

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 25, 2021

AMENDED CERTIFICATION

John Anderson
Superintendent
Seymour Independent School District
409 W Idaho
Seymour, Texas 76380

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Seymour Independent School District and Diversion Wind Energy, LLC, Application 1523

Dear Superintendent Anderson:

This application (Application 1523) was originally submitted on August 24, 2020, to the Seymour Independent School District (school district) by Diversion Wind Energy, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On October 9, 2020, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on December 15, 2020. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on March 9, 2021.

On June 1, 2021, the Comptroller received an amendment to the agreement to move the start of the qualifying time period and the start of the limitation by one year. 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 **July 14, 2021**.

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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Lisa Craven

Deputy Comptroller

Enclosure

cc: Will Counihan

Amended Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Diversion Wind Energy, LLC (project) applying to Seymour 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 Diversion Wind Energy, LLC.

	Original	Amendment No. 1
Applicant	Diversion Wind Energy, LLC	Diversion Wind Energy, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Wind	Renewable Energy - Wind
School District	Seymour ISD	Seymour ISD
2018-2019 Average Daily Attendance	548	548
County	Baylor	Baylor
Proposed Total Investment in District	\$300,000,000	\$300,000,000
Proposed Qualified Investment	\$284,000,000	\$300,000,000
Limitation Amount	\$30,000,000	\$30,000,000
Qualifying Time Period (Full Years)	2022-2023	2023-2024
Number of new qualifying jobs committed to by applicant	7*	7*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,002	\$1,002
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$1,002	\$1,002
Minimum annual wage committed to by applicant for qualified jobs	\$52,110	\$52,110
Minimum weekly wage required for non-qualifying jobs	\$676.00	\$676.00
Minimum annual wage required for non-qualifying jobs	\$35,152	\$35,152
Investment per Qualifying Job	\$42,857,143	\$42,857,143
Estimated M&O levy without any limit (15 years)	\$19,741,038	\$20,119,460
Estimated M&O levy with Limitation (15 years)	\$6,266,031	\$6,644,453
Estimated gross M&O tax benefit (15 years)	\$13,475,007	\$13,475,007

* 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 Diversion Wind Energy, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2022	300	268	568	\$15,000,000	\$26,300,000	\$41,300,000
2023	300	1,427	1726.6	\$15,000,000	\$112,900,000	\$127,900,000
2024	7	67	74	\$364,770	\$17,335,230	\$17,700,000
2025	7	13	20	\$364,770	\$10,035,230	\$10,400,000
2026	7	(27)	-20	\$364,770	\$4,735,230	\$5,100,000
2027	7	(46)	-39	\$364,770	\$1,635,230	\$2,000,000
2028	7	(54)	-47	\$364,770	-\$564,770	-\$200,000
2029	7	(56)	-49	\$364,770	-\$2,064,770	-\$1,700,000
2030	7	(50)	-43	\$364,770	-\$3,064,770	-\$2,700,000
2031	7	(44)	-37	\$364,770	-\$2,764,770	-\$2,400,000
2032	7	(34)	-27	\$364,770	-\$2,764,770	-\$2,400,000
2033	7	(25)	-18	\$364,770	-\$2,064,770	-\$1,700,000
2034	7	(21)	-14	\$364,770	-\$1,864,770	-\$1,500,000
2035	7	(15)	-8	\$364,770	-\$1,564,770	-\$1,200,000
2036	7	(11)	-4	\$364,770	-\$1,364,770	-\$1,000,000
2037	7	(7)	0	\$364,770	-\$564,770	-\$200,000
2038	7	(9)	-2	\$364,770	-\$164,770	\$200,000

Source: CPA REMI, Diversion Wind Energy, 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*	Seymour ISD I&S Tax Levy	Seymour ISD M&O Tax Levy	Seymour ISD M&O and I&S Tax Levies	Baylor County Tax Levy	Seymour Hospital District Tax Levy	Rolling Plains Groundwater Tax Levy	Estimated Total Property Taxes
			0.0800	0.9700		0.5960	0.1827	0.2616		
2024	\$270,000,000	\$270,000,000		\$216,000	\$2,619,000	\$2,835,000	\$1,609,200	\$493,290	\$706,320	\$5,643,810
2025	\$240,300,000	\$240,300,000		\$192,240	\$2,330,910	\$2,523,150	\$1,432,188	\$439,028	\$628,625	\$5,022,991
2026	\$213,867,000	\$213,867,000		\$171,094	\$2,074,510	\$2,245,604	\$1,274,647	\$390,735	\$559,476	\$4,470,462
2027	\$190,341,630	\$190,341,630		\$152,273	\$1,846,314	\$1,998,587	\$1,134,436	\$347,754	\$497,934	\$3,978,711
2028	\$169,404,051	\$169,404,051		\$135,523	\$1,643,219	\$1,778,743	\$1,009,648	\$309,501	\$443,161	\$3,541,053
2029	\$150,769,605	\$150,769,605		\$120,616	\$1,462,465	\$1,583,081	\$898,587	\$275,456	\$394,413	\$3,151,537
2030	\$134,184,949	\$134,184,949		\$107,348	\$1,301,594	\$1,408,942	\$799,742	\$245,156	\$351,028	\$2,804,868
2031	\$119,424,604	\$119,424,604		\$95,540	\$1,158,419	\$1,253,958	\$711,771	\$218,189	\$312,415	\$2,496,333
2032	\$106,287,898	\$106,287,898		\$85,030	\$1,030,993	\$1,116,023	\$633,476	\$194,188	\$278,049	\$2,221,736
2033	\$94,596,229	\$94,596,229		\$75,677	\$917,583	\$993,260	\$563,794	\$172,827	\$247,464	\$1,977,345
2034	\$84,190,644	\$84,190,644		\$67,353	\$816,649	\$884,002	\$501,776	\$153,816	\$220,243	\$1,759,837
2035	\$74,929,673	\$74,929,673		\$59,944	\$726,818	\$786,762	\$446,581	\$136,897	\$196,016	\$1,566,255
2036	\$66,687,409	\$66,687,409		\$53,350	\$646,868	\$700,218	\$397,457	\$121,838	\$174,454	\$1,393,967
2037	\$59,351,794	\$59,351,794		\$47,481	\$575,712	\$623,194	\$353,737	\$108,436	\$155,264	\$1,240,631
2038	\$52,823,097	\$52,823,097		\$42,258	\$512,384	\$554,643	\$314,826	\$96,508	\$138,185	\$1,104,161
2039	\$47,012,556	\$47,012,556		\$37,610	\$456,022	\$493,632	\$280,195	\$85,892	\$122,985	\$982,703
			Total	\$1,659,337	\$20,119,460	\$21,778,797	\$12,362,060	\$3,789,511	\$5,426,032	\$43,356,399

Source: CPA, Diversion Wind Energy, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Baylor 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 Seymour Hospital District.

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		Seymour ISD I&S Tax Levy	Seymour ISD M&O Tax Levy	Seymour ISD M&O and I&S Tax Levies	Baylor County Tax Levy	Seymour Hospital District Tax Levy	Rolling Plains Groundwater Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0800	0.9700		0.5960	0.1827	0.2616	
2024	\$270,000,000	\$30,000,000		\$216,000	\$291,000	\$507,000	\$1,609,200	\$493,290	\$706,320	\$3,315,810
2025	\$240,300,000	\$30,000,000		\$192,240	\$291,000	\$483,240	\$572,875	\$175,611	\$628,625	\$1,860,351
2026	\$213,867,000	\$30,000,000		\$171,094	\$291,000	\$462,094	\$509,859	\$156,294	\$559,476	\$1,687,723
2027	\$190,341,630	\$30,000,000		\$152,273	\$291,000	\$443,273	\$453,774	\$139,102	\$497,934	\$1,534,083
2028	\$169,404,051	\$30,000,000		\$135,523	\$291,000	\$426,523	\$403,859	\$123,800	\$443,161	\$1,397,344
2029	\$150,769,605	\$30,000,000		\$120,616	\$291,000	\$411,616	\$359,435	\$110,182	\$394,413	\$1,275,646
2030	\$134,184,949	\$30,000,000		\$107,348	\$291,000	\$398,348	\$479,845	\$147,094	\$351,028	\$1,376,315
2031	\$119,424,604	\$30,000,000		\$95,540	\$291,000	\$386,540	\$427,062	\$130,913	\$312,415	\$1,256,930
2032	\$106,287,898	\$30,000,000		\$85,030	\$291,000	\$376,030	\$380,086	\$116,513	\$278,049	\$1,150,678
2033	\$94,596,229	\$30,000,000		\$75,677	\$291,000	\$366,677	\$338,276	\$103,696	\$247,464	\$1,056,113
2034	\$84,190,644	\$84,190,644		\$67,353	\$816,649	\$884,002	\$301,066	\$92,290	\$220,243	\$1,497,600
2035	\$74,929,673	\$74,929,673		\$59,944	\$726,818	\$786,762	\$446,581	\$136,897	\$196,016	\$1,566,255
2036	\$66,687,409	\$66,687,409		\$53,350	\$646,868	\$700,218	\$397,457	\$121,838	\$174,454	\$1,393,967
2037	\$59,351,794	\$59,351,794		\$47,481	\$575,712	\$623,194	\$353,737	\$108,436	\$155,264	\$1,240,631
2038	\$52,823,097	\$52,823,097		\$42,258	\$512,384	\$554,643	\$314,826	\$96,508	\$138,185	\$1,104,161
2039	\$47,012,556	\$47,012,556		\$37,610	\$456,022	\$493,632	\$280,195	\$85,892	\$122,985	\$982,703
			Total	\$1,659,337	\$6,644,453	\$8,303,790	\$7,628,133	\$2,338,355	\$5,426,032	\$23,696,310
			Diff	\$0	\$13,475,007	\$13,475,007	\$4,733,927	\$1,451,155	\$0	\$19,660,089

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Diversion Wind Energy, 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.