



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 26, 2022

Dr. Stephanie Howard
Superintendent
Crane Independent School District
511 W 8th Street
Crane, TX 79731

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Crane Independent School
District and Universe Solar LLC, Application 1915

Dear Superintendent Howard:

On August 1, 2022, the Comptroller issued written notice that Universe Solar LLC (applicant) submitted a completed application (Application 1915) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on May 17, 2022, to the Crane Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

¹ All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1915.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem* tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).


The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement **by December 31, 2022**.

Note that any building or improvement existing as of the application review start date of August 1, 2022, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

DocuSigned by:

11EA6DEF0EC441E...

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Universe Solar LLC (project) applying to Crane 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 Universe Solar LLC.

Applicant	Universe Solar LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Crane ISD
2020-2021 Average Daily Attendance	1030
County	Crane
Proposed Total Investment in District	\$324,351,090
Proposed Qualified Investment	\$324,351,090
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2026-2027
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,029
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,029
Minimum annual wage committed to by applicant for qualified jobs	\$53,482
Minimum weekly wage required for non-qualifying jobs	\$1,133.50
Minimum annual wage required for non-qualifying jobs	\$58,942
Investment per Qualifying Job	\$324,351,090
Estimated M&O levy without any limit (15 years)	\$18,273,858
Estimated M&O levy with Limitation (15 years)	\$6,176,112
Estimated gross M&O tax benefit (15 years)	\$12,097,745

* 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 Universe Solar LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2027	250	1,275	1,525	\$12,500,000	\$112,500,000	\$125,000,000
2028	1	67	68.4	\$53,482	\$16,046,518	\$16,100,000
2029	1	21	22	\$53,482	\$9,446,518	\$9,500,000
2030	1	(11)	-10	\$53,482	\$4,546,518	\$4,600,000
2031	1	(28)	-27	\$53,482	\$1,646,518	\$1,700,000
2032	1	(38)	-37	\$53,482	-\$1,053,482	-\$1,000,000
2033	1	(38)	-37	\$53,482	-\$2,253,482	-\$2,200,000
2034	1	(36)	-35	\$53,482	-\$2,453,482	-\$2,400,000
2035	1	(34)	-33	\$53,482	-\$3,753,482	-\$3,700,000
2036	1	(28)	-27	\$53,482	-\$3,453,482	-\$3,400,000
2037	1	(26)	-25	\$53,482	-\$3,753,482	-\$3,700,000
2038	1	(24)	-23	\$53,482	-\$3,253,482	-\$3,200,000
2039	1	(17)	-16	\$53,482	-\$2,253,482	-\$2,200,000
2040	1	(15)	-14	\$53,482	-\$3,253,482	-\$3,200,000
2041	1	(11)	-10	\$53,482	-\$2,253,482	-\$2,200,000
2042	1	(13)	-12	\$53,482	-\$2,253,482	-\$2,200,000

Source: CPA REMI, Universe Solar LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Crane ISD I&S Tax Levy	Crane ISD M&O Tax Levy	Crane ISD M&O and I&S Tax Levies	Crane County Tax Levy	Crane County Hospital District Tax Levy	Crane County FM LR Tax Levy	Crane County Water DistrictTax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0874	0.8961		0.8151	0.2815	0.0529	0.0257	
2028	\$324,351,090	\$324,351,090		\$283,483	\$2,906,510	\$3,189,993	\$2,643,786	\$913,113	\$171,484	\$83,306	\$7,001,683
2029	\$281,995,392	\$281,995,392		\$246,464	\$2,526,961	\$2,773,425	\$2,298,544	\$793,873	\$149,091	\$72,428	\$6,087,361
2030	\$240,660,903	\$240,660,903		\$210,338	\$2,156,562	\$2,366,900	\$1,961,627	\$677,509	\$127,237	\$61,811	\$5,195,084
2031	\$200,511,234	\$200,511,234		\$175,247	\$1,796,781	\$1,972,028	\$1,634,367	\$564,479	\$106,010	\$51,499	\$4,328,384
2032	\$161,810,250	\$161,810,250		\$141,422	\$1,449,982	\$1,591,404	\$1,318,915	\$455,528	\$85,549	\$41,559	\$3,492,956
2033	\$134,234,520	\$134,234,520		\$117,321	\$1,202,876	\$1,320,197	\$1,094,146	\$377,897	\$70,970	\$34,477	\$2,897,686
2034	\$104,455,995	\$104,455,995		\$91,295	\$936,030	\$1,027,325	\$851,421	\$294,065	\$55,226	\$26,828	\$2,254,864
2035	\$72,284,310	\$72,284,310		\$63,176	\$647,740	\$710,916	\$589,189	\$203,495	\$38,217	\$18,566	\$1,560,383
2036	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
2037	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
2038	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
2039	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
2040	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
2041	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
2042	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
2043	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
			Total	\$1,782,318	\$18,273,858	\$20,056,176	\$16,622,053	\$5,740,940	\$1,078,160	\$523,765	\$44,021,093

Source: CPA, Universe Solar LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Crane 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		Crane ISD I&S Tax Levy	Crane ISD M&O Tax Levy	Crane ISD M&O and I&S Tax Levies	Crane County Tax Levy	Crane County Hospital District Tax Levy	Crane County FM LR Tax Levy	Crane County Water DistrictTax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0874	0.8961		0.8151	0.2815	0.0529	0.0257	
2028	\$324,351,090	\$30,000,000		\$283,483	\$268,830	\$552,313	\$2,643,786	\$913,113	\$171,484	\$83,306	\$4,364,003
2029	\$281,995,392	\$30,000,000		\$246,464	\$268,830	\$515,294	\$2,298,544	\$793,873	\$149,091	\$72,428	\$3,829,231
2030	\$240,660,903	\$30,000,000		\$210,338	\$268,830	\$479,168	\$1,961,627	\$677,509	\$127,237	\$61,811	\$3,307,352
2031	\$200,511,234	\$30,000,000		\$175,247	\$268,830	\$444,077	\$1,634,367	\$564,479	\$106,010	\$51,499	\$2,800,433
2032	\$161,810,250	\$30,000,000		\$141,422	\$268,830	\$410,252	\$1,318,915	\$455,528	\$85,549	\$41,559	\$2,311,804
2033	\$134,234,520	\$30,000,000		\$117,321	\$268,830	\$386,151	\$1,094,146	\$377,897	\$70,970	\$34,477	\$1,963,640
2034	\$104,455,995	\$30,000,000		\$91,295	\$268,830	\$360,125	\$851,421	\$294,065	\$55,226	\$26,828	\$1,587,664
2035	\$72,284,310	\$30,000,000		\$63,176	\$268,830	\$332,006	\$589,189	\$203,495	\$38,217	\$18,566	\$1,181,473
2036	\$64,870,218	\$30,000,000		\$56,697	\$268,830	\$325,527	\$528,757	\$182,623	\$34,297	\$16,661	\$1,087,865
2037	\$64,870,218	\$30,000,000		\$56,697	\$268,830	\$325,527	\$528,757	\$182,623	\$34,297	\$16,661	\$1,087,865
2038	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
2039	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
2040	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
2041	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
2042	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
2043	\$64,870,218	\$64,870,218		\$56,697	\$581,302	\$637,999	\$528,757	\$182,623	\$34,297	\$16,661	\$1,400,337
			Total	\$1,782,318	\$6,176,112	\$7,958,430	\$16,622,053	\$5,740,940	\$1,078,160	\$523,765	\$31,923,347
			Diff	\$0	\$12,097,745	\$12,097,745	\$0	\$0	\$0	\$0	\$12,097,745
Assumes School Value Limitation.											

Source: CPA, Universe Solar LLC
*Tax Rate per \$100 Valuation

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

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

This represents the Comptroller’s determination that Universe Solar LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy 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	2025	\$0	\$0	\$0	\$0
	2026	\$0	\$0	\$0	\$0
	2027	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2028	\$268,830	\$268,830	\$2,637,680	\$2,637,680
	2029	\$268,830	\$537,660	\$2,258,131	\$4,895,811
	2030	\$268,830	\$806,490	\$1,887,732	\$6,783,543
	2031	\$268,830	\$1,075,320	\$1,527,951	\$8,311,494
	2032	\$268,830	\$1,344,150	\$1,181,152	\$9,492,646
	2033	\$268,830	\$1,612,980	\$934,046	\$10,426,692
	2034	\$268,830	\$1,881,810	\$667,200	\$11,093,892
	2035	\$268,830	\$2,150,640	\$378,910	\$11,472,801
	2036	\$268,830	\$2,419,470	\$312,472	\$11,785,273
	2037	\$268,830	\$2,688,300	\$312,472	\$12,097,745
Maintain Viable Presence (5 Years)	2038	\$581,302	\$3,269,602	\$0	\$12,097,745
	2039	\$581,302	\$3,850,904	\$0	\$12,097,745
	2040	\$581,302	\$4,432,206	\$0	\$12,097,745
	2041	\$581,302	\$5,013,508	\$0	\$12,097,745
	2042	\$581,302	\$5,594,810	\$0	\$12,097,745
Additional Years as Required by 313.026(c)(1) (10 Years)	2043	\$581,302	\$6,176,112	\$0	\$12,097,745
	2044	\$581,302	\$6,757,414	\$0	\$12,097,745
	2045	\$581,302	\$7,338,716	\$0	\$12,097,745
	2046	\$581,302	\$7,920,018	\$0	\$12,097,745
	2047	\$581,302	\$8,501,320	\$0	\$12,097,745
	2048	\$581,302	\$9,082,622	\$0	\$12,097,745
	2049	\$581,302	\$9,663,924	\$0	\$12,097,745
	2050	\$581,302	\$10,245,226	\$0	\$12,097,745
	2051	\$581,302	\$10,826,528	\$0	\$12,097,745
	2052	\$581,302	\$11,407,830	\$0	\$12,097,745
		\$11,407,830	is less than	\$12,097,745	
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

Source: CPA, Universe Solar LLC

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2027	250	1,275	1,525	\$12,500,000	\$112,500,000	\$125,000,000	10700000	-2900000	\$13,600,000
2028	1	67	68.4	\$53,482	\$16,046,518	\$16,100,000	500000	1000000	-\$500,000
2029	1	21	22	\$53,482	\$9,446,518	\$9,500,000	400000	1000000	-\$600,000
2030	1	(11)	-10	\$53,482	\$4,546,518	\$4,600,000	100000	1000000	-\$900,000
2031	1	(28)	-27	\$53,482	\$1,646,518	\$1,700,000	0	900000	-\$900,000
2032	1	(38)	-37	\$53,482	-\$1,053,482	-\$1,000,000	-100000	800000	-\$900,000
2033	1	(38)	-37	\$53,482	-\$2,253,482	-\$2,200,000	-100000	600000	-\$700,000
2034	1	(36)	-35	\$53,482	-\$2,453,482	-\$2,400,000	-100000	500000	-\$600,000
2035	1	(34)	-33	\$53,482	-\$3,753,482	-\$3,700,000	-200000	300000	-\$500,000
2036	1	(28)	-27	\$53,482	-\$3,453,482	-\$3,400,000	-300000	200000	-\$500,000
2037	1	(26)	-25	\$53,482	-\$3,753,482	-\$3,700,000	-300000	100000	-\$400,000
2038	1	(24)	-23	\$53,482	-\$3,253,482	-\$3,200,000	-300000	0	-\$300,000
2039	1	(17)	-16	\$53,482	-\$2,253,482	-\$2,200,000	-300000	-100000	-\$200,000
2040	1	(15)	-14	\$53,482	-\$3,253,482	-\$3,200,000	-400000	-200000	-\$200,000
2041	1	(11)	-10	\$53,482	-\$2,253,482	-\$2,200,000	-400000	-200000	-\$200,000
2042	1	(13)	-12	\$53,482	-\$2,253,482	-\$2,200,000	-300000	-300000	\$0
2043	1	(13)	-12	\$53,482	-\$2,953,482	-\$2,900,000	-400000	-300000	-\$100,000
2044	1	(15)	-14	\$53,482	-\$2,053,482	-\$2,000,000	-400000	-300000	-\$100,000
2045	1	(13)	-12	\$53,482	-\$2,453,482	-\$2,400,000	-400000	-500000	\$100,000
2046	1	(13)	-12	\$53,482	-\$2,053,482	-\$2,000,000	-300000	-500000	\$200,000
2047	1	(7)	-6	\$53,482	-\$1,553,482	-\$1,500,000	-300000	-500000	\$200,000
2048	1	(13)	-12	\$53,482	-\$2,053,482	-\$2,000,000	-400000	-600000	\$200,000
2049	1	(19)	-18	\$53,482	-\$3,453,482	-\$3,400,000	-400000	-600000	\$200,000
2050	1	(17)	-16	\$53,482	-\$3,453,482	-\$3,400,000	-400000	-600000	\$200,000
2051	1	(21)	-20	\$53,482	-\$3,453,482	-\$3,400,000	-400000	-700000	\$300,000
2052	1	(21)	-20	\$53,482	-\$4,453,482	-\$4,400,000	-500000	-700000	\$200,000
2053	1	(26)	-25	\$53,482	-\$4,453,482	-\$4,400,000	-500000	-700000	\$200,000
2054	1	(23)	-22	\$53,482	-\$5,953,482	-\$5,900,000	-500000	-700000	\$200,000
						Total	\$4,000,000	-\$4,000,000	\$8,000,000
							\$19,407,830	is greater than	\$12,097,745
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 Universe Solar LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Universe Solar LLC’s in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “The applicant is a U.S. developer of solar projects, and has operations in several regions within the contiguous United States. The applicant has the ability to locate solar farms anywhere in the U.S. and based its decision to deploy capital on projects with the best return on investment. For these reasons, the applicant studies and compares the economic returns at various competing sites throughout the market areas where solar development is attractive. Without a Limitation on Appraised Value, the economics of the project becomes far less attractive and the applicant would allocate its financial resources to alternative sites outside of the State of Texas with more favorable economic returns which would include Georgia, New York and North Carolina.”
 - B. “None of the current Project agreements firmly commit the Applicant to the development of the Projective. A number of variables remain undetermined at this stage, including the approval of this application. The Applicant could still elect to devote resources to other projects that it has in development. Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will decrease. Praxair’s pipeline complex allows it to have options for our investments. A variety of factors are considered in selecting site location, including the local pool of available skilled workers, costs for natural gas and ease of doing business as it relates to permitting and incentives to reduce risk in investments. We are evaluating Louisiana and Texas for our current investment options.”
 - C. “The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of the project. The financial viability of the project is contingent o receiving the Chapter 313 Appraised Value Limitation, and the project cannot move forward without it.”

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 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 10/1/2022
 2. Estimated commencement of construction 1/1/2027
 3. Beginning of qualifying time period (MM/DD/YYYY) 1/2/2025
 4. First year of limitation (YYYY) 2028
- 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 12/31/2027

SECTION 10: The Property

1. County or counties in which the proposed project will be located Crane County
2. Central Appraisal District (CAD) that will be responsible for appraising the property Crane 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>Crane, 0.8961%, 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Crane, 0.0874%, 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Crane, 0.76223%, 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>n/a</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Crane Memorial Hospital, 0.28152%, 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>Crane Co Water Dist, 0.25684%, 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Crane County FM LR, .05287%, 100%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>n/a</u> <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



CHECKLIST ITEM #5

Documentation to assist in determining if limitation is a determining factor.

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

The Applicant for this Project has entered into a number of contracts related to the Project, including long-term lease option agreements with area landowners, contracts with environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. The Project was selected as a candidate for development based on the favorable solar data, nearby access to the electric grid, and favorable tax incentives under Texas Tax Code chapters 312 and 313. Obtaining a value limitation agreement is critical to the economic and competitive viability of this Project.

None of the current Project agreements firmly commit the Applicant to the development of the Project. A number of variables remain undetermined at this stage, including the approval of this application. The Applicant could still elect to devote resources to other projects that it has in development. Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will decrease.

7. Is the applicant evaluating other locations not in Texas for the proposed project?

The applicant is a U.S. developer of solar projects, and has operations in several regions within the contiguous United States. The applicant has the ability to locate solar farms anywhere in the U.S. and bases its decision to deploy capital on projects with the best return on investment. For these reasons, the applicant studies and compares the economic returns at various competing sites throughout the market areas where solar development is attractive. Without a Limitation on Appraised Value, the economics of the project become far less attractive and the applicant would allocate its financial resources to alternative sites outside the State of Texas with more favorable economic returns which would include:

Alternative Sites Outside Texas

- Georgia
- North Carolina
- New York



Chapter 313 Application to Crane ISD

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?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of the project. The financial viability of the project is contingent on receiving the Chapter 313 Appraised Value Limitation, and the project cannot move forward without it.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Crane ISD–Universe Solar, LLC App. #1915

Comptroller Questions (Tab 4 and Via email on July 14, 2022):

1. *Is Universe Solar LLC currently known by any other project names?*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.*
3. *Please also list any other names by which this project may have been known in the past-in media reports, investor presentations, or any listings with any federal or state agency.*

Applicant Response (Tab 4 and Via email on July 29, 2022):

1. *Universe Solar LLC is NOT known by any other project names.*
2. *The project has not applied to ERCOT and has not been assigned a GINR as of this application date.*
3. *This project has been known by no other names in past media reports, investor presentations, or any listings with any federal or state agency.*