

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 26, 2020

AMENDED CERTIFICATION

Heath Dickson
Superintendent
Post Independent School District
501 South Avenue K
Post, TX 79356

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Post Independent School District and Antelope Flats Wind, LLC, Application 1437

Dear Superintendent Dickson:

This application (Application 1437) was originally submitted on May 15, 2019, to the Post Independent School District (school district) by Antelope Flats Wind, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On December 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 February 25, 2020. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on August 11, 2020.

On August 17, 2020, Comptroller received an amendment to the agreement to change the qualifying time period from 2021 to 2023, the limitation from 2023 to 2025 and decreased investment. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

The information provided by the applicant related to eligibility has not changed and therefore, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

Based on the amended information provided by the applicant, the Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller previously determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value for the amendment.

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the amendment to the agreement by December 30, 2020.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

DocuSigned by:

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Deputy Comptroller

Enclosure

cc: Will Counihan

Amended Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Antelope Flats Wind, LLC (project) applying to Post 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 Antelope Flats Wind, LLC.

	Original	Amendment No. 1
Applicant	Antelope Flats Wind, LLC	Antelope Flats Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation	Renewable Energy Electric Generation
School District	Post ISD	Post ISD
2018-2019 Average Daily Attendance	760	760
County	Garza	Garza
Proposed Total Investment in District	\$172,000,000	\$162,000,000
Proposed Qualified Investment	\$162,000,000	\$162,000,000
Limitation Amount	\$20,000,000	\$20,000,000
Qualifying Time Period (Full Years)	2021-2022	2023-2024
Number of new qualifying jobs committed to by applicant	4*	4*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$882	\$882
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$882	\$882
Minimum annual wage committed to by applicant for qualified jobs	\$45,860	\$45,860
Minimum weekly wage required for non-qualifying jobs	\$781	\$781
Minimum annual wage required for non-qualifying jobs	\$40,586	\$40,586
Investment per Qualifying Job	\$43,000,000	\$40,500,000
Estimated M&O levy without any limit (15 years)	\$15,616,368	\$15,617,978
Estimated M&O levy with Limitation (15 years)	\$5,641,272	\$5,641,854
Estimated gross M&O tax benefit (15 years)	\$9,975,096	\$9,976,124

* 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 Antelope Flats Wind, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2023	21	23	44	\$840,000	\$2,160,000	\$3,000,000
2024	150	159	309	\$6,000,000	\$18,000,000	\$24,000,000
2025	4	18	22	\$183,440	\$3,816,560	\$4,000,000
2026	4	16	20	\$183,440	\$2,816,560	\$3,000,000
2027	4	9	13	\$183,440	\$1,816,560	\$2,000,000
2028	4	6	10	\$183,440	\$1,816,560	\$2,000,000
2029	4	5	9	\$183,440	\$1,816,560	\$2,000,000
2030	4	5	9	\$183,440	\$1,816,560	\$2,000,000
2031	4	6	10	\$183,440	\$1,816,560	\$2,000,000
2032	4	7	11	\$183,440	\$1,816,560	\$2,000,000
2033	4	8	12	\$183,440	\$1,816,560	\$2,000,000
2034	4	9	13	\$183,440	\$1,816,560	\$2,000,000
2035	4	8	12	\$183,440	\$1,816,560	\$2,000,000
2036	4	8	12	\$183,440	\$1,816,560	\$2,000,000
2037	4	8	12	\$183,440	\$1,816,560	\$2,000,000
2038	4	8	12	\$183,440	\$1,816,560	\$2,000,000

Source: CPA REMI, Antelope Flats Wind, 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*	Post ISD I&S Tax Levy	Post ISD M&O Tax Levy	Post ISD M&O and I&S Tax Levies	Garza County Tax Levy	Garza County Hospital District Tax Levy	Hight Plains UWD Tax Levy	Estimated Total Property Taxes
2025	\$159,740,000	\$159,740,000	0.5800	\$926,492	\$1,549,638	\$2,476,130	\$1,046,936	\$263,411	\$11,691	\$3,798,168
2026	\$150,155,600	\$150,155,600	0.9701	\$870,902	\$1,456,659	\$2,327,562	\$984,120	\$247,607	\$10,990	\$3,570,278
2027	\$141,146,264	\$141,146,264	0.6554	\$818,648	\$1,369,260	\$2,187,908	\$925,073	\$232,750	\$10,330	\$3,356,062
2028	\$132,677,488	\$132,677,488	0.1649	\$769,529	\$1,287,104	\$2,056,634	\$869,568	\$218,785	\$9,711	\$3,154,698
2029	\$124,716,839	\$124,716,839	0.0073	\$723,358	\$1,209,878	\$1,933,236	\$817,394	\$205,658	\$9,128	\$2,965,416
2030	\$117,233,829	\$117,233,829		\$679,956	\$1,137,285	\$1,817,242	\$768,351	\$193,319	\$8,580	\$2,787,491
2031	\$110,199,799	\$110,199,799		\$639,159	\$1,069,048	\$1,708,207	\$722,249	\$181,719	\$8,066	\$2,620,242
2032	\$103,587,811	\$103,587,811		\$600,809	\$1,004,905	\$1,605,715	\$678,915	\$170,816	\$7,582	\$2,463,027
2033	\$97,372,542	\$97,372,542		\$564,761	\$944,611	\$1,509,372	\$638,180	\$160,567	\$7,127	\$2,315,245
2034	\$91,530,190	\$91,530,190		\$530,875	\$887,934	\$1,418,809	\$599,889	\$150,933	\$6,699	\$2,176,331
2035	\$86,038,378	\$86,038,378		\$499,023	\$834,658	\$1,333,681	\$563,896	\$141,877	\$6,297	\$2,045,751
2036	\$80,876,076	\$80,876,076		\$469,081	\$784,579	\$1,253,660	\$530,062	\$133,365	\$5,919	\$1,923,006
2037	\$76,023,511	\$76,023,511		\$440,936	\$737,504	\$1,178,440	\$498,258	\$125,363	\$5,564	\$1,807,625
2038	\$71,462,100	\$71,462,100		\$414,480	\$693,254	\$1,107,734	\$468,363	\$117,841	\$5,230	\$1,699,168
2039	\$67,174,374	\$67,174,374		\$389,611	\$651,659	\$1,041,270	\$440,261	\$110,771	\$4,916	\$1,597,218
			Total	\$9,337,622	\$15,617,978	\$24,955,599	\$10,551,513	\$2,654,782	\$117,831	\$38,279,726

Source: CPA, Antelope Flats Wind, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Garza 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 and hospital.

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*	Post ISD I&S Tax Levy	Post ISD M&O Tax Levy	Post ISD M&O and I&S Tax Levies	Garza County Tax Levy	Garza County Hospital District Tax Levy	Hight Plains UWD Tax Levy	Estimated Total Property Taxes
				0.5800	0.9701		0.6554	0.1649	0.0073	
2025	\$159,740,000	\$20,000,000		\$926,492	\$194,020	\$1,120,512	\$73,286	\$263,411	\$11,691	\$1,468,900
2026	\$150,155,600	\$20,000,000		\$870,902	\$194,020	\$1,064,922	\$68,888	\$247,607	\$10,990	\$1,392,407
2027	\$141,146,264	\$20,000,000		\$818,648	\$194,020	\$1,012,668	\$64,755	\$232,750	\$10,330	\$1,320,504
2028	\$132,677,488	\$20,000,000		\$769,529	\$194,020	\$963,549	\$60,870	\$218,785	\$9,711	\$1,252,915
2029	\$124,716,839	\$20,000,000		\$723,358	\$194,020	\$917,378	\$57,218	\$205,658	\$9,128	\$1,189,381
2030	\$117,233,829	\$20,000,000		\$679,956	\$194,020	\$873,976	\$53,785	\$193,319	\$8,580	\$1,129,660
2031	\$110,199,799	\$20,000,000		\$639,159	\$194,020	\$833,179	\$50,557	\$181,719	\$8,066	\$1,073,521
2032	\$103,587,811	\$20,000,000		\$600,809	\$194,020	\$794,829	\$47,524	\$170,816	\$7,582	\$1,020,751
2033	\$97,372,542	\$20,000,000		\$564,761	\$194,020	\$758,781	\$44,673	\$160,567	\$7,127	\$971,147
2034	\$91,530,190	\$20,000,000		\$530,875	\$194,020	\$724,895	\$41,992	\$150,933	\$6,699	\$924,520
2035	\$86,038,378	\$86,038,378		\$499,023	\$834,658	\$1,333,681	\$563,896	\$141,877	\$6,297	\$2,045,751
2036	\$80,876,076	\$80,876,076		\$469,081	\$784,579	\$1,253,660	\$530,062	\$133,365	\$5,919	\$1,923,006
2037	\$76,023,511	\$76,023,511		\$440,936	\$737,504	\$1,178,440	\$498,258	\$125,363	\$5,564	\$1,807,625
2038	\$71,462,100	\$71,462,100		\$414,480	\$693,254	\$1,107,734	\$468,363	\$117,841	\$5,230	\$1,699,168
2039	\$67,174,374	\$67,174,374		\$389,611	\$651,659	\$1,041,270	\$440,261	\$110,771	\$4,916	\$1,597,218
			Total	\$9,337,622	\$5,641,854	\$14,979,475	\$3,064,386	\$2,654,782	\$117,831	\$20,816,475
			Diff	\$0	\$9,976,124	\$9,976,124	\$7,487,127	\$0	\$0	\$17,463,251

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

Source: CPA, Antelope Flats Wind, LLC

*Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

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

This represents the Comptroller’s determination that Antelope Flats Wind, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2022	\$0	\$0	\$0	\$0
	2023	\$0	\$0	\$0	\$0
	2024	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2025	\$194,020	\$194,020	\$1,355,618	\$1,355,618
	2026	\$194,020	\$388,040	\$1,262,639	\$2,618,257
	2027	\$194,020	\$582,060	\$1,175,240	\$3,793,497
	2028	\$194,020	\$776,080	\$1,093,084	\$4,886,581
	2029	\$194,020	\$970,100	\$1,015,858	\$5,902,439
	2030	\$194,020	\$1,164,120	\$943,265	\$6,845,705
	2031	\$194,020	\$1,358,140	\$875,028	\$7,720,733
	2032	\$194,020	\$1,552,160	\$810,885	\$8,531,618
	2033	\$194,020	\$1,746,180	\$750,591	\$9,282,209
	2034	\$194,020	\$1,940,200	\$693,914	\$9,976,124
Maintain Viable Presence (5 Years)	2035	\$834,658	\$2,774,858	\$0	\$9,976,124
	2036	\$784,579	\$3,559,437	\$0	\$9,976,124
	2037	\$737,504	\$4,296,941	\$0	\$9,976,124
	2038	\$693,254	\$4,990,195	\$0	\$9,976,124
	2039	\$651,659	\$5,641,854	\$0	\$9,976,124
Additional Years as Required by 313.026(c)(1) (10 Years)	2040	\$612,559	\$6,254,413	\$0	\$9,976,124
	2041	\$575,806	\$6,830,218	\$0	\$9,976,124
	2042	\$541,257	\$7,371,475	\$0	\$9,976,124
	2043	\$508,782	\$7,880,257	\$0	\$9,976,124
	2044	\$478,255	\$8,358,512	\$0	\$9,976,124
	2045	\$449,560	\$8,808,072	\$0	\$9,976,124
	2046	\$422,586	\$9,230,658	\$0	\$9,976,124
	2047	\$397,231	\$9,627,889	\$0	\$9,976,124
	2048	\$373,397	\$10,001,286	\$0	\$9,976,124
	2049	\$350,993	\$10,352,279	\$0	\$9,976,124
		\$10,352,279	is greater than	\$9,976,124	
Analysis Summary					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					Yes

Source: CPA, Antelope Flats Wind, 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.