

**GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS**

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

December 13, 2022

**AMENDED COMPLETENESS,  
CERTIFICATE & AGREEMENT  
APPROVAL**

Brent Hawkins  
Superintendent  
Livingston Independent School District  
P.O. Box 1297  
Livingston, Texas 77351

Re: Amendment Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Livingston Independent School District and Lone Spur Solar Energy LLC, Application 1569

Dear Superintendent Hawkins:

This application (Application 1569) was originally submitted on March 1, 2021, to the Livingston Independent School District (school district) by Lone Spur Solar Energy LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> On April 9, 2021, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on June 3, 2021. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on November 15, 2021.

On October 4, 2022, the Comptroller received an amendment to the agreement to defer the start of the qualifying time period from 2024 to 2025, defer the start of the limitation from 2025 to 2027 and increase investment and, subsequently, determined that it includes the information necessary to be determined as complete. 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.

<sup>1</sup> 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 approves changes to the certificate for a limitation on appraised value for the amendment.

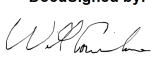
The Comptroller's review of the amended application and amended agreement assumes the accuracy and completeness of the statements in the amendment. If the amendment is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) and all amendments, 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 approval is no longer valid if the information presented in the amendment changes, or the amended limitation agreement does not conform to the amended application. Additionally, this approval is contingent on the school district approving and executing the amendment to the agreement by **December 31, 2022**.

This office has also been provided with the Amended Agreement for Limitation on Appraised Value. As requested, the amendment to the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1). Based on our review, this office concludes that the agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact John Villarreal, Manager, Data Analysis & Transparency, by email at [john.villarreal@cpa.texas.gov](mailto:john.villarreal@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 3-5241, or at 512-463-5241.

Sincerely,

DocuSigned by:  
  
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Will Counihan

Director  
Data Analysis & Transparency

cc: Kevin O'Hanlon, O'Hanlon, Demerath & Castillo  
Julia Kimmerly, Invenergy LLC  
Patrick Breslin, Invenergy LLC  
Evan Horn, Ernst & Young LLP

## Amended Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Lone Spur Solar Energy LLC (project) applying to Livingston 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 Lone Spur Solar Energy LLC.

	Original	Amendment No. 1
Applicant	Lone Spur Solar Energy LLC	Lone Spur Solar Energy LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar	Renewable Energy - Solar
School District	Livingston ISD	Livingston ISD
2019-2020 Average Daily Attendance	3,570	3,570
County	Polk	Polk
Proposed Total Investment in District	\$100,000,000	\$148,380,000
Proposed Qualified Investment	\$100,000,000	\$148,380,000
Limitation Amount	\$20,000,000	\$20,000,000
Qualifying Time Period (Full Years)	2024-2025	2025-2026
Number of new qualifying jobs committed to by applicant	1*	1*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$926.46	\$926.46
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$926.45	\$926.45
Minimum annual wage committed to by applicant for qualified jobs	\$48,176.00	\$48,176.00
Minimum weekly wage required for non-qualifying jobs	\$812.25	\$812.25
Minimum annual wage required for non-qualifying jobs	\$42,237.00	\$42,237.00
Investment per Qualifying Job	\$100,000,000	\$148,380,000
Estimated M&O levy without any limit (15 years)	\$5,144,378	\$8,670,195
Estimated M&O levy with Limitation (15 years)	\$2,854,081	\$3,674,364
Estimated gross M&O tax benefit (15 years)	\$2,290,297	\$4,995,831

\* 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 Lone Spur Solar Energy LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2026	250	269	519	\$12,500,000	\$31,823,470	\$44,323,470
2027	1	21	22	\$48,176	\$5,223,416	\$5,271,592
2028	1	14	15	\$48,176	\$3,790,385	\$3,838,561
2029	1	2	3	\$48,176	\$2,155,028	\$2,203,204
2030	1	(4)	-3	\$48,176	\$1,137,309	\$1,185,485
2031	1	(6)	-5	\$48,176	\$566,354	\$614,530
2032	1	(6)	-5	\$48,176	\$296,205	\$344,381
2033	1	(5)	-4	\$48,176	\$231,698	\$279,874
2034	1	(3)	-2	\$48,176	\$283,987	\$332,163
2035	1	(1)	0	\$48,176	\$429,238	\$477,414
2036	1	1	2	\$48,176	\$592,758	\$640,934
2037	1	2	3	\$48,176	\$735,399	\$783,575
2038	1	3	4	\$48,176	\$885,440	\$933,616
2039	1	4	5	\$48,176	\$1,015,066	\$1,063,242
2040	1	4	5	\$48,176	\$1,111,393	\$1,159,569
2041	1	4	5	\$48,176	\$1,175,587	\$1,223,763

Source: CPA REMI, Lone Spur Solar 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		Livingston ISD I&S Tax Levy	Livingston ISD M&O Tax Levy	Livingston ISD M&O and I&S Tax Levies	Polk County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2550	1.0547		0.6461	
2027	\$130,958,407	\$130,958,407		\$333,944	\$1,381,218	\$1,715,162	\$846,122	\$2,561,285
2028	\$113,857,078	\$113,857,078		\$290,336	\$1,200,851	\$1,491,186	\$735,631	\$2,226,817
2029	\$97,168,067	\$97,168,067		\$247,779	\$1,024,832	\$1,272,610	\$627,803	\$1,900,413
2030	\$80,957,434	\$80,957,434		\$206,441	\$853,858	\$1,060,300	\$523,066	\$1,583,365
2031	\$65,331,714	\$65,331,714		\$166,596	\$689,054	\$855,649	\$422,108	\$1,277,758
2032	\$54,197,872	\$54,197,872		\$138,205	\$571,625	\$709,830	\$350,172	\$1,060,002
2033	\$42,174,641	\$42,174,641		\$107,545	\$444,816	\$552,361	\$272,490	\$824,852
2034	\$29,676,000	\$29,676,000		\$75,674	\$312,993	\$388,667	\$191,737	\$580,403
2035	\$29,676,000	\$29,676,000		\$75,674	\$312,993	\$388,667	\$191,737	\$580,403
2036	\$29,676,000	\$29,676,000		\$75,674	\$312,993	\$388,667	\$191,737	\$580,403
2037	\$29,676,000	\$29,676,000		\$75,674	\$312,993	\$388,667	\$191,737	\$580,403
2038	\$29,676,000	\$29,676,000		\$75,674	\$312,993	\$388,667	\$191,737	\$580,403
2039	\$29,676,000	\$29,676,000		\$75,674	\$312,993	\$388,667	\$191,737	\$580,403
2040	\$29,676,000	\$29,676,000		\$75,674	\$312,993	\$388,667	\$191,737	\$580,403
2041	\$29,676,000	\$29,676,000		\$75,674	\$312,993	\$388,667	\$191,737	\$580,403
			Total	\$2,096,236	\$8,670,195	\$10,766,431	\$5,311,286	\$16,077,717

Source: CPA, Lone Spur Solar Energy LLC

\*Tax Rate per \$100 Valuation

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

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		Livingston ISD I&S Tax Levy	Livingston ISD M&O Tax Levy	Livingston ISD M&O and I&S Tax Levies	Polk County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2550	1.0547		0.6461	
2027	\$130,958,407	\$20,000,000		\$333,944	\$210,940	\$544,884	\$846,122	\$1,391,006
2028	\$113,857,078	\$20,000,000		\$290,336	\$210,940	\$501,276	\$735,631	\$1,236,906
2029	\$97,168,067	\$20,000,000		\$247,779	\$210,940	\$458,719	\$627,803	\$1,086,521
2030	\$80,957,434	\$20,000,000		\$206,441	\$210,940	\$417,381	\$523,066	\$940,447
2031	\$65,331,714	\$20,000,000		\$166,596	\$210,940	\$377,536	\$422,108	\$799,644
2032	\$54,197,872	\$20,000,000		\$138,205	\$210,940	\$349,145	\$350,172	\$699,317
2033	\$42,174,641	\$20,000,000		\$107,545	\$210,940	\$318,485	\$272,490	\$590,976
2034	\$29,676,000	\$20,000,000		\$75,674	\$210,940	\$286,614	\$191,737	\$478,350
2035	\$29,676,000	\$20,000,000		\$75,674	\$210,940	\$286,614	\$191,737	\$478,350
2036	\$29,676,000	\$20,000,000		\$75,674	\$210,940	\$286,614	\$191,737	\$478,350
2037	\$29,676,000	\$29,676,000		\$75,674	\$312,993	\$388,667	\$191,737	\$580,403
2038	\$29,676,000	\$29,676,000		\$75,674	\$312,993	\$388,667	\$191,737	\$580,403
2039	\$29,676,000	\$29,676,000		\$75,674	\$312,993	\$388,667	\$191,737	\$580,403
2040	\$29,676,000	\$29,676,000		\$75,674	\$312,993	\$388,667	\$191,737	\$580,403
2041	\$29,676,000	\$29,676,000		\$75,674	\$312,993	\$388,667	\$191,737	\$580,403
			Total	\$2,096,236	\$3,674,364	\$5,770,600	\$5,311,286	\$11,081,885
			Diff	\$0	\$4,995,831	\$4,995,831	\$0	\$4,995,831
Assumes School Value Limitation.								

Source: CPA, Lone Spur Solar 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.

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

This represents the Comptroller's determination that Lone Spur Solar Energy 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)
<b>Limitation Pre-Years</b>	2024	\$0	\$0	\$0	\$0
	2025	\$0	\$0	\$0	\$0
	2026	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2027	\$210,940	\$210,940	\$1,170,278	\$1,170,278
	2028	\$210,940	\$421,880	\$989,911	\$2,160,189
	2029	\$210,940	\$632,820	\$813,892	\$2,974,081
	2030	\$210,940	\$843,760	\$642,918	\$3,616,999
	2031	\$210,940	\$1,054,700	\$478,114	\$4,095,112
	2032	\$210,940	\$1,265,640	\$360,685	\$4,455,797
	2033	\$210,940	\$1,476,580	\$233,876	\$4,689,673
	2034	\$210,940	\$1,687,520	\$102,053	\$4,791,726
	2035	\$210,940	\$1,898,460	\$102,053	\$4,893,779
	2036	\$210,940	\$2,109,400	\$102,053	\$4,995,831
<b>Maintain Viable Presence (5 Years)</b>	2037	\$312,993	\$2,422,393	\$0	\$4,995,831
	2038	\$312,993	\$2,735,386	\$0	\$4,995,831
	2039	\$312,993	\$3,048,378	\$0	\$4,995,831
	2040	\$312,993	\$3,361,371	\$0	\$4,995,831
	2041	\$312,993	\$3,674,364	\$0	\$4,995,831
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2042	\$312,993	\$3,987,357	\$0	\$4,995,831
	2043	\$312,993	\$4,300,349	\$0	\$4,995,831
	2044	\$312,993	\$4,613,342	\$0	\$4,995,831
	2045	\$312,993	\$4,926,335	\$0	\$4,995,831
	2046	\$312,993	\$5,239,328	\$0	\$4,995,831
	2047	\$312,993	\$5,552,320	\$0	\$4,995,831
	2048	\$312,993	\$5,865,313	\$0	\$4,995,831
	2049	\$312,993	\$6,178,306	\$0	\$4,995,831
	2050	\$312,993	\$6,491,299	\$0	\$4,995,831
	2051	\$312,993	\$6,804,292	\$0	\$4,995,831
		<b>\$6,804,292</b>	is greater than	<b>\$4,995,831</b>	
<b>Analysis Summary</b>					
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?					<b>Yes</b>

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, Lone Spur Solar Energy 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.