

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



October 14, 2013

John Ramos
Superintendent
Lamesa Independent School District
P.O. Box 261
Lamesa, Texas 79331-5442

Dear Superintendent Ramos:

On Aug. 23, 2013, the Comptroller received the completed application (Application # 316) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in July 2013 to the Lamesa Independent School District (the school district) by Mesquite Creek 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 3 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 (\$299 million) 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.

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 Dawson 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 Tax Code, 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 Aug. 23, 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	Mesquite Creek Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Lamesa ISD
2011-2012 Enrollment in School District	1,875
County	Dawson
Total Investment in District	\$299,200,000
Qualified Investment	\$299,200,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	7*
Number of qualifying jobs committed to by applicant	6
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$938
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$938
Minimum Annual Wage committed to by applicant for qualified jobs	\$48,784
Investment per Qualifying Job	\$49,866,667
Estimated 15 year M&O levy without any limit or credit:	\$28,955,008
Estimated gross 15 year M&O tax benefit	\$20,708,838
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):	\$18,464,230
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$2,876,224
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$10,490,778
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	63.8%
Percentage of tax benefit due to the limitation	86.1%
Percentage of tax benefit due to the credit.	13.9%
* 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 Mesquite Creek Wind, LLC (the project) applying to Lamesa 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 seven new jobs when fully operational. Six 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 Permian Basin Regional Planning Commission Region, where Dawson County is located was \$45,624 in 2012. The annual average manufacturing wage for 2012-13 for Dawson County was \$37,362. That same year, the county annual average wage for all industries was \$34,632. In addition to an annual average salary of \$48,784 each qualifying position will receive benefits such as health insurance, 401(k) paid vacation and sick leave and skills training. The project's total investment is \$299.2 million, resulting in a relative level of investment per qualifying job of \$49.9 million.

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

According to Mesquite Creek Wind, LLC's application, "BNB Renewable Energy Holdings LLC(BNB) is the parent company of Mesquite Creek Wind, LLC. Founded in 2004, BNB develops renewable energy projects, both wind and solar, in the US market. Based on their success with developing a 180 MW wind farm in Texas, BNB is actively developing a select group of renewable energy projects in Ohio, New Jersey, and Texas where BNB has leased over 200,000 acres. In Texas, BNB was one of the eleven original interveners who petitioned the PUC for new transmission upgrades. Those upgrades comprise \$5.2 Billion dollars of new transmission lines dedicated to carry wind and solar energy from West Texas to load centers in Dallas, San Antonio and Austin. On its Texas acreage, BNB has plans to construct two wind farms each of 250 MW, and two solar projects totaling in excess of 600 MW. BNB is executing its five-year goal of developing an additional gigawatt of renewable generation in the USA. As part of this goal, BNB is also active in the development of "inside the fence" renewable energy generation projects and is working with schools, Universities, and Fortune 500 companies on various sites across the US. BNB Renewable Energy Holdings LLC has the ability to locate and develop wind farms in numerous locations throughout the United States."

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

During the past two years, nine projects in the Permian Basin 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 Mesquite Creek Wind, LLC 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 Mesquite Creek Wind, LLC'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 Mesquite Creek Wind, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	75	68	143	\$2,250,000	\$4,750,000	\$7,000,000
2014	200	178	378	\$6,000,000	\$14,000,000	\$20,000,000
2015	7	14	21	\$351,302	\$2,648,698	\$3,000,000
2016	7	8	15	\$351,302	\$2,648,698	\$3,000,000
2017	7	11	18	\$351,302	\$2,648,698	\$3,000,000
2018	7	13	20	\$351,302	\$1,648,698	\$2,000,000
2019	7	14	21	\$351,302	\$1,648,698	\$2,000,000
2020	7	14	21	\$351,302	\$2,648,698	\$3,000,000
2021	7	16	23	\$351,302	\$1,648,698	\$2,000,000
2022	7	16	23	\$351,302	\$2,648,698	\$3,000,000
2023	7	16	23	\$351,302	\$2,648,698	\$3,000,000
2024	7	16	23	\$351,302	\$1,648,698	\$2,000,000
2025	7	22	29	\$351,302	\$2,648,698	\$3,000,000
2026	7	13	20	\$351,302	\$1,648,698	\$2,000,000
2027	7	14	21	\$351,302	\$1,648,698	\$2,000,000
2028	7	14	21	\$351,302	\$1,648,698	\$2,000,000

Source: CPA, REMI, Mesquite Creek Wind, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2012-13. Lamesa ISD’s ad valorem tax base in 2011-12 was \$464 million. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-13. During that same year, Lamesa ISD’s estimated wealth per WADA was \$179,911. 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, Dawson County, Dawson County Hospital District, and Mesa Underground Water Conservation District, with all property tax incentives sought being granted using estimated market value from Mesquite Creek Wind, LLC’s application. Mesquite Creek Wind, LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county, hospital district, and water conservation district. Table 3 illustrates the estimated tax impact of the Mesquite Creek Wind, LLC 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	Lamesa ISD I&S Levy	Lamesa ISD M&O Levy	Lamesa ISD M&O and I&S Tax Levies (Before Credit Credited)	Lamesa ISD M&O and I&S Tax Levies (After Credit Credited)	Dawson County Tax Levy	Dawson County Hospital District Tax Levy	Mesa Underground Water Conservation District Tax Levy	Estimated Total Property Taxes
			0.0000	0.0000	1.1700			0.5095	0.1550	0.0170	
2014	\$7,480,000	\$7,480,000		\$0	\$87,516	\$87,516	\$87,516	\$38,113	\$11,591	\$1,272	\$138,491
2015	\$286,560,000	\$286,560,000		\$0	\$3,352,752	\$3,352,752	\$3,352,752	\$0	\$0	\$0	\$3,352,752
2016	\$263,635,000	\$10,000,000		\$0	\$117,000	\$117,000	\$117,000	\$0	\$0	\$0	\$117,000
2017	\$242,544,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$0	\$0	\$0	\$58,500
2018	\$223,140,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$0	\$0	\$0	\$58,500
2019	\$205,289,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$0	\$0	\$0	\$58,500
2020	\$188,866,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$0	\$0	\$0	\$58,500
2021	\$173,757,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$0	\$0	\$0	\$58,500
2022	\$159,856,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$0	\$0	\$0	\$58,500
2023	\$147,068,000	\$10,000,000		\$0	\$117,000	\$117,000	\$58,500	\$0	\$0	\$0	\$58,500
2024	\$135,303,000	\$135,303,000		\$0	\$1,583,045	\$1,583,045	\$121,773	\$0	\$0	\$0	\$121,773
2025	\$124,479,000	\$124,479,000		\$0	\$1,456,404	\$1,456,404	\$450,953	\$634,257	\$192,894	\$21,161	\$1,299,265
2026	\$114,521,000	\$114,521,000		\$0	\$1,339,896	\$1,339,896	\$1,339,896	\$583,518	\$177,463	\$19,469	\$2,120,345
2027	\$105,359,000	\$105,359,000		\$0	\$1,232,700	\$1,232,700	\$1,232,700	\$536,835	\$163,265	\$17,911	\$1,950,711
2028	\$96,930,000	\$96,930,000		\$0	\$1,134,081	\$1,134,081	\$1,134,081	\$493,886	\$150,204	\$16,478	\$1,794,649
						Total	\$8,246,170	\$2,286,608	\$695,417	\$76,291	\$11,304,486

Assumes School Value Limitation and Tax Abatement with the County, Hospital District, and Water Conservation District.

Source: CPA, Mesquite Creek Wind, LLC

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Lamesa ISD I&S Levy	Lamesa ISD M&O Levy	Lamesa ISD M&O and I&S Tax Levies	Dawson County Tax Levy	Dawson County Hospital District Tax Levy	Mesa Underground Water Conservation District Tax Levy	Estimated Total Property Taxes	
			0.0000	0.0000	1.1700		0.5095	0.1550	0.0170		
2014	\$7,480,000	\$7,480,000		\$0	\$87,516	\$87,516	\$38,113	\$11,591	\$1,272	\$138,491	
2015	\$286,560,000	\$286,560,000		\$0	\$3,352,752	\$3,352,752	\$1,460,106	\$444,056	\$48,715	\$5,305,630	
2016	\$263,635,000	\$263,635,000		\$0	\$3,084,530	\$3,084,530	\$1,343,297	\$408,531	\$44,818	\$4,881,176	
2017	\$242,544,000	\$242,544,000		\$0	\$2,837,765	\$2,837,765	\$1,235,832	\$375,849	\$41,232	\$4,490,678	
2018	\$223,140,000	\$223,140,000		\$0	\$2,610,738	\$2,610,738	\$1,136,963	\$345,780	\$37,934	\$4,131,415	
2019	\$205,289,000	\$205,289,000		\$0	\$2,401,881	\$2,401,881	\$1,046,007	\$318,118	\$34,899	\$3,800,905	
2020	\$188,866,000	\$188,866,000		\$0	\$2,209,732	\$2,209,732	\$962,327	\$292,669	\$32,107	\$3,496,835	
2021	\$173,757,000	\$173,757,000		\$0	\$2,032,957	\$2,032,957	\$885,342	\$269,256	\$29,539	\$3,217,093	
2022	\$159,856,000	\$159,856,000		\$0	\$1,870,315	\$1,870,315	\$814,513	\$247,714	\$27,176	\$2,959,718	
2023	\$147,068,000	\$147,068,000		\$0	\$1,720,696	\$1,720,696	\$749,354	\$227,898	\$25,002	\$2,722,949	
2024	\$135,303,000	\$135,303,000		\$0	\$1,583,045	\$1,583,045	\$689,408	\$209,667	\$23,002	\$2,505,122	
2025	\$124,479,000	\$124,479,000		\$0	\$1,456,404	\$1,456,404	\$634,257	\$192,894	\$21,161	\$2,304,716	
2026	\$114,521,000	\$114,521,000		\$0	\$1,339,896	\$1,339,896	\$583,518	\$177,463	\$19,469	\$2,120,345	
2027	\$105,359,000	\$105,359,000		\$0	\$1,232,700	\$1,232,700	\$536,835	\$163,265	\$17,911	\$1,950,711	
2028	\$96,930,000	\$96,930,000		\$0	\$1,134,081	\$1,134,081	\$493,886	\$150,204	\$16,478	\$1,794,649	
						Total	\$28,955,008	\$12,609,757	\$3,834,955	\$420,714	\$45,820,434
						Difference	\$20,708,838	\$10,323,149	\$3,139,538	\$344,423	\$34,515,948

Source: CPA, Mesquite Creek Wind, 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 II" in this attachment shows the estimated 13 year M&O tax levy without the value limitation agreement would be \$26,093,926. The estimated gross 13 year M&O tax benefit, or levy loss, is \$17,832,614.

Attachment 3 is an economic overview of Dawson 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

Schedule B (Rev. January 2013): Estimated Market And Taxable Value
MESQUITE CREEK WIND, LLC

Applicant Name
 ISD Name

Form 50-296

LAMESA, ISD

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 on the new building or "in or on the new improvement"		Final taxable value for M&S - after all reductions	Final taxable value for M&C - after all reductions
pre-year 1	2013-2014	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1	2014-2015	2014	\$ -	\$ -	\$ 7,480,000	\$ -	\$ 7,480,000	\$ 7,480,000
2	2015-2016	2015	\$ -	\$ -	\$ 286,560,000	\$ -	\$ 286,560,000	\$ 286,560,000
3	2016-2017	2016	\$ -	\$ -	\$ 263,635,000	\$ -	\$ 263,635,000	\$ 10,000,000
4	2017-2018	2017	\$ -	\$ -	\$ 242,544,000	\$ -	\$ 242,544,000	\$ 10,000,000
5	2018-2019	2018	\$ -	\$ -	\$ 223,140,000	\$ -	\$ 223,140,000	\$ 10,000,000
6	2019-2020	2019	\$ -	\$ -	\$ 205,289,000	\$ -	\$ 205,289,000	\$ 10,000,000
7	2020-2021	2020	\$ -	\$ -	\$ 188,866,000	\$ -	\$ 188,866,000	\$ 10,000,000
8	2021-2022	2021	\$ -	\$ -	\$ 173,757,000	\$ -	\$ 173,757,000	\$ 10,000,000
9	2022-2023	2022	\$ -	\$ -	\$ 159,856,000	\$ -	\$ 159,856,000	\$ 10,000,000
10	2023-2004	2023	\$ -	\$ -	\$ 147,068,000	\$ -	\$ 147,068,000	\$ 10,000,000
11	2024-2025	2024	\$ -	\$ -	\$ 135,303,000	\$ -	\$ 135,303,000	\$ 135,303,000
12	2025-2026	2025	\$ -	\$ -	\$ 124,479,000	\$ -	\$ 124,479,000	\$ 124,479,000
13	2026-2027	2026	\$ -	\$ -	\$ 114,521,000	\$ -	\$ 114,521,000	\$ 114,521,000
14	2027-2028	2027	\$ -	\$ -	\$ 105,359,000	\$ -	\$ 105,359,000	\$ 105,359,000
15	2028-2029	2028	\$ -	\$ -	\$ 96,930,000	\$ -	\$ 96,930,000	\$ 96,930,000

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.

Signature: 

7/12/13
 DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Schedule D: (Rev. January 2013): Other Tax Information

MESQUITE CREEK WIND, LLC

ISD Name

LAMESA ISD

Form 50-296

Applicant Name	Sales Tax Information				Other Property Tax Abatements Sought						
	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	Franchise Tax	County	City	Hospital	Other	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2013-2014	2013	1,870,000	13,090,000						
	Complete tax years of qualifying time period	1	2014-2015	2014	35,530,000	248,710,000	0	0%	n/a	n/a	n/a
		2	2015-2016	2015			0	100%	n/a	TBD	TBD
		3	2016-2017	2016			0	100%	n/a	TBD	TBD
		4	2017-2018	2017			0	100%	n/a	TBD	TBD
		5	2018-2019	2018			0	100%	n/a	TBD	TBD
		6	2019-2020	2019			80,000	100%	n/a	TBD	TBD
		7	2020-2021	2020			80,000	100%	n/a	TBD	TBD
		8	2021-2022	2021			80,000	100%	n/a	TBD	TBD
		9	2022-2023	2022			80,000	100%	n/a	TBD	TBD
		10	2023-2024	2023			80,000	100%	n/a	TBD	TBD
	Value Limitation Period	11	2024-2025	2024			80,000	100%	n/a	TBD	TBD
		12	2025-2026	2025			80,000	0%	-	0%	-
		13	2026-2027	2026			80,000	0%	-	0%	-
	Credit Settle-Up Period	14	2027-2028	2027			80,000	0%	-	0%	-
15		2028-2029	2028			80,000	0%	-	0%	-	

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

7/12/13
DATE

Attachment 2

October 7, 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 Mesquite Creek Wind LLC project on the number and size of school facilities in Lamesa Independent School District (LISD). Based on the analysis prepared by Randy McDowell and Neal Brown for the school district and a conversation with the LISD superintendent, John Ramos, the TEA has found that the Mesquite Creek Wind LLC project would not have a significant impact on the number or size of school facilities in LISD.

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

October 7, 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 Mesquite Creek Wind LLC project for the Lamesa Independent School District (LISD). 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 Mesquite Creek Wind LLC project on LISD 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

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Mesquite Creek Wind, LLC**

**Prepared by
Randy McDowell, RTSBA
&
Neal Brown
School Finance Consultants**

Lamesa ISD Financial Impact of Chapter 313 Agreement

Summary of Lamesa ISD Financial Impact of the Limited Appraised Value Application from Mesquite Creek Wind, LLC

Introduction

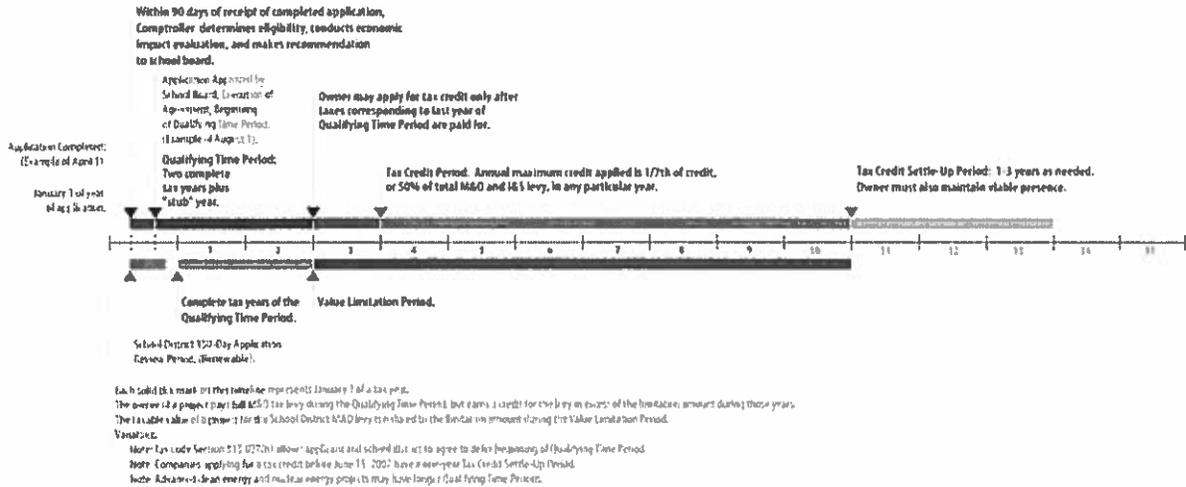
Mesquite Creek Wind, LLC applied for a property value limitation from Lamesa Independent School District under Chapter 313 of the Tax Code. The application was submitted on July 16, 2013 and subsequently approved for consideration by the Lamesa ISD Board of Trustees. Mesquite Creek Wind, LLC ("Mesquite Creek 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.

Lamesa 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 investment for the applicable school district as determined by the State Comptroller’s Office. Lamesa ISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million but less than \$90 million, thus Lamesa ISD

Lamesa ISD Financial Impact of Chapter 313 Agreement

has a minimum qualified investment amount of \$10 million. A qualifying entity's taxable value would be reduced to \$10 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 Lamesa 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 Mesquite Creek 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 \$10,000,000 minimum qualified investment of Lamesa ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Mesquite Creek Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	7,480,000	n/a	0	7,480,000
Jan. 1, 2015	286,560,000	n/a	0	286,560,000
Jan. 1, 2016	263,635,000	(10,000,000)	253,635,000	10,000,000
Jan. 1, 2017	242,544,000	(10,000,000)	232,544,000	10,000,000
Jan. 1, 2018	223,140,000	(10,000,000)	213,140,000	10,000,000
Jan. 1, 2019	205,289,000	(10,000,000)	195,289,000	10,000,000
Jan. 1, 2020	188,866,000	(10,000,000)	178,866,000	10,000,000
Jan. 1, 2021	173,757,000	(10,000,000)	163,757,000	10,000,000
Jan. 1, 2022	159,856,000	(10,000,000)	149,856,000	10,000,000
Jan. 1, 2023	147,068,000	(10,000,000)	137,068,000	10,000,000
Jan. 1, 2024	135,303,000	n/a	0	135,303,000
Jan. 1, 2025	124,479,000	n/a	0	124,479,000
Jan. 1, 2026	114,521,000	n/a	0	114,521,000

Lamesa ISD Financial Impact of Chapter 313 Agreement

Mesquite Creek Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Mesquite Creek Wind is \$18.464 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. Tax credits during years four through ten are limited to the lesser of 1/7 of the total tax credit or 50% of the total taxes paid for that tax year. Any tax credits not refunded to the company during those years will be refunded up to 100% of the taxes paid in years eleven through thirteen.

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

- The District has held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.17 for the life of this agreement. The M&O rate for 2015-2016 and 2024-2025 is projected to decrease due to the rollback tax rate calculation.
- The district currently has no outstanding bonded indebtedness; however, the district could pursue a bond election and issue bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	1.17	0.00	87,516	0	n/a	0	0
2015-2016	1.04	0.00	2,980,224	0	n/a	0	0
2016-2017	1.17	0.00	3,084,530	2,967,530	n/a	(2,244,607)	722,922
2017-2018	1.17	0.00	2,837,765	2,720,765	58,500	0	2,779,265
2018-2019	1.17	0.00	2,610,738	2,493,738	58,500	0	2,552,238
2019-2020	1.17	0.00	2,401,881	2,284,881	58,500	0	2,343,381
2020-2021	1.17	0.00	2,209,732	2,092,732	58,500	0	2,151,232
2021-2022	1.17	0.00	2,032,957	1,915,957	58,500	0	1,974,457
2022-2023	1.17	0.00	1,870,315	1,753,315	58,500	0	1,811,815
2023-2024	1.17	0.00	1,720,696	1,603,696	58,500	0	1,662,196
2024-2025	1.08	0.00	1,461,272	0	1,461,272	0	1,461,272
2025-2026	1.17	0.00	1,456,404	0	1,005,452	0	1,005,452
2026-2027	1.17	0.00	1,339,896	0	0	0	0
Totals			26,093,926	17,832,614	2,876,224	(2,244,607)	18,464,230

Lamesa 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 Lamesa 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 2013-2014 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier ii yield - \$61.86 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 2% 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 increase slightly; therefore, the projected ADA and WADA for school year 2012-2013 was increased by 1% 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.

Lamesa 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 Mesquite Creek Wind (Table III), the addition of Mesquite Creek Wind's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Mesquite Creek Wind's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Mesquite Creek Wind:

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Tier I	Revenue	
		Compressed Rate	State Revenue		Total Revenue	Above Comp Rate	Total District Revenue
2014-2015	532,427,883	5,324,279	9,493,538	0	14,817,817	1,962,049	16,779,866
2015-2016	543,076,441	5,430,764	9,530,572	0	14,961,337	2,000,428	16,961,765
2016-2017	553,937,970	5,539,380	9,566,936	0	15,106,316	2,020,114	17,126,430
2017-2018	565,016,729	5,650,167	9,607,642	0	15,257,809	2,039,999	17,297,808
2018-2019	576,317,064	5,763,171	9,641,825	0	15,404,996	2,060,086	17,465,082
2019-2020	587,843,405	5,878,434	9,677,970	0	15,556,404	2,080,378	17,636,781
2020-2021	599,600,273	5,996,003	9,711,784	0	15,707,787	2,100,875	17,808,662
2021-2022	611,592,279	6,115,923	9,748,483	0	15,864,406	2,121,580	17,985,986
2022-2023	623,824,124	6,238,241	9,777,502	0	16,015,743	2,142,496	18,158,239
2023-2024	636,300,607	6,363,006	9,814,568	0	16,177,574	2,163,623	18,341,198
2024-2025	649,026,619	6,490,266	9,843,852	0	16,334,118	2,184,965	18,519,083
2025-2026	662,007,151	6,620,072	9,875,826	0	16,495,898	2,206,523	18,702,420
2026-2027	675,247,294	6,752,473	9,905,002	0	16,657,475	2,228,299	18,885,774

Lamesa ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with Mesquite Creek Wind without Chapter 313 Agreement:

Fiscal Year	M&O Taxes				Tier I	Revenue	Total
	Total Taxable	Compressed	State	Recapture	Total	Above	District
	Value	Rate	Revenue	Amount	Revenue	Comp Rate	Revenue
2014-2015	539,907,883	5,399,079	9,491,295	0	14,890,374	1,989,388	16,879,762
2015-2016	829,636,441	8,296,364	9,375,145	0	17,671,510	1,029,757	18,701,267
2016-2017	817,572,970	8,175,730	6,622,246	0	14,797,976	1,946,740	16,744,716
2017-2018	807,560,729	8,075,607	6,898,529	0	14,974,136	1,970,916	16,945,052
2018-2019	799,457,064	7,994,571	7,149,444	0	15,144,015	1,995,192	17,139,207
2019-2020	793,132,405	7,931,324	7,384,983	0	15,316,307	2,019,555	17,335,861
2020-2021	788,466,273	7,884,663	7,602,234	0	15,486,897	2,043,987	17,530,884
2021-2022	785,349,279	7,853,493	7,807,696	0	15,661,189	2,068,480	17,729,669
2022-2023	783,680,124	7,836,801	7,991,975	0	15,828,776	2,093,023	17,921,800
2023-2024	783,368,607	7,833,686	8,171,887	0	16,005,573	2,117,619	18,123,192
2024-2025	784,329,619	7,843,296	8,332,581	0	16,175,877	2,142,256	18,318,132
2025-2026	786,486,151	7,864,862	8,485,452	0	16,350,314	2,166,936	18,517,249
2026-2027	789,768,294	7,897,683	8,632,110	0	16,529,793	2,191,662	18,721,454

TABLE V – District Revenues with Mesquite Creek Wind with Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes Comp Rate	State Revenue	Recapture Amount	Revenue			Total District Revenue
					Tier I	Above	Payment	
					Total Revenue	Comp Rate	for District Losses	
2014-2016	539,907,883	5,399,079	9,491,295	0	14,890,374	1,989,388	0	16,879,762
2015-2016	829,636,441	8,296,364	9,375,145	0	17,671,510	1,029,757	0	18,701,267
2016-2017	563,937,970	5,639,380	7,514,687	0	13,154,067	1,346,041	2,244,607	16,744,716
2017-2018	575,016,729	5,750,167	9,504,642	0	15,254,809	2,039,015	0	17,293,824
2018-2019	586,317,064	5,863,171	9,538,825	0	15,401,996	2,059,118	0	17,461,113
2019-2020	597,843,405	5,978,434	9,574,970	0	15,553,404	2,079,423	0	17,632,827
2020-2021	609,600,273	6,096,003	9,608,784	0	15,704,787	2,099,935	0	17,804,722
2021-2022	621,592,279	6,215,923	9,645,483	0	15,861,406	2,120,654	0	17,982,060
2022-2023	633,824,124	6,338,241	9,674,502	0	16,012,743	2,141,583	0	18,154,326
2023-2024	646,300,607	6,463,006	9,711,568	0	16,174,574	2,162,724	0	18,337,298
2024-2025	784,329,619	7,843,296	9,706,822	0	17,550,118	1,564,048	0	19,114,166
2025-2026	786,486,151	7,864,862	8,485,452	0	16,350,314	2,166,936	0	18,517,249
2026-2027	789,768,294	7,897,683	8,632,110	0	16,529,793	2,191,662	0	18,721,454

Lamesa 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.

Lamesa ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Mesquite Creek Wind, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Lamesa ISD by Mesquite Creek Wind, the projected amount of these payments over the life of the agreement is \$2,687,668 of the \$18.464 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	Lamesa ISD Share \$100/ADA	Mesquite Creek Wind's Share
2014-2015	0	194,627	(194,627)
2015-2016	0	196,573	(196,573)
2016-2017	722,922	198,539	524,383
2017-2018	2,779,265	200,524	2,578,740
2018-2019	2,552,238	202,530	2,349,708
2019-2020	2,343,381	204,555	2,138,826
2020-2021	2,151,232	206,600	1,944,632
2021-2022	1,974,457	208,666	1,765,790
2022-2023	1,811,815	210,753	1,601,062
2023-2024	1,662,196	212,861	1,449,335
2024-2025	1,461,272	214,989	1,246,283
2025-2026	1,005,452	217,139	788,313
2026-2027	0	219,311	(219,311)
Totals	18,464,230	2,687,668	15,776,562

Lamesa ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
South Elementary	EE-2	42	840	672	168
North Elementary	3-5	37	740	414	326
Lamesa Middle Sch.	6-8	38	684	425	259
Lamesa High School	9-12	50	900	428	472
Total		167	3,164	1,939	1,225

The building capacities are based on 20 students per classroom for elementary and 18 students per classroom for secondary. Lamesa ISD is a early education through 12th grade district.

Mesquite Creek 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 six full-time employees are expected. It is not known whether these would be new employees to the Lamesa 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 six positions equates to 3 new students.

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

Lamesa ISD Financial Impact of Chapter 313 Agreement

Conclusion

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

Mesquite Creek 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, Mesquite Creek Wind is projected to benefit from a 84% tax savings over the first twelve year period of this agreement. Mesquite Creek 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.

Lamesa ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Mesquite Creek 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

Dawson County

Population

- Total county population in 2010 for Dawson County: 13,873 , up 1.0 percent from 2009. State population increased 1.8 percent in the same time period.
- Dawson County was the state's 144th largest county in population in 2010 and the 98 th fastest growing county from 2009 to 2010.
- Dawson County's population in 2009 was 37.4 percent Anglo (below the state average of 46.7 percent), 9.4 percent African-American (below the state average of 11.3 percent) and 52.1 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Dawson County:

Lamesa:	8,815	Ackerly:	225
Los Ybanez:	29		

Economy and Income

Employment

- September 2011 total employment in Dawson County: 4,951 , up 1.4 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 Dawson County unemployment rate: 9.0 percent, up from 8.1 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

- Dawson County's ranking in per capita personal income in 2009: 219th with an average per capita income of \$27,409, up 2.9 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 Dawson County averaged \$130.55 million annually from 2007 to 2010. County total agricultural values in 2010 were up 58.6 percent from 2009. Major agriculture related commodities in Dawson County during 2010 included:
 - Peanuts
 - Other Beef
 - Sorghum
 - Cottonseed
 - Cotton
- 2011 oil and gas production in Dawson County: 2.4 million barrels of oil and 1.4 million Mcf of gas. In September 2011, there were 1313 producing oil wells and 0 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 Dawson County during the fourth quarter 2010: \$21.81 million, up 16.2 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Lamesa:	\$17.09 million, up 13.6 percent from the same quarter in 2009.
Ackerly:	\$151,347.00, down 39.4 percent from the same quarter in 2009.
Los Ybanez:	\$540,728.00, up 9.5 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 Dawson County through the fourth quarter of 2010: \$77.83 million, up 9.3 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Lamesa:	\$61.36 million, up 5.5 percent from the same period in 2009.
Ackerly:	\$869,801.00, down 0.8 percent from the same period in 2009.
Los Ybanez:	\$2.20 million, up 5.7 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Dawson County during 2010: \$77.83 million, up 9.3 percent from 2009.
- Dawson County sent an estimated \$4.86 million (or 0.03 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Lamesa:	\$61.36 million, up 5.5 percent from 2009.
Ackerly:	\$869,801.00, down 0.8 percent from 2009.

Los Ybanez: \$2.20 million, up 5.7 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 Dawson County based on the sales activity month of August 2011: \$115,899.94, up 17.9 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Lamesa:	\$111,557.19, up 21.6 percent from August 2010.
Ackerly:	\$4,115.46, down 17.4 percent from August 2010.
Los Ybanez:	\$227.29, down 86.0 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 Dawson County based on sales activity months from September 2010 through August 2011: \$1.42 million, up 13.7 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Lamesa:	\$1.33 million, up 11.8 percent from fiscal 2010.
Ackerly:	\$71,640.60, up 81.8 percent from fiscal 2010.
Los Ybanez:	\$18,987.82, down 6.7 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 Dawson County based on sales activity months through August 2011: \$941,818.45, up 16.4 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Lamesa:	\$884,158.57, up 15.2 percent from the same period in 2010.
Ackerly:	\$46,309.56, up 65.5 percent from the same period in 2010.
Los Ybanez:	\$11,350.32, down 18.2 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 Dawson County based on sales activity in the 12 months ending in August 2011: \$1.42 million, up 13.7 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Lamesa:	\$1.33 million, up 11.8 percent from the previous 12-month period.
Ackerly:	\$71,640.60, up 81.8 percent from the previous 12-month period.
Los Ybanez:	\$18,987.82, down 6.7 percent from the previous 12-month period.

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

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

Lamesa:	\$1.12 million, up 14.6 percent from the same period in 2010.
Ackerly:	\$59,955.66, up 70.6 percent from the same period in 2010.
Los Ybanez:	\$14,839.75, down 13.0 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 Dawson County based on sales activity months in 2010: \$1.29 million, up 4.2 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Lamesa:	\$1.21 million, up 3.3 percent from 2009.
Ackerly:	\$53,310.16, up 29.4 percent from 2009.
Los Ybanez:	\$21,520.12, up 5.8 percent from 2009.

Property Tax

- As of January 2009, property values in Dawson County: \$1.19 billion, down 11.2 percent from January 2008 values. The property tax base per person in Dawson County is \$86,859, above the statewide average of \$85,809. About 54.2 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Dawson County's ranking in state expenditures by county in fiscal year 2010: 120th. State expenditures in the county for FY2010: \$70.08 million, up 0.1 percent from FY2009.
- In Dawson County, 12 state agencies provide a total of 575 jobs and \$5.12 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Department of Criminal Justice
 - Department of Transportation
 - Department of Public Safety
 - Department of Family and Protective Services

Higher Education

- Community colleges in Dawson County fall 2010 enrollment:
 - None.
- Dawson County is in the service area of the following:
 - Howard County Junior College with a fall 2010 enrollment of 4,685 . Counties in the service area include:
 - Coke County
 - Concho County
 - Dawson County
 - Glasscock County
 - Howard County
 - Irion County
 - Kimble County
 - Martin County
 - Menard County
 - Schleicher County
 - Sterling County
 - Sutton County
 - Tom Green County
- Institutions of higher education in Dawson County fall 2010 enrollment:
 - None.

School Districts

- Dawson County had 4 school districts with 8 schools and 2,520 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.)
 - Dawson ISD had 167 students in the 2009-10 school year. The average teacher salary was \$41,754. The percentage of students meeting the 2010 TAKS passing standard for all tests was 77 percent.
 - Klondike ISD had 208 students in the 2009-10 school year. The average teacher salary was \$42,776. The percentage of students meeting the 2010 TAKS passing standard for all tests was 89 percent.
 - Lamesa ISD had 1,924 students in the 2009-10 school year. The average teacher salary was \$43,267. The percentage of students meeting the 2010 TAKS passing standard for all tests was 61 percent.
 - Sands ISD had 221 students in the 2009-10 school year. The average teacher salary was \$45,014. The percentage of students meeting the 2010 TAKS passing standard for all tests was 82 percent.