\$655,860	\$0	\$51,770	\$707,630
2024	\$185,588,119	\$20,000,000		\$408,294	\$212,000	\$620,294	\$0	\$47,622	\$667,916
2025	\$168,143,183	\$20,000,000		\$369,915	\$212,000	\$581,915	\$0	\$43,146	\$625,061
2026	\$149,289,649	\$20,000,000		\$328,437	\$212,000	\$540,437	\$0	\$38,308	\$578,745
2027	\$128,940,835	\$20,000,000		\$283,670	\$212,000	\$495,670	\$0	\$33,086	\$528,756
2028	\$106,966,716	\$20,000,000		\$235,327	\$212,000	\$447,327	\$0	\$27,448	\$474,774
2029	\$83,237,268	\$20,000,000		\$183,122	\$212,000	\$395,122	\$0	\$21,359	\$416,481
2030	\$57,600,796	\$20,000,000		\$126,722	\$212,000	\$338,722	\$0	\$14,780	\$353,502
2031	\$43,341,457	\$20,000,000		\$95,351	\$212,000	\$307,351	\$0	\$11,121	\$318,473
2032	\$43,341,457	\$20,000,000		\$95,351	\$212,000	\$307,351	\$0	\$11,121	\$318,473
2033	\$43,341,457	\$43,341,457		\$95,351	\$459,419	\$554,771	\$351,716	\$11,121	\$917,608
2034	\$43,341,457	\$43,341,457		\$95,351	\$459,419	\$554,771	\$351,716	\$11,121	\$917,608
2035	\$43,341,457	\$43,341,457		\$95,351	\$459,419	\$554,771	\$351,716	\$11,121	\$917,608
2036	\$43,341,457	\$43,341,457		\$95,351	\$459,419	\$554,771	\$351,716	\$11,121	\$917,608
2037	\$43,341,457	\$43,341,457		\$95,351	\$459,419	\$554,771	\$351,716	\$11,121	\$917,608
			Total	\$3,046,805	\$4,417,097	\$7,463,902	\$1,758,580	\$355,368	\$9,577,850
			Diff	\$0	\$10,262,962	\$10,262,962	\$9,479,975	\$0	\$19,742,937

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Delilah 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 Delilah 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 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	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
	2022	\$318,000	\$318,000	\$0	\$0
Limitation Period (10 Years)	2023	\$212,000	\$530,000	\$1,926,598	\$1,926,598
	2024	\$212,000	\$742,000	\$1,755,234	\$3,681,832
	2025	\$212,000	\$954,000	\$1,570,318	\$5,252,149
	2026	\$212,000	\$1,166,000	\$1,370,470	\$6,622,620
	2027	\$212,000	\$1,378,000	\$1,154,773	\$7,777,392
	2028	\$212,000	\$1,590,000	\$921,847	\$8,699,240
	2029	\$212,000	\$1,802,000	\$670,315	\$9,369,555
	2030	\$212,000	\$2,014,000	\$398,568	\$9,768,123
	2031	\$212,000	\$2,226,000	\$247,419	\$10,015,543
	2032	\$212,000	\$2,438,000	\$247,419	\$10,262,962
Maintain Viable Presence (5 Years)	2033	\$459,419	\$2,897,419	\$0	\$10,262,962
	2034	\$459,419	\$3,356,839	\$0	\$10,262,962
	2035	\$459,419	\$3,816,258	\$0	\$10,262,962
	2036	\$459,419	\$4,275,678	\$0	\$10,262,962
	2037	\$459,419	\$4,735,097	\$0	\$10,262,962
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$459,419	\$5,194,517	\$0	\$10,262,962
	2039	\$459,419	\$5,653,936	\$0	\$10,262,962
	2040	\$459,419	\$6,113,356	\$0	\$10,262,962
	2041	\$459,419	\$6,572,775	\$0	\$10,262,962
	2042	\$459,419	\$7,032,194	\$0	\$10,262,962
	2043	\$459,419	\$7,491,614	\$0	\$10,262,962
	2044	\$459,419	\$7,951,033	\$0	\$10,262,962
	2045	\$459,419	\$8,410,453	\$0	\$10,262,962
	2046	\$459,419	\$8,869,872	\$0	\$10,262,962
	2047	\$459,419	\$9,329,292	\$0	\$10,262,962

\$9,329,292	is less than	\$10,262,962
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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, Delilah Solar Energy II, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2020	75	62	137	\$2,925,000	\$5,741,992	\$8,666,992	457763.7	-251770	\$709,534
2021	100	86	185.547	\$3,900,000	\$8,795,313	\$12,695,313	633239.7	-251770	\$885,010
2022	50	44	94	\$1,950,000	\$5,862,500	\$7,812,500	366210.9	38147	\$328,064
2023	1	7	8	\$39,000	\$2,158,266	\$2,197,266	137329.1	251770	-\$114,441
2024	1	3	4	\$39,000	\$1,303,773	\$1,342,773	167846.7	228881.8	-\$61,035
2025	1	7	8	\$39,000	\$1,181,703	\$1,220,703	152587.9	205993.7	-\$53,406
2026	1	1	2	\$39,000	\$937,563	\$976,563	167846.7	175476.1	-\$7,629
2027	1	5	6	\$39,000	\$1,181,703	\$1,220,703	183105.5	175476.1	\$7,629
2028	1	7	8	\$39,000	\$937,563	\$976,563	175476.1	160217.3	\$15,259
2029	1	3	4	\$39,000	\$1,181,703	\$1,220,703	190734.9	183105.5	\$7,629
2030	1	5	6	\$39,000	\$937,563	\$976,563	175476.1	152587.9	\$22,888
2031	1	3	4	\$39,000	\$693,422	\$732,422	144958.5	137329.1	\$7,629
2032	1	7	8	\$39,000	\$693,422	\$732,422	137329.1	129699.7	\$7,629
2033	1	3	4	\$39,000	\$205,141	\$244,141	83923.3	76293.9	\$7,629
2034	1	3	4	\$39,000	\$205,141	\$244,141	68664.6	53405.8	\$15,259
2035	1	1	2	\$39,000	-\$283,141	-\$244,141	53405.8	45776.4	\$7,629
2036	1	3	4	\$39,000	-\$283,141	-\$244,141	45776.4	-7629.4	\$53,406
2037	1	1	2	\$39,000	\$205,141	\$244,141	53405.8	-38147	\$91,553
2038	1	3	4	\$39,000	-\$39,000	\$0	76293.9	-61035.2	\$137,329
2039	1	3	4	\$39,000	-\$39,000	\$0	45776.4	-76293.9	\$122,070
2040	1	(1)	0	\$39,000	\$205,141	\$244,141	30517.6	-99182.1	\$129,700
2041	1	7	8	\$39,000	-\$39,000	\$0	15258.8	-114440.9	\$129,700
2042	1	(1)	0	\$39,000	-\$283,141	-\$244,141	0	-129699.7	\$129,700
2043	1	(3)	-2	\$39,000	-\$39,000	\$0	-15258.8	-144958.5	\$129,700
2044	1	(5)	-4	\$39,000	-\$527,281	-\$488,281	-15258.8	-122070.3	\$106,812
2045	1	(1)	0	\$39,000	-\$1,015,563	-\$976,563	-61035.2	-183105.5	\$122,070
2046	1	(3)	-2	\$39,000	-\$527,281	-\$488,281	45776.4	-175476.1	\$221,253
2047	1	5	6	\$39,000	\$449,281	\$488,281	152587.9	-190734.9	\$343,323
						Total	\$3,669,739	\$167,847	\$3,501,892
							\$12,831,184	is greater than	\$10,262,962
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.