

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

April 24, 2020

AMENDED CERTIFICATION

Steven Self
Superintendent
Muenster Independent School District
113 East 7th Street
Muenster, Texas 76252

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Muenster Independent School District and Wildcat Creek Wind Farm LLC, Application 1394

Dear Superintendent Self:

This application (Application 1394) was originally submitted on June 12, 2019, to the Muenster Independent School District (school district) by Wildcat Creek Wind Farm LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On August 22, 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 December 18, 2019.

On February 4, 2020, Comptroller received an amendment to the agreement to increase capacity, investment and the number of turbines. 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 Wildcat Creek Wind Farm LLC (project) applying to Muenster 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 Wildcat Creek Wind Farm LLC.

	Original	Amendment No. 2
Applicant	Wildcat Creek Wind Farm LLC	Wildcat Creek Wind Farm LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind	Renewable Energy Electric Generation - Wind
School District	Muenster ISD	Muenster ISD
2017-2018 Average Daily Attendance	465	465
County	Cooke	Cooke
Proposed Total Investment in District	\$48,100,000	\$71,556,923
Proposed Qualified Investment	\$48,100,000	\$71,556,923
Limitation Amount	\$30,000,000	\$30,000,000
Qualifying Time Period (Full Years)	2020-2021	2020-2021
Number of new qualifying jobs committed to by applicant	3*	3*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$956.11	\$956.11
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$956.11	\$956.11
Minimum annual wage committed to by applicant for qualified jobs	\$49,717.80	\$49,717.80
Minimum weekly wage required for non-qualifying jobs	\$900.50	\$900.50
Minimum annual wage required for non-qualifying jobs	\$46,827	\$46,827
Investment per Qualifying Job	\$16,033,333	\$23,852,308
Estimated M&O levy without any limit (15 years)	\$3,829,385	\$6,767,496
Estimated M&O levy with Limitation (15 years)	\$3,455,159	\$4,298,204
Estimated gross M&O tax benefit (15 years)	\$374,226	\$2,469,292

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Cooke County, Muenster Hospital District, Clear Creek Water District, North Central Texas College and Gainesville Hospital 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 abatements with the county, hospital district, college, and water district.

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*	Muenster ISD I&S Tax Levy	Muenster ISD M&O Tax Levy	Muenster ISD M&O and I&S Tax Levies	Cooke County Tax Levy	Muenster Hospital District Tax Levy (84%)	Clear Creek Water District Tax Levy (50%)	North Central Texas College Tax Levy	Gainesville Hospital District Tax Levy (16%)	Estimated Total Property Taxes
				0.3500	0.9700		0.4344	0.1975	0.0375	0.1013	0.1502	
2021	\$71,556,923	\$30,000,000		\$250,449	\$291,000	\$541,449	\$155,422	\$59,356	\$6,708	\$36,244	\$17,197	\$756,227
2022	\$67,979,077	\$30,000,000		\$237,927	\$291,000	\$528,927	\$147,651	\$56,389	\$6,373	\$34,431	\$16,337	\$732,966
2023	\$64,401,231	\$30,000,000		\$225,404	\$291,000	\$516,404	\$139,879	\$53,421	\$6,038	\$32,619	\$15,477	\$709,705
2024	\$60,823,385	\$30,000,000		\$212,882	\$291,000	\$503,882	\$132,108	\$50,453	\$5,702	\$30,807	\$14,617	\$686,443
2025	\$57,245,538	\$30,000,000		\$200,359	\$291,000	\$491,359	\$124,337	\$47,485	\$5,367	\$28,995	\$13,757	\$663,182
2026	\$53,667,692	\$30,000,000		\$187,837	\$291,000	\$478,837	\$116,566	\$44,517	\$5,031	\$27,183	\$12,897	\$639,921
2027	\$50,089,846	\$30,000,000		\$175,314	\$291,000	\$466,314	\$108,795	\$41,550	\$4,696	\$25,371	\$12,038	\$616,659
2028	\$46,512,000	\$30,000,000		\$162,792	\$291,000	\$453,792	\$101,024	\$38,582	\$4,360	\$23,558	\$11,178	\$593,398
2029	\$42,934,154	\$30,000,000		\$150,270	\$291,000	\$441,270	\$93,253	\$35,614	\$4,025	\$21,746	\$10,318	\$570,136
2030	\$39,356,308	\$30,000,000		\$137,747	\$291,000	\$428,747	\$85,482	\$32,646	\$3,690	\$19,934	\$9,458	\$546,875
2031	\$35,778,462	\$35,778,462		\$125,225	\$347,051	\$472,276	\$155,422	\$59,356	\$6,708	\$36,244	\$8,598	\$687,054
2032	\$32,200,615	\$32,200,615		\$112,702	\$312,346	\$425,048	\$139,879	\$53,421	\$6,038	\$32,619	\$7,738	\$618,348
2033	\$28,622,769	\$28,622,769		\$100,180	\$277,641	\$377,821	\$124,337	\$47,485	\$5,367	\$28,995	\$6,879	\$549,643
2034	\$25,044,923	\$25,044,923		\$87,657	\$242,936	\$330,593	\$108,795	\$41,550	\$4,696	\$25,371	\$6,019	\$480,938
2035	\$21,467,077	\$21,467,077		\$75,135	\$208,231	\$283,365	\$93,253	\$35,614	\$4,025	\$21,746	\$5,159	\$412,232
			Total	\$2,441,880	\$4,298,204	\$6,740,084	\$1,826,204	\$697,438	\$78,824	\$425,862	\$167,666	\$9,263,727
			Diff	\$0	\$2,469,292	\$2,469,292	\$1,204,518	\$680,480	\$51,991	\$280,888	\$0	\$4,354,289

Assumes School Value Limitation and Tax Abatements with the County, Hospital District, College and Water District.

Source: CPA, Wildcat Creek Wind Farm 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 Wildcat Creek Wind Farm 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	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2021	\$291,000	\$291,000	\$403,102	\$403,102
	2022	\$291,000	\$582,000	\$368,397	\$771,499
	2023	\$291,000	\$873,000	\$333,692	\$1,105,191
	2024	\$291,000	\$1,164,000	\$298,987	\$1,404,178
	2025	\$291,000	\$1,455,000	\$264,282	\$1,668,460
	2026	\$291,000	\$1,746,000	\$229,577	\$1,898,036
	2027	\$291,000	\$2,037,000	\$194,872	\$2,092,908
	2028	\$291,000	\$2,328,000	\$160,166	\$2,253,074
	2029	\$291,000	\$2,619,000	\$125,461	\$2,378,536
	2030	\$291,000	\$2,910,000	\$90,756	\$2,469,292
Maintain Viable Presence (5 Years)	2031	\$347,051	\$3,257,051	\$0	\$2,469,292
	2032	\$312,346	\$3,569,397	\$0	\$2,469,292
	2033	\$277,641	\$3,847,038	\$0	\$2,469,292
	2034	\$242,936	\$4,089,974	\$0	\$2,469,292
	2035	\$208,231	\$4,298,204	\$0	\$2,469,292
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$208,231	\$4,506,435	\$0	\$2,469,292
	2037	\$208,231	\$4,714,666	\$0	\$2,469,292
	2038	\$208,231	\$4,922,896	\$0	\$2,469,292
	2039	\$208,231	\$5,131,127	\$0	\$2,469,292
	2040	\$208,231	\$5,339,358	\$0	\$2,469,292
	2041	\$208,231	\$5,547,588	\$0	\$2,469,292
	2042	\$208,231	\$5,755,819	\$0	\$2,469,292
	2043	\$208,231	\$5,964,049	\$0	\$2,469,292
	2044	\$208,231	\$6,172,280	\$0	\$2,469,292
	2045	\$208,231	\$6,380,511	\$0	\$2,469,292
		\$6,380,511	is greater than	\$2,469,292	

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, Wildcat Creek Wind Farm 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.