



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

March 13, 2020

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

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Chilton Independent School
District and OCI Sol, LLC, Application 1448

Dear Superintendent Hubbard:

On December 18, 2019, the Comptroller issued written notice that OCI Sol, LLC (applicant) submitted a completed application (Application 1448) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on November 18, 2019, to the Chilton Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application 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)

Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

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

Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1448.

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.

Certificate 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.

Determination required by 313.026(c)(2)

The 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.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

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 agreement by December 31, 2020.

Note that any building or improvement existing as of the application review start date of December 18, 2019, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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,



Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of OCI Sol, 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 Sol, LLC.

Applicant	OCI Sol, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Chilton ISD
2018-2019 Average Daily Attendance	478
County	Falls
Proposed Total Investment in District	\$104,500,000
Proposed Qualified Investment	\$79,500,000
Limitation Amount	\$15,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$933
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$927
Minimum annual wage committed to by applicant for qualified jobs	\$48,500
Minimum weekly wage required for non-qualifying jobs	\$726
Minimum annual wage required for non-qualifying jobs	\$37,740
Investment per Qualifying Job	\$104,500,000
Estimated M&O levy without any limit (15 years)	\$4,643,580
Estimated M&O levy with Limitation (15 years)	\$2,189,928
Estimated gross M&O tax benefit (15 years)	\$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 Sol, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	150	188	338	\$7,500,000	\$17,032,000	\$24,532,000
2021	150	196	346.007	\$7,500,000	\$20,026,000	\$27,526,000
2022	1	23	24	\$48,500	\$4,770,500	\$4,819,000
2023	1	7	8	\$48,500	\$2,847,500	\$2,896,000
2024	1	(6)	-5	\$48,500	\$1,229,500	\$1,278,000
2025	1	(12)	-11	\$48,500	\$311,500	\$360,000
2026	1	(13)	-12	\$48,500	-\$138,500	-\$90,000
2027	1	(11)	-10	\$48,500	-\$277,500	-\$229,000
2028	1	(8)	-7	\$48,500	-\$209,500	-\$161,000
2029	1	(5)	-4	\$48,500	-\$39,500	\$9,000
2030	1	(2)	-1	\$48,500	\$177,500	\$226,000
2031	1	0	1	\$48,500	\$411,500	\$460,000
2032	1	2	3	\$48,500	\$621,500	\$670,000
2033	1	4	5	\$48,500	\$795,500	\$844,000
2034	1	5	6	\$48,500	\$925,500	\$974,000
2035	1	5	6	\$48,500	\$1,012,500	\$1,061,000
2036	1	5	6	\$48,500	\$1,033,500	\$1,082,000

Source: CPA REMI, OCI Sol, 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	Falls County ESD #2 Tax Levy	Estimated Total Property Taxes
				0.2290	0.9700		0.9480	0.0300	
2022	\$69,319,520	\$69,319,520		\$158,742	\$672,399	\$831,141	\$657,149	\$20,796	\$1,509,086
2023	\$63,792,588	\$63,792,588		\$146,085	\$618,788	\$764,873	\$604,754	\$19,138	\$1,388,765
2024	\$57,829,828	\$57,829,828		\$132,430	\$560,949	\$693,380	\$548,227	\$17,349	\$1,258,955
2025	\$51,386,888	\$51,386,888		\$117,676	\$498,453	\$616,129	\$487,148	\$15,416	\$1,118,693
2026	\$44,434,200	\$44,434,200		\$101,754	\$431,012	\$532,766	\$421,236	\$13,330	\$967,333
2027	\$36,927,412	\$36,927,412		\$84,564	\$358,196	\$442,760	\$350,072	\$11,078	\$803,910
2028	\$28,822,172	\$28,822,172		\$66,003	\$279,575	\$345,578	\$273,234	\$8,647	\$627,459
2029	\$20,066,736	\$20,066,736		\$45,953	\$194,647	\$240,600	\$190,233	\$6,020	\$436,853
2030	\$15,192,300	\$15,192,300		\$34,790	\$147,365	\$182,156	\$144,023	\$4,558	\$330,736
2031	\$15,182,100	\$15,182,100		\$34,767	\$147,266	\$182,033	\$143,926	\$4,555	\$330,514
2032	\$15,172,100	\$15,172,100		\$34,744	\$147,169	\$181,913	\$143,832	\$4,552	\$330,297
2033	\$15,162,400	\$15,162,400		\$34,722	\$147,075	\$181,797	\$143,740	\$4,549	\$330,085
2034	\$15,152,900	\$15,152,900		\$34,700	\$146,983	\$181,683	\$143,649	\$4,546	\$329,879
2035	\$15,143,700	\$15,143,700		\$34,679	\$146,894	\$181,573	\$143,562	\$4,543	\$329,678
2036	\$15,134,700	\$15,134,700		\$34,658	\$146,807	\$181,465	\$143,477	\$4,540	\$329,482
			Total	\$1,096,268	\$4,643,580	\$5,739,847	\$4,538,261	\$143,616	\$10,421,724

Source: CPA, OCI Sol, 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	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	Falls County ESD #2 Tax Levy	Estimated Total Property Taxes
				0.2290	0.9700		0.9480	0.0300	
2022	\$69,319,520	\$15,000,000		\$158,742	\$145,500	\$304,242	\$98,572	\$20,796	\$423,610
2023	\$63,792,588	\$15,000,000		\$146,085	\$145,500	\$291,585	\$90,713	\$19,138	\$401,436
2024	\$57,829,828	\$15,000,000		\$132,430	\$145,500	\$277,930	\$82,234	\$17,349	\$377,513
2025	\$51,386,888	\$15,000,000		\$117,676	\$145,500	\$263,176	\$73,072	\$15,416	\$351,664
2026	\$44,434,200	\$15,000,000		\$101,754	\$145,500	\$247,254	\$63,185	\$13,330	\$323,770
2027	\$36,927,412	\$15,000,000		\$84,564	\$145,500	\$230,064	\$52,511	\$11,078	\$293,653
2028	\$28,822,172	\$15,000,000		\$66,003	\$145,500	\$211,503	\$40,985	\$8,647	\$261,135
2029	\$20,066,736	\$15,000,000		\$45,953	\$145,500	\$191,453	\$28,535	\$6,020	\$226,008
2030	\$15,192,300	\$15,000,000		\$34,790	\$145,500	\$180,290	\$21,603	\$4,558	\$206,452
2031	\$15,182,100	\$15,000,000		\$34,767	\$145,500	\$180,267	\$21,589	\$4,555	\$206,411
2032	\$15,172,100	\$15,172,100		\$34,744	\$147,169	\$181,913	\$143,832	\$4,552	\$330,297
2033	\$15,162,400	\$15,162,400		\$34,722	\$147,075	\$181,797	\$143,740	\$4,549	\$330,085
2034	\$15,152,900	\$15,152,900		\$34,700	\$146,983	\$181,683	\$143,649	\$4,546	\$329,879
2035	\$15,143,700	\$15,143,700		\$34,679	\$146,894	\$181,573	\$143,562	\$4,543	\$329,678
2036	\$15,134,700	\$15,134,700		\$34,658	\$146,807	\$181,465	\$143,477	\$4,540	\$329,482
			Total	\$1,096,268	\$2,189,928	\$3,286,196	\$1,291,260	\$143,616	\$4,721,072
			Diff	\$0	\$2,453,651	\$2,453,651	\$3,247,001	\$0	\$5,700,653

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, OCI Sol, 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 OCI Sol, 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	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$121,250	\$121,250	\$0	\$0
Limitation Period (10 Years)	2022	\$145,500	\$266,750	\$526,899	\$526,899
	2023	\$145,500	\$412,250	\$473,288	\$1,000,187
	2024	\$145,500	\$557,750	\$415,449	\$1,415,637
	2025	\$145,500	\$703,250	\$352,953	\$1,768,590
	2026	\$145,500	\$848,750	\$285,512	\$2,054,101
	2027	\$145,500	\$994,250	\$212,696	\$2,266,797
	2028	\$145,500	\$1,139,750	\$134,075	\$2,400,872
	2029	\$145,500	\$1,285,250	\$49,147	\$2,450,020
	2030	\$145,500	\$1,430,750	\$1,865	\$2,451,885
	2031	\$145,500	\$1,576,250	\$1,766	\$2,453,651
Maintain Viable Presence (5 Years)	2032	\$147,169	\$1,723,419	\$0	\$2,453,651
	2033	\$147,075	\$1,870,495	\$0	\$2,453,651
	2034	\$146,983	\$2,017,478	\$0	\$2,453,651
	2035	\$146,894	\$2,164,372	\$0	\$2,453,651
	2036	\$146,807	\$2,311,178	\$0	\$2,453,651
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$146,721	\$2,457,899	\$0	\$2,453,651
	2038	\$146,639	\$2,604,538	\$0	\$2,453,651
	2039	\$146,558	\$2,751,097	\$0	\$2,453,651
	2040	\$146,480	\$2,897,576	\$0	\$2,453,651
	2041	\$146,403	\$3,043,979	\$0	\$2,453,651
	2042	\$139,158	\$3,183,137	\$0	\$2,453,651
	2043	\$139,085	\$3,322,223	\$0	\$2,453,651
	2044	\$139,015	\$3,461,237	\$0	\$2,453,651
	2045	\$138,945	\$3,600,182	\$0	\$2,453,651
	2046	\$138,877	\$3,739,059	\$0	\$2,453,651

\$3,739,059

is greater than

\$2,453,651

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

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, OCI Sol, LLC

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Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines 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.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the OCI SOL, 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 OCI Sol, LLC in Tab 4 of their Application for a Limitation on Appraised Value:
- The project is also known by the name Golinda. The Project IGNR number is 21INR0434 and was assign on September 3, 2019.
- Per OCI SOL, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Founded in 1959, OCI Company Ltd is a green energy and chemical company with global operations in both the U.S and Asia. In 2012 OCI Solar was formed as the solar power platform for the companies green energy business segment. OCI Solar joined a large-scale solar PV project with a total of 560 MW in Texas in 2012. The “Alamo Project” entailed the construction of eight solar PV plants between 2012 and 2017, and this is North America’s largest solar PV project, which can provide electricity to 70,000 households. The Alamo project is meaningful in that OCI, which entered the renewable energy field at an early time by developing Korea’s first polysilicon, was the first Korean company to advance into the North American solar PV market and was recognized for its business capability and opened the era of solar power in earnest.”
 - B. “Later, OCI advanced into China’s decentralized solar PV generation market by constructing a 2.6 MW solar PV plant in Jiaxing, Zhejiang, China in 2015. It has been pioneering the Chinese market while constructing solar PV plants with a high availability rate and durability, one by one, in a close network with local governments in China. OCI provides a one-stop solar PV business solution by diversifying business areas from the construction, operation and maintenance(O&M) to project financing with OCI Solar PV Fund, as well as project development based on its experience in the development and operation of 20 MW solar PV plants in the domestic solar PV market. OCI also executes an Energy Storage Solution business for frequency regulation and peak shaving in Korea and the United States and is preparing to advance into the PV+ESS business, which is connected to solar PV plant.”

- C. "As a global solar developer, OCI Solar Power has the optionality to locate projects of this type in both the United States market and international locations with favorable solar characteristics. The Applicant is actively assessing locations in Georgia and New Jersey in the US and developing other projects that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Markets such as California that have statewide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas."
- D. "The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement (PPA). Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher."
- According to a Regular Meeting of the Board of Trustees of the Chilton ISD dated August 19, 2019, "Consider and Take Possible Action Regarding Initial Review of the Application for Appraised Value Limitation on Qualified Property Submitted Pursuant to Texas Tax Code Chapter 313 by OCI Solar, LLC, and Authorizing Superintendent to Engage Consultants for Review of Application"
 - According to a January 15, 2020, article in the *San Antonio Business Journal* website, "San Antonio-based OCI Solar Power is planning a \$104 million solar farm in Falls County. The solar company leased 800 acres from private landowners in the reinvestment zone where it plans to build a 100-megawatt farm, a company spokesperson told the Business Journal Tuesday. Once completed, the project will be hooked up to a transmission system owned by Dallas-based Oncor Electric Delivery Co."

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

**Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value**



TAB 5

Documentation to assist in determining if limitation is a determining factor.

Founded in 1959, OCI Company Ltd is a green energy and chemical company with global operations in both the U.S and Asia. In 2012 OCI Solar was formed as the solar power platform for the companies green energy business segment. OCI Solar joined a large-scale solar PV project with a total of 560 MW in Texas in 2012. The “Alamo Project” entailed the construction of eight solar PV plants between 2012 and 2017, and this is North America’s largest solar PV project, which can provide electricity to 70,000 households. The Alamo project is meaningful in that OCI, which entered the renewable energy field at an early time by developing Korea’s first polysilicon, was the first Korean company to advance into the North American solar PV market and was recognized for its business capability and opened the era of solar power in earnest.

Later, OCI advanced into China’s decentralized solar PV generation market by constructing a 2.6 MW solar PV plant in Jiaying, Zhejiang, China in 2015. It has been pioneering the Chinese market while constructing solar PV plants with a high availability rate and durability, one by one, in a close network with local governments in China. OCI provides a one-stop solar PV business solution by diversifying business areas from the construction, operation and maintenance(O&M) to project financing with OCI Solar PV Fund, as well as project development based on its experience in the development and operation of 20 MW solar PV plants in the domestic solar PV market.

OCI also executes an Energy Storage Solution business for frequency regulation and peak shaving in Korea and the United States and is preparing to advance into the PV+ESS business, which is connected to solar PV plant.

As a global solar developer, OCI Solar Power has the optionality to locate projects of this type in both the United States market and international locations with favorable solar characteristics. The Applicant is actively assessing locations in Georgia and New Jersey in the US and developing other projects that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Markets such as California that have statewide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement (PPA). Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



CHILTON INDEPENDENT SCHOOL DISTRICT

BRANDON HUBBARD, SUPERINTENDENT
JENNIFER SHARP, SECONDARY PRINCIPAL
CANDICE ROSS, ELEMENTARY PRINCIPAL
AMBER LIPSEY, DISTRICT COUNSELOR
CHRIS JAMES, ATHLETIC DIRECTOR

CHILTON ISD
Board of Education
-- PUBLIC HEARING / REGULAR MEETING --

A Public Hearing / Regular Meeting of the Board of Trustees of the Chilton Independent School District will be held on Monday, August 19, 2019 at **6:30 PM**, in the Board Conference Room/High School at 905 Durango Ave., Chilton, Texas.

The subjects to be discussed or considered, or upon which any formal action may be taken, are as follows:

- 1) **PUBLIC HEARING: Budget and Proposed Tax Rate**
- 2) **7:00 p.m. Call to Order/Establishment of Quorum**
- 3) **Pledge of Allegiance**
- 4) **Open Forum**
- 5) **Principal's/Department Reports**
 - a) Elementary Principal's Report
 - b) Secondary Principal's Report
 - c) Counselor's Report
 - d) Athletic Director's Report
 - e) Maintenance Report
 - f) Transportation Report
 - g) Superintendent's Report
 - h) Board Reports
 - i) Facility Planning
 - j) Cafeteria Report
- 6) **Consent agenda:**
 - a) Minutes of July 15, 2019 Regular Meeting
 - b) Monthly Financial Report
 - c) Monthly Tax Collection Report
- 7) **Superintendent Goals**
- 8) **Discuss, Consider, and Take Possible Action Regarding 2019-2020 Budget**
- 9) **Discuss, Consider, and Take Possible Action Regarding 2019-2020 Tax Rate**

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- 10) **Discuss, Consider, and Take Possible Action Regarding 2018-2019 Budget Amendment**
- 11) **Discuss, Consider, and Take Possible Action on Resolution Regarding Extra-Curricular Status 4-H Organization**
- 12) **Discuss, Consider, and Take Possible Action Regarding Adjunct Faculty Agreement with Falls County Extension Agent**
- 13) **Discuss, Consider, and Take Possible Action Regarding 2019-2020 Teacher Appraisal Calendar**
- 14) **CLOSED SESSION:**
 - * Deliberations Regarding Initial Review of the Application for Appraised Value Limitation on Qualified Property Submitted Pursuant to Texas Tax Code Chapter 313 by OCI Solar, LLC, and Authorizing Superintendent to Engage Consultants for Review of Application
 - * Discussion Regarding Security Updates
 - * Discussion Regarding Mid-Year Superintendent Evaluation
- 15) **Consider and Take Possible Action Regarding Initial Review of the Application for Appraised Value Limitation on Qualified Property Submitted Pursuant to Texas Tax Code Chapter 313 by OCI Solar, LLC, and Authorizing Superintendent to Engage Consultants for Review of Application**
- 16) **Discussion Regarding Cybersecurity Requirements**
- 17) **Discuss, Consider, and Take Possible Action Regarding Senior Trip**
- 18) **Discussion Regarding 2019 Accountability Results**
- 19) **Discuss, Consider, and Take Possible Action Regarding the 2019-2020 Student Code of Conduct**
- 20) **Discuss, Consider, and Take Possible Action Regarding policy EIC (Local)**
- 21) **Discuss, Consider, and Take Possible Action to Seek Legal Representation as it Relates to the Closure of CR 493**
- 22) **Discussion Regarding Facility and Demographic Study and Future needs of the District**
- 23) **Discuss, Consider, and Take Possible Action Regarding the Approval of Innovative Course N1303680 Occupational Safety & Environmental Technology I Y OSET1 1 H**
- 24) **Personnel**
 - a) Resignation
 - b) Employment
 - c) Other Personnel Concerns
- 25) **Adjournment**

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Tex. Gov't. Code, Chapter 551, Subchapters D and E.

**This notice posted at 11:00 a.m. on Thursday, August 15, 2019.
For the Board of Trustees at Chilton I.S.D.**

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Energy

CPS supplier building \$104M solar farm near Waco



OCI Solar Power's 39-megawatt Alamo 1 solar farm off Blue Wing Road in southern Bexar County supplies power to CPS customers. OCI SOLAR POWER



By Jessica Corso – Reporter, San Antonio Business Journal
Jan 15, 2020, 10:53am CST **Updated** Jan 21, 2020, 4:58pm CST

COMPANIES IN THIS ARTICLE

Oci Solar Power LLC
San Antonio, TX

[See full profile >](#)

San Antonio-based OCI Solar Power is planning a \$104 million solar farm in Falls County.

The solar company leased 800 acres from private landowners in the reinvestment zone where it plans to build a 100-megawatt farm, a company spokesperson told the Business Journal Tuesday. Once completed, the project will be hooked up to a transmission system owned by Dallas-based Oncor Electric Delivery Co.

OCI is negotiating with wholesale buyers interested in purchasing power from the proposed farm, spokesperson Leslie Ann Garza-Wright said in an email.

OCI seeks a 10-year, \$3.2 million tax abatement from the Chilton Independent School District in exchange for the \$104 million investment, according to documents filed on the Texas Comptroller's website on Jan.6. Chilton ISD would receive \$573,000 – about 15% of what the company would pay – from OCI over the same 10 years if approved. The school district sits 21 miles south of Waco.

The school district would have to waive its 10 full-time jobs requirement for tax abatements.

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OCI only plans on hiring one person at an annual wage of \$48,000 once the project is operational in 2022, the company told the school district.

The company plans to begin construction in October with completion scheduled for November 2021 and an anticipated operational date of January 2022. Garza-Wright said those dates are tentative.

"We believe in the fundamentals of the Texas solar market so we are pursuing additional projects, including Project Corona, which is currently under development in Falls County," she said.

She didn't name the other projects. The company is looking at locations in Georgia and New Jersey, according to its Chilton ISD application. Garza-Wright said that the company was not looking at locations in those two states despite of what was written in the application. The company currently has two farms in New Jersey and one in Georgia and all of the projects it is currently developing are in Texas, she said.

OCI Solar, a division of South Korean company OCI Co. LTD, was founded in San Antonio in 2011. To date it has built nine solar farms at the behest of CPS Energy. The farms can supply power to up to 90,000 San Antonio homes, according to OCI's website.

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