

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

April 19, 2021

Billy Harlan  
Superintendent  
Academy Independent School District  
704 East Main Street Little River  
Academy, Texas 76554

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Academy Independent School District and 250LB 8me, LLC, Application 1539

Dear Superintendent Harlan:

On February 2, 2021, the Comptroller issued written notice that 250LB 8me, LLC (applicant) submitted a completed application (Application 1539) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on October 28, 2020, to the Academy 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.

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<sup>1</sup> 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 1539.

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 within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of February 2, 2021, 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](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

DocuSigned by:  
  
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Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of 250LB 8me, LLC (project) applying to Academy 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 250LB 8me, LLC.

|  |                         |
|--|-------------------------|
| Applicant  | 250LB 8me, LLC          |
| Tax Code, 313.024 Eligibility Category   | Renewable Energy - Wind |
| School District  | Academy ISD             |
| 2019-2020 Average Daily Attendance   | 1,618                   |
| County   | Bell County             |
| Proposed Total Investment in District  | \$170,000,000           |
| Proposed Qualified Investment  | \$170,000,000           |
| Limitation Amount  | \$20,000,000            |
| Qualifying Time Period (Full Years)  | 2023-2024               |
| Number of new qualifying jobs committed to by applicant                          | 2*                      |
| Number of new non-qualifying jobs estimated by applicant                         | 0                       |
| Average weekly wage of qualifying jobs committed to by applicant                 | \$927                   |
| Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5) (B) | \$927                   |
| Minimum annual wage committed to by applicant for qualified jobs                 | \$48,203                |
| Minimum weekly wage required for non-qualifying jobs                             | \$954.50                |
| Minimum annual wage required for non-qualifying jobs                             | \$49,634                |
| Investment per Qualifying Job  | \$85,000,000            |
| Estimated M&O levy without any limit (15 years)                                  | \$11,704,457            |
| Estimated M&O levy with Limitation (15 years)                                    | \$3,803,370             |
| Estimated gross M&O tax benefit (15 years)                                       | \$7,901,087             |

\* 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 250LB 8me, LLC (modeled).

| Year | Employment |                    |       | Personal Income |                    |              |
|------|------------|--------------------|-------|-----------------|--------------------|--------------|
|      | Direct     | Indirect + Induced | Total | Direct          | Indirect + Induced | Total        |
| 2022 | 350        | 470                | 820   | \$16,871,085    | \$41,128,915       | \$58,000,000 |
| 2023 | 350        | 812                | 1162  | \$16,871,085    | \$71,128,915       | \$88,000,000 |
| 2024 | 2          | 41                 | 43    | \$96,406        | \$12,903,594       | \$13,000,000 |
| 2025 | 2          | 4                  | 6     | \$96,406        | \$7,903,594        | \$8,000,000  |
| 2026 | 2          | (27)               | -25   | \$96,406        | \$3,903,594        | \$4,000,000  |
| 2027 | 2          | (37)               | -35   | \$96,406        | \$903,594          | \$1,000,000  |
| 2028 | 2          | (41)               | -39   | \$96,406        | -\$96,406          | \$0          |
| 2029 | 2          | (39)               | -37   | \$96,406        | -\$1,096,406       | -\$1,000,000 |
| 2030 | 2          | (31)               | -29   | \$96,406        | -\$1,096,406       | -\$1,000,000 |
| 2031 | 2          | (27)               | -25   | \$96,406        | -\$1,096,406       | -\$1,000,000 |
| 2032 | 2          | (18)               | -16   | \$96,406        | -\$1,096,406       | -\$1,000,000 |
| 2033 | 2          | (12)               | -10   | \$96,406        | -\$96,406          | \$0          |
| 2034 | 2          | (4)                | -2    | \$96,406        | -\$96,406          | \$0          |
| 2035 | 2          | 0                  | 2     | \$96,406        | \$903,594          | \$1,000,000  |
| 2036 | 2          | 6                  | 8     | \$96,406        | \$903,594          | \$1,000,000  |
| 2037 | 2          | 10                 | 12    | \$96,406        | \$903,594          | \$1,000,000  |
| 2038 | 2          | 6                  | 8     | \$96,406        | \$1,903,594        | \$2,000,000  |

Source: CPA REMI, 250LB 8me, 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*    | Academy ISD I&S Tax Levy | Academy ISD M&O Tax Levy | Academy ISD M&O and I&S Tax Levies | Bell County Tax Levy | Clearwater UWCD Tax Levy | Elm Creek Watershed Tax Levy | Bell County Road Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|--------------|--------------------------|--------------------------|------------------------------------|----------------------|--------------------------|------------------------------|---------------------------|--------------------------------|
|      |                                 |                                 |              | 0.2795                   | 0.9700                   |                                    | 0.4208               | 0.0036                   | 0.0327                       | 0.0292                    |                                |
| 2023 | \$21,000,000                    | \$21,000,000                    |              | \$58,695                 | \$203,700                | \$262,395                          | \$88,368             | \$750                    | \$6,867                      | \$6,132                   | \$364,512                      |
| 2024 | \$170,000,000                   | \$170,000,000                   |              | \$475,150                | \$1,649,000              | \$2,124,150                        | \$715,360            | \$6,069                  | \$55,590                     | \$49,640                  | \$2,950,809                    |
| 2025 | \$154,730,000                   | \$154,730,000                   |              | \$432,470                | \$1,500,881              | \$1,933,351                        | \$651,104            | \$5,524                  | \$50,597                     | \$45,181                  | \$2,685,757                    |
| 2026 | \$139,460,000                   | \$139,460,000                   |              | \$389,791                | \$1,352,762              | \$1,742,553                        | \$586,848            | \$4,979                  | \$45,603                     | \$40,722                  | \$2,420,705                    |
| 2027 | \$124,190,000                   | \$124,190,000                   |              | \$347,111                | \$1,204,643              | \$1,551,754                        | \$522,592            | \$4,434                  | \$40,610                     | \$36,263                  | \$2,155,653                    |
| 2028 | \$108,920,000                   | \$108,920,000                   |              | \$304,431                | \$1,056,524              | \$1,360,955                        | \$458,335            | \$3,888                  | \$35,617                     | \$31,805                  | \$1,890,601                    |
| 2029 | \$93,650,000                    | \$93,650,000                    |              | \$261,752                | \$908,405                | \$1,170,157                        | \$394,079            | \$3,343                  | \$30,624                     | \$27,346                  | \$1,625,549                    |
| 2030 | \$78,380,000                    | \$78,380,000                    |              | \$219,072                | \$760,286                | \$979,358                          | \$329,823            | \$2,798                  | \$25,630                     | \$22,887                  | \$1,360,497                    |
| 2031 | \$63,110,000                    | \$63,110,000                    |              | \$176,392                | \$612,167                | \$788,559                          | \$265,567            | \$2,253                  | \$20,637                     | \$18,428                  | \$1,095,444                    |
| 2032 | \$47,840,000                    | \$47,840,000                    |              | \$133,713                | \$464,048                | \$597,761                          | \$201,311            | \$1,708                  | \$15,644                     | \$13,969                  | \$830,392                      |
| 2033 | \$34,265,000                    | \$34,265,000                    |              | \$95,771                 | \$332,371                | \$428,141                          | \$144,187            | \$1,223                  | \$11,205                     | \$10,005                  | \$594,762                      |
| 2034 | \$34,250,000                    | \$34,250,000                    |              | \$95,729                 | \$332,225                | \$427,954                          | \$144,124            | \$1,223                  | \$11,200                     | \$10,001                  | \$594,501                      |
| 2035 | \$34,235,000                    | \$34,235,000                    |              | \$95,687                 | \$332,080                | \$427,766                          | \$144,061            | \$1,222                  | \$11,195                     | \$9,997                   | \$594,241                      |
| 2036 | \$34,220,000                    | \$34,220,000                    |              | \$95,645                 | \$331,934                | \$427,579                          | \$143,998            | \$1,222                  | \$11,190                     | \$9,992                   | \$593,980                      |
| 2037 | \$34,205,000                    | \$34,205,000                    |              | \$95,603                 | \$331,789                | \$427,391                          | \$143,935            | \$1,221                  | \$11,185                     | \$9,988                   | \$593,720                      |
| 2038 | \$34,190,000                    | \$34,190,000                    |              | \$95,561                 | \$331,643                | \$427,204                          | \$143,872            | \$1,221                  | \$11,180                     | \$9,983                   | \$593,460                      |
|      |                                 |                                 | <b>Total</b> | <b>\$3,372,573</b>       | <b>\$11,704,457</b>      | <b>\$15,077,029</b>                | <b>\$5,077,562</b>   | <b>\$43,077</b>          | <b>\$394,573</b>             | <b>\$352,340</b>          | <b>\$20,944,582</b>            |

Source: CPA, 250LB 8me, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Bell 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 |              | Academy ISD I&S Tax Levy | Academy ISD M&O Tax Levy | Academy ISD M&O and I&S Tax Levies | Bell County Tax Levy | Clearwater UWCD Tax Levy | Elm Creek Watershed Tax Levy | Bell County Road Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|--------------|--------------------------|--------------------------|------------------------------------|----------------------|--------------------------|------------------------------|---------------------------|--------------------------------|
|      |                                 |                                 | Tax Rate*    | 0.2795                   | 0.9700                   |                                    | 0.4208               | 0.0036                   | 0.0327                       | 0.0292                    |                                |
| 2023 | \$21,000,000                    | \$21,000,000                    |              | \$58,695                 | \$203,700                | \$262,395                          | \$22,092             | \$750                    | \$6,867                      | \$6,132                   | \$298,236                      |
| 2024 | \$170,000,000                   | \$20,000,000                    |              | \$475,150                | \$194,000                | \$669,150                          | \$178,840            | \$6,069                  | \$55,590                     | \$49,640                  | \$959,289                      |
| 2025 | \$154,730,000                   | \$20,000,000                    |              | \$432,470                | \$194,000                | \$626,470                          | \$162,776            | \$5,524                  | \$50,597                     | \$45,181                  | \$890,548                      |
| 2026 | \$139,460,000                   | \$20,000,000                    |              | \$389,791                | \$194,000                | \$583,791                          | \$146,712            | \$4,979                  | \$45,603                     | \$40,722                  | \$821,807                      |
| 2027 | \$124,190,000                   | \$20,000,000                    |              | \$347,111                | \$194,000                | \$541,111                          | \$130,648            | \$4,434                  | \$40,610                     | \$36,263                  | \$753,066                      |
| 2028 | \$108,920,000                   | \$20,000,000                    |              | \$304,431                | \$194,000                | \$498,431                          | \$114,584            | \$3,888                  | \$35,617                     | \$31,805                  | \$684,325                      |
| 2029 | \$93,650,000                    | \$20,000,000                    |              | \$261,752                | \$194,000                | \$455,752                          | \$98,520             | \$3,343                  | \$30,624                     | \$27,346                  | \$615,584                      |
| 2030 | \$78,380,000                    | \$20,000,000                    |              | \$219,072                | \$194,000                | \$413,072                          | \$82,456             | \$2,798                  | \$25,630                     | \$22,887                  | \$546,843                      |
| 2031 | \$63,110,000                    | \$20,000,000                    |              | \$176,392                | \$194,000                | \$370,392                          | \$66,392             | \$2,253                  | \$20,637                     | \$18,428                  | \$478,102                      |
| 2032 | \$47,840,000                    | \$20,000,000                    |              | \$133,713                | \$194,000                | \$327,713                          | \$201,311            | \$1,708                  | \$15,644                     | \$13,969                  | \$560,344                      |
| 2033 | \$34,265,000                    | \$20,000,000                    |              | \$95,771                 | \$194,000                | \$289,771                          | \$144,187            | \$1,223                  | \$11,205                     | \$10,005                  | \$456,391                      |
| 2034 | \$34,250,000                    | \$34,250,000                    |              | \$95,729                 | \$332,225                | \$427,954                          | \$144,124            | \$1,223                  | \$11,200                     | \$10,001                  | \$594,501                      |
| 2035 | \$34,235,000                    | \$34,235,000                    |              | \$95,687                 | \$332,080                | \$427,766                          | \$144,061            | \$1,222                  | \$11,195                     | \$9,997                   | \$594,241                      |
| 2036 | \$34,220,000                    | \$34,220,000                    |              | \$95,645                 | \$331,934                | \$427,579                          | \$143,998            | \$1,222                  | \$11,190                     | \$9,992                   | \$593,980                      |
| 2037 | \$34,205,000                    | \$34,205,000                    |              | \$95,603                 | \$331,789                | \$427,391                          | \$143,935            | \$1,221                  | \$11,185                     | \$9,988                   | \$593,720                      |
| 2038 | \$34,190,000                    | \$34,190,000                    |              | \$95,561                 | \$331,643                | \$427,204                          | \$143,872            | \$1,221                  | \$11,180                     | \$9,983                   | \$593,460                      |
|      |                                 |                                 |              |                          |                          |                                    |                      |                          |                              |                           |                                |
|      |                                 |                                 | <b>Total</b> | <b>\$3,372,573</b>       | <b>\$3,803,370</b>       | <b>\$7,175,943</b>                 | <b>\$2,068,506</b>   | <b>\$43,077</b>          | <b>\$394,573</b>             | <b>\$352,340</b>          | <b>\$10,034,439</b>            |
|      |                                 |                                 | <b>Diff</b>  | <b>\$0</b>               | <b>\$7,901,087</b>       | <b>\$7,901,087</b>                 | <b>\$3,009,057</b>   | <b>\$0</b>               | <b>\$0</b>                   | <b>\$0</b>                | <b>\$10,910,143</b>            |

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, 250LB 8me, LLC

\*Tax Rate per \$100 Valuation

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

## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that 250LB 8me, 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 and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

|   | Tax Year | Estimated ISD M&O Tax Levy Generated (Annual) | Estimated ISD M&O Tax Levy Generated (Cumulative) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative) |
|---|----------|---|---|---|---|
| <b>Limitation Pre-Years</b>                                     | 2021     | \$0   | \$0   | \$0   | \$0   |
|   | 2022     | \$0   | \$0   | \$0   | \$0   |
|   | 2023     | \$203,700                                     | \$203,700   | \$0   | \$0   |
| <b>Limitation Period (10 Years)</b>                             | 2024     | \$194,000                                     | \$397,700   | \$1,455,000   | \$1,455,000   |
|   | 2025     | \$194,000                                     | \$591,700   | \$1,306,881   | \$2,761,881   |
|   | 2026     | \$194,000                                     | \$785,700   | \$1,158,762   | \$3,920,643   |
|   | 2027     | \$194,000                                     | \$979,700   | \$1,010,643   | \$4,931,286   |
|   | 2028     | \$194,000                                     | \$1,173,700                                       | \$862,524   | \$5,793,810   |
|   | 2029     | \$194,000                                     | \$1,367,700                                       | \$714,405   | \$6,508,215   |
|   | 2030     | \$194,000                                     | \$1,561,700                                       | \$566,286   | \$7,074,501   |
|   | 2031     | \$194,000                                     | \$1,755,700                                       | \$418,167   | \$7,492,668   |
|   | 2032     | \$194,000                                     | \$1,949,700                                       | \$270,048   | \$7,762,716   |
|   | 2033     | \$194,000                                     | \$2,143,700                                       | \$138,371   | \$7,901,087   |
| <b>Maintain Viable Presence (5 Years)</b>                       | 2034     | \$332,225                                     | \$2,475,925                                       | \$0   | \$7,901,087   |
|   | 2035     | \$332,080                                     | \$2,808,005                                       | \$0   | \$7,901,087   |
|   | 2036     | \$331,934                                     | \$3,139,939                                       | \$0   | \$7,901,087   |
|   | 2037     | \$331,789                                     | \$3,471,727                                       | \$0   | \$7,901,087   |
|   | 2038     | \$331,643                                     | \$3,803,370                                       | \$0   | \$7,901,087   |
| <b>Additional Years as Required by 313.026(c)(1) (10 Years)</b> | 2039     | \$331,498                                     | \$4,134,868                                       | \$0   | \$7,901,087   |
|   | 2040     | \$331,352                                     | \$4,466,220                                       | \$0   | \$7,901,087   |
|   | 2041     | \$331,207                                     | \$4,797,426                                       | \$0   | \$7,901,087   |
|   | 2042     | \$331,061                                     | \$5,128,487                                       | \$0   | \$7,901,087   |
|   | 2043     | \$330,916                                     | \$5,459,403                                       | \$0   | \$7,901,087   |
|   | 2044     | \$330,770                                     | \$5,790,173                                       | \$0   | \$7,901,087   |
|   | 2045     | \$330,625                                     | \$6,120,797                                       | \$0   | \$7,901,087   |
|   | 2046     | \$330,479                                     | \$6,451,276                                       | \$0   | \$7,901,087   |
|   | 2047     | \$330,334                                     | \$6,781,610                                       | \$0   | \$7,901,087   |
|   | 2048     | \$330,188                                     | \$7,111,798                                       | \$0   | \$7,901,087   |
|   |          | <b>\$7,111,798</b>                            | is less than                                      | <b>\$7,901,087</b>  |   |

**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?

No

| Year | Employment |                    |       | Personal Income |                    |              | Revenue & Expenditure |                    |                    |
|------|------------|--------------------|-------|-----------------|--------------------|--------------|-----------------------|--------------------|--------------------|
|      | Direct     | Indirect + Induced | Total | Direct          | Indirect + Induced | Total        | Revenue               | Expenditure        | Net Tax Effect     |
| 2022 | 350        | 470                | 820   | \$16,871,085    | \$41,128,915       | \$58,000,000 | 4000000               | -2000000           | \$6,000,000        |
| 2023 | 350        | 812                | 1162  | \$16,871,085    | \$71,128,915       | \$88,000,000 | 7000000               | -2000000           | \$9,000,000        |
| 2024 | 2          | 41                 | 43    | \$96,406        | \$12,903,594       | \$13,000,000 | 1000000               | 1000000            | \$0                |
| 2025 | 2          | 4                  | 6     | \$96,406        | \$7,903,594        | \$8,000,000  | 0                     | 1000000            | -\$1,000,000       |
| 2026 | 2          | (27)               | -25   | \$96,406        | \$3,903,594        | \$4,000,000  | 0                     | 1000000            | -\$1,000,000       |
| 2027 | 2          | (37)               | -35   | \$96,406        | \$903,594          | \$1,000,000  | 0                     | 1000000            | -\$1,000,000       |
| 2028 | 2          | (41)               | -39   | \$96,406        | -\$96,406          | \$0          | 0                     | 1000000            | -\$1,000,000       |
| 2029 | 2          | (39)               | -37   | \$96,406        | -\$1,096,406       | -\$1,000,000 | 0                     | 1000000            | -\$1,000,000       |
| 2030 | 2          | (31)               | -29   | \$96,406        | -\$1,096,406       | -\$1,000,000 | 0                     | 1000000            | -\$1,000,000       |
| 2031 | 2          | (27)               | -25   | \$96,406        | -\$1,096,406       | -\$1,000,000 | 0                     | 1000000            | -\$1,000,000       |
| 2032 | 2          | (18)               | -16   | \$96,406        | -\$1,096,406       | -\$1,000,000 | 0                     | 1000000            | -\$1,000,000       |
| 2033 | 2          | (12)               | -10   | \$96,406        | -\$96,406          | \$0          | 0                     | 1000000            | -\$1,000,000       |
| 2034 | 2          | (4)                | -2    | \$96,406        | -\$96,406          | \$0          | 0                     | 1000000            | -\$1,000,000       |
| 2035 | 2          | 0                  | 2     | \$96,406        | \$903,594          | \$1,000,000  | 0                     | 1000000            | -\$1,000,000       |
| 2036 | 2          | 6                  | 8     | \$96,406        | \$903,594          | \$1,000,000  | 0                     | 1000000            | -\$1,000,000       |
| 2037 | 2          | 10                 | 12    | \$96,406        | \$903,594          | \$1,000,000  | 0                     | 0                  | \$0                |
| 2038 | 2          | 6                  | 8     | \$96,406        | \$1,903,594        | \$2,000,000  | 0                     | 0                  | \$0                |
| 2039 | 2          | 14                 | 16    | \$96,406        | \$2,903,594        | \$3,000,000  | 0                     | 0                  | \$0                |
| 2040 | 2          | 12                 | 14    | \$96,406        | \$2,903,594        | \$3,000,000  | 0                     | 0                  | \$0                |
| 2041 | 2          | 18                 | 20    | \$96,406        | \$2,903,594        | \$3,000,000  | 0                     | 0                  | \$0                |
| 2042 | 2          | 12                 | 14    | \$96,406        | \$2,903,594        | \$3,000,000  | 0                     | 0                  | \$0                |
| 2043 | 2          | 8                  | 10    | \$96,406        | \$3,903,594        | \$4,000,000  | 0                     | 0                  | \$0                |
| 2044 | 2          | 4                  | 6     | \$96,406        | \$3,903,594        | \$4,000,000  | 0                     | 0                  | \$0                |
| 2045 | 2          | 12                 | 14    | \$96,406        | \$3,903,594        | \$4,000,000  | 0                     | 0                  | \$0                |
| 2046 | 2          | 8                  | 10    | \$96,406        | \$3,903,594        | \$4,000,000  | 0                     | 0                  | \$0                |
| 2047 | 2          | 18                 | 20    | \$96,406        | \$4,903,594        | \$5,000,000  | 0                     | 0                  | \$0                |
| 2048 | 2          | 18                 | 20    | \$96,406        | \$5,903,594        | \$6,000,000  | 0                     | 0                  | \$0                |
|      |            |                    |       |                 |                    | <b>Total</b> | <b>\$12,000,000</b>   | <b>\$9,000,000</b> | <b>\$3,000,000</b> |
|      |            |                    |       |                 |                    |              | <b>\$10,111,798</b>   | is greater than    | <b>\$7,901,087</b> |

**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

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 250LB 8me 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 250LB 8me LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “Throughout the United States the production of renewable energy has been increasing as the cost of these systems has decreased and technological advancements have improved efficiency. In 2019, Texas ranked 4th in installed solar capacity.<sup>1</sup> The state’s geographic position and containment of several large population centers has made Texas a favorable location for renewable energy development.”
  - B. “Renewable energy developers face many challenges in the determination of project location—one of these factors being the selection of an area where the greatest return on investment can be achieved. There are several factors that contribute to Texas favorability for development, one however that does not is the state’s notoriously high property tax burden—ranking in the top 10 across the United States.”
  - C. “An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed. In the event an appraised value limitation agreement is not received by 250LB 8me LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured, namely New Mexico, Oklahoma, California, Arizona, Nevada, or Utah—all areas where 8minute Solar Energy is currently active as well. Thus, an appraised value limitation agreement between 250LB 8me LLC and Academy Independent School District is the determining factor in the decision to locate this facility within the state of Texas.”
- Comptroller Research:

- A. 8minute Solar Energy has a website available at <https://www.8minute.com/>. The website states “8minute has executed over two dozen power purchase agreements (PPAs) across California, Texas and the Southwest to date, including multiple projects with the largest utilities in California and Nevada. 8minute is known for pushing the industry to new heights. Our project portfolio includes the largest solar cluster in the nation, the first operating project to beat fossil fuel prices, and the lowest-cost solar-plus-storage project in history. Now, we’re building on this success and expanding our footprint with greenfield projects throughout California, Texas and the Southwestern United States.”
- B. An article from “*Newsbank*” dated December 23, 2020 stated, “The expanded facility will help 8minute accelerate the development of its growing pipeline, which includes more than 18-gigawatts (GW) of solar capacity and 24-gigawatthours (GWh) of storage throughout California, Texas, and the Southwestern United States.”
- Provided by the Applicant:
  - A. This project has been known by no other names.
  - B. The IGNR# for this project is 23INR0070, and this number was assigned on July 30, 2020.

**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

Texas Comptroller of Public Accounts

Data Analysis and  
Transparency  
Form 50-296-A

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.

SECTION 9: Projected Timeline

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement ..... April 1, 2021
  2. Estimated commencement of construction ..... October 1, 2022
  3. Beginning of qualifying time period (MM/DD/YYYY) ..... January 1, 2023
  4. First year of limitation (MM/DD/YYYY) ..... January 1, 2024
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
- A. January 1 following the application date       B. January 1 following the end of QTP
- C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations ..... December 31, 2023

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Bell County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Bell CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property?  Yes  No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 

|  |  |
|--|--|
| M&O (ISD): <u>Academy, .97; 100%</u><br><small>(Name, tax rate and percent of project)</small><br><br>County: <u>Bell, .4208; 100%</u><br><small>(Name, tax rate and percent of project)</small><br><br>Hospital District: <u>N/A</u><br><small>(Name, tax rate and percent of project)</small><br><br>Other (describe): <u>Elm Creek Watershed, .0327; 100%</u><br><small>(Name, tax rate and percent of project)</small> | I&S (ISD): <u>Academy, .2795; 100%</u><br><small>(Name, tax rate and percent of project)</small><br><br>City: <u>N/A</u><br><small>(Name, tax rate and percent of project)</small><br><br>Water District: <u>Clearwater UWCD, .00357; 100%</u><br><small>(Name, tax rate and percent of project)</small><br><br>Other (describe): <u>Bell County Road, .0292; 100%</u><br><small>(Name, tax rate and percent of project)</small> |
|--|--|

# **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*

Throughout the United States the production of renewable energy has been increasing as the cost of these systems has decreased and technological advancements have improved efficiency. In 2019, Texas ranked 4<sup>th</sup> in installed solar capacity.<sup>1</sup> The state's geographic position and containment of several large population centers has made Texas a favorable location for renewable energy development.

Renewable energy developers face many challenges in the determination of project location—one of these factors being the selection of an area where the greatest return on investment can be achieved. There are several factors that contribute to Texas favorability for development, one however that does not is the state's notoriously high property tax burden—ranking in the top 10 across the United States.

An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed. In the event an appraised value limitation agreement is not received by 250LB 8me LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured, namely New Mexico, Oklahoma, California, Arizona, Nevada, or Utah—all areas where 8minute Solar Energy is currently active as well. Thus, an appraised value limitation agreement between 250LB 8me LLC and Academy Independent School District is the determining factor in the decision to locate this facility within the state of Texas.

**Please note: The IGNR# for this project is 23INR0070, and this number was assigned on July 30, 2020. Additionally, this project is not known by any other names.**

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<sup>1</sup> U.S. Energy Information Administration

# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller

## #TWO

# Established success, at scale



8minute has executed over two dozen power purchase agreements (PPAs) across California, Texas and the Southwest to date, including multiple projects with the largest utilities in California and Nevada.



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## Our Record-Breaking Portfolio

8minute is known for pushing the industry to new heights. Our project portfolio includes the largest solar cluster in the nation, the first operating project to beat fossil fuel prices, and the lowest-cost solar-plus-storage project in history. Now, we're building on this success and expanding our footprint with greenfield projects throughout California, Texas and the Southwestern United States.

8minute has one of the largest project pipelines in the country, including more than 50 utility-scale projects in various stages. With over 18 gigawatts (GW) of solar and 24 gigawatt-hours (GWh) of storage under development, our pipeline will generate enough power for 20 million Americans and offset two gigatons of carbon emissions – equivalent to planting 1.1 million trees every day for 10 years. Driven by a commitment to technology and engineering innovations, 8minute continues to raise the bar for cost leadership with new record-setting deals, including our next generation solar power plants with energy storage. We're proving that day or night, solar energy can be the cheapest, most reliable form of electricity in a utility's portfolio.

**8minute Solar Energy Upsizes Letter of Credit - Energy Monitor Worldwide (Amman, Jordan) - December 23, 2020**

December 23, 2020 | Energy Monitor Worldwide (Amman, Jordan)

-After securing a \$225 million letter of credit and revolving credit facility earlier this year, **8minute Solar Energy (8minute)** has significantly upsized that facility to a total of \$350 million with support from new lenders. The additional \$125 million in commitments comes from the existing lenders who are joined by Deutsche Bank, Landesbank Hessen-Thüringen (Helaba), and Norddeutsche Landesbank (NORD/LB). The expanded facility will help **8minute** accelerate the development of its growing pipeline, which includes more than 18-gigawatts (GW) of solar capacity and 24-gigawatt-hours (GWh) of storage throughout California, Texas, and the Southwestern United States.

Over the last year, **8minute** has been very successful in growing and contracting our best-in-class portfolio through smart solar-plus-storage power plants that are the lowest-cost, most reliable way to decarbonize our electrical grid, said Dr. Tom Buttgenbach, Founder and CEO of **8minute**. This additional financing is not only a strong testament to the demand for 8minutes technological leadership, but also a sign that lenders are moving away from risky and volatile fossil fuel infrastructure, toward the predictability of clean energy.

In May, **8minute** closed the initial facility from a consortium of banks, led by CIT as sole coordinating lead arranger, with joint lead arrangers KeyBanc Capital Markets, HSBC, Rabobank and Nomura. **8minute** is using the facility to cost effectively post securities for its power purchase agreements (PPAs) and interconnection agreements.

**8minute** has one of the largest development pipelines of solar and solar-plus-storage projects in the country, including more than 50 utility-scale projects in various stages of development, with a typical project size of 400 MW. Most of these projects will deploy 8minutes new generation of highly efficient solar power plants with energy storage that are custom designed for each customer.

This year alone, **8minute** signed about one-gigawatt of solar and 800-megawatt-hours (MWh) of storage with new customers, including its first project in New Mexico and the largest solar and storage center among Californias Community Choice Aggregators (CCAs).

Latham & Watkins LLP represented **8minute** and Norton Rose Fulbright LLP represented the lenders. © 2020 Global Data Point. All Rights Reserved. Provided by SyndiGate Media Inc. (Syndigate.info).