

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 6, 2020

AMENDED CERTIFICATION
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Scott Harrell  
Superintendent  
Sudan Independent School District  
P.O. Box 249  
Sudan, TX 79371

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Sudan Independent School District and Cage Ranch Solar, LLC Application 1395

Dear Superintendent Harrell:

This application (Application 1395) was originally submitted on July 8, 2019, to the Sudan Independent School District (school district) by Cage Ranch Solar, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> On July 31, 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 September 19, 2019. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on December 9, 2019.

On August 19, 2020, the Comptroller received an amendment to the agreement to move the start of the qualifying time period from 2022 to 2023 and the start of the limitation from 2022 to 2026. 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.

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<sup>1</sup> 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 within a year from the date of this letter.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at [will.counihan@cpa.texas.gov](mailto: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 Cage Ranch Solar, LLC (project) applying to Sudan 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 Cage Ranch Solar, LLC.

	<b>Original</b>	<b>Amendment No. 1</b>
Applicant	Cage Ranch Solar, LLC	Cage Ranch Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Sudan ISD	Sudan ISD
2017-2018 Average Daily Attendance	436	436
County	Lamb	Lamb
Proposed Total Investment in District	\$475,500,000	\$475,500,000
Proposed Qualified Investment	\$475,500,000	\$10,000,000
Limitation Amount	\$20,000,000	\$20,000,000
Qualifying Time Period (Full Years)	2022-2023	2023-2024
Number of new qualifying jobs committed to by applicant	2*	2*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$852	\$852
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$852	\$852
Minimum annual wage committed to by applicant for qualified jobs	\$44,300	\$44,300
Minimum weekly wage required for non-qualifying jobs	\$787	\$787
Minimum annual wage required for non-qualifying jobs	\$40,912	\$40,912
Investment per Qualifying Job	\$237,750,000	\$237,750,000
Estimated M&O levy without any limit (15 years)	\$24,100,542	\$23,342,601
Estimated M&O levy with Limitation (15 years)	\$5,972,208	\$5,214,266
Estimated gross M&O tax benefit (15 years)	\$18,128,334	\$18,128,335

\* 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 Cage Ranch Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2024	50	40	90	\$2,500,000	\$4,458,000	\$6,958,000
2025	300	261	560,547	\$15,000,000	\$28,701,000	\$43,701,000
2026	2	29	31	\$88,600	\$6,259,400	\$6,348,000
2027	2	18	20	\$88,600	\$4,794,400	\$4,883,000
2028	2	4	6	\$88,600	\$3,085,400	\$3,174,000
2029	2	(6)	-4	\$88,600	\$1,620,400	\$1,709,000
2030	2	(6)	-4	\$88,600	\$399,400	\$488,000
2031	2	(10)	-8	\$88,600	\$155,400	\$244,000
2032	2	(10)	-8	\$88,600	-\$332,600	-\$244,000
2033	2	(10)	-8	\$88,600	-\$576,600	-\$488,000
2034	2	(10)	-8	\$88,600	-\$576,600	-\$488,000
2035	2	(8)	-6	\$88,600	-\$576,600	-\$488,000
2036	2	(2)	0	\$88,600	-\$1,065,600	-\$977,000
2037	2	(4)	-2	\$88,600	-\$332,600	-\$244,000
2038	2	(4)	-2	\$88,600	-\$576,600	-\$488,000

Source: CPA REMI, Cage Ranch Solar, 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*	Sudan ISD I&S Tax Levy	Sudan ISD M&O Tax Levy	Sudan ISD M&O and I&S Tax Levies	Lamb County Tax Levy	High Plains Water Conservation District 1 Tax Levy	Estimated Total Property Taxes
				0.1515	0.9700		0.7943	0.0067	
2025	\$5,000,000	\$5,000,000		\$7,575	\$48,500	\$56,075	\$39,715	\$335	\$96,125
2026	\$415,691,500	\$415,691,500		\$629,773	\$4,032,208	\$4,661,980	\$3,301,838	\$27,851	\$7,991,669
2027	\$357,975,200	\$357,975,200		\$542,332	\$3,472,359	\$4,014,692	\$2,843,397	\$23,984	\$6,882,073
2028	\$302,213,050	\$302,213,050		\$457,853	\$2,931,467	\$3,389,319	\$2,400,478	\$20,248	\$5,810,046
2029	\$248,692,900	\$248,692,900		\$376,770	\$2,412,321	\$2,789,091	\$1,975,368	\$16,662	\$4,781,121
2030	\$197,837,500	\$197,837,500		\$299,724	\$1,919,024	\$2,218,748	\$1,571,423	\$13,255	\$3,803,426
2031	\$164,122,000	\$164,122,000		\$248,645	\$1,591,983	\$1,840,628	\$1,303,621	\$10,996	\$3,155,245
2032	\$127,713,250	\$127,713,250		\$193,486	\$1,238,819	\$1,432,304	\$1,014,426	\$8,557	\$2,455,287
2033	\$88,378,500	\$88,378,500		\$133,893	\$857,271	\$991,165	\$701,990	\$5,921	\$1,699,077
2034	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2035	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2036	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2037	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2038	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2039	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
			<b>Total</b>	<b>\$3,645,777</b>	<b>\$23,342,601</b>	<b>\$26,988,378</b>	<b>\$19,114,462</b>	<b>\$161,232</b>	<b>\$46,264,072</b>

Source: CPA, Cage Ranch Solar, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Lamb 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*	Sudan ISD I&S Tax Levy	Sudan ISD M&O Tax Levy	Sudan ISD M&O and I&S Tax Levies	Lamb County Tax Levy	High Plains Water Conservation District 1 Tax Levy	Estimated Total Property Taxes
				<b>0.1515</b>	<b>0.9700</b>		<b>0.7943</b>	<b>0.0067</b>	
2025	\$5,000,000	\$5,000,000		\$7,575	\$48,500	\$56,075	\$15,886	\$335	\$72,296
2026	\$415,691,500	\$20,000,000		\$629,773	\$194,000	\$823,773	\$1,320,735	\$27,851	\$2,172,359
2027	\$357,975,200	\$20,000,000		\$542,332	\$194,000	\$736,332	\$1,137,359	\$23,984	\$1,897,676
2028	\$302,213,050	\$20,000,000		\$457,853	\$194,000	\$651,853	\$960,191	\$20,248	\$1,632,292
2029	\$248,692,900	\$20,000,000		\$376,770	\$194,000	\$570,770	\$790,147	\$16,662	\$1,377,579
2030	\$197,837,500	\$20,000,000		\$299,724	\$194,000	\$493,724	\$628,569	\$13,255	\$1,135,548
2031	\$164,122,000	\$20,000,000		\$248,645	\$194,000	\$442,645	\$521,448	\$10,996	\$975,089
2032	\$127,713,250	\$20,000,000		\$193,486	\$194,000	\$387,486	\$405,771	\$8,557	\$801,813
2033	\$88,378,500	\$20,000,000		\$133,893	\$194,000	\$327,893	\$280,796	\$5,921	\$614,611
2034	\$83,138,300	\$20,000,000		\$125,955	\$194,000	\$319,955	\$264,147	\$5,570	\$589,672
2035	\$83,138,300	\$20,000,000		\$125,955	\$194,000	\$319,955	\$660,368	\$5,570	\$985,892
2036	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2037	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2038	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2039	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
			<b>Total</b>	<b>\$3,645,777</b>	<b>\$5,214,266</b>	<b>\$8,860,043</b>	<b>\$9,626,887</b>	<b>\$161,232</b>	<b>\$18,648,163</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$18,128,335</b>	<b>\$18,128,335</b>	<b>\$9,487,574</b>	<b>\$0</b>	<b>\$27,615,909</b>
Assumes School Value Limitation and Tax Abatements with the County.									

Source: CPA, Cage Ranch Solar, 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 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that Cage Ranch Solar, 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)
<b>Limitation Pre-Years</b>	2023	\$0	\$0	\$0	\$0
	2024	\$0	\$0	\$0	\$0
	2025	\$48,500	\$48,500	\$0	\$0
<b>Limitation Period (10 Years)</b>	2026	\$194,000	\$242,500	\$3,838,208	\$3,838,208
	2027	\$194,000	\$436,500	\$3,278,359	\$7,116,567
	2028	\$194,000	\$630,500	\$2,737,467	\$9,854,034
	2029	\$194,000	\$824,500	\$2,218,321	\$12,072,355
	2030	\$194,000	\$1,018,500	\$1,725,024	\$13,797,378
	2031	\$194,000	\$1,212,500	\$1,397,983	\$15,195,362
	2032	\$194,000	\$1,406,500	\$1,044,819	\$16,240,180
	2033	\$194,000	\$1,600,500	\$663,271	\$16,903,452
	2034	\$194,000	\$1,794,500	\$612,442	\$17,515,893
	2035	\$194,000	\$1,988,500	\$612,442	\$18,128,335
<b>Maintain Viable Presence (5 Years)</b>	2036	\$806,442	\$2,794,942	\$0	\$18,128,335
	2037	\$806,442	\$3,601,383	\$0	\$18,128,335
	2038	\$806,442	\$4,407,825	\$0	\$18,128,335
	2039	\$806,442	\$5,214,266	\$0	\$18,128,335
	2040	\$806,442	\$6,020,708	\$0	\$18,128,335
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2041	\$806,442	\$6,827,149	\$0	\$18,128,335
	2042	\$806,442	\$7,633,591	\$0	\$18,128,335
	2043	\$806,442	\$8,440,032	\$0	\$18,128,335
	2044	\$806,442	\$9,246,474	\$0	\$18,128,335
	2045	\$806,442	\$10,052,915	\$0	\$18,128,335
	2046	\$806,442	\$10,859,357	\$0	\$18,128,335
	2047	\$806,442	\$11,665,798	\$0	\$18,128,335
	2048	\$806,442	\$12,472,240	\$0	\$18,128,335
	2049	\$806,442	\$13,278,681	\$0	\$18,128,335
	2050	\$806,442	\$14,085,123	\$0	\$18,128,335
		<b>\$14,085,123</b>	is less than	<b>\$18,128,335</b>	
<b>Analysis Summary</b>					
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

Source: CPA, Cage Ranch Solar, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2024	50	40	90	\$2,500,000	\$4,458,000	\$6,958,000	656100	-244100	\$900,200
2025	300	261	560.547	\$15,000,000	\$28,701,000	\$43,701,000	16098000	-4074100	\$20,172,100
2026	2	29	31	\$88,600	\$6,259,400	\$6,348,000	854500	1594500	-\$740,000
2027	2	18	20	\$88,600	\$4,794,400	\$4,883,000	625600	1609800	-\$984,200
2028	2	4	6	\$88,600	\$3,085,400	\$3,174,000	297500	1548800	-\$1,251,300
2029	2	(6)	-4	\$88,600	\$1,620,400	\$1,709,000	137300	1403800	-\$1,266,500
2030	2	(6)	-4	\$88,600	\$399,400	\$488,000	-68700	1251200	-\$1,319,900
2031	2	(10)	-8	\$88,600	\$155,400	\$244,000	-152600	1060500	-\$1,213,100
2032	2	(10)	-8	\$88,600	-\$332,600	-\$244,000	-198400	877400	-\$1,075,800
2033	2	(10)	-8	\$88,600	-\$576,600	-\$488,000	-221300	663800	-\$885,100
2034	2	(10)	-8	\$88,600	-\$576,600	-\$488,000	-267000	526400	-\$793,400
2035	2	(8)	-6	\$88,600	-\$576,600	-\$488,000	-289900	358600	-\$648,500
2036	2	(2)	0	\$88,600	-\$1,065,600	-\$977,000	-343300	213600	-\$556,900
2037	2	(4)	-2	\$88,600	-\$332,600	-\$244,000	-381500	68700	-\$450,200
2038	2	(4)	-2	\$88,600	-\$576,600	-\$488,000	-412000	-45800	-\$366,200
2039	2	(6)	-4	\$88,600	-\$332,600	-\$244,000	-427200	-160200	-\$267,000
2040	2	(4)	-2	\$88,600	-\$576,600	-\$488,000	-473000	-274700	-\$198,300
2041	2	(0)	2	\$88,600	-\$820,600	-\$732,000	-488300	-343300	-\$145,000
2042	2	(6)	-4	\$88,600	-\$576,600	-\$488,000	-518800	-396700	-\$122,100
2043	2	(6)	-4	\$88,600	-\$576,600	-\$488,000	-503500	-488300	-\$15,200
2044	2	(2)	0	\$88,600	-\$88,600	\$0	-549300	-495900	-\$53,400
2045	2	(4)	-2	\$88,600	-\$576,600	-\$488,000	-610400	-633200	\$22,800
2046	2	(6)	-4	\$88,600	-\$88,600	\$0	-549300	-656100	\$106,800
2047	2	(4)	-2	\$88,600	\$399,400	\$488,000	-549300	-724800	\$175,500
2048	2	(6)	-4	\$88,600	-\$576,600	-\$488,000	-579800	-762900	\$183,100
2049	2	(10)	-8	\$88,600	-\$1,553,600	-\$1,465,000	-595100	-824000	\$228,900
2050	2	(8)	-6	\$88,600	-\$1,553,600	-\$1,465,000	-625600	-915500	\$289,900
2051	2	(6)	-4	\$88,600	-\$1,065,600	-\$977,000	-640900	-953700	\$312,800
						<b>Total</b>	<b>\$9,223,800</b>	<b>-\$816,200</b>	<b>\$10,040,000</b>
							<b>\$24,125,123</b>	is greater than	<b>\$18,128,335</b>

**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.