

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



April 16, 2013

Blair Brown
Superintendent
Panhandle Independent School District
P.O. Box 1030
Panhandle, Texas 79068

Dear Superintendent Brown:

On January 18, 2013, the Comptroller received the completed application (Application # 260) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in December 2012 to the Panhandle Independent School District (the school district) by Pattern Panhandle Wind LLC (the applicant). This letter presents the results of the Comptroller's review of the application:

- 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 make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

The school district is currently classified as a rural school district in Category 2 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$120 million) is consistent with the proposed appraised value limitation sought (\$20 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.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a wind power electric generation facility in Carson County, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described by the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

After reviewing the application using the criteria listed in Section 313.026, and the information provided by the applicant, the Comptroller's recommendation is that this application under Tax Code Chapter 313 be approved.

Our review of the application 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. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements; the school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district to only approve an application if the school district finds that the information in the application is true and

¹ All statutory references are to the Texas TaxCode, unless otherwise noted.

correct, finds that the applicant is eligible for a limitation and determines that granting the application is in the best interest of the school district and this 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, the Comptroller's recommendation is prepared 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.

Note that any new building or other improvement existing as of the application review start date of January 18, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

The Comptroller's recommendation is based on the application submitted by the school district and reviewed by the Comptroller. The recommendation may not be used by the school district to support its approval of the property value limitation agreement if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this recommendation is contingent on future compliance with the Chapter 313 and the Texas Administrative Code, with particular reference to the following requirements related to the execution of the agreement:

- 1) The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than ten (10) days prior to the meeting scheduled by the school district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
- 2) The Comptroller must confirm that it received and reviewed the draft agreement and affirm the recommendation made in this letter;
- 3) The school district must approve and execute a limitation agreement that has been reviewed by the Comptroller within a year from the date of this letter; and
- 4) The school district must provide a copy of the signed limitation agreement to the Comptroller within seven (7) days after execution, as required by Section 313.025.

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	Pattern Panhandle Wind LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Panhandle ISD
2011-12 Enrollment in School District	661
County	Carson
Total Investment in District	\$120,000,000
Qualified Investment	\$120,000,000
Limitation Amount	\$20,000,000
Number of total jobs committed to by applicant	3*
Number of qualifying jobs committed to by applicant	3
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$865.38
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$850.08
Minimum Annual Wage committed to by applicant for qualified jobs	\$45,000
Investment per Qualifying Job	\$40,000,000
Estimated 15 year M&O levy without any limit or credit:	\$13,395,200
Estimated gross 15 year M&O tax benefit	\$7,935,200
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):	\$7,872,066
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$2,017,600
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$5,523,134
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	58.8%
Percentage of tax benefit due to the limitation	74.6%
Percentage of tax benefit due to the credit	25.4%
* 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 Pattern (the project) applying to Panhandle 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 three new jobs when fully operational. All three jobs 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 Panhandle Regional Planning Commission Region, where Carson County is located was \$40,196 in 2011. The annual average manufacturing wage for 2011 for Carson County is unavailable. That same year, the county annual average wage for all industries was \$75,660. In addition to a salary of \$45,000, each qualifying position will receive the following benefits: medical, dental, and vision insurance coverage, paid holidays, paid vacations, 401k, short and long term disability, life insurance, sick time, and flexible spending accounts. The project's total investment is \$120 million, resulting in a relative level of investment per qualifying job of \$40 million.

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

According to Pattern's application, "A wind energy project can be located in any state, or any county in the State, with a commercially viable wind resource, and access to transmission and an attractive market. The Applicant's parent company – Pattern Energy Group LP - currently has projects under development at viable sites in numerous states, as well as in Canada."

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

During the past two years, three projects in the Panhandle Regional Planning Commission 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 Pattern 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 Pattern'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 16 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 Pattern

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	31	33	64	\$1,585,000	\$2,075,000	\$3,660,000
2014	3	3	6	\$135,000	\$475,000	\$610,000
2015	3	1	4	\$135,000	\$105,000	\$240,000
2016	3	1	4	\$135,000	\$235,000	\$370,000
2017	3	3	6	\$135,000	\$355,000	\$490,000
2018	3	1	4	\$135,000	\$355,000	\$490,000
2019	3	1	4	\$135,000	\$105,000	\$240,000
2020	3	1	4	\$135,000	\$235,000	\$370,000
2021	3	3	6	\$135,000	\$355,000	\$490,000
2022	3	(1)	2	\$135,000	\$235,000	\$370,000
2023	3	1	4	\$135,000	\$235,000	\$370,000
2024	3	(1)	2	\$135,000	-\$15,000	\$120,000
2025	3	3	6	\$135,000	-\$135,000	\$0
2026	3	(3)	0	\$135,000	\$105,000	\$240,000
2027	3	(3)	0	\$135,000	-\$135,000	\$0
2028	3	(3)	0	\$135,000	-\$135,000	\$0

Source: CPA, REMI, Pattern

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Panhandle ISD's ad valorem tax base in 2011 was \$402 million. The statewide average wealth per WADA was estimated at \$374,943 for fiscal 2011-2012. During that same year, Panhandle ISD's estimated wealth per WADA was \$383,101. 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, Carson County, and Panhandle Underground Water District, with all property tax incentives sought being granted using estimated market value from Pattern's application. Pattern has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county. Table 3 illustrates the estimated tax impact of the Pattern project on the region if all taxes are assessed.

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Panhandle ISD I&S Levy	Panhandle ISD M&O Levy	Panhandle ISD M&O and I&S Tax Levies (Before Credit Credited)	Panhandle ISD M&O and I&S Tax Levies (After Credit Credited)	Carson County Tax Levy	Panhandle Underground Water District Tax Levy	Estimated Total Property Taxes
				0.4400	1.0400			0.5048	0.0092	
2014	\$120,000,000	\$120,000,000		\$528,000	\$1,248,000	\$1,776,000	\$1,776,000	\$0	\$10,981	\$1,786,981
2015	\$114,000,000	\$114,000,000		\$501,600	\$1,185,600	\$1,687,200	\$1,687,200	\$0	\$10,432	\$1,697,632
2016	\$108,300,000	\$20,000,000		\$476,520	\$208,000	\$684,520	\$684,520	\$0	\$9,911	\$694,431
2017	\$102,900,000	\$20,000,000		\$452,760	\$208,000	\$660,760	\$372,531	\$0	\$9,416	\$381,948
2018	\$97,700,000	\$20,000,000		\$429,880	\$208,000	\$637,880	\$349,651	\$0	\$8,941	\$358,592
2019	\$92,900,000	\$20,000,000		\$408,760	\$208,000	\$616,760	\$328,531	\$0	\$8,501	\$337,033
2020	\$88,200,000	\$20,000,000		\$388,080	\$208,000	\$596,080	\$307,851	\$0	\$8,071	\$315,923
2021	\$83,800,000	\$20,000,000		\$368,720	\$208,000	\$576,720	\$288,491	\$0	\$7,669	\$296,160
2022	\$79,600,000	\$20,000,000		\$350,240	\$208,000	\$558,240	\$279,120	\$0	\$7,284	\$286,404
2023	\$75,600,000	\$20,000,000		\$332,640	\$208,000	\$540,640	\$270,320	\$0	\$6,918	\$277,238
2024	\$71,800,000	\$71,800,000		\$315,920	\$746,720	\$1,062,640	\$1,035,623	\$362,441	\$6,570	\$1,404,635
2025	\$68,300,000	\$68,300,000		\$300,520	\$710,320	\$1,010,840	\$1,010,840	\$344,774	\$6,250	\$1,361,864
2026	\$64,800,000	\$64,800,000		\$285,120	\$673,920	\$959,040	\$959,040	\$327,106	\$5,930	\$1,292,076
2027	\$61,600,000	\$61,600,000		\$271,040	\$640,640	\$911,680	\$911,680	\$310,952	\$5,637	\$1,228,270
2028	\$58,500,000	\$58,500,000		\$257,400	\$608,400	\$865,800	\$865,800	\$295,304	\$5,353	\$1,166,457
						Total	\$11,127,200	\$1,640,577	\$117,865	\$12,885,642

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Pattern
¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Panhandle ISD I&S Levy	Panhandle ISD M&O Levy	Panhandle ISD M&O and I&S Tax Levies	Carson County Tax Levy	Panhandle Underground Water District Tax Levy	Estimated Total Property Taxes	
				0.4400	1.0400		0.5048	0.0092		
2014	\$120,000,000	\$120,000,000		\$528,000	\$1,248,000	\$1,776,000	\$605,752	\$10,981	\$2,392,733	
2015	\$114,000,000	\$114,000,000		\$501,600	\$1,185,600	\$1,687,200	\$575,464	\$10,432	\$2,273,096	
2016	\$108,300,000	\$108,300,000		\$476,520	\$1,126,320	\$1,602,840	\$546,691	\$9,911	\$2,159,441	
2017	\$102,900,000	\$102,900,000		\$452,760	\$1,070,160	\$1,522,920	\$519,432	\$9,416	\$2,051,768	
2018	\$97,700,000	\$97,700,000		\$429,880	\$1,016,080	\$1,445,960	\$493,183	\$8,941	\$1,948,083	
2019	\$92,900,000	\$92,900,000		\$408,760	\$966,160	\$1,374,920	\$468,953	\$8,501	\$1,852,374	
2020	\$88,200,000	\$88,200,000		\$388,080	\$917,280	\$1,305,360	\$445,227	\$8,071	\$1,758,659	
2021	\$83,800,000	\$83,800,000		\$368,720	\$871,520	\$1,240,240	\$423,017	\$7,669	\$1,670,925	
2022	\$79,600,000	\$79,600,000		\$350,240	\$827,840	\$1,178,080	\$401,815	\$7,284	\$1,587,179	
2023	\$75,600,000	\$75,600,000		\$332,640	\$786,240	\$1,118,880	\$381,624	\$6,918	\$1,507,422	
2024	\$71,800,000	\$71,800,000		\$315,920	\$746,720	\$1,062,640	\$362,441	\$6,570	\$1,431,652	
2025	\$68,300,000	\$68,300,000		\$300,520	\$710,320	\$1,010,840	\$344,774	\$6,250	\$1,361,864	
2026	\$64,800,000	\$64,800,000		\$285,120	\$673,920	\$959,040	\$327,106	\$5,930	\$1,292,076	
2027	\$61,600,000	\$61,600,000		\$271,040	\$640,640	\$911,680	\$310,952	\$5,637	\$1,228,270	
2028	\$58,500,000	\$58,500,000		\$257,400	\$608,400	\$865,800	\$295,304	\$5,353	\$1,166,457	
						Total	\$19,062,400	\$6,501,734	\$117,865	\$25,681,999

Source: CPA, Pattern
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 II" in this attachment shows the estimated 13 year M&O tax levy without the value limitation agreement would be \$12,146,160. The estimated gross 13 year M&O tax benefit, or levy loss, is \$7,935,200.

Attachment 3 is an economic overview of Carson 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
ISD Name
Pattom Panhandle Wind LLC
Panhandle ISD

PROPERTY INVESTMENT AMOUNTS

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

The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Year	School Year (2012-2013)	Tax Year (fill in actual tax year below) 2013	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)
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2014 - 2015	0	0	0		120,000,000
		2	2015 - 2016	0	0	0		0
		3	2016 - 2017	0	0	0		0
		4	2017 - 2018	0	0	0		0
		5	2018 - 2019	0	0	0		0
		6	2019 - 2020	0	0	0		0
		7	2020 - 2021	0	0	0		0
		8	2021 - 2022	0	0	0		0
		9	2022 - 2023	0	0	0		0
		10	2023 - 2024	0	0	0		0
		11	2024 - 2025	0	0	0		0
		12	2025 - 2026	0	0	0		0
		13	2026 - 2027	0	0	0		0
		14	2027 - 2028	0	0	0		0
		15	2028 - 2029	0	0	0		0
Credit Settle-Up Period	Post-Settle-Up Period							
	Post-Settle-Up Period							

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years. 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.

Column A: 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-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).

Column B: 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.

Column C: Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment. 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.

Column D: 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.

Column E: Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment. 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.

CONFIDENTIAL

Gen Hodges

12-5-2012

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Schedule B (Rev. May 2010): Estimated Market And Taxable Value
 Pattern Panhandle Wind LLC

Applicant Name
 ISD Name

Panhandle ISD

Form 50-296

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value		Estimated Taxable Value	
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	Exempted Value	Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions	
pre-year 1	2013 - 2014	2013							
1	2014 - 2015	2014		120,000,000				120,000,000	120,000,000
2	2015 - 2016	2015		114,000,000				114,000,000	114,000,000
3	2016 - 2017	2016		108,300,000				108,300,000	20,000,000
4	2017 - 2018	2017		102,900,000				102,900,000	20,000,000
5	2018 - 2019	2018		97,700,000				97,700,000	20,000,000
6	2019 - 2020	2019		92,900,000				92,900,000	20,000,000
7	2020 - 2021	2020		88,200,000				88,200,000	20,000,000
8	2021 - 2022	2021		83,800,000				83,800,000	20,000,000
9	2022 - 2023	2022		79,600,000				79,600,000	20,000,000
10	2023 - 2024	2023		75,600,000				75,600,000	20,000,000
11	2024 - 2025	2024		71,800,000				71,800,000	71,800,000
12	2025 - 2026	2025		68,300,000				68,300,000	68,300,000
13	2026 - 2027	2026		64,800,000				64,800,000	64,800,000
14	2027 - 2028	2027		61,600,000				61,600,000	61,600,000
15	2028 - 2029	2028		58,500,000				58,500,000	58,500,000

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.

Gen Hodges

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

12-5-2012

DATE

CONFIDENTIAL

Schedule C- Application: Employment Information

Form 50-296

Applicant Name
ISD Name

Pattern Panhandle Wind LLC
Panhandle ISD

	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 meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre- year 1	2013 - 2014	2013	58,000 man-hrs	\$52,000	3	45,000	3	45,000
	1	2014 - 2015	2014			3	45,000	3	45,000
	2	2015 - 2016	2015			3	45,000	3	45,000
	3	2016 - 2017	2016			3	45,000	3	45,000
	4	2017 - 2018	2017			3	45,000	3	45,000
	5	2018 - 2019	2018			3	45,000	3	45,000
	6	2019 - 2020	2019			3	45,000	3	45,000
	7	2020 - 2021	2020			3	45,000	3	45,000
	8	2021 - 2022	2021			3	45,000	3	45,000
	9	2022 - 2023	2022			3	45,000	3	45,000
	10	2023 - 2024	2023			3	45,000	3	45,000
	11	2024 - 2025	2024			3	45,000	3	45,000
	12	2025 - 2026	2025			3	45,000	3	45,000
	13	2026 - 2027	2026			3	45,000	3	45,000
	14	2027 - 2028	2027			3	45,000	3	45,000
	15	2028 - 2029	2028			3	45,000	3	45,000
Complete tax years of qualifying time period									
Value Limitation Period									
Tax Credit Period (with 50% cap on credit)									
Credit Settle-Up Period									
Continue to Maintain Viable Presence									
Post- Settle-Up Period									
Post- Settle-Up Period									

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.

Ben Hodges
SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

12-5-2012
DATE

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

Form 50-296

Panhandle ISD

Other Property Tax Abateements Sought

Applicant Name
Pattern Panhandle Wind LLC

ISD Name
Franchise Tax

Sales Tax Information		Franchise Tax		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 each year of the Agreement
	2013 - 2014	2013	5,423,000	21,692			
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	1	2014 - 2015			0	100%	
	2	2015 - 2016			0	100%	
	3	2016 - 2017			0	100%	
	4	2017 - 2018			0	100%	
	5	2018 - 2019			0	100%	
Tax Credit Period (with 50% cap on credit)	6	2019 - 2020			29,000	100%	
	7	2020 - 2021			86,420	100%	
	8	2021 - 2022			86,420	100%	
	9	2022 - 2023			86,420	100%	
	10	2023 - 2024			86,420	100%	
Credit Settle-Up Period	11	2024 - 2025			83,230		
	12	2025 - 2026			82,940		
	13	2026 - 2027			82,940		
Post-Settle-Up Period	14	2027 - 2028			82,640		
	15	2028 - 2029			82,360		

*For planning, construction and operation of the facility.

Gene Hodge

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

12-5-2012

DATE

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

Michael L. Williams
Commissioner

April 11, 2013

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 Pattern Panhandle Wind LLC project on the number and size of school facilities in Panhandle Independent School District (PISD). Based on the analysis prepared by Randy McDowell and Neal Brown for the school district and a conversation with the PISD superintendent, Blair Brown, the TEA has found that the Pattern Panhandle Wind LLC project would not have a significant impact on the number or size of school facilities in PISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information about this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", is written over a light blue horizontal line.

Al McKenzie, Manager
Foundation School Program Support

AM/rk

April 11, 2013

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 (TEA) has analyzed the revenue gains that would be realized by the proposed Pattern Panhandle Wind LLC project for the Panhandle Independent School District (PISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Randy McDowell and Neal Brown and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Pattern Panhandle Wind LLC project on PISD are correct.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information about this issue.

Sincerely,



Al McKenzie, Manager
Foundation School Program Support

AM/rk

Panhandle ISD Financial Impact of Chapter 313 Agreement

Summary of the District's Financial Impact of Chapter 313 Agreement with Pattern Panhandle Wind, LLC

Prepared by

Randy McDowell, RTSBA

School Financial Consultant

&

Neal Brown

School Finance Specialist, Region 16 ESC

Panhandle ISD Financial Impact of Chapter 313 Agreement

Summary of Panhandle ISD Financial Impact of the Limited Appraised Value Application from Pattern Panhandle Wind, LLC

Introduction

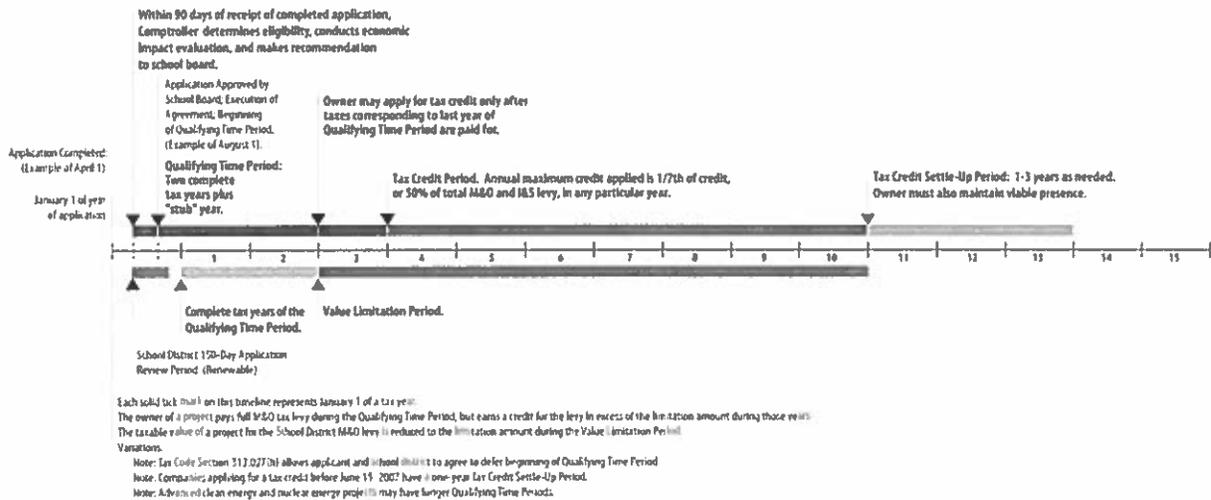
Pattern Panhandle Wind, LLC applied for a property value limitation from Panhandle Independent School District under Chapter 313 of the Tax Code. The application was submitted on December 5, 2012 and subsequently approved for consideration by the Panhandle ISD Board of Trustees. Pattern Panhandle Wind, LLC ("Pattern Panhandle Wind"), is requesting the property value limitation as a "renewable energy electric generation" 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.

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.

Panhandle ISD Financial Impact of Chapter 313 Agreement

Appraised Value Limitation and Credit under Tax Code Chapter 313 for School District Maintenance & Operations (M&O) Tax



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. The first two years of the agreement are considered the qualifying time period and the company's school district taxes will be levied at one-hundred percent of the appraised value. The applicant may then file a separate application with the school district to request tax credits (for taxes paid during the qualifying time period) to be applied during years four through ten of the LAVA, but not to exceed 50% of their tax levy for those years. Any tax credit balance remaining after this period can then be applied during years eleven through thirteen of the agreement, but cannot exceed the actual amount of taxes paid to the school district during the Settle-Up Period. After year thirteen, any leftover credits will not be applied and will expire.

During years three through ten of the LAVA, the qualifying entity's taxable value will be reduced to the minimum qualified value investment for the applicable school district as determined by the State Comptroller's Office. Panhandle ISD is considered a Rural category 2 District as categorized with total taxable value of industrial property of at least \$10 million but less than \$200 million, thus Panhandle ISD

Panhandle ISD Financial Impact of Chapter 313 Agreement

has a minimum qualified investment amount of \$20 million. A qualifying entity's taxable value would be reduced to \$20 million during years three through ten of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Panhandle ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy.

Taxable Value Impact from LAVA

The "Additional Value from Pattern Panhandle Wind" represents the values that the company estimated as their taxable values in the application that was filed with the district. During years three through ten, the company's taxable value will be limited to the \$20,000,000 minimum qualified investment of Panhandle ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Pattern Panhandle Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	120,000,000	n/a	0	120,000,000
Jan. 1, 2015	114,000,000	n/a	0	114,000,000
Jan. 1, 2016	108,300,000	(20,000,000)	88,300,000	20,000,000
Jan. 1, 2017	102,900,000	(20,000,000)	82,900,000	20,000,000
Jan. 1, 2018	97,700,000	(20,000,000)	77,700,000	20,000,000
Jan. 1, 2019	92,900,000	(20,000,000)	72,900,000	20,000,000
Jan. 1, 2020	88,200,000	(20,000,000)	68,200,000	20,000,000
Jan. 1, 2021	83,800,000	(20,000,000)	63,800,000	20,000,000
Jan. 1, 2022	79,600,000	(20,000,000)	59,600,000	20,000,000
Jan. 1, 2023	75,600,000	(20,000,000)	55,600,000	20,000,000
Jan. 1, 2024	71,800,000	n/a	0	71,800,000
Jan. 1, 2025	68,300,000	n/a	0	68,300,000
Jan. 1, 2026	64,800,000	n/a	0	64,800,000

Panhandle ISD Financial Impact of Chapter 313 Agreement

Pattern Panhandle Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Pattern Panhandle Wind is \$7.872 million over the life of the Agreement. This net savings is after all tax credits have been applied 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.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	1,248,000	0	n/a	0	0
2015-2016	1,185,600	0	n/a	0	0
2016-2017	1,126,320	918,320	n/a	(41,403)	876,917
2017-2018	1,070,160	862,160	288,229	0	1,150,389
2018-2019	1,016,080	808,080	288,229	0	1,096,309
2019-2020	966,160	758,160	288,229	0	1,046,389
2020-2021	917,280	709,280	288,229	(9,851)	987,657
2021-2022	871,520	663,520	288,229	(6,646)	945,102
2022-2023	827,840	619,840	279,120	(3,836)	895,124
2023-2024	786,240	578,240	270,320	(1,398)	847,162
2024-2025	746,720	0	27,017	0	27,017
2025-2026	710,320	0	0	0	0
2026-2027	673,920	0	0	0	0
Totals	12,146,160	5,917,600	2,017,600	(63,134)	7,872,066

Panhandle ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Panhandle ISD. First, a thirteen year financial forecast was prepared to establish a baseline without the added values of the renewable energy electric generation company. Second, a thirteen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a thirteen 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 2012-2013 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$59.97 per weighted student in average daily attendance (WADA) per penny of tax effort
- The district's tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2012.
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- An annual taxable value increase of 1.0% was used to project the district's taxable value, except as it related to the requested LAVA. The district's 2012 taxable value was used as a baseline for all projections
- The district's enrollment is projected to decrease slightly; therefore, the projected ADA and WADA for school year 2012-2013 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 thirteen years of this proposed agreement. Also, Legislative changes to the school finance formulas are likely during the near future and almost certain during the life of this agreement.

Panhandle ISD Financial Impact of Chapter 313 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 Pattern Panhandle Wind (Table III), the addition of Pattern Panhandle Wind's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Pattern Panhandle Wind's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues without Pattern Panhandle Wind:

Fiscal Year	M&O Taxes			Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
	Total Taxable Value	Compressed Rate	State Revenue				
2014-2016	414,504,812	4,145,048	1,480,827	0	5,625,875	253,515	5,879,390
2015-2016	418,649,860	4,186,499	1,425,312	0	5,611,810	252,881	5,864,691
2016-2017	422,836,359	4,228,364	1,369,417	0	5,597,781	252,249	5,850,030
2017-2018	427,064,722	4,270,647	1,313,139	0	5,583,786	251,618	5,835,405
2018-2019	431,335,370	4,313,354	1,256,473	0	5,569,827	250,989	5,820,816
2019-2020	554,194,237	5,541,942	13,960	0	5,555,902	318,489	5,874,391
2020-2021	549,067,083	5,490,671	687,954	636,612	5,542,012	244,976	5,786,988
2021-2022	544,742,185	5,447,422	679,515	598,780	5,528,157	244,702	5,772,860
2022-2023	541,159,284	5,411,593	671,481	568,737	5,514,337	244,410	5,758,747
2023-2024	538,262,980	5,382,630	663,845	545,923	5,500,551	244,100	5,744,651
2024-2025	536,002,344	5,360,023	656,596	529,820	5,486,800	243,772	5,730,572
2025-2026	534,330,563	5,343,306	649,725	519,948	5,473,083	243,426	5,716,509
2026-2027	533,204,609	5,332,046	643,218	515,864	5,459,400	243,064	5,702,464

Panhandle ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with Pattern Panhandle Wind without Chapter 313 Agreement:

Fiscal Year	M&O Taxes			Recapture Amount	Hold	M&O	Total District Revenue
	Total Taxable Value	Compressed Rate	State Revenue		Harmless Revenue	Taxes > Comp Rate	
2014-2015	534,504,812	5,345,048	1,266,069	0	6,611,117	326,908	6,938,025
2015-2016	532,649,860	5,326,499	655,546	370,235	5,611,810	249,509	5,861,319
2016-2017	531,136,359	5,311,364	650,787	364,370	5,597,781	249,042	5,846,822
2017-2018	529,964,722	5,299,647	646,015	361,876	5,583,786	248,578	5,832,364
2018-2019	529,035,370	5,290,354	642,167	362,695	5,569,827	248,069	5,817,895
2019-2020	647,094,237	6,470,942	429,029	448,140	6,451,832	303,200	6,755,032
2020-2021	637,267,083	6,372,671	704,939	1,535,597	5,542,012	254,907	5,796,919
2021-2022	628,542,185	6,285,422	695,850	1,453,114	5,528,157	251,417	5,779,574
2022-2023	620,759,284	6,207,593	687,715	1,380,970	5,514,337	248,304	5,762,641
2023-2024	613,862,980	6,138,630	679,789	1,317,868	5,500,551	245,545	5,746,096
2024-2025	607,802,344	6,078,023	672,077	1,263,301	5,486,800	243,121	5,729,921
2025-2026	602,630,563	6,026,306	663,781	1,217,004	5,473,083	242,110	5,715,193
2026-2027	598,004,609	5,980,046	658,092	1,178,739	5,459,400	241,708	5,701,108

TABLE V – District Revenues with Pattern Panhandle Wind with Chapter 313 Agreement:

Fiscal Year	M&O Taxes		State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes	Payment	Total District Revenue
	Total Taxable Value	Comp Rate				> Comp Rate	for District Losses	
2014-2015	534,504,812	5,345,048	1,266,069	0	6,611,117	326,908	0	6,938,025
2015-2016	532,649,860	5,326,499	655,546	370,235	5,611,810	249,509	0	5,861,319
2016-2017	442,836,359	4,428,364	1,473,212	303,795	5,597,781	207,639	41,403	5,846,822
2017-2018	447,064,722	4,470,647	1,113,139	0	5,583,786	251,506	0	5,835,292
2018-2019	451,335,370	4,513,354	1,056,473	0	5,569,827	250,878	0	5,820,705
2019-2020	574,194,237	5,741,942	772,307	0	6,514,249	315,360	0	6,829,609
2020-2021	569,067,083	5,690,671	674,205	822,864	5,542,012	245,056	9,851	5,796,919
2021-2022	564,742,185	5,647,422	666,007	785,271	5,528,157	244,771	6,646	5,779,574
2022-2023	561,159,284	5,611,593	658,205	755,461	5,514,337	244,468	3,836	5,762,641
2023-2024	558,262,980	5,582,630	650,793	732,871	5,500,551	244,147	1,398	5,746,096
2024-2025	607,802,344	6,078,023	340,296	783,780	5,634,539	266,523	0	5,901,062
2025-2026	602,630,563	6,026,306	663,781	1,217,004	5,473,083	242,110	0	5,715,193
2026-2027	598,004,609	5,980,046	658,092	1,178,739	5,459,400	241,708	0	5,701,108

Panhandle ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79th Legislative Session and became effective for the 2006-2007 school year. These formula changes have had an effect on the district's financial impact from granting a property value limitation. Due to the district's "Hold Harmless" provision that was enacted in the new funding formulas, it is presumed that the majority of the district's revenue losses in year three of the LAVA will be offset with additional state funding or a reduction of recapture payments made to the State. Prior to these recent formula changes, school districts felt a significant loss in revenues in year three because the state funding formulas considered the district more property wealthy based on their prior year taxable value. However, districts were only able to tax on the lower value that was a result of the LAVA. Districts are currently "held harmless" for the majority amount of loss in year three; however, it is possible that a future legislative session could eliminate this provision. If the "hold harmless" provision is eliminated, then the company would be required to offset the district's losses as computed in Article III of the Agreement.

Panhandle ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Pattern Panhandle Wind, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Panhandle ISD by Pattern Panhandle Wind, the projected amount of these payments over the life of the agreement is \$790,055 of the \$7.8 million net tax savings amount. This amount will be computed annually according to Section IV of the Agreement.

TABLE VI - Calculation of the Payment in Lieu of Taxes:

Fiscal Year	Net Tax Savings	Panhandle ISD Share \$100/ADA	Pattern Panhandle Wind's Share
2014-2015	0	61,690	(61,690)
2015-2016	0	61,536	(61,536)
2016-2017	876,917	61,382	815,535
2017-2018	1,150,389	61,229	1,089,160
2018-2019	1,096,309	61,076	1,035,233
2019-2020	1,046,389	60,923	985,465
2020-2021	987,657	60,771	926,886
2021-2022	945,102	60,619	884,484
2022-2023	895,124	60,467	834,657
2023-2024	847,162	60,316	786,846
2024-2025	27,017	60,165	(33,148)
2025-2026	0	60,015	(60,015)
2026-2027	0	59,865	(59,865)
Totals	7,872,066	790,055	7,082,011

Panhandle ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
PreK thru 5	28	616	321	295
6-8	18	360	143	217
9-12	25	500	204	296
Total	71	1,476	668	808

The building capacities are based on 22 students per classroom for the elementary campuses, 20 students for the Jr. High and high school. Panhandle ISD is a kindergarten through 12th grade district.

Pattern Panhandle Wind, LLC 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 three full-time employees are expected. It is not known whether these would be new employees to the Panhandle 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 three positions equates to 2 new students.

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

Panhandle ISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Pattern Panhandle Wind, LLC, would be beneficial to both Pattern Panhandle Wind and Panhandle ISD under the current school finance system.

Pattern Panhandle Wind, LLC would benefit from reduced property taxes during years three through ten of the LAVA. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Pattern Panhandle Wind is projected to benefit from a 73.7% tax savings over the first eleven year period of this agreement. Pattern Panhandle Wind also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

Panhandle ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Pattern Panhandle Wind 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.

Attachment 3

Carson County

Population

- Total county population in 2010 for Carson County: 6,008 , down 1.0 percent from 2009. State population increased 1.8 percent in the same time period.
- Carson County was the state's 194th largest county in population in 2010 and the 236 th fastest growing county from 2009 to 2010.
- Carson County's population in 2009 was 86.7 percent Anglo (above the state average of 46.7 percent), 1.8 percent African-American (below the state average of 11.3 percent) and 9.5 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Carson County:

Panhandle:	2,425	White Deer:	982
Skellytown:	569	Groom:	548

Economy and Income

Employment

- September 2011 total employment in Carson County: 3,099 , up 0.8 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 Carson County unemployment rate: 5.4 percent, up from 4.7 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

- Carson County's ranking in per capita personal income in 2009: 57th with an average per capita income of \$37,163, down 0.2 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 Carson County averaged \$66.85 million annually from 2007 to 2010. County total agricultural values in 2010 were up 42.1 percent from 2009. Major agriculture related commodities in Carson County during 2010 included:
 - Sorghum • Other Beef • Wheat • Cotton • Corn
- 2011 oil and gas production in Carson County: 158,747.0 barrels of oil and 8.8 million Mcf of gas. In September 2011, there were 1420 producing oil wells and 543 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 Carson County during the fourth quarter 2010: \$4.29 million, down 3.9 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Panhandle:	\$1.50 million, up 0.9 percent from the same quarter in 2009.
White Deer:	\$1.04 million, down 2.7 percent from the same quarter in 2009.
Skellytown:	\$133,132.00, up 0.3 percent from the same quarter in 2009.
Groom:	\$599,521.00, up 7.9 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 Carson County through the fourth quarter of 2010: \$15.97 million, down 1.8 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Panhandle:	\$5.72 million, up 3.5 percent from the same period in 2009.
White Deer:	\$3.17 million, up 0.9 percent from the same period in 2009.
Skellytown:	\$570,791.00, up 4.5 percent from the same period in 2009.
Groom:	\$2.12 million, up 9.3 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Carson County during 2010: \$15.97 million, down 1.8 percent from 2009.
- Carson County sent an estimated \$997,921.88 (or 0.01 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Panhandle:	\$5.72 million, up 3.5 percent from 2009.
White Deer:	\$3.17 million, up 0.9 percent from 2009.
Skellytown:	\$570,791.00, up 4.5 percent from 2009.
Groom:	\$2.12 million, up 9.3 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 Carson County based on the sales activity month of August 2011: \$28,536.32, down 4.1 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Panhandle:	\$13,979.14, up 21.0 percent from August 2010.
White Deer:	\$7,475.77, down 32.5 percent from August 2010.
Skellytown:	\$1,664.29, down 10.5 percent from August 2010.
Groom:	\$5,417.12, up 2.7 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 Carson County based on sales activity months from September 2010 through August 2011: \$359,245.74, down 1.6 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Panhandle:	\$167,505.02, up 10.0 percent from fiscal 2010.
White Deer:	\$101,473.36, up 0.3 percent from fiscal 2010.
Skellytown:	\$22,911.96, down 37.4 percent from fiscal 2010.
Groom:	\$67,355.40, down 10.3 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 Carson County based on sales activity months through August 2011: \$234,340.47, down 0.6 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Panhandle:	\$112,576.02, up 12.1 percent from the same period in 2010.
White Deer:	\$65,544.15, up 9.0 percent from the same period in 2010.
Skellytown:	\$14,312.38, down 47.1 percent from the same period in 2010.
Groom:	\$41,907.92, down 12.7 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 Carson County based on sales activity in the 12 months ending in August 2011: \$359,245.74, down 1.6 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Panhandle:	\$167,505.02, up 10.0 percent from the previous 12-month period.
White Deer:	\$101,473.36, up 0.3 percent from the previous 12-month period.
Skellytown:	\$22,911.96, down 37.4 percent from the previous 12-month period.
Groom:	\$67,355.40, down 10.3 percent from the previous 12-month period.

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

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

Panhandle:	\$143,218.50, up 12.9 percent from the same period in 2010.
White Deer:	\$87,250.49, up 5.1 percent from the same period in 2010.
Skellytown:	\$19,342.17, down 38.9 percent from the same period in 2010.
Groom:	\$55,041.28, down 9.8 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 Carson County based on sales activity months in 2010: \$360,548.74, up 5.1 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Panhandle:	\$155,380.52, up 2.4 percent from 2009.
White Deer:	\$96,050.33, down 5.9 percent from 2009.
Skellytown:	\$35,649.27, up 50.3 percent from 2009.
Groom:	\$73,468.62, up 12.0 percent from 2009.

Property Tax

- As of January 2009, property values in Carson County: \$1.24 billion, up 14.1 percent from January 2008 values. The property tax base per person in Carson County is \$202,248, above the statewide average of \$85,809. About 43.7 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Carson County's ranking in state expenditures by county in fiscal year 2010: 206th. State expenditures in the county for FY2010: \$16.67 million, down 0.5 percent from FY2009.
- In Carson County, 8 state agencies provide a total of 39 jobs and \$402,980.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):

• Department of Transportation	• Department of Public Safety
• Department of Aging and Disability Services	• AgriLife Extension Service

Higher Education

- Community colleges in Carson County fall 2010 enrollment:
 - None.
- Carson County is in the service area of the following:
 - Amarillo College with a fall 2010 enrollment of 11,540. Counties in the service area include:
 - Carson County
 - Castro County
 - Deaf Smith County
 - Moore County
 - Oldham County
 - Parmer County
 - Potter County
 - Randall County
 - Swisher County
- Institutions of higher education in Carson County fall 2010 enrollment:
 - None.

School Districts

- Carson County had 3 school districts with 6 schools and 1,179 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.)
 - Groom ISD had 134 students in the 2009-10 school year. The average teacher salary was \$43,590. The percentage of students meeting the 2010 TAKS passing standard for all tests was 91 percent.
 - Panhandle ISD had 660 students in the 2009-10 school year. The average teacher salary was \$42,798. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
 - White Deer ISD had 385 students in the 2009-10 school year. The average teacher salary was \$42,681. The percentage of students meeting the 2010 TAKS passing standard for all tests was 79 percent.