



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 29, 2020

Mark Parsons
Superintendent
Itasca Independent School District
123 N. College
Itasca, TX 76055

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Itasca Independent School District and BT Files Solar, LLC, Application 1465

Dear Superintendent Parsons:

On April 15, 2020, the Comptroller issued written notice that BT Files Solar, LLC (applicant) submitted a completed application (Application 1465) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on February 10, 2020, to the Itasca 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 1465.

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 April 15, 2020, 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,

DocuSigned by:

11EA6DEF0EC441E...

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of BT Files Solar, LLC (project) applying to Itasca 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 BT Files Solar, LLC.

Applicant	BT Files Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Itasca ISD
2018-2019 Average Daily Attendance	639
County	Hill
Proposed Total Investment in District	\$135,000,000
Proposed Qualified Investment	\$94,500,000
Limitation Amount	\$20,000,000
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	\$999.41
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$999.41
Minimum annual wage committed to by applicant for qualified jobs	\$51,970
Minimum weekly wage required for non-qualifying jobs	\$810.25
Minimum annual wage required for non-qualifying jobs	\$42,133
Investment per Qualifying Job	\$135,000,000
Estimated M&O levy without any limit (15 years)	\$6,544,657
Estimated M&O levy with Limitation (15 years)	\$3,208,791
Estimated gross M&O tax benefit (15 years)	\$3,335,866

* 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 BT Files Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	50	(50)	0	\$2,500,000	-\$2,500,000	\$0
2021	150	(150)	0	\$7,500,000	-\$7,500,000	\$0
2022	1	(1)	0	\$51,970	-\$51,970	\$0
2023	1	(1)	0	\$51,970	-\$51,970	\$0
2024	1	(1)	0	\$51,970	-\$51,970	\$0
2025	1	(1)	0	\$51,970	-\$51,970	\$0
2026	1	(1)	0	\$51,970	-\$51,970	\$0
2027	1	(1)	0	\$51,970	-\$51,970	\$0
2028	1	(1)	0	\$51,970	-\$51,970	\$0
2029	1	(1)	0	\$51,970	-\$51,970	\$0
2030	1	(1)	0	\$51,970	-\$51,970	\$0
2031	1	(1)	0	\$51,970	-\$51,970	\$0
2032	1	(1)	0	\$51,970	-\$51,970	\$0
2033	1	(1)	0	\$51,970	-\$51,970	\$0
2034	1	(1)	0	\$51,970	-\$51,970	\$0
2035	1	(1)	0	\$51,970	-\$51,970	\$0
2036	1	(1)	0	\$51,970	-\$51,970	\$0

Source: CPA REMI, BT Files Solar, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Itasca ISD I&S Tax Levy	Itasca ISD M&O Tax Levy	Itasca ISD M&O and I&S Tax Levies	Hill County Tax Levy	Hill College Tax Levy	Hill County ESD#1 Tax Levy	Estimated Total Property Taxes
				0.3569	1.0683		0.5399	0.0919	0.0300	
2022	\$87,070,400	\$87,070,400		\$310,754	\$930,173	\$1,240,927	\$470,077	\$80,048	\$26,121	\$1,791,053
2023	\$79,523,100	\$79,523,100		\$283,818	\$849,545	\$1,133,363	\$429,331	\$73,110	\$23,857	\$1,635,804
2024	\$71,976,000	\$71,976,000		\$256,882	\$768,920	\$1,025,802	\$388,585	\$66,171	\$21,593	\$1,480,559
2025	\$63,487,000	\$63,487,000		\$226,585	\$678,232	\$904,817	\$342,755	\$58,367	\$19,046	\$1,305,938
2026	\$54,998,200	\$54,998,200		\$196,289	\$587,546	\$783,834	\$296,925	\$50,563	\$16,499	\$1,131,322
2027	\$46,509,600	\$46,509,600		\$165,993	\$496,862	\$662,855	\$251,097	\$42,759	\$13,953	\$956,710
2028	\$37,079,100	\$37,079,100		\$132,335	\$396,116	\$528,451	\$200,183	\$34,089	\$11,124	\$762,723
2029	\$28,591,000	\$28,591,000		\$102,041	\$305,438	\$407,479	\$154,358	\$26,285	\$8,577	\$588,122
2030	\$22,929,700	\$22,929,700		\$81,836	\$244,958	\$326,794	\$123,793	\$21,080	\$6,879	\$471,668
2031	\$20,095,200	\$20,095,200		\$71,720	\$214,677	\$286,397	\$108,490	\$18,475	\$6,029	\$413,362
2032	\$20,087,500	\$20,087,500		\$71,692	\$214,595	\$286,287	\$108,449	\$18,467	\$6,026	\$413,203
2033	\$20,080,000	\$20,080,000		\$71,666	\$214,515	\$286,180	\$108,408	\$18,461	\$6,024	\$413,049
2034	\$20,072,700	\$20,072,700		\$71,639	\$214,437	\$286,076	\$108,369	\$18,454	\$6,022	\$412,899
2035	\$20,065,500	\$20,065,500		\$71,614	\$214,360	\$285,974	\$108,330	\$18,447	\$6,020	\$412,751
2036	\$20,058,500	\$20,058,500		\$71,589	\$214,285	\$285,874	\$108,292	\$18,441	\$6,018	\$412,607
			Total	\$2,186,453	\$6,544,657	\$8,731,110	\$3,307,444	\$563,215	\$183,787	\$12,601,770

Source: CPA, BT Files Solar, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Hill County, Hill County Emergency Services District #1 and Hill College, 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		Itasca ISD I&S Tax Levy	Itasca ISD M&O Tax Levy	Itasca ISD M&O and I&S Tax Levies	Hill County Tax Levy	Hill College Tax Levy	Hill County ESD#1 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.35690	1.06830		0.53988	0.09194	0.03000	
2022	\$87,070,400	\$20,000,000		\$310,754	\$213,660	\$524,414	\$225,637	\$80,048	\$26,121	\$830,100
2023	\$79,523,100	\$20,000,000		\$283,818	\$213,660	\$497,478	\$206,079	\$73,110	\$23,857	\$776,666
2024	\$71,976,000	\$20,000,000		\$256,882	\$213,660	\$470,542	\$186,521	\$66,171	\$21,593	\$723,235
2025	\$63,487,000	\$20,000,000		\$226,585	\$213,660	\$440,245	\$164,522	\$58,367	\$19,046	\$663,134
2026	\$54,998,200	\$20,000,000		\$196,289	\$213,660	\$409,949	\$142,524	\$50,563	\$16,499	\$603,035
2027	\$46,509,600	\$20,000,000		\$165,993	\$213,660	\$379,653	\$120,527	\$42,759	\$13,953	\$542,938
2028	\$37,079,100	\$20,000,000		\$132,335	\$213,660	\$345,995	\$96,088	\$34,089	\$11,124	\$476,172
2029	\$28,591,000	\$20,000,000		\$102,041	\$213,660	\$315,701	\$74,092	\$26,285	\$8,577	\$416,078
2030	\$22,929,700	\$20,000,000		\$81,836	\$213,660	\$295,496	\$59,421	\$21,080	\$6,879	\$375,997
2031	\$20,095,200	\$20,000,000		\$71,720	\$213,660	\$285,380	\$52,075	\$18,475	\$6,029	\$355,930
2032	\$20,087,500	\$20,087,500		\$71,692	\$214,595	\$286,287	\$108,449	\$18,467	\$6,026	\$413,203
2033	\$20,080,000	\$20,080,000		\$71,666	\$214,515	\$286,180	\$108,408	\$18,461	\$6,024	\$413,049
2034	\$20,072,700	\$20,072,700		\$71,639	\$214,437	\$286,076	\$108,369	\$18,454	\$6,022	\$412,899
2035	\$20,065,500	\$20,065,500		\$71,614	\$214,360	\$285,974	\$108,330	\$18,447	\$6,020	\$412,751
2036	\$20,058,500	\$20,058,500		\$71,589	\$214,285	\$285,874	\$108,292	\$18,441	\$6,018	\$412,607
			Total	\$2,186,453	\$3,208,791	\$5,395,244	\$1,869,334	\$563,215	\$183,787	\$7,827,794
			Diff	\$0	\$3,335,866	\$3,335,866	\$1,438,110	\$0	\$0	\$4,773,976
Assumes School Value Limitation and Tax Abatement with the County.										

Source: CPA, BT Files Solar, LLC

*Tax Rate per \$100 Valuation

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

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

This represents the Comptroller’s determination that BT Files Solar, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy 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	\$38,940	\$38,940	\$0	\$0
Limitation Period (10 Years)	2022	\$213,660	\$252,600	\$716,513	\$716,513
	2023	\$213,660	\$466,260	\$635,885	\$1,352,398
	2024	\$213,660	\$679,920	\$555,260	\$1,907,658
	2025	\$213,660	\$893,580	\$464,572	\$2,372,230
	2026	\$213,660	\$1,107,240	\$373,886	\$2,746,115
	2027	\$213,660	\$1,320,900	\$283,202	\$3,029,317
	2028	\$213,660	\$1,534,560	\$182,456	\$3,211,773
	2029	\$213,660	\$1,748,220	\$91,778	\$3,303,551
	2030	\$213,660	\$1,961,880	\$31,298	\$3,334,849
	2031	\$213,660	\$2,175,540	\$1,017	\$3,335,866
Maintain Viable Presence (5 Years)	2032	\$214,595	\$2,390,134	\$0	\$3,335,866
	2033	\$214,515	\$2,604,649	\$0	\$3,335,866
	2034	\$214,437	\$2,819,086	\$0	\$3,335,866
	2035	\$214,360	\$3,033,445	\$0	\$3,335,866
	2036	\$214,285	\$3,247,730	\$0	\$3,335,866
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$214,212	\$3,461,943	\$0	\$3,335,866
	2038	\$214,142	\$3,676,084	\$0	\$3,335,866
	2039	\$214,072	\$3,890,157	\$0	\$3,335,866
	2040	\$214,005	\$4,104,162	\$0	\$3,335,866
	2041	\$213,939	\$4,318,101	\$0	\$3,335,866
	2042	\$213,875	\$4,531,975	\$0	\$3,335,866
	2043	\$213,813	\$4,745,788	\$0	\$3,335,866
	2044	\$213,752	\$4,959,540	\$0	\$3,335,866
	2045	\$213,692	\$5,173,232	\$0	\$3,335,866
	2046	\$213,634	\$5,386,866	\$0	\$3,335,866
		\$5,386,866	is greater than	\$3,335,866	
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, BT Files Solar, 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.

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 BT Files Solar, 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 BT Files Solar, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Belltown Power is active in in other states and countries and each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. Belltown Power has various projects in and continually compare investment opportunities, rate of return, and market viability of each project based upon project financial metrics.”
 - B. “Due to the extremely competitive power market in Texas all Power Purchase Agreement's (PPA's) economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.”
- An August 26, 2019 Hillsboro Reporter article reported:
 - A. “The Hill County Commissioners' Court heard public comments on two proposed solar panel farms and the preliminary county budget in a special session held Tuesday, August 20. Two new solar panel farm projects are being proposed by Belltown Power, and the county has been in economic development negotiations with the company. Belltown is proposing placing its solar panels ... on around 1,993 acres near Itasca in the Itasca ISD.”
 - B. “While the projects will dramatically increase funding for those school districts—the court noted that revenue for the ISDs could triple— residents near at least one of the proposed projects expressed concerns about their property values, safety and the loss of farmland.”

- C. "A property owner on HCR 4434 near Itasca who said that he lives right in the middle of the proposed farm said that most of the landowners reaching agreements with the company do not live in Hill County. He said that around 50 of the property owners who make their homes in the area have signed a petition expressing their opposition to the project. He said that the project would reduce property values, impact wildlife and prevent property owners from raising cattle or farming on their land."
- D. "Several citizens asked for an explanation of the benefits of the projects for the county. County Judge Justin Lewis said that taking the land out of ag valuation and taxing it for commercial production results in a five-year rollback in taxes and the company would have to pay five years of back taxes at the corporate rate. He explained that even with the companies receiving tax breaks for the first 10 years under the county's green energy tax abatement guidelines, the contracts run for at least 25 years and possibly up to 40 years, which would result in significant tax revenue for the county and help reduce taxes for homeowners."
- A September 2, 2019 Hillsboro Reporter article reported the following:
 - A. "Belltown Power is moving forward with two local solar energy projects after the Hill County Commissioners' Court approved tax abatement agreements for the company Tuesday, August 27. The company intends to place solar panels on just under 2,000 acres near Itasca and over 1,000 acres near Malone. County Judge Justin Lewis said that he had only received positive commentary on the project near Malone, but several concerned citizens from the Itasca area spoke out against the project at the court's previous meeting."
 - B. "The court ultimately voted to approve the tax incentives, noting that the projects will benefit the majority of Hill County residents. The agreement averages out to a tax break of about 52 percent for the company over a 10-year period. The county does not negotiate on the FM lateral, or road and bridge, portion of the tax rate, so the project will provide full benefits to that fund immediately."
 - C. "Valued at approximately \$200 million each, the solar panel farms are expected to dramatically increase revenue for the school districts where they are located and result in additional tax revenue for the county over the life of the projects. Since the land is currently taxed as agricultural, the county will also get five years of back taxes from the company when the projects begin."
- According to a February 10, 2020 Board of Trustees Itasca Independent School District Meeting Agenda an item taken up by the trustees was, "Consider/Approve appraised value limitation application by BT Files Solar for construction of a solar powered electric generating facility under Chapter 313, Tax Code, including request for waiver of new qualifying job creation requirement.
- Supplemental Information provided by the applicant indicated the following:
 - A. Is this project known by any specific names not otherwise mentioned in this application? *No, the project is currently known as BT Files Solar.*
 - B. Please also list any other names by which this project may have been known in the past--in media reports, investor presentations, or any listings with any federal or state agency. *It has been known as Files Solar, Neeley Solar, BT Neeley Solar, and 20INR0164.*
 - C. Has this project applied to ERCOT at this time? If so, please provide the project's GINR number and when was it assigned. *Yes, 20INR0164 and was assigned in November 2018.*

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 5: Applicant Business Structure (continued)

2b. List the Texas Franchise Tax Reporting Entity Taxpayer Name

2c. List the Reporting Entity Taxpayer Number

3. Is the applicant current on all tax payments due to the State of Texas? Yes No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? Yes No N/A

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

***Note:** Applicants requesting eligibility under this category should note that there are additional application and reporting data submission requirements.

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. If the project is an amendment or a reapplication please specify and provide details regarding the original project.
2. Check the project characteristics that apply to the proposed project:
- Land has no existing improvements Land has existing improvements (complete Section 13)
 - Expansion of existing operation on the land (complete Section 13) Relocation within Texas

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.

Belltown Power was founded in the UK in 2013 by Michael Kaplan, Tom Hill-Norton and Andy Black as a fully integrated renewable energy power company. With a small team of dedicated investment and engineering professionals, Belltown delivered over 200MW of onshore wind, solar PV and hydro projects in under 4 years through employing a proven, disciplined process to project delivery.

In early 2017, Belltown entered a new phase of growth as we target the development and operation of large-scale renewable energy projects globally. Belltown now has five offices on two continents and a rapidly growing team targeting opportunities in developed and emerging markets.

Belltown Power is keen to develop and build the proposed BT Files Solar Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. Belltown Power is active in in other states and countries and each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. Belltown Power has various projects in and continually compare investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Belltown Power currently has ongoing project developments in many states, including but not limited to, Pennsylvania and the U.K..

Due to the extremely competitive power market in Texas all Power Purchase Agreement's (PPA's) economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



Submit Your Events

Main Menu

Real Estate

Useful Links

FCC Public File

Contact Us

County Receives Public Input On Budget, Solar Panel Projects

Mon, Aug 26, 2019

The Hill County Commissioners' Court heard public comments on two proposed solar panel farms and the preliminary county budget in a special session held Tuesday, August 20.

Two new solar panel farm projects are being proposed by Belltown Power, and the county has been in economic development negotiations with the company.

The county also recently granted a tax abatement to Sun Valley Solar LLC for a project involving over 2,000 acres and valued at around \$200 million south of Abbott.

Belltown is proposing placing its solar panels on around 1,051 acres near Malone in the Malone ISD and on around 1,993 acres near Itasca in the Itasca ISD.

While the projects will dramatically increase funding for those school districts—the court noted that revenue for the ISDs could triple—residents near at least one of the proposed projects expressed concerns about their property values, safety and the loss of farmland.

A property owner on HCR 4434 near Itasca who said that he lives right in the middle of the proposed farm said that most of the landowners reaching agreements with the company do not live in Hill County. He said that around 50 of the property owners who make their homes in the area have signed a petition expressing their opposition to the project.

He said that the project would reduce property values, impact wildlife and prevent property owners from raising cattle or farming on their land. He also cited increased vehicle traffic and concerns about increased temperatures surrounding the project.

Several citizens asked for an explanation of the benefits of the projects for the county. County Judge Justin Lewis said that taking the land out of ag valuation and taxing it for commercial production results in a five-year rollback in taxes and the company would have to pay five years of back taxes at the corporate rate.

He explained that even with the companies receiving tax breaks for the first 10 years under the county's green energy tax abatement guidelines, the contracts run for at least 25 years and possibly up to 40 years, which would result in significant tax revenue for the county and help reduce taxes for homeowners.

The benefit to the school districts and potentially lower school tax rates for citizens in those districts was cited as another advantage.

Another Hill County farmer spoke, saying that the impact on farm production will increase the costs of food he purchases from local farmers and asked if the purchase of electricity directly from the companies would be made available at a reduced cost to offset the increased food cost.

He added that he is an electrical engineer and has concerns about spikes that he said occur with solar energy that can result in damage to electrical appliances.

Lloyd Pope of Belltown Power spoke and said that while there are pros and cons to everything, the company believes its projects are good for Hill County.

"This is a win for Hill County from the standpoint of what we bring to the county," Pope said.

He said that the project brings a lot of money into the county and schools and brings less expensive power to the grid as coal plants are retired.

Top Stories

- HISD Board Reviews Plans For New Elementary School
- Hill County Grand Jury Hands Down Indictments
- Hubbard Chamber Selling Tickets For Annual Banquet
- Spring Break Activities Set At Local Library
- Itasca Farmer Wins First Place In National Corn Yield Contest

Hillsboro, TX

 69°
 10:34 am CDT



FULL COLOR PRINTING
 BUSINESS SUPPLY CENTER
 HILLSBORO, TX

REPORTER
 Tradin' Post Ads

Pope called solar a safe and regulated form of energy and said that not everything found on the internet is true. "Those are the pros," he said. "There are cons. People like yourself have to live nearby."

A concerned resident commented, "I don't want to have to walk out in my backyard and see that beautiful pasture covered in black panels. I understand it's good for the county, but I'm just going to come out and be selfish and say it."

Lewis said that he did understand the concerns of residents who do not want to have projects near their homes. "We wanted to hear from the community, and we appreciate it," he said.

The creation of the reinvestment zone is the first step that the county must take before approving a tax abatement. Lewis explained that the reinvestment zone simply identifies the geographical boundaries of the proposed project and does not mean that the tax incentives are approved yet.

The court voted to approve the creation of both reinvestment zones in the Malone and Itasca areas.

A public hearing was also held on the proposed budget and tax rate.

The court voted to propose a total tax rate of \$0.539882 per \$100 valuation, which is unchanged from last year, earlier this month.

Although the tax rate would not increase under the proposal, the rate is higher than the effective rate and will result in more revenue for the county due to increased property values.

A concerned citizen approached the court about the proposed raise for elected officials this year.

The county has proposed a \$7,500 salary increase for officials this budget cycle, with the judge noting that the longtime lack of pay raises has resulted in the county not keeping up with inflation.

Commissioners and the judge have pointed out that in some departments, the employee directly below the elected official is making almost as much as the official, limiting how much employees in the department can earn and making it difficult to retain employees.

"My contention is that a 13-percent raise in one year is exorbitant," the citizen said. He added that he is pleased with the way the county is running and his opposition is not because he thinks officials do not deserve the raise.

He suggested that the county stretch the increase out over at least two years.

Lewis said that while the raises are not a politically popular move, he believes it is the right thing to do.

"Instead of taking the easy road and just kicking the can down another year and being a politician who wants to get re-elected, I think the right thing to do is to work for you guys (the citizens) and keep the good people you've given me to work with in the county," the judge said. "I appreciate that everybody has different opinions on this."

The judge added that it is his responsibility to file the proposed budget. "My proposal is based on some pretty good science about where we're at and what we need to do," he said. Lewis pointed out that it is ultimately up to the commissioners if they want to approve the proposal.

The citizen asked what guarantee there would be that the court would not impose another such raise next year.

The judge pointed to his past performance. "In 13 years, I've never proposed a raise above the cost of living, but I've got to pay people what they're worth," he said. "The biggest single expense and investment we have is our employees here," the judge said. "We have to have good people."

He added that he appreciates feedback from citizens who inform themselves about county business and encouraged more citizens to provide feedback.

The judge said that while the public is often concerned with federal and state government, what happens at the county level has an immediate impact locally and the court wants to hear input.

The next public hearing on the budget and tax rate will be Tuesday, August 27, at 8:30 a.m.

Further discussing the budget, Lewis said that the factor driving this year's budget is the large increase in sales tax revenue.

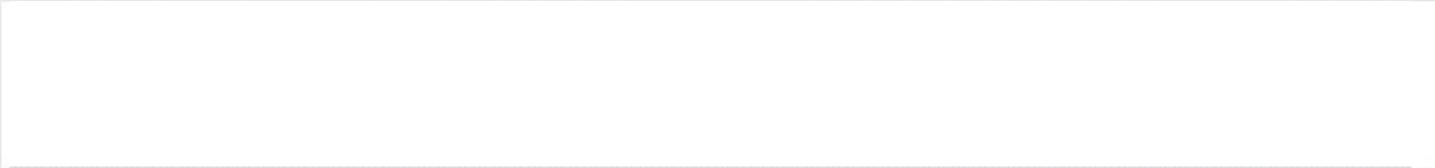
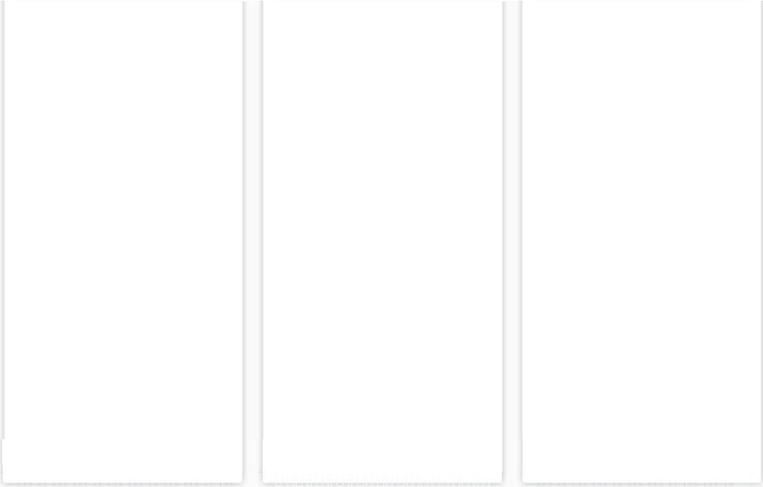
The court anticipated \$1.6 million in sales tax revenue last year, but the comptroller's formula indicates that the county should expect \$2.3 million this year. Pipeline projects and truck stops are some of the factors contributing to the increase, the judge said.

The county will also take in approximately \$320,000 more in tax revenue due to increased property values.

The entire proposed budget is available on the county's website at www.co.hill.tx.us for citizens to review.

In other business, commissioners voted to reappoint Deanna Eubank to the Hill County Child Protective Services Board, approved an amendment to the county's subdivision rules and regulations and approved a \$30,000 fee for consulting services between the county and Insurers of Texas.

 Share    Like 0



You are visitor: 10,034,966

The Hillsboro Reporter/KHBR Radio • 335 Country Club Rd. • Hillsboro • TX • 76645-2318 • Phone: 254-582-3431

[Terms of service](#) | [Privacy guidelines](#) | [About us](#) | [Contact us](#)

© Copyright [The Hillsboro Reporter](#). All rights reserved. [Sitemap](#)

{ powered by bulletlink.com }



Submit Your Events

Main Menu

Real Estate

Useful Links

FCC Public File

Contact Us

Itasca, Malone Solar Projects Move Forward

Mon, Sep 02, 2019

Belltown Power is moving forward with two local solar energy projects after the Hill County Commissioners' Court approved tax abatement agreements for the company Tuesday, August 27.

The company intends to place solar panels on just under 2,000 acres near Itasca and over 1,000 acres near Malone.

County Judge Justin Lewis said that he had only received positive commentary on the project near Malone, but several concerned citizens from the Itasca area spoke out against the project at the court's previous meeting.

The court ultimately voted to approve the tax incentives, noting that the projects will benefit the majority of Hill County residents.

The agreement averages out to a tax break of about 52 percent for the company over a 10-year period. The county does not negotiate on the FM lateral, or road and bridge, portion of the tax rate, so the project will provide full benefits to that fund immediately.

Valued at approximately \$200 million each, the solar panel farms are expected to dramatically increase revenue for the school districts where they are located and result in additional tax revenue for the county over the life of the projects.

Since the land is currently taxed as agricultural, the county will also get five years of back taxes from the company when the projects begin.

The projects have also proven to be a lucrative deal for some Hill County landowners who will lease their property to the company.

A previous agreement with another company, Sun Valley Solar, will bring that company's \$225 million project to the Abbott area.

In other business, the court also approved the purchase of additional licenses for the Cartegraph software being utilized by county commissioners.

Cartegraph was launched as a pilot project in the county in January 2018, and commissioners are now using it to track assets, equipment, labor and materials for work performed on any given road in Hill County.

The court approved the purchase of five additional Cartegraph licenses at a cost of \$1,250 to allow additional county offices to be able to access the data and run reports.

A grant contract in the amount of \$42,000 was approved with the Texas Office of the Attorney General to fund the county's crime victim coordinator position and expenses. Coordinator Katie Cole assists local crime victims as they go through the judicial system.

Hill County's quarterly investment report for the quarter ending June 30 was approved by the court. The report showed cash management earnings of \$5,682,89, certificates of deposit interest earnings of \$80,948,42 and a total Hill County investment funds balance of \$17,367,341.36.

Annual contracts and interagency agreements were approved for the Hill County Juvenile Probation Department, which contracts with providers to provide residential and other services for the rehabilitation of juvenile offenders.

The July treasurer's report for the Hill County Child Protective Services Board was observed and recorded by the court. Lewis said that the board is doing an incredible job of raising money and pointed out that total July income to benefit Hill County foster children came to \$15,975.

Commissioners also approved selling two 40'x7' culverts through Kaddatz Auctioneering, approved agreements related to the county's new insurance with Insurors of Texas, and approved an interlocal

Top Stories

- HISD Board Reviews Plans For New Elementary School
- Hill County Grand Jury Hands Down Indictments
- Hubbard Chamber Selling Tickets For Annual Banquet
- Spring Break Activities Set At Local Library
- Itasca Farmer Wins First Place In National Corn Yield Contest

Hillsboro, TX

68°
10:32 am CDT
Cloudy



FULL COLOR PRINTING
BUSINESS SUPPLY CENTER
HILLSBORO, TX

REPORTER
Tradin' Post Ads

agreement with the Heart of Texas Council of Governments for the county's reverse 9-1-1 emergency notification system.



Share

Like 5

You are visitor: 10,034,964

The Hillsboro Reporter/KHBR Radio • 335 Country Club Rd. • Hillsboro • TX • 76645-2318 • Phone: 254-582-3431

[Terms of service](#) | [Privacy guidelines](#) | [About us](#) | [Contact us](#)

© Copyright [The Hillsboro Reporter](#). All rights reserved. [Sitemap](#)

{ powered by [bulletlink.com](#) }

Agenda of Regular Meeting

The Board of Trustees Itasca Independent School District

A Regular Meeting of the Board of Trustees of Itasca Independent School District will be held February 10, 2020, beginning at 7:00 PM in the Itasca ISD Library, 123 N. College, Itasca, TX.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

- A. Call to Order and Establish Quorum
- B. Invocation
- C. Pledge of Allegiance
- D. Public Forum-Any Registered Individual(s) Wishing to Address the Board
 - 1. General comments to come before the board
 - 2. Agenda related comments to come before the board
- E. Public Hearing on Itasca ISD Texas Academic Performance Report 2018-19
- F. District Academic Data Report - Amy Reyna
- G. CONSENT AGENDA
 - 1. Approval of Minutes from January 13, 2020 Regular Meeting
 - 2. Approve 2019-2020 Transfer Students
- H. Executive Session: Texas Govt Code 551.071 and 551.087
 - 1. Consultation with legal counsel regarding appraised value limitation application by BT Files Solar, LLC for construction of a solar powered electric generating facility under Chapter 313, Tax Code, and related matters.
- I. ACTION ITEMS
 - 1. Consider/Approve TASB Policy CCGB (LOCAL)
 - 2. Consider/Approve appraised value limitation application by BT Files Solar for construction of a solar powered electric generating facility under Chapter 313, Tax Code, including request for waiver of new qualifying job creation requirement.
 - 3. Consider/Approve financial consulting agreement with McDowell School Finance Consulting, LLC related to appraised value limitation application by BT Files Solar, LLC.
 - 4. Consider/Approve engagement of Walsh Gallegos Trevino Kyle and Russo as a

legal counsel related to appraised value limitation application by BT Files Solar.

5. Review District Investment Report

6. Discuss/ Approve December Financial Reports

J. Superintendent's Report

K. Executive Session: Texas Govt Code 551.074 and 551.072

1. Personnel

a. District Administrative Contracts

1. Principals' Contracts

2. Athletic Director Contract

3. Executive Director of Curriculum, Instruction, and Accountability Contract

b. Superintendent Evaluation Process/Timeline

2. Purchase, exchange, lease or value of real property

a. 27 Acres deeded from the J.A. Martin Trust

L. Open Session-Action Relative to Executive Session

M. Adjournment

Executive Session: The Board may retire to executive session any time between the meeting's opening and adjournment for purposes of deliberating business authorized by the Texas Open Meetings Act, Texas Government Code Section 551.001 et seq. Action, if any, will be taken in open session.

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Itasca ISD – BT Files Solar, LLC App. #1465 –

Comptroller Questions (via email on April 6, 2020):

- 1) Is this project known by any specific names not otherwise mentioned in this application?
- 2) Please also list any other names by which this project may have been known in the past-- in media reports, investor presentations, or any listings with any federal or state agency.
- 3) Has this project applied to ERCOT at this time? If so, please provide the project's GINR number and when was it assigned.

Consultant Response (via email on April 6, 2020):

- 1) *No, the project is currently known as BT Files Solar.*
- 2) *It has been known as Files Solar, Neeley Solar, BT Neeley Solar, and 20INR0164.*
- 3) *Yes, 20INR0164 and was assigned in November 2018.*