

FINDINGS
of the
***JAYTON-GIRARD INDEPENDENT
SCHOOL DISTRICT
BOARD OF TRUSTEES***

**Under Chapter 313 of the
Texas Tax Code**

**ON THE APPLICATION FOR
APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY**

SUBMITTED BY

TEXAS SOLAR NOVA 1, LLC

Comptroller Application Number 1403

December 11, 2019

RESOLUTION AND FINDINGS OF FACT
of the
JAYTON-GIRARD INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY
SUBMITTED BY TEXAS SOLAR NOVA 1, LLC

STATE OF TEXAS §
 JAYTON-GIRARD INDEPENDENT SCHOOL DISTRICT §

PREAMBLE

On the 11th day of December, 2019, a public meeting of the Board of Trustees of the Jayton-Girard Independent School District (the “Board”) was held to solicit input from interested parties on the application by Texas Solar Nova 1, LLC (“Texas Solar Nova 1” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board considered the application by Texas Solar Nova 1 for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller’s Economic Impact Analysis under Texas Tax Code §313.026, the Board of Trustees of the Jayton-Girard Independent School District, in accordance with Texas Tax Code §313.025(e) and (f) and 34 T.A.C. §9.1054, makes the following Findings regarding the Application:

On or about the 22nd day of July, 2019, the Board of Trustees for the Jayton-Girard Independent School District received an Application for Appraised Value Limitation on Qualified Property from Texas Solar Nova 1 pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for a renewable energy electric generation project; specifically, up to a 252 megawatt alternating current photovoltaic solar power generation facility (the “Property”). *See* Application, page 4, Section 6.2.5, and Tabs 4 and 8, attached hereto as Attachment A; *see also* Attachment D. The Board agreed to consider such Application, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon the District’s determination that the Application was complete. The Comptroller acknowledged receipt of the Application on or about July 29, 2019. Thereafter, on August 20, 2019, on behalf of Applicant, the District submitted Amendment No. 1 (§14, Tabs 4, 5, 7, 8, 11, 13 and Schedules B-D), and the Comptroller determined the Application complete on September 3, 2019, the Application Review Start Date. The Application and Amendment No. 1 are hereafter collectively referred to as the “Application.” A copy of the Application and Comptroller’s completeness letter of September 3, 2019 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Texas Solar Nova 1, LLC is 32060768622. Texas Solar Nova 1 is an entity subject to Chapter 171 of the Texas Tax Code and is active and has

the right to transact business in Texas, as represented by the Texas Comptroller of Public Accounts and as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

The Board acknowledged receipt of the Application and necessary application fee, which was reasonable and did not exceed the estimated cost to the District for processing and acting on the Application, as established by §§313.025(a)(1) and 313.031(b) of the Texas Tax Code, 34 T.A.C. §9.1054(a), and Local District Policy. *See* Attachment A at Tab 2.

The Application was delivered to the Texas Comptroller's Office for review pursuant to §313.025(b) of the Texas Tax Code.

A copy of the Application was delivered to the Kent County Appraisal District for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.024, 313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an Economic Impact Analysis to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on November 13, 2019 that the Application be approved (the "Certificate Decision"). *See* Attachment C. The Board of Trustees has carefully considered such Evaluation and Certificate Decision. Copies of the Certificate Decision and Economic Impact Analysis are attached to these Findings as Attachments C and D, respectively.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Jayton-Girard Independent School District. A copy of an report prepared by McDowell School Finance Consulting, LLC and dated November 2, 2019, is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of industrial property applicable to the Texas Solar Nova 1 Application in the Jayton-Girard Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, fell within a rural school district, Category 3 of §313.054 of the Texas Tax Code at the time the Application was deemed complete by the Comptroller. *See* "2018 Property Value Study Report," attached hereto as Attachment G; *see also* Attachment D.

After receipt of the completed Application, the District entered into negotiations with Texas Solar Nova 1 regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the "Agreement") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District pursuant to Section 48.256(d) of the Texas Education Code. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted (2016 Form 50-826). The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement (as defined by 34. Tex. Admin. Code §9.1051 and adopted by §9.1052(a)(6)) was submitted to and approved by the Comptroller, as required by 34 Tex. Admin. Code §9.1055(e)(1). *See* copy of December 2, 2019, Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller’s Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of Texas Solar Nova 1’s Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

Board Finding Number 1.

Based on the Application and the Comptroller’s Certificate Decision, the Property meets the requirements of Texas Tax Code §313.024 for eligibility for a limitation on appraised value under Texas Tax Code §313.024(b)(5) as a renewable energy electric generation project.

In support of Finding Number 1, the Comptroller’s Certificate Decision states:

Determination required by 313.025(h)

* * *

Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

* * *

Based on the information provided by the applicant, 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.

See Attachment C. See also Attachment A (Tab 1, §6.2(5) and Tab 4) and Attachment D.

Board Finding Number 2.

The project proposed by Applicant is reasonably likely to generate sufficient tax revenue to offset the 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.

In support of Finding Number 2, the Certificate Decision states:

Certification decision required by 313.025(d)

Determination required by 313.026(c)(1)

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.

See Attachment C.

Also in support of Finding Number 2, the Comptroller’s Economic Impact Analysis states:

Attachment B - Tax Revenue before 25th Anniversary of Limitation Start

This [table] represents the Comptroller’s determination that Texas Solar Nova 1, 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	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$145,500	\$145,500	\$0	\$0
Limitation Period (10 Years)	2022	\$194,000	\$339,500	\$1,797,269	\$1,797,269
	2023	\$194,000	\$533,500	\$1,636,856	\$3,434,125
	2024	\$194,000	\$727,500	\$1,465,748	\$4,899,873
	2025	\$194,000	\$921,500	\$1,279,668	\$6,179,540
	2026	\$194,000	\$1,115,500	\$1,078,616	\$7,258,156
	2027	\$194,000	\$1,309,500	\$862,592	\$8,120,748
	2028	\$194,000	\$1,503,500	\$627,318	\$8,748,066
	2029	\$194,000	\$1,697,500	\$374,934	\$9,123,000
	2030	\$194,000	\$1,891,500	\$233,770	\$9,356,770
	2031	\$194,000	\$2,085,500	\$233,770	\$9,590,540
Maintain Viable Presence (5 Years)	2032	\$427,770	\$2,513,270	\$0	\$9,590,540
	2033	\$427,770	\$2,941,040	\$0	\$9,590,540
	2034	\$427,770	\$3,368,810	\$0	\$9,590,540
	2035	\$427,770	\$3,796,580	\$0	\$9,590,540
	2036	\$427,770	\$4,224,350	\$0	\$9,590,540
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$427,770	\$4,652,120	\$0	\$9,590,540
	2038	\$427,770	\$5,079,890	\$0	\$9,590,540
	2039	\$427,770	\$5,507,660	\$0	\$9,590,540
	2040	\$427,770	\$5,935,430	\$0	\$9,590,540
	2041	\$427,770	\$6,363,200	\$0	\$9,590,540
	2042	\$427,770	\$6,790,970	\$0	\$9,590,540
	2043	\$427,770	\$7,218,740	\$0	\$9,590,540
	2044	\$427,770	\$7,646,510	\$0	\$9,590,540
	2045	\$427,770	\$8,074,280	\$0	\$9,590,540
	2046	\$427,770	\$8,502,050	\$0	\$9,590,540

\$8,502,050 is less than \$9,590,540

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, Texas Solar Nova 1, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2020	125	115	240	\$6,875,000	\$10,092,773	\$16,967,773	823974.6	-450134.3	\$1,274,109
2021	250	236	486.328	\$13,750,000	\$21,772,461	\$35,522,461	1693725.6	-724792.5	\$2,418,518
2022	4	19	23	\$199,896	\$4,927,057	\$5,126,953	183105.5	465393.1	-\$282,288
2023	4	6	10	\$199,896	\$3,340,143	\$3,540,039	144958.5	450134.3	-\$305,176
2024	4	(6)	-2	\$199,896	\$1,631,158	\$1,831,055	129699.7	427246.1	-\$297,546
2025	4	(0)	4	\$199,896	\$1,264,947	\$1,464,844	106811.5	389099.1	-\$282,288
2026	4	(6)	-2	\$199,896	\$654,596	\$854,492	129699.7	366210.9	-\$236,511
2027	4	(2)	2	\$199,896	\$532,526	\$732,422	129699.7	320434.6	-\$190,735
2028	4	2	6	\$199,896	\$776,666	\$976,563	129699.7	289917	-\$160,217
2029	4	(0)	4	\$199,896	\$532,526	\$732,422	122070.3	282287.6	-\$160,217
2030	4	2	6	\$199,896	\$288,385	\$488,281	167846.7	259399.4	-\$91,553
2031	4	4	8	\$199,896	\$776,666	\$976,563	152587.9	228881.8	-\$76,294
2032	4	8	12	\$199,896	\$776,666	\$976,563	144958.5	221252.4	-\$76,294
2033	4	8	12	\$199,896	\$1,020,807	\$1,220,703	144958.5	167846.7	-\$22,888
2034	4	10	14	\$199,896	\$1,020,807	\$1,220,703	152587.9	152587.9	\$0
2035	4	10	14	\$199,896	\$1,020,807	\$1,220,703	167846.7	129699.7	\$38,147
2036	4	12	16	\$199,896	\$1,020,807	\$1,220,703	167846.7	99182.1	\$68,665
2037	4	12	16	\$199,896	\$1,020,807	\$1,220,703	144958.5	76293.9	\$68,665
2038	4	8	12	\$199,896	\$1,020,807	\$1,220,703	152587.9	76293.9	\$76,294
2039	4	16	20	\$199,896	\$1,753,229	\$1,953,125	152587.9	38147	\$114,441
2040	4	14	18	\$199,896	\$1,509,088	\$1,708,984	137329.1	7629.4	\$129,700
2041	4	16	20	\$199,896	\$1,509,088	\$1,708,984	122070.3	0	\$122,070
2042	4	12	16	\$199,896	\$776,666	\$976,563	106811.5	7629.4	\$99,182
2043	4	8	12	\$199,896	\$776,666	\$976,563	76293.9	22888.2	\$53,406
2044	4	4	8	\$199,896	\$776,666	\$976,563	106811.5	53405.8	\$53,406
2045	4	8	12	\$199,896	\$1,753,229	\$1,953,125	91552.7	-15258.8	\$106,812
2046	4	8	12	\$199,896	\$1,753,229	\$1,953,125	198364.3	15258.8	\$183,106
2047	4	21	25	\$199,896	\$3,218,072	\$3,417,969	289917	0	\$289,917
Total							\$6,271,362	\$3,356,934	\$2,914,429
							\$11,416,479	is greater than	\$9,590,540
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.

See Attachment D (at Attachment B thereof).

Board Finding Number 3.

The new qualifying jobs creation requirement under § 313.051(b) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Applicant’s facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to § 313.025(f-1).

In support of this Finding, Applicant submitted, as Tab 12 to its Application, information regarding the industry standard for the number of jobs for a project with qualified property of this size and type. The Application states that for a project of the size and type described in the Application, the project will require less than ten (10) permanent jobs. Applicant reports in Tab 12 of the Application that solar energy projects create a large number of temporary full-time jobs during the construction phase, but require only a small number of highly skilled employees to operate and maintain the facility once construction ends and commercial operations begin. The permanent employees of a solar project maintain and service solar panels, mounting racks and trackers, underground electrical connections,

inverters, substations and related infrastructure. Additionally, there are also asset managers who supervise, monitor and support solar operations from offsite locations. Applicant further reports that the solar industry standard for the number of permanent qualifying jobs necessary for the operation and maintenance of a solar facility is less than the minimum new qualifying jobs requirement. For a typical facility, two (2) jobs are created for a plant up to 250 MWac increasing to four (4) for projects larger than 250 MWac. Therefore, consistent with solar industry standards and based on the anticipated needs of the planned 252 MWac facility, Texas Solar Nova 1, LLC is committed to creating four (4) new qualifying jobs. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J.

See also Attachments A (Tab 4), and D.

Board Finding Number 4.

The Applicant will create four (4) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; (3) pay an annual wage of \$49,974.10 (\$961.04 per week), an amount equal to at least 110% of the Regional average weekly wage for manufacturing jobs as defined under §313.021(5)(B); (4) are not created to replace a previous employee; and (5) are not transferred from another area of Texas to the project described the Application.

See Attachments A, D and J.

Board Finding Number 5.

The Applicant does not intend to create any non-qualifying jobs.

In its application, Applicant indicates that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least \$754.50 per week, which exceeds the county average wage for all jobs in the County, in accordance with the provisions of Texas Tax Code §313.024(d). *See* Attachments A and D.

Board Finding Number 6.

The ability of the Applicant to locate the proposed renewable energy facility in another state or another region of this state is significant because of the highly competitive marketplace for electricity and economic development. Therefore, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas and Jayton-Girard ISD.

See Attachment C.

In support of Finding Number 6, the Comptroller's Certificate states, "[t]he Comptroller has 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.” See Attachment C. The Economic Impact Analysis further states:

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Texas Solar Nova 1, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Texas Solar Nova 1, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. "While Texas Solar Nova 1 is specific to Kent County Texas, Clearway (Energy)] is developing multiple projects within Texas, New Mexico, Oklahoma, and Kansas. The decision to pursue projects and contribute limited capital, human, and solar resources is largely predicated on the economic return for a project and is constantly compared to returns from other locations within and outside of Texas. Clearway must pick the best projects to advance as a company, and the economic return is a primary determinant for this decision."
 - B. "Without the available tax incentives, the economics of the project become far less attractive and the likelihood of completing the project and selling the electricity at competitive prices becomes unlikely. If the Texas Solar Nova projects are not able to obtain a value limitation agreement, the projects would most likely be terminated and resources would be allocated to projects with more favorable economics that can also offer competitive power prices."

See Attachment D (at Attachment C thereof).

Board Finding Number 7.

The proposed limitation on appraised value for the qualified property is \$20,000,000.

The Comptroller’s Minimum School District Limitation Values Report, effective as of January 1, 2019, provides that the District is a Subchapter C, Category 3 District, with a minimum limitation of \$20,000,000. See Attachments A and D.

Board Finding Number 8.

The revenue gains that will be realized by the school district if the Application is approved will be significant in the long term, with special reference to revenues used for supporting school district debt.

In support of this Finding, McDowell School Finance Consulting, LLC estimates in the District’s Financial Impact Report, based on the property values recited Texas Solar Nova 1’s Application, that the project would add \$205,285,500 to the tax base at the peak investment level for tax year 2022

(school year 2022-2023). The additional project value is fully taxable for debt service taxes and can be used to meet any current or future debt needs serviced by an interest and sinking fund tax of the District. *See* Tables I and II of Attachment E. *See also* Schedule B (Tab 14) of Attachment A, and Table 4 of Attachment D. In addition, the potential revenue gains from Supplemental Payments provided for in the proposed Agreement are estimated to be approximately \$750,000. *See* Attachment H at Section 6.2.A and Table VI of Attachment E.

Board Finding Number 9.

The effect of the Applicant’s proposed project is not expected to increase the District’s instructional facility needs. Jayton-Girard ISD can easily accommodate the student growth anticipated from Applicant’s project with its existing facilities.

In support of this finding, the District’s Financial Impact Report states:

Texas Solar Nova 1, LLC provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that four full-time employees are expected. It is not known whether these would be new employees to the Jayton-Girard ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new four positions equates to 2 new students.

This projected student growth can be accommodated with the current facilities of Jayton-Girard ISD....

See Table VII of Attachment E. *See also* TEA’s Facilities Impact Review Letter at Attachment F.

Board Finding Number 10.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does not receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Table II of Attachment E (column labeled “Taxes w/o Agreement”), and is further based on the assumption that the projected total maintenance and operations tax rate per \$100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2019-2020	0.9700	0.087	0	0	0	0
2020-2021	0.9565	0.086	0	0	0	0
2021-2022	0.9432	0.082	141,479	0	0	0
2022-2023	0.9388	0.060	1,927,238	1,739,476	(1,639,837)	99,639
2023-2024	0.9344	0.000	1,763,747	1,576,858	(113,071)	1,463,787
2024-2025	0.9301	0.000	1,591,481	1,405,460	(59,316)	1,346,144
2025-2026	0.9258	0.000	1,406,490	1,221,334	(51,675)	1,169,659
2026-2027	0.9215	0.000	1,208,962	1,024,665	(43,546)	981,119
2027-2028	0.9172	0.000	999,082	815,642	(34,930)	780,712
2028-2029	0.9129	0.000	773,009	590,420	(25,660)	564,760
2029-2030	0.9087	0.000	532,984	351,243	(15,214)	336,029
2030-2031	0.9045	0.000	398,880	217,982	(9,405)	208,577
2031-2032	0.9003	0.000	397,030	216,971	(9,421)	207,550
2032-2033	0.8961	0.000	395,188	0	0	0
2033-2034	0.8920	0.000	393,355	0	0	0
2034-2035	0.8878	0.000	391,531	0	0	0
2035-2036	0.8837	0.000	389,716	0	0	0
2036-2037	0.8796	0.000	387,910	0	0	0
Totals			13,098,083	9,160,051	(2,002,075)	7,157,976

See also Table 3 of Attachment D¹.

Board Finding Number 11.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value with the projected depreciations of investment, is discernible from Table II of Attachment E (subtracting the amounts in the column labeled “Tax Savings with Agreement” from the column labeled “Taxes w/o Agreement”), and is based on the assumption that the projected total maintenance and operations tax rate per \$100 in valuation in each year of the Agreement will be as indicated in Table II.

[see table on next page]

¹ The estimated M&O tax rates provided by McDowell School Finance Consulting are compressed according to HB 3 of the Texas Legislature’s 86th Regular Session.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2019-2020	0.9700	0.087	0	0	0	0
2020-2021	0.9565	0.086	0	0	0	0
2021-2022	0.9432	0.082	141,479	0	0	0
2022-2023	0.9388	0.060	1,927,238	1,739,476	(1,639,837)	99,639
2023-2024	0.9344	0.000	1,763,747	1,576,858	(113,071)	1,463,787
2024-2025	0.9301	0.000	1,591,481	1,405,460	(59,316)	1,346,144
2025-2026	0.9258	0.000	1,406,490	1,221,334	(51,675)	1,169,659
2026-2027	0.9215	0.000	1,208,962	1,024,665	(43,546)	981,119
2027-2028	0.9172	0.000	999,082	815,642	(34,930)	780,712
2028-2029	0.9129	0.000	773,009	590,420	(25,660)	564,760
2029-2030	0.9087	0.000	532,984	351,243	(15,214)	336,029
2030-2031	0.9045	0.000	398,880	217,982	(9,405)	208,577
2031-2032	0.9003	0.000	397,030	216,971	(9,421)	207,550
2032-2033	0.8961	0.000	395,188	0	0	0
2033-2034	0.8920	0.000	393,355	0	0	0
2034-2035	0.8878	0.000	391,531	0	0	0
2035-2036	0.8837	0.000	389,716	0	0	0
2036-2037	0.8796	0.000	387,910	0	0	0
Totals			13,098,083	9,160,051	(2,002,075)	7,157,976

See also Table 4 of Attachment D. See note 1, *supra*.

Board Finding Number 12.

Based upon the Applicant’s certification that the Application is true and correct, the Comptroller’s Economic Impact Analysis, the Comptroller’s Certificate Decision, and the consultants’ review of these and other documents, the Board has determined that the information provided by the Applicant in its Application was true and correct when submitted.

Upon acceptance of the Application, the District requested the Comptroller to undertake an economic impact evaluation and retained certain consultants to help the Board determine: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant’s representations concerning the economic incentives available are a determining factor; and, (5) the proposed project meets eligibility requirements for an Agreement under Tax Code Chapter 313.

As a part of its review process, the Board notes that the Application was submitted by Applicant under oath. A Chapter 313 application is a governmental record under Tex. Penal Code §37.01(2)(A), and all representations contained therein are statements of fact within the meaning of Tex. Penal Code §37.01(3). Since Board action upon the adoption of these Findings and the approval of the Agreement (Attachment H) is an “official proceeding,” a false statement in the Application would constitute perjury under Tex. Penal Code §37.03.

The Board finds that sworn statements are routinely relied upon by fact finders in official governmental proceedings. The Board further finds that reliance upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified, is reasonable and within the intent of Chapter 313, Texas Tax Code. See Attachments A, B, C and D.

Board Finding Number 13.

The Applicant (Taxpayer Id. 32060768622) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on the Comptroller's acknowledgment that Applicant's right to transact business in Texas is active as a tax paying entity subject to taxes imposed by Chapter 171 of the Texas Tax Code.

See Attachments A, B and C.

Board Finding Number 14.

The project will be located within an area that is currently designated as a reinvestment zone pursuant to Chapter 312 and as permitted by Chapter 313 of the Texas Tax Code. Should it be required, the District will cooperate with the Applicant's efforts to ensure that the area remains designated as a reinvestment zone for so long as the law allows.

See Attachment A (Tabs 11 and 16).

Board Finding Number 15.

Per Applicant's certification in its Application, no construction of Qualified Property has begun on the project site.

See Attachment A (§7.2 of Tab 1, and Tab 10).

Board Finding Number 16.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, meets all the requirements set out in Texas Tax Code §313.027, including adequate and appropriate revenue protection provisions for the District.

In support of this Finding and based on the information provided and certified by Applicant in its Application, the District's Financial Impact Analysis demonstrates that, pursuant to current school finance law (including Texas Education Code §48.256(d)), the District is projected to receive revenue protection payments in tax years 2022 through 2031 (school years 2022-23 through 2031-32) in the estimated total amount of \$2,002,075. Therefore, any potential negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant

and the District as set out in the Agreement. See Table II in Attachment E, and proposed Agreement, Article IV, at Attachment H.

Board Finding Number 17.

The Board finds there are no conflicts of interest at the time of its consideration of the Agreement.

In support of this Finding, the Board finds that it has taken appropriate action to ensure that all District Trustees and the Superintendent have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

The Board further finds that it has taken appropriate action to ensure that all other applicable District employees and/or consultants have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

Board Finding Number 18.

Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State to approve Texas Solar Nova 1's Application and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

See Attachment D.

Board Finding Number 19.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller, as of January 24, 2016, and the Comptroller has verified that the Agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 T.A.C. Chapter 9, Subchapter F.

See Attachment I.

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Jayton-Girard Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and (f) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the new jobs requirement pursuant to § 313.051(b) is hereby WAIVED; and,

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED contemporaneously with these Findings and is hereby authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Jayton-Girard Independent School District, along with a copy of these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and,

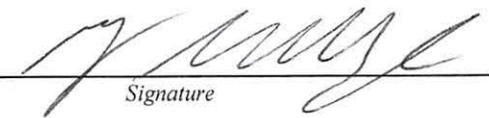
IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Jayton-Girard Independent School District Board of Trustees.

Dated this 11th day of December, 2019.

Jayton-Girard Independent School District

By 
Signature
Kathy Owen
Printed Name and Title

Attest:

By 
Signature
Bilby J. Baldrige
Printed Name and Title

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Applicant's Franchise Tax Account Status
C	Comptroller's Certificate Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's 2018 Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's December 2, 2019 Agreement Review Letter
J	Job Waiver Request



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 3, 2019

Trig Overbo
Superintendent
Jayton-Girard Independent School District
P.O. Box 168
Jayton, Texas 79528

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Jayton-Girard Independent School District and Texas Solar Nova 1, LLC, Application 1403

Dear Superintendent Overbo:

On July 29, 2019, the Comptroller's office received Texas Solar Nova 1, LLC's (applicant) application for a limitation on appraised value (Application 1403) from Jayton-Girard Independent School District (school district).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on September 3, 2019.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the Comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the school district and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Michelle Luera with our office. She can be reached by email at michelle.luera@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 3- 6053 or at 512-463- 6053.

Sincerely,

A handwritten signature in black ink that reads "Will Counihan".

Will Counihan
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Patrick Sullivan, Clearway Energy Group
Nathan Lapierre, Clearway Energy Group
June Gray, Core Solar, LLC

See Application documents
(Comptroller No. 1403)
posted on Comptroller Website:
Application (posted 8/7/19); and
Amendment No. 1 (posted 8/11/19)



Franchise Tax Account Status

As of : 12/02/2019 17:38:56

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

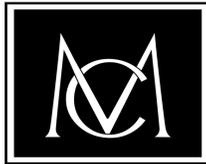
TEXAS SOLAR NOVA 1, LLC	
Texas Taxpayer Number	32060768622
Mailing Address	1999 BRYAN ST STE 900 DALLAS, TX 75201-3140
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	06/13/2016
Texas SOS File Number	0802479209
Registered Agent Name	CT CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST. SUITE 900 DALLAS, TX 75201

See Certification Packet
(Comptroller No. 1403)
posted on Comptroller Website (11/18/2019)

See Certification Packet
(Comptroller No. 1403)
posted on Comptroller Website (11/18/2019)

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Texas Solar Nova 1, LLC**

November 2, 2019



MCDOWELL
School Finance
CONSULTING

**Summary of Jayton-Girard ISD Financial Impact
of the
Limited Appraised Value Application
from
Texas Solar Nova 1, LLC**

Introduction

Texas Solar Nova 1, LLC applied for a property value limitation from Jayton-Girard Independent School District under Chapter 313 of the Tax Code. The application was submitted on July 22, 2019 and subsequently approved for consideration by the Jayton-Girard ISD Board of Trustees. Texas Solar Nova 1, LLC (“Texas Solar Nova 1”), is requesting the property value limitation as a “renewable energy electric generation” project as listed in Sec. 313.024.(b) of the Tax Code.

“The Economic Development Act “, Tax Code Chapter 313, was created by House Bill 1200 of the 77th Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80th Texas Legislative Session in 2007 and additionally House Bill 3390 from the 83rd Legislative Session.

The Economic Development Act was created to attract qualifying businesses to Texas by allowing school districts the option of approving a property value limitation to these qualifying entities. The purpose of the property value limitation is to reduce the maintenance and operations taxes paid by the company, to a school district during the applicable years as displayed below:

Jayton-Girard ISD Financial Impact of Chapter 313 Agreement

The company must file an application with the school district to qualify for consideration of a Limited Appraised Value Agreement (“LAVA” or “Agreement”) to begin the following tax year or a later year if agreed upon by the District and the Company.

Years Prior to Start of Value Limitation Period:

The tax years prior to the start of the value limitation period are considered the “Prior to Start of Value Limitation Period” and the company’s school district taxes will be levied at one-hundred percent of the appraised value. The applicant has requested that tax year 2021 is the year that is Prior to the Start of Value Limitation Period.

Value Limitation Period:

During the ten years of the Value Limitation Period, the qualifying entity’s taxable value will be reduced to the Minimum Limitation Amount for the applicable school district as determined by the State Comptroller’s Office. Jayton-Girard ISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million but less than \$90 million. Thus, Jayton-Girard ISD has a Minimum Qualified Investment amount of \$10 million and a Minimum Limitation Amount of \$20 million. A qualifying entity’s taxable value would be reduced to \$20 million during this ten year period of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Jayton-Girard ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy. The applicant has requested that the Value Limitation Period to begin in tax year 2022 and continue through tax year 2031.

Final Five Years of the Agreement – Continue to Maintain a Viable Presence:

Tax years 2032 through 2036 will be the final five years of the agreement and the applicant agrees to maintain a viable presence with this project during this time.

Jayton-Girard ISD Financial Impact of Chapter 313 Agreement

Taxable Value Projections from Application

The following data shows the projected taxable values that Texas Solar Nova 1 reported in the application to the District:

	Year	School Year	Tax Year	Projected Taxable Value	Actual Taxable Value with Agreement
Each Year Prior to Start of Value Limitation Period	0	2019-2020	2019	\$0	\$0
	0	2020-2021	2020	\$0	\$0
	0	2021-2022	2021	\$15,000,000	\$15,000,000
Value Limitation Period	1	2022-2023	2022	\$205,285,500	\$20,000,000
	2	2023-2024	2023	\$188,748,000	\$20,000,000
	3	2024-2025	2024	\$171,108,000	\$20,000,000
	4	2025-2026	2025	\$151,924,500	\$20,000,000
	5	2026-2027	2026	\$131,197,500	\$20,000,000
	6	2027-2028	2027	\$108,927,000	\$20,000,000
	7	2028-2029	2028	\$84,672,000	\$20,000,000
	8	2029-2030	2029	\$58,653,000	\$20,000,000
	9	2030-2031	2030	\$44,100,000	\$20,000,000
	10	2031-2032	2031	\$44,100,000	\$20,000,000
Continue to Maintain Viable Presence	11	2032-2033	2032	\$44,100,000	\$44,100,000
	12	2033-2034	2033	\$44,100,000	\$44,100,000
	13	2034-2035	2034	\$44,100,000	\$44,100,000
	14	2035-2036	2035	\$44,100,000	\$44,100,000
	15	2036-2037	2036	\$44,100,000	\$44,100,000
Additional Years for 25 Year Economic Impact Study	16	2037-2038	2037	\$44,100,000	\$44,100,000
	17	2038-2039	2038	\$44,100,000	\$44,100,000
	18	2039-2040	2039	\$44,100,000	\$44,100,000
	19	2040-2041	2040	\$44,100,000	\$44,100,000
	20	2041-2042	2041	\$44,100,000	\$44,100,000
	21	2042-2043	2042	\$44,100,000	\$44,100,000
	22	2043-2044	2043	\$44,100,000	\$44,100,000
	23	2044-2045	2044	\$44,100,000	\$44,100,000
	24	2045-2046	2045	\$44,100,000	\$44,100,000
	25	2046-2047	2046	\$44,100,000	\$44,100,000

Jayton-Girard ISD Financial Impact of Chapter 313 Agreement

Taxable Value Impact from LAVA

The “Additional Value from Texas Solar Nova 1” represents the values that the company estimated as their taxable values in the application that was filed with the district. During tax years 2022 through 2031, the company’s taxable value will be limited to the \$20,000,000 Minimum Limitation Amount of Jayton-Girard ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Texas Solar Nova 1	Minimum Limitation Amount	Abated Value	Taxable Value
Jan. 1, 2019	0	n/a	0	0
Jan. 1, 2020	0	n/a	0	0
Jan. 1, 2021	15,000,000	n/a	0	15,000,000
Jan. 1, 2022	205,285,500	(20,000,000)	185,285,500	20,000,000
Jan. 1, 2023	188,748,000	(20,000,000)	168,748,000	20,000,000
Jan. 1, 2024	171,108,000	(20,000,000)	151,108,000	20,000,000
Jan. 1, 2025	151,924,500	(20,000,000)	131,924,500	20,000,000
Jan. 1, 2026	131,197,500	(20,000,000)	111,197,500	20,000,000
Jan. 1, 2027	108,927,000	(20,000,000)	88,927,000	20,000,000
Jan. 1, 2028	84,672,000	(20,000,000)	64,672,000	20,000,000
Jan. 1, 2029	58,653,000	(20,000,000)	38,653,000	20,000,000
Jan. 1, 2030	44,100,000	(20,000,000)	24,100,000	20,000,000
Jan. 1, 2031	44,100,000	(20,000,000)	24,100,000	20,000,000
Jan. 1, 2032	44,100,000	n/a	0	44,100,000
Jan. 1, 2033	44,100,000	n/a	0	44,100,000
Jan. 1, 2034	44,100,000	n/a	0	44,100,000
Jan. 1, 2035	44,100,000	n/a	0	44,100,000
Jan. 1, 2036	44,100,000	n/a	0	44,100,000

Jayton-Girard ISD Financial Impact of Chapter 313 Agreement

Texas Solar Nova 1's Tax Benefit from Agreement

The projected amount of the net tax savings for Texas Solar Nova 1 is \$7.158 million over the life of the Agreement. This net savings is after all tax savings and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement.

Jayton-Girard ISD projected tax rates for maintenance & operations (M&O) and interest & sinking (I&S) are based on the following assumptions:

- The District has held a tax ratification election and the study projects that it will maintain the maximum M&O tax rate allowable that doesn't require an additional voter election for the life of this agreement.
- The district has outstanding bonds that are scheduled to payoff in 2023. This district's annual debt payment is approximately \$450,000. The debt rates below are calculated rates using the projected taxable values with the addition of Texas Solar Nova 1 estimated taxable values. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2019-2020	0.9700	0.087	0	0	0	0
2020-2021	0.9565	0.086	0	0	0	0
2021-2022	0.9432	0.082	141,479	0	0	0
2022-2023	0.9388	0.060	1,927,238	1,739,476	(1,639,837)	99,639
2023-2024	0.9344	0.000	1,763,747	1,576,858	(113,071)	1,463,787
2024-2025	0.9301	0.000	1,591,481	1,405,460	(59,316)	1,346,144
2025-2026	0.9258	0.000	1,406,490	1,221,334	(51,675)	1,169,659
2026-2027	0.9215	0.000	1,208,962	1,024,665	(43,546)	981,119
2027-2028	0.9172	0.000	999,082	815,642	(34,930)	780,712
2028-2029	0.9129	0.000	773,009	590,420	(25,660)	564,760
2029-2030	0.9087	0.000	532,984	351,243	(15,214)	336,029
2030-2031	0.9045	0.000	398,880	217,982	(9,405)	208,577
2031-2032	0.9003	0.000	397,030	216,971	(9,421)	207,550
2032-2033	0.8961	0.000	395,188	0	0	0
2033-2034	0.8920	0.000	393,355	0	0	0
2034-2035	0.8878	0.000	391,531	0	0	0
2035-2036	0.8837	0.000	389,716	0	0	0
2036-2037	0.8796	0.000	387,910	0	0	0
Totals			13,098,083	9,160,051	(2,002,075)	7,157,976

Jayton-Girard ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Jayton-Girard ISD. First, a seventeen year financial forecast was prepared to establish a baseline without the added values of the renewable energy electric generation company. Second, a seventeen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a seventeen year financial forecast was prepared that incorporates the additional taxable value of the company with an approved LAVA. These three forecasts are detailed in the “Calculation of LAVA Impact on District’s Finances” section. The following assumptions were used to compare the financial impact of the LAVA:

- The current state funding formulas (in effect for 2019-2020 fiscal year) were used for state aid and recapture calculation purposes
 - Tier I - Basic Allotment of \$6,160 multiplied by the number of students in average daily attendance (ADA).
 - Level 1 of Tier II yield - \$98.56 - per weighted student in average daily attendance (WADA) per penny of tax effort
 - Level 2 of Tier II yield - \$49.28 – per WADA per penny of tax effort
- Use of current year property values for state funding calculations.
- Use of prior year property values for revenue protection payment calculations in accordance with Article IV of the Agreement.
- The district’s tax rate for maintenance & operations (M&O) for 2018-19 of \$1.04 will be compressed to \$0.97 for 2019-20 and is projected to decrease based on estimated statewide property tax growth. No future tax ratification elections are projected in the calculations.
- An annual taxable value increase of 1.0% was used to project the district’s taxable value, except as it related to the requested LAVA. The district’s 2019 taxable value was used as a baseline for all projections.
- The district’s enrollment is projected to decrease; therefore, the projected ADA and WADA for school year 2019-2020 was decreased by .25% per year for the life of the agreement.

Although these assumptions were used to develop a baseline scenario for comparison purposes, many of these factors will not remain constant for the years of this proposed agreement. Also, Legislative changes to the school finance formulas are almost certain during the life of this agreement.

Jayton-Girard ISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

The tables displayed below (Table III, IV, V) show the different impacts on the school district's finances. These scenarios were computed to compare the District's revenue without the additional taxable value of Texas Solar Nova 1 (Table III), the addition of Texas Solar Nova 1's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Texas Solar Nova 1's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Texas Solar Nova 1, LLC:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State	State	Total State Revenue	Recapture Payment	Total District Revenue
			Revenue Tier I	Revenue Tier II			
2019-2020	517,520,810	4,939,553	958,171	0	958,171	(2,853,591)	3,044,133
2020-2021	522,696,018	4,919,596	629,953	0	629,953	(2,864,500)	2,685,049
2021-2022	527,922,978	4,899,782	475,403	0	475,403	(2,813,635)	2,561,550
2022-2023	533,202,208	4,925,588	345,997	0	345,997	(2,875,593)	2,395,992
2023-2024	538,534,230	4,951,423	179,428	0	179,428	(2,873,593)	2,257,258
2024-2025	543,919,572	4,977,816	65,200	0	65,200	(2,934,143)	2,108,873
2025-2026	549,358,768	5,004,244	32,600	0	32,600	(2,925,723)	2,111,121
2026-2027	554,852,356	5,030,705	65,200	0	65,200	(2,988,061)	2,107,844
2027-2028	560,400,879	5,057,197	32,400	0	32,400	(2,985,232)	2,104,365
2028-2029	566,004,888	5,083,717	64,800	0	64,800	(3,047,672)	2,100,845
2029-2030	571,664,937	5,110,825	32,200	0	32,200	(3,039,675)	2,103,350
2030-2031	577,381,586	5,137,968	64,400	0	64,400	(3,103,607)	2,098,761
2031-2032	583,155,402	5,165,145	32,200	0	32,200	(3,101,781)	2,095,564
2032-2033	588,986,956	5,192,354	64,000	0	64,000	(3,164,182)	2,092,172
2033-2034	594,876,826	5,220,175	32,000	0	32,000	(3,158,703)	2,093,472
2034-2035	600,825,594	5,247,447	63,600	0	63,600	(3,221,002)	2,090,045
2035-2036	606,833,850	5,275,339	31,800	0	31,800	(3,221,572)	2,085,567
2036-2037	612,902,189	5,303,266	63,600	0	63,600	(3,285,783)	2,081,083

Jayton-Girard ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with Texas Solar Nova 1, LLC without Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State Revenue		Total State Revenue	Recapture Payment	Total District Revenue
			Tier I	Tier II			
2019-2020	517,520,810	4,939,553	958,171	0	958,171	(2,853,591)	3,044,133
2020-2021	522,696,018	4,919,596	629,953	0	629,953	(2,864,500)	2,685,049
2021-2022	542,922,978	5,038,433	488,369	0	488,369	(2,946,405)	2,580,397
2022-2023	738,487,708	6,163,642	446,045	0	446,045	(4,033,258)	2,576,429
2023-2024	727,282,230	6,070,421	173,399	0	173,399	(3,918,276)	2,325,544
2024-2025	715,027,572	5,968,472	65,200	0	65,200	(3,857,642)	2,176,030
2025-2026	701,283,268	5,854,130	32,600	0	32,600	(3,716,088)	2,170,642
2026-2027	686,049,856	5,727,400	65,200	0	65,200	(3,633,365)	2,159,235
2027-2028	669,327,879	5,588,286	32,400	0	32,400	(3,473,550)	2,147,136
2028-2029	650,676,888	5,433,124	64,800	0	64,800	(3,363,587)	2,134,337
2029-2030	630,317,937	5,263,754	32,200	0	32,200	(3,169,550)	2,126,404
2030-2031	621,481,586	5,190,242	64,400	0	64,400	(3,138,632)	2,116,010
2031-2032	627,255,402	5,238,276	32,200	0	32,200	(3,157,649)	2,112,827
2032-2033	633,086,956	5,286,790	64,000	0	64,000	(3,241,221)	2,109,569
2033-2034	638,976,826	5,335,789	32,000	0	32,000	(3,257,250)	2,110,539
2034-2035	644,925,594	5,385,278	63,600	0	63,600	(3,341,504)	2,107,374
2035-2036	650,933,850	5,435,262	31,800	0	31,800	(3,364,263)	2,102,799
2036-2037	657,002,189	5,485,746	63,600	0	63,600	(3,451,009)	2,098,337

TABLE V – District Revenues with Texas Solar Nova 1, LLC with Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State Revenue		Total State Revenue	Recapture Payment	Payment for District Losses	Total District Revenue
			Tier I	Tier II				
2019-2020	517,520,810	4,939,553	958,171	0	958,171	(2,853,591)	0	3,044,133
2020-2021	522,696,018	4,919,596	629,953	0	629,953	(2,864,500)	0	2,685,049
2021-2022	542,922,978	5,038,433	488,369	0	488,369	(2,946,405)	0	2,580,397
2022-2023	553,202,208	5,109,593	348,228	0	348,228	(3,051,760)	1,639,837	4,045,898
2023-2024	558,534,230	5,134,565	179,147	0	179,147	(3,048,904)	113,071	2,377,879
2024-2025	563,919,572	5,160,116	65,200	0	65,200	(3,108,603)	59,316	2,176,029
2025-2026	569,358,768	5,185,701	32,600	0	32,600	(3,099,335)	51,675	2,170,641
2026-2027	574,852,356	5,211,319	65,200	0	65,200	(3,160,831)	43,546	2,159,234
2027-2028	580,400,879	5,236,968	32,400	0	32,400	(3,157,163)	34,930	2,147,135
2028-2029	586,004,888	5,262,646	64,800	0	64,800	(3,218,768)	25,660	2,134,338
2029-2030	591,664,937	5,288,930	32,200	0	32,200	(3,209,940)	15,214	2,126,404
2030-2031	597,381,586	5,315,250	64,400	0	64,400	(3,273,045)	9,405	2,116,010
2031-2032	603,155,402	5,341,604	32,200	0	32,200	(3,270,398)	9,421	2,112,827
2032-2033	633,086,956	5,579,630	64,000	0	64,000	(3,534,175)	0	2,109,455
2033-2034	638,976,826	5,605,680	32,000	0	32,000	(3,526,901)	0	2,110,779
2034-2035	644,925,594	5,631,302	63,600	0	63,600	(3,587,404)	0	2,107,498
2035-2036	650,933,850	5,657,323	31,800	0	31,800	(3,586,195)	0	2,102,928
2036-2037	657,002,189	5,683,507	63,600	0	63,600	(3,648,636)	0	2,098,471

Jayton-Girard ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 3 of the 86th Legislative Session and became effective for the 2019-2020 school year. The primary intent of the new legislation is to reduce maintenance & operations “M&O” tax rate and cooperatively reduce district’s recapture payments; thus, increasing the State’s share of school district funding. The maximum M&O tax rate prior to the Legislative Session was \$1.17 and that rate was reduced to a maximum rate of \$1.06835 for the 2019-2020 school year. The maximum tax rate is expected to continue to be compressed lower when statewide property values increase at a rate greater than 2.5% per year or also when a school district’s property values increase by more than 2.5%. However, a school district’s M&O tax rate can’t be reduced to a rate lower than 90% of the maximum allowable Tier I rate for the respective year.

Prior to the 86th Legislative Session and the passage of House Bill 3, school finance law required the use of a district’s prior year property values for the calculation of property wealth. House Bill 3 changed school finance law and now requires a district’s current year property values for the property wealth calculation; however, it also contains language for the calculation of revenue protection payments for Chapter 313 Agreements using prior year values in Section 48.256(d) as follows:

(d) This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner under Section 313.027, Tax Code, for the implementation of a limitation on appraised value under Subchapter B or C, Chapter 313, Tax Code. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Subchapter B or C, Chapter 313, Tax Code, before the expiration of the subchapter. The comptroller shall provide information to the agency necessary for this subsection. A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district's taxable value of property for the preceding tax year.

Jayton-Girard ISD Financial Impact of Chapter 313 Agreement

Supplemental Payments

Assuming that the District and Texas Solar Nova 1, LLC mutually agree in the LAVA that the greater of \$100 per student in average daily attendance (ADA) or \$50,000, the projected amount of these payments over the life of the agreement is \$750,000 of the \$7.158 million net tax savings amount. This amount will be computed annually according to Section VI of the Agreement.

TABLE VI - Calculation of the Supplemental Payments:

Fiscal Year	Net Tax Savings	Jayton-Girard ISD Supplemental	Texas Solar Nova 1 Share
2019-2020	0	0	0
2020-2021	0	50,000	(50,000)
2021-2022	0	50,000	(50,000)
2022-2023	99,639	50,000	49,639
2023-2024	1,463,787	50,000	1,413,787
2024-2025	1,346,144	50,000	1,296,144
2025-2026	1,169,659	50,000	1,119,659
2026-2027	981,119	50,000	931,119
2027-2028	780,712	50,000	730,712
2028-2029	564,760	50,000	514,760
2029-2030	336,029	50,000	286,029
2030-2031	208,577	50,000	158,577
2031-2032	207,550	50,000	157,550
2032-2033	0	50,000	(50,000)
2033-2034	0	50,000	(50,000)
2034-2035	0	50,000	(50,000)
2035-2036	0	0	0
2036-2037	0	0	0
Totals	7,157,976	750,000	6,407,976

Jayton-Girard ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Jayton-Girard School	EE-12	20	440	170	270
	Total	20	440	170	270

The building capacities are based on 22 students per classroom for early education through 12th grade. Jayton-Girard ISD is an early-education through 12th grade district.

Texas Solar Nova 1, LLC provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that four employees are expected. It is not known whether these would be new employees to the Jayton-Girard ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new four positions equates to 2 new students.

This projected student growth can be accommodated with the current facilities of Jayton-Girard ISD as displayed in Table VII above.

Jayton-Girard ISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Texas Solar Nova 1, LLC, would be beneficial to both Texas Solar Nova 1 and Jayton-Girard ISD under the current school finance system.

Texas Solar Nova 1, LLC would benefit from reduced property taxes during the ten years of the Value Limitation Period. Although some of the tax savings would be used to offset district's revenue losses and supplemental payments to the District, Texas Solar Nova 1 is projected to benefit from an 83% tax savings during that ten year period of this Agreement. Texas Solar Nova 1 also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

Jayton-Girard ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Texas Solar Nova 1 to offset any district losses caused by the LAVA. An annual calculation will be performed each year to determine if a loss to the District has been incurred. The revenue impact to the District will be computed by comparing the District's revenues with and without the LAVA in effect.



Texas Education Agency

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

IMPORTANT: Please keep this letter with your district's records. It must be accessible to the law firm working on the value limitation agreement.

September 13, 2019

Kathy Owen, President
Board of Trustees
Jayton-Girard Independent School District
PO Box 168
Jayton, TX 79528-0168

Dear Mrs. Owen:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Texas Solar Nova 1 project #1403 on the number and size of school facilities in Jayton-Girard Independent School District (JGISD). Based on an examination of JGISD enrollment and the number of potential new jobs, the TEA has determined that the Texas Solar Nova 1 project should not have a significant impact on the number or size of school facilities in JGISD.

Please feel free to contact me by phone at (512) 463-8732 or by email at amy.copeland@tea.texas.gov if you have any questions.

Sincerely,

A handwritten signature in black ink that reads 'Amy Copeland' with a horizontal line extending to the right.

Amy Copeland
Assistant Director of State Funding

AC/rk
Cc: Trig Overbo


Taxes

Property Tax Assistance

2018 ISD Summary Worksheet**132-Kent****132-902/Jayton-Girard ISD**

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	8,412,530	N/A	8,412,530	8,412,530
B. MULTIFAMILY RESIDENCES	0	N/A	0	0
C1. VACANT LOTS	451,460	N/A	451,460	451,460
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AGRICULTURAL LAND	24,887,830	0.9173	27,131,236	24,887,830
D2. REAL PROP: FARM & RANCH	664,170	N/A	664,170	664,170
E. REAL PROP NON-AGRICULTURAL ACREAGE	14,448,400	N/A	14,448,400	14,448,400
F1. COMMERCIAL REAL ESTATE	1,022,560	N/A	1,022,560	1,022,560
F2. INDUSTRIAL REAL ESTATE	10,903,420	N/A	10,903,420	10,903,420
G. OIL, GAS, MINERAL RIGHTS	320,714,930	0.9998	320,779,086	320,714,930
J. UTILITIES	39,256,270	0.7992	49,119,457	39,256,270
L1. COMMERCIAL PERSONAL	586,000	N/A	586,000	586,000
L2. INDUSTRIAL PERSONAL	1,237,170	N/A	1,237,170	1,237,170
M. MOBILE HOMES	532,500	N/A	532,500	532,500

N. INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
Subtotal	423,117,240	0	435,287,989	423,117,240
Less Total Deductions	7,751,832	0	7,751,832	7,751,832
Total Taxable Value	415,365,408	0	427,536,157	415,365,408

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M & O Purposes

T1	T2	T3	T4
416,820,758	415,365,408	416,072,753	414,617,403

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
1,455,350	748,005

T1 = School district taxable value for M & O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

T7	T8	T9	T10
416,820,758	415,365,408	416,072,753	414,617,403

T7 = School district taxable value for I & S purposes before the loss to the additional \$10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

132-902-02/Jayton-Girard ISD

Category	Local Tax Roll Value	2018 WTD Mean Ratio	2018 PTAD Value Estimate	2018 Value Assigned
A. SINGLE-FAMILY RESIDENCES	8,412,530	N/A	8,412,530	8,412,530
B. MULTIFAMILY RESIDENCES	0	N/A	0	0
C1. VACANT LOTS	451,460	N/A	451,460	451,460
C2. COLONIA LOTS	0	N/A	0	0
D1. QUALIFIED AGRICULTURAL LAND	24,887,830	0.9173	27,131,236	24,887,830

D2. REAL PROP:FA RM & RANCH	664,170	N/A	664,170	664,170
E. REAL PROP NO NQUAL ACREAGE	14,448,400	N/A	14,448,400	14,448,400
F1. COMMERCIAL REAL	1,022,560	N/A	1,022,560	1,022,560
F2. INDUSTRIAL R EAL	10,903,420	N/A	10,903,420	10,903,420
G. OIL,GAS,MINER ALS	320,714,930	0.9998	320,779,086	320,714,930
J. UTILITIES	39,256,270	0.7992	49,119,457	39,256,270
L1. COMMERCIAL PERSONAL	586,000	N/A	586,000	586,000
L2. INDUSTRIAL P ERSONAL	1,237,170	N/A	1,237,170	1,237,170
M. MOBILE HOMES	532,500	N/A	532,500	532,500
N. INTANGIBLE PE RSONAL PROP	0	N/A	0	0
O. RESIDENTIAL IN VENTORY	0	N/A	0	0
S. SPECIAL INVEN TORY	0	N/A	0	0
Subtotal	423,117,240		435,287,989	423,117,240
Less Total Deducti ons	7,751,832		7,751,832	7,751,832
Total Taxable Value	415,365,408		427,536,157	415,365,408

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M & O Purposes

T1	T2	T3	T4
416,820,758	415,365,408	416,072,753	414,617,403

Loss To the Additional \$10,000 Homestead Exemption	50 % of the loss to the Local Optional Percentage Homestead Exemption
1,455,350	748,005

T1 = School district taxable value for M & O purposes before the loss to the additional \$10, 000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50 % of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50 % of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

T7	T8	T9	T10
416,820,758	415,365,408	416,072,753	414,617,403

T7 = School district taxable value for I & S purposes before the loss to the additional \$10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

See Agreement
(Comptroller No. 1403)
posted on Comptroller Website



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 2, 2019

Trig Overbo
Superintendent
Jayton-Girard Independent School District
P.O. Box 168
Jayton, Texas 79528

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Jayton-Girard Independent School District and Texas Solar Nova 1, LLC, Application 1403

Dear Superintendent Overbo:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Jayton-Girard Independent School District and Texas Solar Nova 1, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the Agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Michelle Luera with our office. She can be reached by email at michelle.luera@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-6053, or at 512-463-6053.

Sincerely,

A handwritten signature in cursive script that reads "Will Counihan".

Will Counihan
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Patrick Sullivan, Clearway Energy Group
Nathan Lapierre, Clearway Energy Group
June Gray, Core Solar, LLC

See Tab 12 of the Application,
(Comptroller No. 1403)
posted on Comptroller Website
(posted 8/7/19)