

S U S A N
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



November 29, 2011

Albert Pena
Superintendent
San Perlita Independent School District
22987 Trojan Drive
San Perlita, Texas 78590

Dear Superintendent Pena:

On Nov. 9, 2011, the agency received the completed application for a limitation on appraised value originally submitted to the San Perlita Independent School District (San Perlita ISD) by Magic Valley Wind Farm I, LLC (Magic Valley) on Aug. 30, 2011, under the provisions of Tax Code Chapter 313. This letter presents the Comptroller's recommendation regarding Magic Valley's application as required by Section 313.025(d), using the criteria set out by Section 313.026. Our review assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Filing an application containing false information is a criminal offense under Texas Penal Code Chapter 37.

According to the provisions of Chapter 313, San Perlita ISD is currently classified as a rural school district in Category 3. The applicant properly applied under the provisions of Subchapter C, as applicable to rural school districts, and the amount of proposed qualified investment (\$38,115,000) is consistent with the proposed appraised value limitation sought (\$10 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

Magic Valley is proposing the construction of a wind power electric generation facility in Willacy County. Magic Valley is an active franchise taxpayer, as required by Tax Code Section 313.024(a), and is in good standing. After reviewing the application using the criteria listed in Section 313.026, and the information provided by Magic Valley, the Comptroller's recommendation is that Magic Valley's application under Tax Code Chapter 313 be approved.

Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements. Chapter 313 places the responsibility to verify that all requirements of the statute have been fulfilled on the school district. Section 313.025 requires the school district to determine if the evidence supports making specific findings that the information in the application is true and correct, the applicant is eligible for a limitation and that granting the application is in the best interest of the school district and state. When approving a job waiver requested under Section 313.025(f-1), the school district must also find that the statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. As stated above, we prepared the recommendation by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria and a cursory review of the industry standard evidence necessary to support the waiver of the required number of jobs.

Mr. Albert Pena
November 29, 2011
Page Two

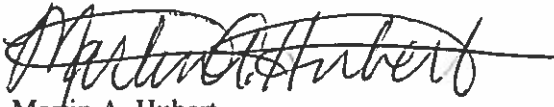
The Comptroller's recommendation is based on the final, completed application that has been submitted to this office, and may not be used to support an approval if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. This recommendation is contingent on the following:

1. No later than 10 days prior to the meeting scheduled by the district to consider approving the agreement, applicant submitting to this office a draft limitation agreement that complies with the statutes, the Comptroller's rules, and is consistent with the application;
2. The Comptroller providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
3. The district approving and executing a limitation agreement that has been reviewed by this office within a year from the date of this letter. As required by Comptroller Rule 9.1055 (34 T.A.C. 9.1055), the signed limitation agreement must be forwarded to our office as soon as possible after execution.

During the 81st Legislative Session, House Bill 3676 made a number of changes to the chapter. Please visit our Web site at www.window.state.tx.us/taxinfo/proptax/hb1200 to find an outline of the program and links to applicable rules and forms.

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at robert.wood@cpa.state.tx.us or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Economic Impact for Chapter 313 Project

Applicant	Magic Valley Wind Farm I, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	San Perlita Independent School District
2009-10 Enrollment in School District	281
County	Willacy
Total Investment in District	\$38,115,000
Qualified Investment	\$38,115,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	1*
Number of qualifying jobs committed to by applicant	1
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$774.38
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$631.38
Minimum Annual Wage committed to by applicant for qualified jobs	\$40,268
Investment per Qualifying Job	\$38,115,000
Estimated 15 year M&O levy without any limit or credit:	\$3,643,987
Estimated gross 15 year M&O tax benefit	\$1,995,352
Estimated 15 year M&O tax benefit (<i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$1,700,385
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$292,396
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$1,943,602
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	46.7%
Percentage of tax benefit due to the limitation	85.3%
Percentage of tax benefit due to the credit.	14.7%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

This presents the Comptroller's economic impact evaluation of Magic Valley Wind Farm (the project) applying to San Perlita Independent School District (the district), as required by Tax Code, 313.026. This evaluation is based on information provided by the applicant and examines the following criteria:

- (1) the recommendations of the comptroller;
- (2) the name of the school district;
- (3) the name of the applicant;
- (4) the general nature of the applicant's investment;
- (5) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
- (6) the relative level of the applicant's investment per qualifying job to be created by the applicant;
- (7) the number of qualifying jobs to be created by the applicant;
- (8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
- (9) the ability of the applicant to locate or relocate in another state or another region of this state;
- (10) the impact the project will have on this state and individual local units of government, including:
 - (A) tax and other revenue gains, direct or indirect, that would be realized during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller; and
 - (B) economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller;
- (11) the economic condition of the region of the state at the time the person's application is being considered;
- (12) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter;
- (13) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code;
- (14) the projected market value of the qualified property of the applicant as determined by the comptroller;
- (15) the proposed limitation on appraised value for the qualified property of the applicant;
- (16) the projected dollar amount of the 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 with assumptions of the projected appreciation or depreciation of the investment and projected tax rates clearly stated;
- (17) the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the agreement, if the property receives a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment clearly stated;
- (18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;
- (19) the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and
- (20) the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (17) from the projected taxes stated in Subdivision (16).

Wages, salaries and benefits [313.026(6-8)]

After construction, the project will create one new job when fully operational. The one job will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Lower Rio Grande Valley State Planning Region, where Willacy County is located was \$29,846 in 2010. The annual average manufacturing wage for 2010 for Willacy County is \$32,266. That same year, the county annual average wage for all industries was \$31,447. In addition to a salary of \$40,268, each qualifying position will receive benefits such as medical insurance, prescription insurance, dental insurance, vision insurance, life & personal accident insurance, short - and long-term disability benefits, free instructor led and online training, tuition reimbursement, employee assistance program, adoption assistance, health care flexible spending account plan, dependent care flexible spending account plan, commuter benefits program, purchasing advantages through insperity's marketplace, 401(k) plan, making friends international exchange program for children of employees, 15 to 25 days of paid vacation per year, 12 paid holidays per year, paid family and medical leave, paid military leave. The project's total investment is \$38 million, resulting in a relative level of investment per qualifying job of \$38 million.

Ability of applicant to locate to another state and [313.026(9)]

According to Magic Valley Wind Farm's application, "E.ON Climate & Renewables (EC&R) is an international company that develops, constructs, and operates wind energy projects. EC&R has a proven history of success across the United States evidenced by the development, construction and operation of over 2,000 MWs of wind farms. We have the ability to locate projects of this type across several regions within the United States, Canada, and Europe which gives EC&R the opportunity to maximize its return on capital investments. Securing this Chapter 313 agreement with San Perlita Independent School District will help further the project's economic viability and competitive other investment options within the aforementioned regions."

Number of new facilities in region [313.026(12)]

During the past two years, six projects in the Lower Rio Grande Valley State Planning Region applied for value limitation agreements under Tax Code, Chapter 313.

Relationship of applicant's industry and jobs and Texas's economic growth plans [313.026(5)]

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Magic Valley Wind Farm project requires appear to be in line with the focus and themes of the plan. Texas identified energy as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the energy industry.

Economic Impact [313.026(10)(A), (10)(B), (11), (13-20)]

Table 1 depicts Magic Valley Wind Farm's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 15 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Magic Valley Wind Farm

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	21	17	38	\$845,628	\$985,372	\$1,831,000
2013	1	0	1	\$40,268	\$203,732	\$244,000
2014	1	0	1	\$40,268	\$81,732	\$122,000
2015	1	1	2	\$40,268	\$203,732	\$244,000
2016	1	3	4	\$40,268	\$203,732	\$244,000
2017	1	1	2	\$40,268	\$325,732	\$366,000
2018	1	-1	0	\$40,268	\$81,732	\$122,000
2019	1	3	4	\$40,268	\$81,732	\$122,000
2020	1	1	2	\$40,268	\$203,732	\$244,000
2021	1	1	2	\$40,268	-\$40,268	\$0
2022	1	-2	-1	\$40,268	-\$40,268	\$0
2023	1	0	1	\$40,268	\$81,732	\$122,000
2024	1	-2	-1	\$40,268	-\$162,268	-\$122,000
2025	1	-1	0	\$40,268	-\$284,268	-\$244,000
2026	1	-1	0	\$40,268	-\$284,268	-\$244,000

Source: CPA, REMI, Magic Valley Wind Farm, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.6 billion in 2010. San Perlita ISD's ad valorem tax base in 2010 was \$61 million. The statewide average wealth per WADA was estimated at \$345,067 for fiscal 2010-2011. During that same year, San Perlita ISD's estimated wealth per WADA was \$112,827. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Willacy County, Willacy County Hospital District, Willacy County Navigation District, Willacy County Drainage District #1, Willacy County Drainage District #2, and Willacy County Emergency Services District, with all property tax incentives sought being granted using estimated market value from Magic Valley Wind Farm's application. Magic Valley Wind Farm has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county, drainage district (#1), navigation district, and hospital district. Table 3 illustrates the estimated tax impact of the Magic Valley Wind Farm project on the region if all taxes are assessed.

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	San Perilita ISD I&S Levy	San Perilita ISD M&O Levy	San Perilita ISD M&O and I&S Tax Levies (Before Credit Credited)	San Perilita ISD M&O and I&S Tax Levies (After Credit Credited)	Willacy County	Willacy County Hospital District	Willacy County Drainage District #1 (35%)	Willacy County Drainage District #2 (65%)	Willacy County Navigation District	Willacy County Emergency Services District	Estimated Total Property Taxes
			0.2800	1.0400				0.6837	0.0312	0.2500	0.0613	0.0596	0.0286	
2012	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	\$38,115,000	\$38,115,000		\$106,722	\$396,396	\$503,118	\$503,118	\$78,175	\$3,566	\$16,675	\$15,182	\$11,354	\$10,901	\$638,971
2014	\$36,209,250	\$10,000,000		\$101,386	\$104,000	\$205,386	\$205,386	\$74,267	\$3,387	\$15,842	\$14,423	\$10,786	\$10,356	\$334,446
2015	\$34,398,788	\$10,000,000		\$96,317	\$104,000	\$200,317	\$158,546	\$70,553	\$3,218	\$15,049	\$13,702	\$10,247	\$9,838	\$281,153
2016	\$32,678,848	\$10,000,000		\$91,501	\$104,000	\$195,501	\$153,730	\$67,026	\$3,057	\$14,297	\$13,017	\$9,734	\$9,346	\$270,207
2017	\$31,044,806	\$10,000,000		\$86,925	\$104,000	\$190,925	\$149,155	\$63,674	\$2,904	\$13,582	\$12,366	\$9,247	\$8,879	\$259,807
2018	\$29,492,660	\$10,000,000		\$82,579	\$104,000	\$186,579	\$144,809	\$60,491	\$2,759	\$12,903	\$11,748	\$8,785	\$8,435	\$249,929
2019	\$28,018,027	\$10,000,000		\$78,450	\$104,000	\$182,450	\$140,680	\$57,466	\$2,621	\$12,258	\$11,160	\$8,346	\$8,013	\$240,544
2020	\$26,617,126	\$10,000,000		\$74,528	\$104,000	\$178,528	\$136,757	\$54,593	\$2,490	\$11,645	\$10,602	\$7,929	\$7,612	\$231,628
2021	\$25,286,270	\$10,000,000		\$70,802	\$104,000	\$174,802	\$133,031	\$51,863	\$2,366	\$11,063	\$10,072	\$7,532	\$7,232	\$223,158
2022	\$24,021,956	\$24,021,956		\$67,261	\$249,828	\$317,090	\$317,090	\$49,270	\$2,247	\$10,510	\$9,568	\$7,156	\$6,870	\$402,711
2023	\$22,820,858	\$22,820,858		\$63,898	\$237,337	\$301,235	\$301,235	\$46,022	\$2,116	\$9,968	\$9,090	\$6,596	\$6,527	\$513,554
2024	\$21,679,816	\$21,679,816		\$60,703	\$225,470	\$286,174	\$286,174	\$44,221	\$2,000	\$9,470	\$8,636	\$6,200	\$6,200	\$487,876
2025	\$20,595,825	\$20,595,825		\$57,668	\$214,197	\$271,865	\$271,865	\$40,810	\$1,880	\$8,970	\$8,204	\$5,890	\$5,890	\$463,482
2026	\$19,566,034	\$19,566,034		\$54,785	\$203,487	\$258,272	\$258,272	\$33,769	\$1,760	\$8,470	\$7,794	\$5,596	\$5,596	\$440,308
						Total	\$3,159,845	\$1,206,199	\$55,017	\$207,903	\$155,562	\$141,553	\$111,696	\$5,037,775

Assumes School Value Limitation and Tax Abatement with Willacy County, Drainage District #1, Navigation District, and Hospital District.

Source: CPA, Magic Valley Wind Farm, LLC

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	San Perilita ISD I&S Levy	San Perilita ISD M&O Levy	San Perilita ISD M&O and I&S Tax Levies	Willacy County	Willacy County Hospital District	Willacy County Drainage District #1 (35%)	Willacy County Drainage District #2 (65%)	Willacy County Navigation District	Willacy County Emergency Services District	Estimated Total Property Taxes	
			0.2800	1.0400			0.6837	0.0312	0.2500	0.0613	0.0596	0.0286		
2012	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2013	\$38,115,000	\$38,115,000		\$106,722	\$396,396	\$503,118	\$260,585	\$11,886	\$33,351	\$15,182	\$22,707	\$10,901	\$857,729	
2014	\$36,209,250	\$36,209,250		\$101,386	\$376,576	\$477,962	\$247,555	\$11,291	\$31,683	\$14,423	\$21,572	\$10,356	\$814,842	
2015	\$34,398,788	\$34,398,788		\$96,317	\$357,747	\$454,064	\$235,178	\$10,727	\$30,099	\$13,702	\$20,493	\$9,838	\$774,100	
2016	\$32,678,848	\$32,678,848		\$91,501	\$339,860	\$431,361	\$223,419	\$10,191	\$28,594	\$13,017	\$19,468	\$9,346	\$735,395	
2017	\$31,044,806	\$31,044,806		\$86,925	\$322,866	\$409,791	\$212,247	\$9,681	\$27,164	\$12,366	\$18,495	\$8,879	\$698,623	
2018	\$29,492,660	\$29,492,660		\$82,579	\$306,724	\$389,303	\$201,635	\$9,197	\$25,806	\$11,748	\$17,570	\$8,435	\$663,694	
2019	\$28,018,027	\$28,018,027		\$78,450	\$291,387	\$369,838	\$191,554	\$8,737	\$24,516	\$11,160	\$16,692	\$8,013	\$630,510	
2020	\$26,617,126	\$26,617,126		\$74,528	\$276,818	\$351,346	\$181,976	\$8,300	\$23,290	\$10,602	\$15,857	\$7,612	\$598,984	
2021	\$25,286,270	\$25,286,270		\$70,802	\$262,977	\$333,779	\$172,877	\$7,885	\$22,125	\$10,072	\$15,064	\$7,232	\$569,035	
2022	\$24,021,956	\$24,021,956		\$67,261	\$249,828	\$317,090	\$164,233	\$7,491	\$21,019	\$9,568	\$14,311	\$6,870	\$540,583	
2023	\$22,820,858	\$22,820,858		\$63,898	\$237,337	\$301,235	\$156,022	\$7,116	\$19,968	\$9,090	\$13,596	\$6,527	\$513,554	
2024	\$21,679,816	\$21,679,816		\$60,703	\$225,470	\$286,174	\$148,221	\$6,761	\$18,970	\$8,636	\$12,916	\$6,200	\$487,876	
2025	\$20,595,825	\$20,595,825		\$57,668	\$214,197	\$271,865	\$140,810	\$6,423	\$18,021	\$8,204	\$12,270	\$5,890	\$463,482	
2026	\$19,566,034	\$19,566,034		\$54,785	\$203,487	\$258,272	\$133,769	\$6,101	\$17,120	\$7,794	\$11,656	\$5,596	\$440,308	
						Total	\$5,155,197	\$2,670,080	\$121,788	\$341,727	\$155,562	\$232,667	\$111,696	\$8,788,717

Source: CPA, Magic Valley Wind Farm, LLC

¹Tax Rate per \$100 Valuation

Attachment 1 includes schedules A, B, C, and D provided by the applicant in the application. Schedule A shows proposed investment. Schedule B is the projected market value of the qualified property. Schedule C contains employment information, and Schedule D contains tax expenditures and other tax abatement information.

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$3,643,987. The estimated gross 15 year M&O tax benefit, or levy loss, is \$1,995,352.

Attachment 3 is an economic overview of Willacy County.

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.

Attachments

1. Schedules A, B, C, and D provided by applicant in application
2. School finance and tax benefit provided by district
3. County Economic Overview

Attachment 1

Applicant Name: Magic Valley Wind Farm I, LLC.
 San Perita Independent School District

Checklist Item 17

PROPERTY INVESTMENT AMOUNTS

(Estimated investment in each year. Do not put cumulative totals.)

Applicant Name ISD Name	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment) Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property) Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property) Complete tax years of qualifying time period Value Limitation Period Continue to Maintain Viable Presence Post-Settle-Up Period Post-Settle-Up Period	2011-2012	2011	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	1	2012-2013	\$38,115,000.00	\$0.00	\$38,115,000.00	\$0.00	\$38,115,000.00
	2	2013-2014	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	3	2014-2015	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	4	2015-2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	5	2016-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	6	2017-2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	7	2018-2019	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	8	2019-2020	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	9	2020-2021	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	10	2021-2022	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	11	2022-2023	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	12	2023-2024	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	13	2024-2025	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	14	2025-2026	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15	2026-2027	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.
 Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D).
 For the purposes of investment, please list amount invested each year, not cumulative totals.
 (For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property).
 Include estimates of investment for "replacement" property that is part of original agreement but scheduled for probable replacement during limitation period.
 The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).
 For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.
 Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value for planning, construction and operation of the facility.
 The most significant example for many projects would be land. Other examples may be items such as professional services, etc.
 Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Column B: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.
 Column D: This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.
 This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

8/30/11

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Schedule B (Rev. May 2010): Estimated Market And Taxable Value (In millions)

Applicant Name
 Magic Valley Wind Farm I, LLC.
 San Perita Independent School District

Checklist Item 18

Form 50-296

Year	School Year (YYYY-YYYY)	Tax Year (FY in actual tax year) YYYY	Estimated Market Value of Land	Qualified Property		Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	Reductions from Market Value		Estimated Taxable Value	Final taxable value for M&O—after all reductions
				Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value		Exempted Value			
pre-year 1	2011-2012	2011	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1	2012-2013	2012	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	2013-2014	2013	\$0.00	\$0.00	\$38,115,000.00	\$0.00	\$0.00	\$38,115,000.00	\$38,115,000.00	\$38,115,000.00
3	2014-2015	2014	\$0.00	\$0.00	\$36,209,250.00	\$0.00	\$0.00	\$36,209,250.00	\$36,209,250.00	\$36,209,250.00
4	2015-2016	2015	\$0.00	\$0.00	\$34,398,787.50	\$0.00	\$0.00	\$34,398,787.50	\$34,398,787.50	\$34,398,787.50
5	2016-2017	2016	\$0.00	\$0.00	\$32,678,848.13	\$0.00	\$0.00	\$32,678,848.13	\$32,678,848.13	\$32,678,848.13
6	2017-2018	2017	\$0.00	\$0.00	\$31,044,905.72	\$0.00	\$0.00	\$31,044,905.72	\$31,044,905.72	\$31,044,905.72
7	2018-2019	2018	\$0.00	\$0.00	\$29,492,660.43	\$0.00	\$0.00	\$29,492,660.43	\$29,492,660.43	\$29,492,660.43
8	2019-2020	2019	\$0.00	\$0.00	\$28,018,027.41	\$0.00	\$0.00	\$28,018,027.41	\$28,018,027.41	\$28,018,027.41
9	2020-2021	2020	\$0.00	\$0.00	\$26,617,126.04	\$0.00	\$0.00	\$26,617,126.04	\$26,617,126.04	\$26,617,126.04
10	2021-2022	2021	\$0.00	\$0.00	\$25,286,269.74	\$0.00	\$0.00	\$25,286,269.74	\$25,286,269.74	\$25,286,269.74
11	2022-2023	2022	\$0.00	\$0.00	\$24,021,956.25	\$0.00	\$0.00	\$24,021,956.25	\$24,021,956.25	\$24,021,956.25
12	2023-2024	2023	\$0.00	\$0.00	\$22,820,858.44	\$0.00	\$0.00	\$22,820,858.44	\$22,820,858.44	\$22,820,858.44
13	2024-2025	2024	\$0.00	\$0.00	\$21,679,815.52	\$0.00	\$0.00	\$21,679,815.52	\$21,679,815.52	\$21,679,815.52
14	2025-2026	2025	\$0.00	\$0.00	\$20,595,824.74	\$0.00	\$0.00	\$20,595,824.74	\$20,595,824.74	\$20,595,824.74
15	2026-2027	2026	\$0.00	\$0.00	\$19,566,033.50	\$0.00	\$0.00	\$19,566,033.50	\$19,566,033.50	\$19,566,033.50

Tax Credit Period (with 50% cap on credit)

Value Limitation Period

Credit Settle-Up Period

Post-Settle-Up Period

Post-Settle-Up Period

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8/30/11

DATE

Schedule C - Application: Employment Information

Applicant Name: Magic Valley Wind Farm I, LLC.
 ISD Name: San Perita Independent School District

Checklist Item 19

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction FTE's or man-hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2011-2012	2011	0	N/A	0	N/A	0	0
Complete tax years of qualifying time period	1	2012-2013	2012	20 FTE	\$40,268	1	\$40,268	1	\$40,268
	2	2013-2014	2013	0	N/A	1	\$40,268	1	\$40,268
	3	2014-2015	2014	0	N/A	1	\$40,268	1	\$40,268
	4	2015-2016	2015	0	N/A	1	\$40,268	1	\$40,268
	5	2016-2017	2016	0	N/A	1	\$40,268	1	\$40,268
	6	2017-2018	2017	0	N/A	1	\$40,268	1	\$40,268
Tax Credit Period (with 50% cap on credit)	7	2018-2019	2018	0	N/A	1	\$40,268	1	\$40,268
	8	2019-2020	2019	0	N/A	1	\$40,268	1	\$40,268
	9	2020-2021	2020	0	N/A	1	\$40,268	1	\$40,268
	10	2021-2022	2021	0	N/A	1	\$40,268	1	\$40,268
	11	2022-2023	2022	0	N/A	1	\$40,268	1	\$40,268
	12	2023-2024	2023	0	N/A	1	\$40,268	1	\$40,268
Credit Settle-Up Period	13	2024-2025	2024	0	N/A	1	\$40,268	1	\$40,268
	14	2025-2026	2025	0	N/A	1	\$40,268	1	\$40,268
	15	2026-2027	2026	0	N/A	1	\$40,268	1	\$40,268

Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.


 DATE: 8/30/11

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Schedule D: (Rev. May 2010): Other Tax Information

Applicant Name

Magic Valley Wind Farm I, LLC.

Checklist Item 20

ISD Name

San Perla Independent School District

Form 50-296

		Sales Tax Information				Other Property Tax Abatements Sought			
		Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	County	City	Hospital	Other	
Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	
	2011-2012	2011	\$0.00	\$0.00	\$0.00	0%	0%	0%	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)									
		1	\$2,400,000.00	\$35,715,000.00	\$0.00	0%	0%	0%	
		2	\$0.00	\$0.00	\$0.00	70%	70%	50%	
		3	\$0.00	\$0.00	\$0.00	70%	70%	50%	
		4	\$0.00	\$0.00	\$0.00	70%	70%	50%	
		5	\$0.00	\$0.00	\$0.00	70%	70%	50%	
		6	\$0.00	\$0.00	\$6,562.50	70%	70%	50%	
		7	\$0.00	\$0.00	\$30,000.00	70%	70%	50%	
		8	\$0.00	\$0.00	\$43,125.00	70%	70%	50%	
		9	\$0.00	\$0.00	\$46,125.00	70%	70%	50%	
		10	\$0.00	\$0.00	\$46,875.00	70%	70%	50%	
		11	\$0.00	\$0.00	\$55,125.00	70%	70%	50%	
		12	\$0.00	\$0.00	\$79,687.50	0%	0%	0%	
		13	\$0.00	\$0.00	\$84,937.50	0%	0%	0%	
		14	\$0.00	\$0.00	\$89,812.50	0%	0%	0%	
		15	\$0.00	\$0.00	\$96,375.00	0%	0%	0%	
Tax Credit Period (with 50% cap on credit)									
Credit Settle-Up Period									
Post-Settle-Up Period									

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE 8/30/11

Attachment 2



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Robert Scott
Commissioner

November 17, 2011

Mr. Robert Wood
Director, Economic Development and Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Magic Valley Wind Farm I LLC project on the number and size of school facilities in San Perlita Independent School District (SPISD). Based on our analysis of the project and a conversation with the SPISD superintendent, Mr. Albert Pena, the TEA has found that the Magic Valley Wind Farm I LLC project would not have a significant impact on the number or size of school facilities in SPISD.

Please feel free to contact Al McKenzie, manager of forecasting, facilities, and transportation, by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information regarding this issue.

Sincerely,

A handwritten signature in cursive script that reads "Belinda Dyer".

Belinda Dyer
Division Manager
Office of School Finance

BD/bd

November 17, 2011

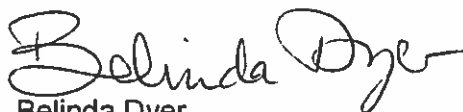
Mr. Robert Wood
Director, Economic Development and Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

The Texas Education Agency has analyzed the revenue gains that would be realized by the proposed Magic Valley Wind Farm I LLC project for the San Perlita Independent School District (SPISD). Projections prepared by our Office of School Finance confirm the analysis that was prepared by Larry Stavinoha and provided to us by your division. We believe his assumptions regarding the potential revenue gain are valid, and his estimates of the impact of the Magic Valley Wind Farm I LLC project on SPISD are correct.

Please feel free to contact Al McKenzie, manager of forecasting, facilities, and transportation, by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information regarding this issue.

Sincerely,



Belinda Dyer
Division Manager
Office of School Finance

BD/bd

FINAL REPORT

**Summary of the Financial Impact of
The Proposed Magic Valley Wind Farm on the San Perlita ISD
Under a Requested Chapter 313 Property Value Limitation**

Prepared By

Larry Stavinoha

School Finance Consultant

October 8, 2011

Introduction

Magic Valley Wind Farm 1, LLC, has requested that the San Perlita Independent School District consider granting a property value limitation under Chapter 313 of the Tax Code for a wind farm project. Magic Valley Wind Farm 1, LLC, has submitted an application to the San Perlita ISD Board of Trustees. That application was approved on September 13, 2011. Magic Valley Wind Farm proposes to initially invest \$38,115,000 in this project.

The state of Texas has a goal of “encouraging large scale capital investments” and the Magic Valley Wind Farm project is consistent with that goal. The Texas Legislature enacted House Bill 1200 in 2001 which established Chapter 313 of the tax code. This made companies engaged in renewable energy production eligible to apply to school districts for property value limitations.

Texas Public School Funding

In 2006, a special session of the Texas Legislature enacted House Bill 1. House Bill 1 replaced a school funding system that was formula driven with a maximum M&O tax rate of \$1.50 with one that has most districts subject to a system of Hold Harmless Target Revenue. This established a maximum tax rate of \$1.04 unless district voters authorized higher M&O levies up to \$1.17. Most Texas School Districts are currently subject to Hold Harmless Target Revenue and now receive additional state aid for tax reduction to make up for revenue that was previously generated by tax levies up to \$1.50.

A special session of the Texas Legislature in the summer of 2011 made significant changes to the school funding system to implement approximately \$4 billion dollars in cuts to the system for the 2011-2012 and 2012-2013 school years. State Revenue reductions for the 2011-2012 school year were accomplished by reducing the Tier 1 Regular Program Allotment by 7.61%. In 2012-2013, the Regular Program Allotments will be reduced by 2% along with a 7.65% reduction in additional state aid for tax reduction. The legislature has set a goal of completely eliminating additional state aid for tax reduction over the next five years, however future legislative sessions will determine the distribution of Foundation School Program revenues after the 2012-2013 school year. It should

be noted that because ASATR funding has the effect of off-setting school district revenue losses arising from limitations on the valuation of a qualified investment, any reduction of ASATR funding after the 2012-2013 school year may result in significant increases in the amount of estimated revenue protection payable by the applicant to the district pursuant to the tax limitation agreement.

State and local revenues for Texas School Districts are determined by two different property values in any given year. Under the current school funding system, school districts levy and collect local property taxes based on the current tax roll as determined by the County Appraisal District. State funding formulas use previous year (CPTD values) to determine local fund assignments in the 3 funding tiers. The CPTD value reflects the CAD value from the previous year.

Program Specifics

The first two years, 2012-13 and 2013-14, the project will be fully taxable for both maintenance and operation (M&O) and debt service (I&S). These two school years represent the qualifying time period for the project. San Perlita ISD intends to offer a value limitation of \$10 million effective school year 2014-15 through 2021-22. During those years the project amount will be \$10m for M&O taxes. Taxes for debt service, voter approved projects financed by the sale of bonds, will continue to be taxed at full taxable value. Depreciation is expected to reduce the taxable value of the project over the course of the value limitation agreement.

Project Assumptions

The Chapter 313 application now requires fifteen years of data and analysis on the project being considered for a property value limitation. The approach used in this study is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. In this study, it is assumed that student counts, average daily attendance, would remain at 246, the current level. The local district tax base for San Perlita ISD was \$62,363,995 in the 2011 tax year. The \$62,363,995 tax base for 2011-2012 is maintained for the study period in order to highlight the effects of the property value limitation. The projected CAD values are used for the CPTD values in each of the following years based on the one year lag between these values that was explained earlier in this report. It is also assumed that the current M&O tax rate, \$1.04, and the current I&S rate, \$.28 will prevail during the project period. The forecasts contained in this report assume that the current school funding system

and formulas will remain in place throughout the project period. It is likely that political pressures and possibly court decisions will force the Texas Legislature to modify the current formulas. The assumptions discussed here are summarized in Table 1 of this report.

School Funding Impact on San Perlita ISD

Two models for comparison purposes were developed under the guidelines of the proposed agreement and using the assumptions outlined previously in this report. The models are designed to illustrate the financial impact, if any, to the San Perlita ISD resulting from this agreement.

The first model adds the taxable value of the project to the district's baseline taxable value. In the years where the tax limitation was applicable, the project value was held at \$10m. State and local revenue is calculated based on the resulting taxable values.

The second model projects state and local revenue to the district without the provisions of the tax limitation agreement. This model adds the full taxable value of the project to the baseline taxable value for the purpose of calculating state and local revenue. It assumes no tax limitation in any year of the study.

Exhibit A summarizes the differences between the 2 models. Year three of the agreement shows a significant loss in revenue with the agreement due to the previous year CPTD value being significantly higher than the projected current year CAD value. Very small gains are evident in years 4-10 (less than 1%). Year 11 shows a significant gain with the agreement again due to a state funding system that uses previous year CPTD values to calculate state funding and a current CAD value to generate current year taxes. As noted earlier, future sessions of the Texas Legislature are committed to modifying the funding formulas used in these models with the goal of eliminating Additional State Aid for Tax Reduction by 2017.

Impact on the Taxpayer (MVW)

The proposed tax limitation agreement calls for the project property value to be fully taxable in the first two years of the agreement. The agreement also stipulates that the taxable value of the project would be limited to \$10m in years three through ten. This limitation would apply only to M&O taxes with taxes being levied on the full value of the property for debt service payments.

The calculations in the models mentioned earlier show that the potential tax savings for Magic Valley Wind Farm 1, LLC would be \$1,702,956 over the course of the agreement. Magic Valley Wind Farm would also be eligible for a tax credit on taxes paid in excess of the value limitation in each of the first two years of the agreement. The cumulative tax credits are estimated to be approximately \$300,000. Calculations to determine these tax credits are shown on a spreadsheet entitled Exhibit B. Prior to any issuance of tax credits, the Texas Education Agency will recalculate these tax credits based on current data. Tax credit payments will be reimbursed to the school district by the state.

Impact on San Perlita ISD Facilities Funding

During this proposed agreement, the full value of the project's appraised value remains taxable for the purposes of taxation required to service bonded debt. San Perlita ISD is eligible for the Instructional Facilities Allotment. This program guarantees a certain yield per penny in state and local aid for any debt eligible under the program. Increasing CPTD values due to the addition of the project's appraised value will have the effect of reducing or possibly even eliminating the state revenue from the Instructional Facilities Allotment. However the benefit that the district will receive from increasing property values that are subject to I&S taxation will at least offset this loss of state aid.

Summary

The proposed Magic Valley Wind Farm project is consistent with one of the goals of Chapter 313 of the tax code, also known as the Texas Economic Development Act, in that it encourages large scale capital investment in projects that promote renewable electric energy production. The project will provide Magic Valley Wind Farm 1, LLC, with a significant tax benefit over the course of the agreement and the school district will be compensated for any loss of revenue as a result of the agreement. The school district will also benefit from increasing tax values which will enhance the ability of the district to meet future debt service obligations.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
2	EXHIBIT A SAN PERLITA ISD - M&O REVENUE MAGIC VALLEY WINDFARM AGREEMENT														
4	Revenue with Agreement														
5	Line	Column	Column	Column	Column	Column	Column	Column	Column	Column	Column	Column	Column	Column	Column
6	6	B	C	D	E	F	G	H	I	J	K	L	M	N	O
7	7	Agreement	School	Tax	District	M&O Taxes	State Funds	Taxable	Total Taxable	Total M&O	Total	Total Funds	Net		
8	8	Year	Year	Year	Taxable Value	Not Including	Not	Value	Value	Funds	State Funds	Combined	Projected		
9	9				Not Including	Project	Including	Per		Combined	with	Values	(Loss) / Gain		
10	10				Project		Project	MW		Value	Combined	Values	From		
11	11										Values	Values	Agreement		
13	14	0	2011-12	2011	\$62,363,995	\$648,586	\$1,996,441	\$0	\$62,363,995	\$648,586	\$2,119,936	\$2,768,522	\$0		
14	15	1	2012-13	2012	\$62,363,995	\$648,586	\$2,165,998	\$0	\$62,363,995	\$648,586	\$2,165,998	\$2,814,584	\$0		
15	16	2	2013-14	2013	\$62,363,995	\$648,586	\$2,165,998	\$38,115,000	\$100,478,995	\$1,044,982	\$2,227,781	\$3,272,763	\$0		
16	17	3	2014-15	2014	\$62,363,995	\$648,586	\$2,165,998	\$10,000,000	\$72,363,995	\$752,586	\$1,745,583	\$2,498,169	(\$294,967)		
17	18	4	2015-16	2015	\$62,363,995	\$648,586	\$2,165,998	\$10,000,000	\$72,363,995	\$752,586	\$2,061,998	\$2,814,584	\$20,419		
18	19	5	2016-17	2016	\$62,363,995	\$648,586	\$2,165,998	\$10,000,000	\$72,363,995	\$752,586	\$2,061,998	\$2,814,584	\$19,259		
19	20	6	2017-18	2017	\$62,363,995	\$648,586	\$2,165,998	\$10,000,000	\$72,363,995	\$752,586	\$2,061,998	\$2,814,584	\$20,766		
20	21	7	2018-19	2018	\$62,363,995	\$648,586	\$2,165,998	\$10,000,000	\$72,363,995	\$752,586	\$2,061,998	\$2,814,584	\$17,616		
21	22	8	2019-20	2019	\$62,363,995	\$648,586	\$2,165,998	\$10,000,000	\$72,363,995	\$752,586	\$2,061,998	\$2,814,584	\$16,770		
22	23	9	2020-21	2020	\$62,363,995	\$648,586	\$2,165,998	\$10,000,000	\$72,363,995	\$752,586	\$2,061,998	\$2,814,584	\$15,962		
23	24	10	2021-22	2021	\$62,363,995	\$648,586	\$2,165,998	\$10,000,000	\$72,363,995	\$752,586	\$2,061,998	\$2,814,584	\$15,183		
24	25	11	2022-23	2022	\$62,363,995	\$648,586	\$2,165,998	\$24,021,956	\$86,385,951	\$898,414	\$2,080,811	\$2,979,225	\$179,102		
25	26	12	2023-24	2023	\$62,363,995	\$648,586	\$2,165,998	\$22,820,858	\$85,184,853	\$885,922	\$1,914,898	\$2,800,820	\$3,055		
26	27	13	2024-25	2024	\$62,363,995	\$648,586	\$2,165,998	\$21,679,815	\$84,043,810	\$874,056	\$1,927,437	\$2,801,493	\$8		
27	28	14	2025-26	2025	\$62,363,995	\$648,586	\$2,165,998	\$20,595,824	\$82,959,819	\$862,782	\$1,939,336	\$2,802,118	\$0		
28	29	15	2026-27	2026	\$62,363,995	\$648,586	\$2,165,998	\$19,566,033	\$81,930,028	\$852,072	\$1,950,649	\$2,802,721	\$0		
29	30									\$12,736,083			\$13,182		
31	31														
32	REVENUE without Agreement														
33	School	Tax	District	M&O Taxes	State Funds	Taxable	Total Taxable	Total	Total	Total	Total	Total			
34	Year	Year	Taxable Value	On Value	Not	Value	Value	M&O Funds	State Funds	Funds	State Funds	Combined			
35			Not Including	Not Including	Including	Per		Combined	with	Combined	with	Values			
36			Project	Project	Project	MW		Value	Combined	Values	Combined	Values			
37									Value		Value				
38	37	0	2011-12	2011	\$62,363,995	\$648,586	\$1,996,441	\$0	\$62,363,995	\$648,586	\$2,119,936	\$2,768,522			
39	38	1	2012-13	2012	\$62,363,995	\$648,586	\$2,165,998	\$0	\$62,363,995	\$648,586	\$2,165,998	\$2,814,584			
40	39	2	2013-14	2013	\$62,363,995	\$648,586	\$2,165,998	\$38,115,000	\$100,478,995	\$1,044,982	\$2,227,781	\$3,272,763			
41	40	3	2014-15	2014	\$62,363,995	\$648,586	\$2,165,998	\$36,209,250	\$98,573,245	\$1,025,162	\$1,767,974	\$2,793,136			
42	41	4	2015-16	2015	\$62,363,995	\$648,586	\$2,165,998	\$34,398,787	\$96,762,782	\$1,006,333	\$1,787,832	\$2,794,165			
43	42	5	2016-17	2016	\$62,363,995	\$648,586	\$2,165,998	\$32,678,848	\$95,042,843	\$988,446	\$1,806,879	\$2,795,325			
44	43	6	2017-18	2017	\$62,363,995	\$648,586	\$2,165,998	\$31,044,905	\$93,408,900	\$971,453	\$1,822,365	\$2,793,818			
45	44	7	2018-19	2018	\$62,363,995	\$648,586	\$2,165,998	\$29,492,660	\$91,856,655	\$955,309	\$1,841,658	\$2,796,967			
46	45	8	2019-20	2019	\$62,363,995	\$648,586	\$2,165,998	\$28,018,027	\$90,382,022	\$939,973	\$1,857,841	\$2,797,814			
47	46	9	2020-21	2020	\$62,363,995	\$648,586	\$2,165,998	\$26,617,126	\$88,981,121	\$925,404	\$1,873,218	\$2,798,622			
48	47	10	2021-22	2021	\$62,363,995	\$648,586	\$6,942,418	\$25,286,269	\$87,650,264	\$911,563	\$1,887,820	\$2,799,391			
49	48	11	2022-23	2022	\$62,363,995	\$648,586	\$6,942,418	\$24,021,956	\$86,385,951	\$898,414	\$1,901,709	\$2,800,123			
50	49	12	2023-24	2023	\$62,363,995	\$648,586	\$6,942,418	\$22,820,858	\$85,184,853	\$885,922	\$1,911,843	\$2,797,665			
51	50	13	2024-25	2024	\$62,363,995	\$648,586	\$6,942,418	\$21,679,815	\$84,043,810	\$874,056	\$1,927,429	\$2,801,485			
52	51	14	2025-26	2025	\$62,363,995	\$648,586	\$6,942,418	\$20,595,824	\$82,959,819	\$862,782	\$1,939,336	\$2,802,118			
53	52	15	2026-27	2026	\$62,363,995	\$648,586	\$6,942,418	\$19,566,033	\$81,930,028	\$852,072	\$1,950,649	\$2,802,721			
54										14,439,040					
55	Notes:														
56	1. Assumes no increase or decrease to the student population														

Attachment 3

Willacy County

Population

- Total county population in 2010 for Willacy County: 20,513 , up 1.0 percent from 2009. State population increased 1.8 percent in the same time period.
- Willacy County was the state's 115rd largest county in population in 2010 and the 93rd fastest growing county from 2009 to 2010.
- Willacy County's population in 2009 was 10.7 percent Anglo (below the state average of 46.7 percent), 2.1 percent African-American (below the state average of 11.3 percent) and 86.8 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Willacy County:

Raymondville:	9,392	Lyford:	2,518
San Perlita:	690		

Economy and Income

Employment

- September 2011 total employment in Willacy County: 8,211 , up 3.8 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Willacy County unemployment rate: 15.2 percent, up from 12.4 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

(Note: County and state unemployment rates are adjusted for seasonal fluctuations, but the Texas Workforce Commission city unemployment rates are not. Seasonally-adjusted unemployment rates are not comparable with unadjusted rates).

Income

- Willacy County's ranking in per capita personal income in 2009: 243rd with an average per capita income of \$23,584, up 0.6 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Willacy County averaged \$76.53 million annually from 2007 to 2010. County total agricultural values in 2010 were up 4.7 percent from 2009. Major agriculture related commodities in Willacy County during 2010 included:
 - Recreation
 - Other Beef
 - Sugar Cane
 - Cotton
 - Sorghum
- 2011 oil and gas production in Willacy County: 226,833.0 barrels of oil and 11.8 million Mcf of gas. In September 2011, there were 89 producing oil wells and 100 producing gas wells.

Taxes

Sales Tax - Taxable Sales

(County and city taxable sales data for 1st quarter 2011 is currently targeted for release in mid-September 2011).

Quarterly (September 2010 through December 2010)

- Taxable sales in Willacy County during the fourth quarter 2010: \$14.54 million, up 6.5 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Raymondville:	\$12.87 million, up 4.8 percent from the same quarter in 2009.	
Lyford:	\$565,169.00, up 47.7 percent from the same quarter in 2009.	

Taxable Sales through the end of 4th quarter 2010 (January 2010 through December 30, 2010)

- Taxable sales in Willacy County through the fourth quarter of 2010: \$55.71 million, up 0.1 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Raymondville:	\$49.14 million, down 0.7 percent from the same period in 2009.	
Lyford:	\$2.03 million, up 21.5 percent from the same period in 2009.	

Annual (2010)

- Taxable sales in Willacy County during 2010: \$55.71 million, up 0.1 percent from 2009.
- Willacy County sent an estimated \$3.48 million (or 0.02 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Raymondville: \$49.14 million, down 0.7 percent from 2009.
 Lyford: \$2.03 million, up 21.5 percent from 2009.

Sales Tax – Local Sales Tax Allocations

(The release date for sales tax allocations to cities for the sales activity month of September 2011 is currently scheduled for November 9, 2011.)

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Willacy County based on the sales activity month of August 2011: \$126,321.62, up 31.5 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Raymondville: \$122,422.14, up 33.1 percent from August 2010.
 Lyford: \$3,899.48, down 3.8 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Willacy County based on sales activity months from September 2010 through August 2011: \$1.33 million, up 11.3 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Raymondville: \$1.28 million, up 11.0 percent from fiscal 2010.
 Lyford: \$47,090.96, up 19.4 percent from fiscal 2010.

January 2011 through August 2011 (Sales Activity Year-To-Date)

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Willacy County based on sales activity months through August 2011: \$892,759.05, up 13.5 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Raymondville: \$861,132.69, up 13.3 percent from the same period in 2010.
 Lyford: \$31,626.36, up 19.0 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Willacy County based on sales activity in the 12 months ending in August 2011: \$1.33 million, up 11.3 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Raymondville: \$1.28 million, up 11.0 percent from the previous 12-month period.
 Lyford: \$47,090.96, up 19.4 percent from the previous 12-month period.

■ ***City Calendar Year-To-Date (RJ 2011)***

- Payment to the cities from January 2011 through October 2011:

Raymondville: \$1.09 million, up 12.9 percent from the same period in 2010.
 Lyford: \$39,135.49, up 20.6 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Willacy County based on sales activity months in 2010: \$1.22 million, down 2.8 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Raymondville: \$1.18 million, down 2.9 percent from 2009.
 Lyford: \$42,034.76, up 1.3 percent from 2009.

Property Tax

- As of January 2009, property values in Willacy County: \$982.27 million, down 6.4 percent from January 2008 values. The property tax base per person in Willacy County is \$48,162, below the statewide average of \$85,809. About 35.1 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Willacy County's ranking in state expenditures by county in fiscal year 2010: 99th. State expenditures in the county for FY2010:

\$100.76 million, down 0.1 percent from FY2009.

- In Willacy County, 10 state agencies provide a total of 88 jobs and \$915,944.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Health & Human Services Commission
 - Department of Public Safety
 - Texas Workforce Commission
 - Department of Transportation
 - University of Texas Medical Branch

Higher Education

- Community colleges in Willacy County fall 2010 enrollment:
 - None.

- Willacy County is in the service area of the following:
 - Texas Southmost College with a fall 2010 enrollment of 11,043. Counties in the service area include:
 - Cameron County
 - Willacy County

- Institutions of higher education in Willacy County fall 2010 enrollment:
 - None.

School Districts

- Willacy County had 4 school districts with 13 schools and 4,488 students in the 2009-10 school year.
(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)
 - Lasara ISD had 454 students in the 2009-10 school year. The average teacher salary was \$46,244. The percentage of students meeting the 2010 TAKS passing standard for all tests was 78 percent.
 - Lyford CISD had 1,551 students in the 2009-10 school year. The average teacher salary was \$44,262. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.
 - Raymondville ISD had 2,202 students in the 2009-10 school year. The average teacher salary was \$45,368. The percentage of students meeting the 2010 TAKS passing standard for all tests was 57 percent.
 - San Perlita ISD had 281 students in the 2009-10 school year. The average teacher salary was \$45,064. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.