FINDINGS
of the
ROOSEVELT INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES

Under Chapter 313 of the Texas Tax Code

ON THE APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY

SUBMITTED BY

LEPRINO FOODS COMPANY

Comptroller Application Number 1611

August 23, 2021

RESOLUTION AND FINDINGS OF FACT
of the
ROOSEVELT INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY
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STATE OF TEXAS §
§
ROOSEVELT INDEPENDENT SCHOOL DISTRICT §

PREAMBLE

On the 23rd day of August, 2021, a public meeting of the Board of Trustees of the Roosevelt Independent School District (the "Board") was held to solicit input from interested parties on the application by Leprino Foods Company ("Leprino" or "Applicant") for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board considered the application by Leprino for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District's administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller's Economic Impact Analysis under Texas Tax Code §313.026, the Board of Trustees of the Roosevelt Independent School District, in accordance with Texas Tax Code §313.025(e) and (f) and 34 T.A.C. §9.1054, makes the following Findings regarding the Application:

On or about the 25th day of May, 2021, the Superintendent, on behalf of Roosevelt Independent School District, received an Application for Appraised Value Limitation on Qualified Property from Leprino pursuant to Chapter 313 of the Texas Tax Code (the "Application"). The general nature of Applicant's investment in qualified property set forth in the Application is for a manufacturing facility, and specifically a new 850,000 square foot dairy products manufacturing facility ("Property"). *See* Application, page 4, Section 6.2(5), and Tabs 4, 7 and 8, attached hereto as part of Attachment A; *see also* Attachment D. The Board agreed to consider such Application on May 25, 2021, and the District's Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon the District's determination that the Application was complete. The Comptroller acknowledged receipt of the Application on or about June 1, 2021. Thereafter, on behalf of Applicant, the District submitted Amendment No. 1 dated June 15, 2021 ((§6, Tabs 3, 4, 7, 8, 11 and Schedules A2 and C). The Comptroller determined the Application complete on June 24, 2021, the Application Review Start Date. Thereafter, the District on behalf of Applicant, submitted Supplement No. dated July 27, 2021 (§7 and Tab 8); and, Supplement No. 2 dated August 13, 2021 (Tab 16). The Application, Amendment No. 1, and Supplement Nos. 1 and 2 are hereafter collectively referred to as the "Application." A copy of the Application and Comptroller's completeness letter of June 24, 2021 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Leprino is 32079092204. Leprino is an entity subject to Chapter 171 of the Texas Tax Code and is active and has the right to transact business in Texas, as represented by the Texas Comptroller of Public Accounts and as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

The Board acknowledged receipt of the Application and necessary large project application fee, which was reasonable and did not exceed the estimated cost to the District for processing and acting on the Application, as established by §§313.025(a)(1) and 313.031(b) of the Texas Tax Code, 34 T.A.C. §9.1054(a), and Local District Policy. *See* Attachment A at Tab 2.

The Application was delivered to the Texas Comptroller's Office for review pursuant to §313.025(b) of the Texas Tax Code.

A copy of the Application was delivered to the Lubbock County Appraisal District for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.024, 313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an Economic Impact Analysis to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on August 2, 2021 that the Application be approved (the "Certificate Decision"). *See* Attachment C. The Board of Trustees has carefully considered such Evaluation and Certificate Decision. Copies of the Certificate Decision and Economic Impact Analysis are attached to these Findings as Attachments C and D, respectively.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Roosevelt Independent School District. A copy of a report prepared by McDowell School Finance Consulting, LLC and dated July 17, 2021, is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of industrial property applicable to the Leprino Application in the Roosevelt Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, fell within Category 4 of §313.022 of the Texas Tax Code at the time the Certificate Decision was issued. *See* the 2020 Final Property Value Study Report, "2020 ISD Summary Worksheet," attached hereto as Attachment G; *see also* Attachment D.

After receipt of the completed Application, the District entered into negotiations with Leprino regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the "Agreement") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District pursuant to Section 48.256(d) of the Texas Education Code. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted (Form 50-826, revised October,

2020). The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement (as defined by 34. Tex. Admin. Code §9.1051 and adopted by §9.1052(a)(6)) was submitted to and approved by the Comptroller, as required by 34 Tex. Admin. Code §9.1055(e)(1). *See* copy of August 18, 2021, Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller's Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of Leprino's Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

Board Finding Number 1.

> ***Based on the Application and the Comptroller's Certificate Decision, the Property meets the requirements of Texas Tax Code §313.024 for eligibility for a limitation on appraised value under Texas Tax Code §313.024(b)(1) as a manufacturing facility project.***

In support of Finding Number 1, the Comptroller's Certificate Decision states:

> **Determination required by 313.025(h)**
>
> * * *
>
> Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.
>
> * * *
>
> 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.

See Attachment C. *See also* Attachment A (Tab 1, §6.2(5) and Tabs 4 and 8) and Attachment D.

Board Finding Number 2.

> ***The project proposed by Applicant is reasonably likely to generate sufficient tax revenue to offset the 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.***

In support of Finding Number 2, the Certificate Decision states:

> **Certification 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.

See Attachment C.

Also in support of Finding Number 2, the Comptroller's Economic Impact Analysis states:

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

This [table] represents the Comptroller's determination that Leprino Foods Company (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)
Limitation Pre-Years	2022	$0	$0	$0	$0
	2023	$11,117	$11,117	$0	$0
	2024	$255,543	$266,660	$0	$0
Limitation Period (10 Years)	2025	$421,880	$688,540	$3,730,226	$3,730,226
	2026	$421,880	$1,110,420	$6,066,896	$9,797,123
	2027	$421,880	$1,532,300	$5,981,721	$15,778,843
	2028	$421,880	$1,954,180	$5,759,895	$21,538,739
	2029	$421,880	$2,376,060	$5,396,025	$26,934,763
	2030	$421,880	$2,797,940	$5,051,007	$31,985,771
	2031	$421,880	$3,219,820	$4,736,996	$36,722,767
	2032	$421,880	$3,641,700	$4,329,182	$41,051,949
	2033	$421,880	$4,063,580	$3,960,898	$45,012,847
	2034	$421,880	$4,485,460	$3,651,910	$48,664,757
Maintain Viable Presence (5 Years)	2035	$3,625,836	$8,111,296	$0	$48,664,757
	2036	$3,232,072	$11,343,367	$0	$48,664,757
	2037	$3,039,823	$14,383,191	$0	$48,664,757
	2038	$2,608,162	$16,991,353	$0	$48,664,757
	2039	$2,618,760	$19,610,113	$0	$48,664,757
Additional Years as Required by 313.026(c)(1) (10 Years)	2040	$2,454,096	$22,064,209	$0	$48,664,757
	2041	$2,506,380	$24,570,589	$0	$48,664,757
	2042	$2,533,949	$27,104,538	$0	$48,664,757
	2043	$2,550,477	$29,655,016	$0	$48,664,757
	2044	$2,570,431	$32,225,447	$0	$48,664,757
	2045	$2,590,464	$34,815,911	$0	$48,664,757
	2046	$2,610,576	$37,426,488	$0	$48,664,757
	2047	$2,636,459	$40,062,946	$0	$48,664,757
	2048	$2,583,730	$42,646,676	$0	$48,664,757
	2049	$2,532,055	$45,178,731	$0	$48,664,757
		$45,178,731	is less than	**$48,664,757**	

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

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, Leprino Foods Company

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2022	336	303	639	$18,480,000	$28,520,000	$47,000,000	2240000	-1200000	$3,440,000
2023	362	343	705.08	$19,910,000	$36,360,000	$56,270,000	2500000	-830000	$3,330,000
2024	589	544	1133	$32,395,000	$60,985,000	$93,380,000	4160000	-1150000	$5,310,000
2025	348	347	695	$18,890,000	$46,300,000	$65,190,000	2900000	440000	$2,460,000
2026	107	123	230	$5,285,000	$23,645,000	$28,930,000	1370000	1650000	-$280,000
2027	100	88	188	$4,500,000	$18,450,000	$22,950,000	1200000	1690000	-$490,000
2028	300	263	563	$13,500,000	$34,600,000	$48,100,000	2430000	840000	$1,590,000
2029	300	274	574	$13,500,000	$37,770,000	$51,270,000	2560000	1040000	$1,520,000
2030	300	276	576	$13,500,000	$40,460,000	$53,960,000	2560000	1180000	$1,380,000
2031	300	276	576	$13,500,000	$41,920,000	$55,420,000	2570000	1310000	$1,260,000
2032	300	280	580	$13,500,000	$44,120,000	$57,620,000	2680000	1420000	$1,260,000
2033	300	278	578	$13,500,000	$45,830,000	$59,330,000	2740000	1510000	$1,230,000
2034	300	276	576	$13,500,000	$48,270,000	$61,770,000	2760000	1650000	$1,110,000
2035	300	268	568	$13,500,000	$49,000,000	$62,500,000	2620000	1730000	$890,000
2036	300	259	559	$13,500,000	$49,980,000	$63,480,000	2580000	1790000	$790,000
2037	300	257	557	$13,500,000	$51,930,000	$65,430,000	2660000	1880000	$780,000
2038	300	251	551	$13,500,000	$53,880,000	$67,380,000	2690000	1970000	$720,000
2039	300	253	553	$13,500,000	$56,570,000	$70,070,000	2610000	1990000	$620,000
2040	300	247	547	$13,500,000	$57,540,000	$71,040,000	2550000	2010000	$540,000
2041	300	249	549	$13,500,000	$59,990,000	$73,490,000	2690000	2040000	$650,000
2042	300	255	555	$13,500,000	$63,890,000	$77,390,000	2750000	2110000	$640,000
2043	300	255	555	$13,500,000	$67,550,000	$81,050,000	2780000	2180000	$600,000
2044	300	253	553	$13,500,000	$71,460,000	$84,960,000	2760000	2280000	$480,000
2045	300	255	555	$13,500,000	$71,950,000	$85,450,000	2760000	2270000	$490,000
2046	300	255	555	$13,500,000	$76,340,000	$89,840,000	2780000	2380000	$400,000
2047	300	253	553	$13,500,000	$80,250,000	$93,750,000	2820000	2450000	$370,000
2048	300	257	557	$13,500,000	$84,160,000	$97,660,000	2900000	2460000	$440,000
2049	300	259	559	$13,500,000	$88,060,000	$101,560,000	3050000	2520000	$530,000
						Total	**$73,670,000**	**$41,610,000**	**$32,060,000**
							$77,238,731	is greater than	**$48,664,757**

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

See Attachment D (at Attachment B thereof).

Board Finding Number 3.

The Applicant will create twenty-five (25) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; (3) pay an annual wage of $45,000 ($865[1] per week), an amount equal to at least 110% of the County average weekly wage for manufacturing jobs in the Region as defined under §313.021(5)(B); (4) are not created to replace a previous employee; and (5) are not transferred from another area of Texas to the project described the Application.

See Attachments A, D and J.

[1] The weekly salary recited in Comptroller's Economic Impact Analysis is calculated from the annual wage committed to by the Applicant ($45,000), which is greater than the minimum annual wage of $43,392.80 and minimum weekly wage of $834.48. *See* Application (Tab 1, §14#4.c, #6 and #7).

Board Finding Number 4.

The Applicant does not intend to create any non-qualifying jobs.

In its application, Applicant indicates that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least $917.25 per week, which exceeds the county average wage for all jobs in the County, in accordance with the provisions of Texas Tax Code §313.024(d). *See* Attachments A and D.

Board Finding Number 5.

Applicant has viable options to locate the proposed manufacturing facility in a location other than Roosevelt ISD and is considering an alternate site in Michigan. Leprino carefully considers the financial aspects of a site in its site selection process, including taxes, infrastructure costs, utility costs and myriad other variables that factor into its final decision. Leprino's ultimate determination for capital investment in a particular country or state depends on the project economics. Therefore, the tax savings realized by the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas and Roosevelt ISD.

See Attachments A (Tab 5) and C.

In support of Finding Number 6, the Comptroller's Certificate states, "[t]he 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.

The Comptroller's Economic Impact Analysis specifically notes the following:

- Per Leprino Foods Company in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "Currently, Leprino does not have a manufacturing presence in Texas but only inventory at 3rd party cold storage warehouses."
  B. "In order for the project to be viable, Leprino must look to state and local partners to find – not only the best site – but the best complete package. Leprino carefully considers the financial aspects of a site in its site selection process, including taxes, infrastructure costs, utility costs, and myriad other variables that factor into Leprino's final decision. No construction contracts have been negotiated or signed to construct the proposed project. Leprino is considering an alternative site in Michigan for this project."
  C. "In the case of the investment on this proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis and a determining factor for investment in Texas.

> Leprino's domestic and global market is very competitive. Without the Chapter 313 value limitation, siting the project in Texas is less attractive. In the current capital constrained environment, the economics of each project are challenged against each other and only the best will have a chance to happen. The applicant requires this appraised value limitation in order to move forward with the potential development of the project."

See Attachment D (at Attachment C thereof).

Board Finding Number 6.

> ***The proposed limitation on appraised value for the qualified property is $40,000,000.***

The Comptroller's Minimum School District Limitation Values Report, effective as of January 1, 2021 when the Application was deemed complete, provides that the District is a Subchapter B, Category 4 District under Texas Tax Code §313.022, with a minimum limitation of $40,000,000 in accordance with Texas Tax Code §313.027(b). *See* Attachments A and D.

Board Finding Number 7.

> ***The revenue gains that will be realized by the school district if the Application is approved and the project is built will be significant in the long term, with special reference to revenues used for supporting school district debt.***

In support of this Finding, McDowell School Finance Consulting, LLC estimates in the District's Financial Impact Report, based on the property values recited in Leprino's Application, that the project would add $615,224,850 to the tax base at the peak investment level for tax year 2026 (school year 2026-2027). The additional project value is fully taxable for debt service taxes and can be used to meet any current or future debt needs serviced by an interest and sinking fund tax of the District. *See* Tables I and II of Attachment E. *See also* Schedule B (Tab 14) of Attachment A, and Table 4 of Attachment D. In addition, the potential revenue gains that the District is eligible to receive as Supplemental Payments provided for in the proposed Agreement are estimated to be $1,470,000. *See* Attachment H at Sections 6.1 and 6.2, and Table VI and Projected Financial Impact summary page at last page of Attachment E.

Board Finding Number 8.

> ***The effect of the Applicant's proposed project is not expected to increase the District's instructional facility needs. Roosevelt ISD can accommodate the student growth anticipated from Applicant's project with its existing facilities.***

In support of this finding, the District's Financial Impact Report states:

> Leprino Foods Company provided supplemental information with their application that projected the number of full-time employees that are expected for permanent

employment after construction of the project is completed. They projected that twenty-five new employees (25 qualifying, 0 non-qualifying). It is not known whether these would be new employees to the Roosevelt ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new twenty-five positions equates to 13 new students.

This projected student growth can be accommodated with the current facilities of Roosevelt ISD….

See Table VII of Attachment E. *See also* TEA's Facilities Impact Review Letter at Attachment F.

Board Finding Number 9.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does not receive a limitation on appraised value, based on the estimated value of the property provided by Applicant, is shown in Table II of Attachment E (column labeled "Taxes w/o Agreement"), and is further based on the assumption that the projected total maintenance and operations tax rate per $100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2023-2024	1.0354	0.253	10,913	0	0	0
2024-2025	1.0354	0.230	250,867	0	0	0
2025-2026	1.0311	0.100	4,059,063	3,646,637	(4,660,132)	(1,013,495)
2026-2027	1.0267	0.074	6,316,709	5,906,016	(2,188,452)	3,717,564
2027-2028	1.0224	0.073	6,207,607	5,798,639	0	5,798,639
2028-2029	1.0181	0.073	5,967,416	5,560,165	0	5,560,165
2029-2030	1.0139	0.075	5,592,603	5,187,060	0	5,187,060
2030-2031	1.0096	0.073	5,238,892	4,835,050	0	4,835,050
2031-2032	1.0054	0.073	4,917,618	4,515,467	0	4,515,467
2032-2033	1.0012	0.073	4,509,915	4,109,448	0	4,109,448
2033-2034	0.9970	0.073	4,142,918	3,744,126	0	3,744,126
2034-2035	0.9928	0.075	3,834,740	3,437,615	0	3,437,615
2035-2036	0.9887	0.078	3,398,811	0	0	0
2036-2037	0.9845	0.000	3,017,052	0	0	0
2037-2038	0.9804	0.000	2,825,754	0	0	0
2038-2039	0.9763	0.000	2,414,382	0	0	0
2039-2040	0.9723	0.000	2,414,091	0	0	0
Totals			**65,119,349**	**46,740,225**	**(6,848,584)**	**39,891,641**

Board Finding Number 10.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value based, on the estimated value of the property provided by the Applicant, is discernible from Table II of Attachment E (subtracting the amounts in the column labeled "Tax Savings with Agreement" from the column labeled "Taxes w/o Agreement"), and is based on the assumption that the projected total maintenance and operations tax rate per $100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
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2033-2034	0.9970	0.073	4,142,918	3,744,126	0	3,744,126
2034-2035	0.9928	0.075	3,834,740	3,437,615	0	3,437,615
2035-2036	0.9887	0.078	3,398,811	0	0	0
2036-2037	0.9845	0.000	3,017,052	0	0	0
2037-2038	0.9804	0.000	2,825,754	0	0	0
2038-2039	0.9763	0.000	2,414,382	0	0	0
2039-2040	0.9723	0.000	2,414,091	0	0	0
Totals			**65,119,349**	**46,740,225**	**(6,848,584)**	**39,891,641**

Board Finding Number 11.

Based upon the Applicant's certification that the Application is true and correct, the Comptroller's Economic Impact Analysis, the Comptroller's Certificate Decision, and the consultants' review of these and other documents, the Board has determined that the information provided by the Applicant in its Application was true and correct when submitted.

Upon acceptance of the Application, the District requested the Comptroller to undertake an economic impact evaluation and retained certain consultants to help the Board determine: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning the economic incentives available are

a determining factor; and, (5) the proposed project meets eligibility requirements for an Agreement under Tax Code Chapter 313.

As a part of its review process, the Board notes that the Application was submitted by Applicant under oath. A Chapter 313 application is a governmental record under Tex. Penal Code §37.01(2)(A), and all representations contained therein are statements of fact within the meaning of Tex. Penal Code §37.01(3). Since Board action upon the adoption of these Findings and the approval of the Agreement (Attachment H) is an "official proceeding," a false statement in the Application would constitute perjury under Texas Penal Code §37.03 and a material breach of the Agreement.

The Board finds that sworn statements are routinely relied upon by fact finders in official governmental proceedings. The Board further finds that reliance upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified, is reasonable and within the intent of Chapter 313, Texas Tax Code. *See* Attachments A, B, C and D.

Board Finding Number 12.

> ***The Applicant (Taxpayer Id. 32079092204) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on the Comptroller's acknowledgment that Applicant's right to transact business in Texas is active as a franchise-tax paying entity subject to taxes imposed by Chapter 171 of the Texas Tax Code.***

See Attachments A, B and C.

Board Finding Number 13.

> ***The project will be located within an area that is currently designated as a reinvestment zone pursuant to Chapter 312 and as permitted by Chapter 313 of the Texas Tax Code. Should it be required, the District will cooperate with the Applicant's efforts to ensure that the area remains designated as a reinvestment zone.***

See Attachment A (Tab 16).

Board Finding Number 14.

> ***Per Applicant's certified application, there is existing property within the project boundary that is not owned by the Applicant. No construction of Qualified Property subject to the Application has begun for the project as of this date, which construction is scheduled to begin in June 2022.***

See Attachment A (§§7.2 and 9.2 of Tab 1).

Board Finding Number 15.

> ***The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, meets all the requirements set out in Texas Tax Code §313.027, including adequate and appropriate revenue protection provisions for the District.***

In support of this Finding and based on the information provided and certified by Applicant in its Application, the District's Financial Impact Analysis demonstrates, pursuant to current school finance law (including Texas Education Code §48.256(d)), that the District is projected to receive a revenue protection payment in tax years 2025 and 2026 (school years 2025-26 and 2026-27) in the estimated total amount of $6,848,584. Therefore, any potential negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District as set out in the Agreement. *See* Table II and last page of Attachment E, and proposed Agreement, Article IV, at Attachment H.

Board Finding Number 16.

> ***The Board finds that there are no conflicts of interest at the time of its consideration of the Agreement.***

In support of this Finding, the Board finds that it has taken appropriate action to ensure that all District Trustees and the Superintendent have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

The Board further finds that it has taken appropriate action to ensure that all applicable District employees and/or consultants have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

The Board further finds that Leprino is a privately held company, and the District is not aware of any conflict as to the Application for which these Findings are being made, as of the time of action on these Findings. *See* Attachment A (Tab 5).

Board Finding Number 17.

> ***Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State to approve Leprino's Application and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.***

See Attachment D.

Board Finding Number 18.

> ***The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller, as of October, 2020, and the Comptroller has verified that the Agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 T.A.C. Chapter 9, Subchapter F.***

See Attachment I.

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Roosevelt Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and (f) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED contemporaneously with these Findings and is hereby authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Roosevelt Independent School District, along with a copy of these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and,

IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Roosevelt Independent School District Board of Trustees.

[*signatures follow on next page*]

Dated this 23rd day of August, 2021.

Roosevelt Independent School District

By _____
Signature

Jim Warnock President
Printed Name and Title

Attest:

By _____
Signature

Monte Vineyard Secretary
Printed Name and Title

LIST OF ATTACHMENTS

Attachment	*Description*
A	Application and Comptroller's Completeness Letter
B	Applicant's Franchise Tax Account Status
C	Comptroller's Certificate Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's 2020 Final Property Value Study Report, "ISD Summary Worksheet"
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's August 18, 2021 Agreement Review Letter

DocuSign Envelope ID: F46CDED9-C022-4CFB-BD68-57FF0B7A38B8

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 24, 2021

Dallas Grimes
Superintendent
Roosevelt Independent School District
1406 County Road 3300
Lubbock TX 79403

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Roosevelt Independent School District and Leprino Foods Company, Application 1611

Dear Superintendent Grimes:

On June 1, 2021, the Comptroller's office received Leprino Foods Company's (applicant) application for a limitation on appraised value (Application 1611) from Roosevelt Independent School District (school district).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on June 24, 2021.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the Comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the school district and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Jo Ann Reyes with our office. She can be reached by email at joann.reyes@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 5-0416 or at 512-475-0416.

Sincerely,

DocuSigned by:
8FDFC70F5753487...

Will Counihan
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm
Mark Benson, Leprino Foods Company
Colleen Kershisnik, Leprino Foods Company
Greg Maxim, Cummings Westlake LLC

See Application documents
(Comptroller No. 1611)
posted on Comptroller Website:
Application (posted 6/17/21);
Amendment No. 1 (posted 6/29/21);
Supplement No. 1 (posted 7/29/21); and
Supplement No. 2 (posted 8/19/21)

Franchise Tax Account Status

As of : 08/19/2021 14:08:50

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

LEPRINO FOODS COMPANY	
Texas Taxpayer Number	32079092204
Mailing Address	211 E 7TH ST STE 620 AUSTIN, TX 78701-3218
Right to Transact Business in Texas	ACTIVE
State of Formation	CO
Effective SOS Registration Date	05/05/2021
Texas SOS File Number	0804053405
Registered Agent Name	CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

See Certification Packet
(Comptroller No. 1611)
posted on Comptroller Website
(posted on 8/3/21)

See Certification Packet
(Comptroller No. 1611)
posted on Comptroller Website
(posted on 8/3/21)

Summary of the District's Financial Impact of Chapter 313 Agreement with Leprino Foods Company

July 17, 2021

MCDOWELL
School Finance
CONSULTING

Summary of Roosevelt ISD Financial Impact of the Limited Appraised Value Application from Leprino Foods Company

Introduction

Leprino Foods Company applied for a property value limitation from Roosevelt Independent School District under Chapter 313 of the Tax Code. The application was submitted on May 25, 2021 and subsequently approved for consideration by the Roosevelt ISD Board of Trustees. Leprino Foods Company ("Leprino Foods"), is requesting the property value limitation as a "manufacturing" project as listed in Sec. 313.024.(b) of the Tax Code.

"The Economic Development Act ", Tax Code Chapter 313, was created by House Bill 1200 of the 77th Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80th Texas Legislative Session in 2007 and additionally House Bill 3390 from the 83rd Legislative Session.

The Economic Development Act was created to attract qualifying businesses to Texas by allowing school districts the option of approving a property value limitation to these qualifying entities. The purpose of the property value limitation is to reduce the maintenance and operations taxes paid by the company, to a school district during the applicable years as displayed below:

The company must file an application with the school district to qualify for consideration of a Limited Appraised Value Agreement ("LAVA" or "Agreement") to begin the following tax year or a later year if agreed upon by the District and the Company.

Years Prior to Start of Value Limitation Period:

The tax years prior to the start of the value limitation period are considered the "Prior to Start of Value Limitation Period" and the company's school district taxes will be levied at one-hundred percent of the appraised value. The applicant has requested that tax years 2023 & 2024 are the years that are Prior to the Start of Value Limitation Period.

Value Limitation Period:

During the ten years of the Value Limitation Period, the qualifying entity's taxable value will be reduced to the Minimum Limitation Amount for the applicable school district as determined by the State Comptroller's Office. Roosevelt ISD is considered a Non-Rural category 4 District as categorized with total taxable value of industrial property of at least $100 million but less than $500 million. Thus, Roosevelt ISD has a Minimum Qualified Investment amount of $40 million and a Minimum Limitation Amount of $40 million. A qualifying entity's taxable value would be reduced to $40 million during this ten year period of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Roosevelt ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy. The applicant has requested that the Value Limitation Period to begin in tax year 2025 and continue through tax year 2034.

Final Five Years of the Agreement – Continue to Maintain a Viable Presence:

Tax years 2035 through 2039 will be the final five years of the agreement and the applicant agrees to maintain a viable presence with this project during this time.

Taxable Value Projections from Application

The following data shows the projected taxable values that Leprino Foods reported in the application to the District:

	Year	School Year	Tax Year	Projected Taxable Value	Actual Taxable Value with Agreement
Each Year Prior to Start of Value Limitation Period	0	2023-2024	2023	$1,054,000	$1,054,000
	0	2024-2025	2024	$24,229,000	$24,229,000
Value Limitation Period	1	2025-2026	2025	$393,676,506	$40,000,000
	2	2026-2027	2026	$615,224,850	$40,000,000
	3	2027-2028	2027	$607,149,032	$40,000,000
	4	2028-2029	2028	$586,116,942	$40,000,000
	5	2029-2030	2029	$551,617,002	$40,000,000
	6	2030-2031	2030	$518,904,658	$40,000,000
	7	2031-2032	2031	$489,132,076	$40,000,000
	8	2032-2033	2032	$450,465,766	$40,000,000
	9	2033-2034	2033	$415,547,357	$40,000,000
	10	2034-2035	2034	$386,251,051	$40,000,000
Continue to Maintain Viable Presence	11	2035-2036	2035	$343,778,875	$343,778,875
	12	2036-2037	2036	$306,444,653	$306,444,653
	13	2037-2038	2037	$288,216,878	$288,216,878
	14	2038-2039	2038	$247,289,496	$247,289,496
	15	2039-2040	2039	$248,294,318	$248,294,318
Additional Years for 25 Year Economic Impact Study	16	2040-2041	2040	$232,681,912	$232,681,912
	17	2041-2042	2041	$237,639,111	$237,639,111
	18	2042-2043	2042	$240,253,076	$240,253,076
	19	2043-2044	2043	$241,820,181	$241,820,181
	20	2044-2045	2044	$243,712,080	$243,712,080
	21	2045-2046	2045	$245,611,478	$245,611,478
	22	2046-2047	2046	$247,518,376	$247,518,376
	23	2047-2048	2047	$249,972,380	$249,972,380
	24	2048-2049	2048	$244,972,932	$244,972,932
	25	2049-2050	2049	$240,073,474	$240,073,474

Taxable Value Impact from LAVA

The "Additional Value from Leprino Foods" represents the values that the company estimated as their taxable values in the application that was filed with the district. During tax years 2025 through 2034, the company's taxable value will be limited to the $40,000,000 Minimum Limitation Amount of Roosevelt ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Leprino Foods	Minimum Limitation Amount	Abated Value	Taxable Value
Jan. 1, 2023	1,054,000	n/a	0	1,054,000
Jan. 1. 2024	24,229,000	n/a	0	24,229,000
Jan. 1. 2025	393,676,506	(40,000,000)	353,676,506	40,000,000
Jan. 1. 2026	615,224,850	(40,000,000)	575,224,850	40,000,000
Jan. 1. 2027	607,149,032	(40,000,000)	567,149,032	40,000,000
Jan. 1. 2028	586,116,942	(40,000,000)	546,116,942	40,000,000
Jan. 1. 2029	551,617,002	(40,000,000)	511,617,002	40,000,000
Jan. 1. 2030	518,904,658	(40,000,000)	478,904,658	40,000,000
Jan. 1. 2031	489,132,076	(40,000,000)	449,132,076	40,000,000
Jan. 1. 2032	450,465,766	(40,000,000)	410,465,766	40,000,000
Jan. 1. 2033	415,547,357	(40,000,000)	375,547,357	40,000,000
Jan. 1. 2034	386,251,051	(40,000,000)	346,251,051	40,000,000
Jan. 1. 2035	343,778,875	n/a	0	343,778,875
Jan. 1. 2036	306,444,653	n/a	0	306,444,653
Jan. 1, 2037	288,216,878	n/a	0	288,216,878
Jan. 1, 2038	247,289,496	n/a	0	247,289,496
Jan. 1, 2039	248,294,318	n/a	0	248,294,318

Leprino Foods's Tax Benefit from Agreement

The projected amount of the net tax savings for Leprino Foods is $39.9 million over the life of the Agreement. This net savings is after all tax savings and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement.

Roosevelt ISD projected tax rates for maintenance & operations (M&O) and interest & sinking (I&S) are based on the following assumptions:

- The District has held a tax ratification election and the study projects that it will maintain the maximum M&O tax rate allowable that doesn't require an additional voter election for the life of this agreement.
- The district has outstanding bonds that are scheduled to payoff in 2036 and currently have a $.2816 I&S tax rate. This district's annual debt payment is currently approx. $750,000 per year. The debt rates below are calculated rates using the projected taxable values with the addition of Leprino Foods estimated taxable values. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2023-2024	1.0354	0.253	10,913	0	0	0
2024-2025	1.0354	0.230	250,867	0	0	0
2025-2026	1.0311	0.100	4,059,063	3,646,637	(4,660,132)	(1,013,495)
2026-2027	1.0267	0.074	6,316,709	5,906,016	(2,188,452)	3,717,564
2027-2028	1.0224	0.073	6,207,607	5,798,639	0	5,798,639
2028-2029	1.0181	0.073	5,967,416	5,560,165	0	5,560,165
2029-2030	1.0139	0.075	5,592,603	5,187,060	0	5,187,060
2030-2031	1.0096	0.073	5,238,892	4,835,050	0	4,835,050
2031-2032	1.0054	0.073	4,917,618	4,515,467	0	4,515,467
2032-2033	1.0012	0.073	4,509,915	4,109,448	0	4,109,448
2033-2034	0.9970	0.073	4,142,918	3,744,126	0	3,744,126
2034-2035	0.9928	0.075	3,834,740	3,437,615	0	3,437,615
2035-2036	0.9887	0.078	3,398,811	0	0	0
2036-2037	0.9845	0.000	3,017,052	0	0	0
2037-2038	0.9804	0.000	2,825,754	0	0	0
2038-2039	0.9763	0.000	2,414,382	0	0	0
2039-2040	0.9723	0.000	2,414,091	0	0	0
Totals			**65,119,349**	**46,740,225**	**(6,848,584)**	**39,891,641**

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Roosevelt ISD. First, a seventeen year financial forecast was prepared to establish a baseline without the added values of the renewable energy electric generation company. Second, a seventeen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a seventeen year financial forecast was prepared that incorporates the additional taxable value of the company with an approved LAVA. These three forecasts are detailed in the "Calculation of LAVA Impact on District's Finances" section. The following assumptions were used to compare the financial impact of the LAVA:

- The current state funding formulas (in effect for 2020-2021 fiscal year) were used for state aid and recapture calculation purposes
    - Tier I - Basic Allotment of $6,160 multiplied by the number of students in average daily attendance (ADA).
    - Level 1 of Tier II yield - $98.56 - per weighted student in average daily attendance (WADA) per penny of tax effort
    - Level 2 of Tier II yield - $49.28 – per WADA per penny of tax effort
- Use of current year property values for state funding calculations.
- Use of prior year property values for revenue protection payment calculations in accordance with Article IV of the Agreement.
- The district's tax rate for maintenance & operations (M&O) for 2020-21 is 1.0683 and is projected to decrease based on estimated statewide property tax growth. No future tax ratification elections are projected in the calculations.
- An annual taxable value increase of 2.0% was used to project the district's taxable value, except as it related to the requested LAVA. The district's 2020 taxable value was used as a baseline for all projections.
- The district's enrollment is projected to decrease; therefore, the projected ADA and WADA for school year 2020-2021 was decreased by .25% per year for the life of the agreement.

Although these assumptions were used to develop a baseline scenario for comparison purposes, many of these factors will not remain constant for the years of this proposed agreement. Also, Legislative changes to the school finance formulas are almost certain during the life of this agreement.

Calculation of LAVA Impact on District's Finances

The tables displayed below (Table III, IV, V) show the different impacts on the school district's finances. These scenarios were computed to compare the District's revenue without the additional taxable value of Leprino Foods (Table III), the addition of Leprino Foods taxable values without a Chapter 313 Agreement (Table IV), and the addition of Leprino Foods taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Leprino Foods Company:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State Revenue Tier I	State Revenue Tier II	Total State Revenue	Recapture Payment	Total District Revenue
2023-2024	295,649,065	3,037,469	7,810,481	1,387,542	9,198,023	0	12,235,492
2024-2025	301,562,046	3,084,215	7,745,697	1,374,990	9,120,687	0	12,204,902
2025-2026	307,593,287	3,131,937	7,680,475	1,362,342	9,042,817	0	12,174,754
2026-2027	313,745,152	3,180,355	7,618,366	1,349,660	8,968,026	0	12,148,381
2027-2028	320,020,055	3,229,790	7,543,298	1,334,345	8,877,643	0	12,107,433
2028-2029	326,420,457	3,279,630	7,477,143	1,321,323	8,798,466	0	12,078,096
2029-2030	332,948,866	3,330,519	7,409,181	1,307,544	8,716,725	0	12,047,244
2030-2031	339,607,843	3,382,151	7,344,735	1,295,141	8,639,876	0	12,022,027
2031-2032	346,400,000	3,434,536	7,273,136	1,280,989	8,554,125	0	11,988,661
2032-2033	353,328,000	3,487,684	7,203,273	1,265,794	8,469,067	0	11,956,751
2033-2034	360,394,560	3,541,957	7,136,938	1,252,078	8,389,016	0	11,930,973
2034-2035	367,602,451	3,596,665	7,065,523	1,237,284	8,302,807	0	11,899,472
2035-2036	374,954,500	3,652,533	6,990,709	1,222,678	8,213,387	0	11,865,920
2036-2037	382,453,590	3,709,217	6,917,517	1,207,889	8,125,406	0	11,834,623
2037-2038	390,102,662	3,767,109	6,842,243	1,192,372	8,034,615	0	11,801,724
2038-2039	397,904,715	3,825,463	6,767,833	1,175,997	7,943,830	0	11,769,293
2039-2040	405,862,809	3,885,063	6,696,240	1,161,600	7,857,840	0	11,742,903

TABLE IV- District Revenues *with* Leprino Foods Company *without* Chpt. 313 Agreement:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State Revenue Tier I	State Revenue Tier II	Total State Revenue	Recapture Payment	Total District Revenue
2023-2024	296,703,065	3,048,119	7,801,072	1,386,088	9,187,160	0	12,235,279
2024-2025	325,791,046	3,152,397	7,709,656	1,341,577	9,051,233	0	12,203,630
2025-2026	701,269,793	6,468,863	4,819,596	812,159	5,631,755	0	12,100,618
2026-2027	928,970,003	8,517,543	3,022,798	559,915	3,582,713	(63,054)	12,037,202
2027-2028	927,169,087	8,501,128	3,003,429	557,091	3,560,520	(63,565)	11,998,083
2028-2029	912,537,399	8,367,760	3,095,120	565,585	3,660,705	(56,264)	11,972,201
2029-2030	884,565,868	8,112,800	3,291,855	584,531	3,876,386	(41,318)	11,947,868
2030-2031	858,512,501	7,875,324	3,476,830	602,396	4,079,226	(27,318)	11,927,232
2031-2032	835,532,076	7,665,858	3,631,237	617,049	4,248,286	(15,372)	11,898,772
2032-2033	803,793,765	7,376,564	3,857,315	640,623	4,497,938	0	11,874,502
2033-2034	775,941,917	7,122,695	4,057,465	675,938	4,733,403	0	11,856,098
2034-2035	753,853,502	6,921,360	4,206,796	701,680	4,908,476	0	11,829,836
2035-2036	718,733,375	6,601,240	4,456,520	744,813	5,201,333	0	11,802,573
2036-2037	688,898,243	6,329,294	4,667,017	781,128	5,448,145	0	11,777,439
2037-2038	678,319,540	6,232,869	4,724,375	791,025	5,515,400	0	11,748,269
2038-2039	645,194,212	5,930,932	4,960,999	832,792	5,793,791	0	11,724,723
2039-2040	654,157,128	6,012,629	4,867,833	816,707	5,684,540	0	11,697,169

TABLE V – District Revenues *with* Leprino Foods Company *with* Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	Total M&O Taxes	State Revenue Tier I	State Revenue Tier II	Total State Revenue	Recapture Payment	Payment for District Losses	Total District Revenue
2023-2024	296,703,065	3,048,119	7,801,072	1,386,088	9,187,160	0	0	12,235,279
2024-2025	325,791,046	3,152,397	7,709,656	1,341,577	9,051,233	0	0	12,203,630
2025-2026	347,593,287	3,360,013	7,502,757	1,304,942	8,807,699	0	4,660,132	16,827,844
2026-2027	353,745,152	3,418,595	7,430,270	1,292,790	8,723,060	0	2,188,452	14,330,107
2027-2028	360,020,055	3,478,349	7,344,347	1,277,039	8,621,386	0	0	12,099,735
2028-2029	366,420,457	3,539,297	7,266,844	1,264,044	8,530,888	0	0	12,070,185
2029-2030	372,948,866	3,601,465	7,187,692	1,250,332	8,438,024	0	0	12,039,489
2030-2031	379,607,843	3,664,876	7,110,880	1,237,484	8,348,364	0	0	12,013,240
2031-2032	386,400,000	3,729,556	7,026,722	1,223,371	8,250,093	0	0	11,979,649
2032-2033	393,328,000	3,795,529	6,943,759	1,208,254	8,152,013	0	0	11,947,542
2033-2034	400,394,560	3,862,821	6,864,485	1,195,018	8,059,503	0	0	11,922,324
2034-2035	407,602,451	3,931,460	6,778,849	1,180,690	7,959,539	0	0	11,890,999
2035-2036	718,733,375	6,894,254	4,157,527	744,813	4,902,340	0	0	11,796,594
2036-2037	688,898,243	6,610,144	4,380,435	781,128	5,161,563	0	0	11,771,707
2037-2038	678,319,540	6,509,406	4,442,194	791,025	5,233,219	0	0	11,742,625
2038-2039	645,194,212	6,171,835	4,715,180	831,848	5,547,028	0	0	11,718,863
2039-2040	654,157,128	6,231,235	4,644,766	815,776	5,460,542	0	0	11,691,777

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 3 of the 86th Legislative Session and became effective for the 2019-2020 school year. The primary intent of the new legislation is to reduce maintenance & operations "M&O" tax rate and cooperatively reduce district's recapture payments; thus, increasing the State's share of school district funding. The maximum M&O tax rate prior to the Legislative Session was $1.17 and that rate was reduced to a maximum rate of $1.06835 for the 2019-2020 school year. The maximum tax rate is expected to continue to be compressed lower when statewide property values increase at a rate greater than 2.5% per year or also when a school district's property values increase by more than 2.5%. However, a school district's M&O tax rate can't be reduced to a rate lower than 90% of the maximum allowable Tier I rate for the respective year.

Prior to the 86th Legislative Session and the passage of House Bill 3, school finance law required the use of a district's prior year property values for the calculation of property wealth. House Bill 3 changed school finance law and now requires a district's current year property values for the property wealth calculation; however, it also contains language for the calculation of revenue protection payments for Chapter 313 Agreements using prior year values in Section 48.256(d) as follows:

(d) This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner under Section 313.027, Tax Code, for the implementation of a limitation on appraised value under Subchapter B or C, Chapter 313, Tax Code. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Subchapter B or C, Chapter 313, Tax Code, before the expiration of the subchapter. The comptroller shall provide information to the agency necessary for this subsection. A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district's taxable value of property for the preceding tax year.

Supplemental Payments

Assuming that the District and Leprino Foods Company mutually agree in the LAVA that the greater of $100 per student in average daily attendance (ADA) or $50,000, the projected amount of these payments over the life of the agreement is $1,477,260 of the $39.9 million net tax savings amount. This amount will be computed annually according to Section VI of the Agreement.

TABLE VI - Calculation of the Supplemental Payments:

Fiscal Year	Net Tax Savings	Roosevelt ISD Supplemental	Leprino Foods Share
2023-2024	0	98,484	(98,484)
2024-2025	0	98,484	(98,484)
2025-2026	(1,013,495)	98,484	(1,111,979)
2026-2027	3,717,564	98,484	3,619,080
2027-2028	5,798,639	98,484	5,700,155
2028-2029	5,560,165	98,484	5,461,681
2029-2030	5,187,060	98,484	5,088,576
2030-2031	4,835,050	98,484	4,736,566
2031-2032	4,515,467	98,484	4,416,983
2032-2033	4,109,448	98,484	4,010,964
2033-2034	3,744,126	98,484	3,645,642
2034-2035	3,437,615	98,484	3,339,131
2035-2036	0	98,484	(98,484)
2036-2037	0	98,484	(98,484)
2037-2038	0	98,484	(98,484)
2038-2039	0	0	0
2039-2040	0	0	0
2022-2023		0	0
Totals	**39,891,641**	**1,477,260**	**38,414,381**

Impact of Projected Student Growth

On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Roosevelt Elementary	PK-5	33	726	462	264
Roosevelt Jr High	6-8	21	504	258	246
Roosevelt High	9-12	27	648	294	354
	Total	**81**	**1,878**	**1,014**	**864**

The building capacities are based on 22 students per classroom for early education through 5th grade and 24 student per classroom in grades 6-12. Roosevelt ISD is an early-education through 12th grade district.

Leprino Foods Company provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that twenty five new employees (25 qualifying, 0 non-qualifying). It is not known whether these would be new employees to the Roosevelt ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new twenty five positions equates to 13 new students.

This projected student growth can be accommodated with the current facilities of Roosevelt ISD as displayed in Table VII above.

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Leprino Foods Company, would be beneficial to both Leprino Foods and Roosevelt ISD under the current school finance system.

Leprino Foods Company would benefit from reduced property taxes during the ten years of the Value Limitation Period. Although some of the tax savings would be used to offset district's revenue losses and supplemental payments to the District, Leprino Foods is projected to benefit from a 92% tax savings during that ten year period of this Agreement. Leprino Foods also has the option of terminating the Agreement if the amount paid to the District during a tax year following the first year of the Limitation Period is greater than the amount of taxes that would have been paid without the Agreement; therefore, there is limited risk for the company from entering into the Agreement.

Roosevelt ISD would have no inherent risk under the current school finance system and with the provisions in the LAVA that require Leprino Foods to offset any district losses caused by the LAVA. An annual calculation will be performed each year to determine if a loss to the District has been incurred. The revenue impact to the District will be computed by comparing the District's revenues with and without the LAVA in effect.

MCDOWELL
School Finance
CONSULTING

Projected Financial Impact of Chapter 313 Agreement with Leprino Foods Company
As Submitted in Chapter 313 Application

	Year of Agreement	School Year	Tax Year	Project's M&O Taxable Value w/o 313 Agreement	Project's M&O Taxable Value with 313 Agreement	Estimated M&O Tax Rate	Leprino Foods M&O Tax Savings	Roosevelt ISD Estimated Revenue Protection Payments	Estimated Net Tax Benefit under 313 Agreement	Estimated Supplemental Payments	Estimated Net Savings to Company under 313 Agreement
Qualifying Time Period											
	0	2023-2024	2023	$1,054,000	$1,054,000	1.0354	$0	$0	$0	$98,000	-$98,000
	0	2024-2025	2024	$24,229,000	$24,229,000	1.0354	$0	$0	$0	$98,000	-$98,000
Value Limitation Period	1	2025-2026	2025	$393,676,506	$40,000,000	1.0311	$3,646,637	$4,660,132	-$1,013,495	$98,000	-$1,111,495
	2	2026-2027	2026	$615,224,850	$40,000,000	1.0267	$5,906,016	$2,188,452	$3,717,564	$98,000	$3,619,564
	3	2027-2028	2027	$607,149,032	$40,000,000	1.0224	$5,798,639	$0	$5,798,639	$98,000	$5,700,639
	4	2028-2029	2028	$586,116,942	$40,000,000	1.0181	$5,560,165	$0	$5,560,165	$98,000	$5,462,165
	5	2029-2030	2029	$551,617,002	$40,000,000	1.0139	$5,187,060	$0	$5,187,060	$98,000	$5,089,060
	6	2030-2031	2030	$518,904,658	$40,000,000	1.0096	$4,835,050	$0	$4,835,050	$98,000	$4,737,050
	7	2031-2032	2031	$489,132,076	$40,000,000	1.0054	$4,515,467	$0	$4,515,467	$98,000	$4,417,467
	8	2032-2033	2032	$450,465,766	$40,000,000	1.0012	$4,109,448	$0	$4,109,448	$98,000	$4,011,448
	9	2033-2034	2033	$415,547,357	$40,000,000	0.9970	$3,744,126	$0	$3,744,126	$98,000	$3,646,126
	10	2034-2035	2034	$386,251,051	$40,000,000	0.9928	$3,437,615	$0	$3,437,615	$98,000	$3,339,615
Maintain Viable Presence Period	11	2035-2036	2035	$343,778,875	$343,778,875	0.9887	$0	$0	$0	$98,000	-$98,000
	12	2036-2037	2036	$306,444,653	$306,444,653	0.9845	$0	$0	$0	$98,000	-$98,000
	13	2037-2038	2037	$288,216,878	$288,216,878	0.9804	$0	$0	$0	$98,000	-$98,000
	14	2038-2039	2038	$247,289,496	$247,289,496	0.9763	$0	$0	$0	$0	$0
	15	2039-2040	2039	$248,294,318	$248,294,318	0.9723	$0	$0	$0	$0	$0
		Totals					$46,740,225	$6,848,584	$39,891,641	$1,470,000	$38,421,641

Texas Education Agency

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

IMPORTANT: Please keep this letter with your district's records. It must be accessible to the law firm working on the value limitation agreement.

July 6, 2021

James Warnock, President
Board of Trustees
Roosevelt Independent School District
1406 CR 3300
Lubbock, Texas 79403-9643

Dear President Warnock:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the Leprino Foods Company, LLC, project #1611 on the number and size of school facilities in Roosevelt Independent School District (RISD). Based on the email communication with the RISD superintendent, Dallas Grimes, the TEA has determined that the Leprino Foods Company, LLC, project should not have a significant impact on the number or size of school facilities in RISD.

Please feel free to contact me by phone at (512) 463-8732 or by email at amy.copeland@tea.texas.gov if you have any questions.

Sincerely,

Amy Copeland
Director of State Funding

Cc: Dallas Grimes, Superintendent

COMPTROLLER.TEXAS.GOV

Glenn Hegar
Texas Comptroller of Public Accounts

% Taxes
Property Tax Assistance

2020 ISD Summary Worksheet

152-Lubbock /Lubbock County

152-908/Roosevelt ISD

Category	Local Tax Roll Value	2020 WTD Mean Ratio	2020 PTAD Value Estimate	2020 Value Assigned
A - SINGLE-FAMILY	185,077,357	N/A	185,077,357	185,077,357
B - MULTIFAMILY	837,703	N/A	837,703	837,703
C1 - VACANT LOTS	3,909,869	N/A	3,909,869	3,909,869
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	14,143,443	N/A	14,143,443	14,143,443
D2 - FARM & RANCH IMP	550,616	N/A	550,616	550,616
E - NON-AG LAND AND IMPROVEMENTS	32,219,149	N/A	32,219,149	32,219,149
F1 - COMMERCIAL REAL	20,742,252	N/A	20,742,252	20,742,252
F2 - INDUSTRIAL REAL	2,967,910	N/A	2,967,910	2,967,910
G - ALL MINERALS	21,804,230	N/A	21,804,230	21,804,230
J - ALL UTILITIES	11,563,524	N/A	11,563,524	11,563,524

L1 - COMMERCIAL PERSONAL	14,518,797	N/A	14,518,797	14,518,797
L2 - INDUSTRIAL PERSONAL	5,664,101	N/A	5,664,101	5,664,101
M1 - MOBILE HOMES	4,193,636	N/A	4,193,636	4,193,636
N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	0	N/A	0	0
S - SPECIAL INVENTORY	114,605	N/A	114,605	114,605
Subtotal	318,307,192	0	318,307,192	318,307,192
Less Total Deductions	53,842,282	0	53,842,282	53,842,282
Total Taxable Value	264,464,910	0	264,464,910	264,464,910

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth.These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes.For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M & O Purposes

T1	T2	T3	T4
272,044,573	264,464,910	272,044,573	264,464,910

Loss To the Additional $10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
7,579,663	0

T1 = School district taxable value for M & O purposes before the loss to the additional $10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional $10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

T7	T8	T9	T10
272,044,573	264,464,910	272,044,573	264,464,910

T7 = School district taxable value for I & S purposes before the loss to the additional $10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional $10, 000 homestead exemption and the tax
ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

152-908-02/Roosevelt ISD

Category	Local Tax Roll Value	2020 WTD Mean Ratio	2020 PTAD Value Estimate	2020 Value Assigned
A - SINGLE-FAMILY	185,077,357	N/A	185,077,357	185,077,357
B - MULTIFAMILY	837,703	N/A	837,703	837,703
C1 - VACANT LOTS	3,909,869	N/A	3,909,869	3,909,869
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	14,143,443	N/A	14,143,443	14,143,443
D2 - FARM & RANCH IMP	550,616	N/A	550,616	550,616
E - NON-AG LAND AND IMPROVEMENTS	32,219,149	N/A	32,219,149	32,219,149
F1 - COMMERCIAL REAL	20,742,252	N/A	20,742,252	20,742,252
F2 - INDUSTRIAL REAL	2,967,910	N/A	2,967,910	2,967,910
G - ALL MINERALS	21,804,230	N/A	21,804,230	21,804,230
J - ALL UTILITIES	11,563,524	N/A	11,563,524	11,563,524
L1 - COMMERCIAL PERSONAL	14,518,797	N/A	14,518,797	14,518,797
L2 - INDUSTRIAL PERSONAL	5,664,101	N/A	5,664,101	5,664,101
M1 - MOBILE HOMES	4,193,636	N/A	4,193,636	4,193,636
N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0

O - RESIDENTIAL INVENTORY	0	N/A	0	0
S - SPECIAL INVENTORY	114,605	N/A	114,605	114,605
Subtotal	318,307,192		318,307,192	318,307,192
Less Total Deductions	53,842,282		53,842,282	53,842,282
Total Taxable Value	264,464,910		264,464,910	264,464,910

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth.These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes.For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M & O Purposes

T1	T2	T3	T4
272,044,573	264,464,910	272,044,573	264,464,910

Loss To the Additional $10,000 Homestead Exemption	50 % of the loss to the Local Optional Percentage Homestead Exemption
7,579,663	0

T1 = School district taxable value for M & O purposes before the loss to the additional $10, 000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional $10, 000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50 % of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50 % of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

T7	T8	T9	T10
272,044,573	264,464,910	272,044,573	264,464,910

T7 = School district taxable value for I & S purposes before the loss to the additional $10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional $10, 000 homestead exemption and the tax
ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

See Agreement
(Comptroller No. 1611)
posted on Comptroller Website

DocuSign Envelope ID: A7D1D482-6833-4A10-BBEA-77933DA2B8B1

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 18, 2021

Dallas Grimes
Superintendent
Roosevelt Independent School District
1406 County Road 3300
Lubbock TX 79403

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Roosevelt Independent School District and Leprino Foods Company, Application 1611

Dear Superintendent Grimes:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Roosevelt Independent School District and Leprino Foods Company (Agreement). As requested, 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 Jo Ann Reyes with our office. She can be reached by email at joann.reyes@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-0416, or at 512-475-0416.

Sincerely,

DocuSigned by:
8FDFC70F5753487...

Will Counihan
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm
Mark Benson, Leprino Foods Company
Colleen Kershisnik, Leprino Foods Company
Greg Maxim, Cummings Westlake LLC