

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

---

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

October 9, 2020

AMENDED CERTIFICATION

Brandon Hubbard  
Superintendent  
Chilton Independent School District  
905 Durango Street  
Chilton, TX 76632

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Chilton Independent School District and OCI Crown LLC, Application 1419

Dear Superintendent Hubbard:

This application (Application 1419) was originally submitted on August 19, 2019, to the Chilton Independent School District (school district) by OCI Crown LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> On November 6, 2019, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on December 18, 2019. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on June 15, 2020.

On September 22, 2020, the Comptroller received an amendment to the agreement to move the start of the limitation from 2022 to 2023 and update the Applicant's name. 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.

---

<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 OCI Crown LLC (project) applying to Chilton 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 OCI Crown LLC.

	<b>Original</b>	<b>Amendment No. 1</b>
Applicant	OCI Corona, LLC	OCI Crown LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar	Renewable Energy - Solar
School District	Chilton ISD	Chilton ISD
2018-2019 Average Daily Attendance	478	478
County	Falls	Falls
Proposed Total Investment in District	\$104,500,000	\$104,500,000
Proposed Qualified Investment	\$79,500,000	\$104,500,000
Limitation Amount	\$15,000,000	\$15,000,000
Qualifying Time Period (Full Years)	2021-2022	2021-2022
Number of new qualifying jobs committed to by applicant	1*	1*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$933	\$933
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$1,085	\$1,085
Minimum annual wage committed to by applicant for qualified jobs	\$48,500	\$48,500
Minimum weekly wage required for non-qualifying jobs	\$722	\$722
Minimum annual wage required for non-qualifying jobs	\$37,558	\$37,558
Investment per Qualifying Job	\$104,500,000	\$104,500,000
Estimated M&O levy without any limit (15 years)	\$4,643,580	\$4,643,580
Estimated M&O levy with Limitation (15 years)	\$2,189,928	\$2,189,928
Estimated gross M&O tax benefit (15 years)	\$2,453,651	\$2,453,651

\* 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 OCI Crown LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	150	188	338	\$7,500,000	\$17,500,000	\$25,000,000
2022	150	196	346	\$7,500,000	\$20,500,000	\$28,000,000
2023	1	23	24	\$48,500	\$4,951,500	\$5,000,000
2024	1	7	8	\$48,500	\$2,951,500	\$3,000,000
2025	1	(6)	-5	\$48,500	\$951,500	\$1,000,000
2026	1	(12)	-11	\$48,500	-\$48,500	\$0
2027	1	(13)	-12	\$48,500	-\$48,500	\$0
2028	1	(11)	-10	\$48,500	-\$48,500	\$0
2029	1	(8)	-7	\$48,500	-\$48,500	\$0
2030	1	(5)	-4	\$48,500	-\$48,500	\$0
2031	1	(2)	-1	\$48,500	-\$48,500	\$0
2032	1	0	1	\$48,500	-\$48,500	\$0
2033	1	2	3	\$48,500	\$951,500	\$1,000,000
2034	1	4	5	\$48,500	\$951,500	\$1,000,000
2035	1	5	6	\$48,500	\$951,500	\$1,000,000
2036	1	5	6	\$48,500	\$951,500	\$1,000,000

Source: CPA REMI, OCI Crown 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*	Chilton ISD I&S Tax Levy	Chilton ISD M&O Tax Levy	Chilton ISD M&O and I&S Tax Levies	Falls County Tax Levy	Estimated Total Property Taxes
			<b>0.2290</b>	<b>0.2290</b>	<b>0.9700</b>		<b>0.9480</b>	
2023	\$69,319,520	\$69,319,520		\$158,742	\$672,399	\$831,141	\$657,149	\$1,488,290
2024	\$63,792,588	\$63,792,588		\$146,085	\$618,788	\$764,873	\$604,754	\$1,369,627
2025	\$57,829,828	\$57,829,828		\$132,430	\$560,949	\$693,380	\$548,227	\$1,241,606
2026	\$51,386,888	\$51,386,888		\$117,676	\$498,453	\$616,129	\$487,148	\$1,103,276
2027	\$44,434,200	\$44,434,200		\$101,754	\$431,012	\$532,766	\$421,236	\$954,002
2028	\$36,927,412	\$36,927,412		\$84,564	\$358,196	\$442,760	\$350,072	\$792,832
2029	\$28,822,172	\$28,822,172		\$66,003	\$279,575	\$345,578	\$273,234	\$618,812
2030	\$20,066,736	\$20,066,736		\$45,953	\$194,647	\$240,600	\$190,233	\$430,833
2031	\$15,192,300	\$15,192,300		\$34,790	\$147,365	\$182,156	\$144,023	\$326,179
2032	\$15,182,100	\$15,182,100		\$34,767	\$147,266	\$182,033	\$143,926	\$325,960
2033	\$15,172,100	\$15,172,100		\$34,744	\$147,169	\$181,913	\$143,832	\$325,745
2034	\$15,162,400	\$15,162,400		\$34,722	\$147,075	\$181,797	\$143,740	\$325,537
2035	\$15,152,900	\$15,152,900		\$34,700	\$146,983	\$181,683	\$143,649	\$325,333
2036	\$15,143,700	\$15,143,700		\$34,679	\$146,894	\$181,573	\$143,562	\$325,135
2037	\$15,134,700	\$15,134,700		\$34,658	\$146,807	\$181,465	\$143,477	\$324,942
			<b>Total</b>	<b>\$1,096,268</b>	<b>\$4,643,580</b>	<b>\$5,739,847</b>	<b>\$4,538,261</b>	<b>\$10,278,109</b>

Source: CPA, OCI Crown LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Falls 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		Chilton ISD I&S Tax Levy	Chilton ISD M&O Tax Levy	Chilton ISD M&O and I&S Tax Levies	Falls County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2290	0.9700		0.9480	
2023	\$69,319,520	\$15,000,000		\$158,742	\$145,500	\$304,242	\$98,572	\$402,814
2024	\$63,792,588	\$15,000,000		\$146,085	\$145,500	\$291,585	\$90,713	\$382,298
2025	\$57,829,828	\$15,000,000		\$132,430	\$145,500	\$277,930	\$82,234	\$360,164
2026	\$51,386,888	\$15,000,000		\$117,676	\$145,500	\$263,176	\$73,072	\$336,248
2027	\$44,434,200	\$15,000,000		\$101,754	\$145,500	\$247,254	\$63,185	\$310,440
2028	\$36,927,412	\$15,000,000		\$84,564	\$145,500	\$230,064	\$52,511	\$282,575
2029	\$28,822,172	\$15,000,000		\$66,003	\$145,500	\$211,503	\$40,985	\$252,488
2030	\$20,066,736	\$15,000,000		\$45,953	\$145,500	\$191,453	\$28,535	\$219,988
2031	\$15,192,300	\$15,000,000		\$34,790	\$145,500	\$180,290	\$21,603	\$201,894
2032	\$15,182,100	\$15,000,000		\$34,767	\$145,500	\$180,267	\$21,589	\$201,856
2033	\$15,172,100	\$15,172,100		\$34,744	\$147,169	\$181,913	\$143,832	\$325,745
2034	\$15,162,400	\$15,162,400		\$34,722	\$147,075	\$181,797	\$143,740	\$325,537
2035	\$15,152,900	\$15,152,900		\$34,700	\$146,983	\$181,683	\$143,649	\$325,333
2036	\$15,143,700	\$15,143,700		\$34,679	\$146,894	\$181,573	\$143,562	\$325,135
2037	\$15,134,700	\$15,134,700		\$34,658	\$146,807	\$181,465	\$143,477	\$324,942
			<b>Total</b>	<b>\$1,096,268</b>	<b>\$2,189,928</b>	<b>\$3,286,196</b>	<b>\$1,291,260</b>	<b>\$4,577,456</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$2,453,651</b>	<b>\$2,453,651</b>	<b>\$3,247,001</b>	<b>\$5,700,653</b>
Assumes School Value Limitation and Tax Abatements with the County.								

Source: CPA, OCI Crown 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 OCI Crown 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)
<b>Limitation Pre-Years</b>	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
	2022	\$121,250	\$121,250	\$0	\$0
<b>Limitation Period (10 Years)</b>	2023	\$145,500	\$266,750	\$526,899	\$526,899
	2024	\$145,500	\$412,250	\$473,288	\$1,000,187
	2025	\$145,500	\$557,750	\$415,449	\$1,415,637
	2026	\$145,500	\$703,250	\$352,953	\$1,768,590
	2027	\$145,500	\$848,750	\$285,512	\$2,054,101
	2028	\$145,500	\$994,250	\$212,696	\$2,266,797
	2029	\$145,500	\$1,139,750	\$134,075	\$2,400,872
	2030	\$145,500	\$1,285,250	\$49,147	\$2,450,020
	2031	\$145,500	\$1,430,750	\$1,865	\$2,451,885
	2032	\$145,500	\$1,576,250	\$1,766	\$2,453,651
<b>Maintain Viable Presence (5 Years)</b>	2033	\$147,169	\$1,723,419	\$0	\$2,453,651
	2034	\$147,075	\$1,870,495	\$0	\$2,453,651
	2035	\$146,983	\$2,017,478	\$0	\$2,453,651
	2036	\$146,894	\$2,164,372	\$0	\$2,453,651
	2037	\$146,807	\$2,311,178	\$0	\$2,453,651
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2038	\$146,721	\$2,457,899	\$0	\$2,453,651
	2039	\$146,639	\$2,604,538	\$0	\$2,453,651
	2040	\$146,558	\$2,751,097	\$0	\$2,453,651
	2041	\$146,480	\$2,897,576	\$0	\$2,453,651
	2042	\$146,403	\$3,043,979	\$0	\$2,453,651
	2043	\$139,158	\$3,183,137	\$0	\$2,453,651
	2044	\$139,085	\$3,322,223	\$0	\$2,453,651
	2045	\$139,015	\$3,461,237	\$0	\$2,453,651
	2046	\$138,945	\$3,600,182	\$0	\$2,453,651
	2047	\$138,877	\$3,739,059	\$0	\$2,453,651
		<b>\$3,739,059</b>	is greater than	<b>\$2,453,651</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?					Yes

Source: CPA, OCI Crown 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.