

S U S A N
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



February 20, 2014

Todd Southard
Superintendent
Silverton Independent School District
700 Loretta St.
Silverton, Texas 79257

Dear Superintendent Southard:

On Nov. 25, 2013, the Comptroller received the completed application (Application # 353) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in August 2013 to the Silverton Independent School District (the school district) by Briscoe Wind Farm, 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 (\$301.5 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 solar power electric generation facility in Briscoe 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 Nov. 25, 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 | Briscoe Wind Farm, LLC |
|---|---|
| Tax Code, 313.024 Eligibility Category | Renewable Energy Electric Generation - Wind |
| School District | Silverton ISD |
| 2011-12 Enrollment in School District | 195 |
| County | Briscoe |
| Total Investment in District | \$301,500,000 |
| Qualified Investment | \$301,500,000 |
| 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 | \$894 |
| Minimum Weekly Wage Required Tax Code, 313.051(b) | \$885 |
| Minimum Annual Wage committed to by applicant for qualified jobs | \$46,500 |
| Investment per Qualifying Job | \$50,250,000 |
| Estimated 15 year M&O levy without any limit or credit: | \$24,275,966 |
| Estimated gross 15 year M&O tax benefit | \$18,930,556 |
| 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): | \$17,015,286 |
| Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program) | \$2,736,103 |
| Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection: | \$7,260,680 |
| Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted) | 70.1% |
| Percentage of tax benefit due to the limitation | 85.5% |
| Percentage of tax benefit due to the credit. | 14.5% |
| * 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 Briscoe Wind Farm, LLC (the project) applying to Silverton 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 Panhandle Regional Planning Commission, where Briscoe County is located was \$41,850 in 2012. There is no wage data on the annual average manufacturing wage for 2012-2013 for Briscoe County. From 2012-2013, the county annual average wage for all industries was \$27,820. In addition to an annual average salary of \$46,500 each qualifying position will receive benefits such as a group health benefit plan, skills training, vacation time, sick leave and an area wide competitive 401(k) retirement savings plan. The project's total investment is \$301.5 million, resulting in a relative level of investment per qualifying job of \$50.3 million.

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

According to Briscoe Wind Farm, LLC's application, "Founded in 1996 by two entrepreneurs in Wörrstadt, Germany, the privately held juwi Group (juwi) has more than 17 years of experience developing, financing, constructing, operating, and maintaining renewable energy projects. The juwi Group has developed over 2,000 MW of renewable energy—including wind, solar, and bio energy. The juwi Group employees more than 1,700 people globally and is currently active in renewable energy development on five continents." juwi Wind is the 100% owner of the Briscoe Wind Farm and is looking forward to adding this 200 MW project to our construction plans.."

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

During the past two years, 26 projects in the Panhandle Regional Planning Commission area 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 Briscoe Wind Farm, LLC project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the manufacturing industry.

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

Table 1 depicts Briscoe Wind Farm, 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 Briscoe Wind Farm, LLC

| Year | Employment | | | Personal Income | | |
|------|------------|--------------------|-------|-----------------|--------------------|--------------|
| | Direct | Indirect + Induced | Total | Direct | Indirect + Induced | Total |
| 2014 | 5 | 6 | 11 | \$210,000 | \$790,000 | \$1,000,000 |
| 2015 | 6 | 6 | 12 | \$256,500 | \$743,500 | \$1,000,000 |
| 2016 | 207 | 188 | 395 | \$8,694,000 | \$14,306,000 | \$23,000,000 |
| 2017 | 7 | 16 | 23 | \$294,000 | \$2,706,000 | \$3,000,000 |
| 2018 | 7 | 13 | 20 | \$294,000 | \$2,706,000 | \$3,000,000 |
| 2019 | 7 | 7 | 14 | \$294,000 | \$1,706,000 | \$2,000,000 |
| 2020 | 7 | 7 | 14 | \$294,000 | \$1,706,000 | \$2,000,000 |
| 2021 | 7 | 9 | 16 | \$294,000 | \$1,706,000 | \$2,000,000 |
| 2022 | 7 | 7 | 14 | \$294,000 | \$1,706,000 | \$2,000,000 |
| 2023 | 7 | 11 | 18 | \$294,000 | \$1,706,000 | \$2,000,000 |
| 2024 | 7 | 5 | 12 | \$294,000 | \$706,000 | \$1,000,000 |
| 2025 | 7 | 14 | 21 | \$294,000 | \$1,706,000 | \$2,000,000 |
| 2026 | 7 | 9 | 16 | \$294,000 | \$706,000 | \$1,000,000 |
| 2027 | 7 | 7 | 14 | \$294,000 | \$706,000 | \$1,000,000 |
| 2028 | 7 | 5 | 12 | \$294,000 | \$706,000 | \$1,000,000 |
| 2029 | 7 | 1 | 8 | \$294,000 | \$706,000 | \$1,000,000 |

Source: CPA, REMI, Briscoe Wind Farm, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.7 billion in 2012-2013. Silverton ISD's ad valorem tax base in 2012-2013 was \$63.2 million. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Silverton ISD's estimated wealth per WADA was \$174,802. 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 and Briscoe County with all property tax incentives sought being granted using estimated market value from Briscoe Wind Farm, LLC's application. Briscoe Wind Farm, LLC 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 Briscoe Wind Farm, LLC 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 | Silverton ISD I&S Levy | Silverton ISD M&O Levy | Silverton ISD M&O and I&S Tax Levies (Before Credit Credited) | Silverton ISD M&O and I&S Tax Levies (After Credit Credited) | Briscoe County Tax Levy | Estimated Total Property Taxes |
| | | | | 0.0000 | 1.0400 | | | 0.6300 | |
| 2014 | \$7,537,500 | \$7,537,500 | | \$0 | \$78,390 | \$78,390 | \$78,390 | \$47,486 | \$125,876 |
| 2015 | \$15,075,000 | \$15,075,000 | | \$0 | \$156,780 | \$156,780 | \$156,780 | \$94,973 | \$251,753 |
| 2016 | \$292,455,000 | \$292,455,000 | | \$0 | \$3,041,532 | \$3,041,532 | \$3,041,532 | \$0 | \$3,041,532 |
| 2017 | \$269,059,000 | \$10,000,000 | | \$0 | \$104,000 | \$104,000 | \$104,000 | \$0 | \$104,000 |
| 2018 | \$247,534,000 | \$10,000,000 | | \$0 | \$104,000 | \$104,000 | \$52,000 | \$0 | \$52,000 |
| 2019 | \$227,731,000 | \$10,000,000 | | \$0 | \$104,000 | \$104,000 | \$52,000 | \$0 | \$52,000 |
| 2020 | \$209,513,000 | \$10,000,000 | | \$0 | \$104,000 | \$104,000 | \$52,000 | \$0 | \$52,000 |
| 2021 | \$192,752,000 | \$10,000,000 | | \$0 | \$104,000 | \$104,000 | \$52,000 | \$0 | \$52,000 |
| 2022 | \$177,332,000 | \$10,000,000 | | \$0 | \$104,000 | \$104,000 | \$52,000 | \$0 | \$52,000 |
| 2023 | \$163,145,000 | \$10,000,000 | | \$0 | \$104,000 | \$104,000 | \$52,000 | \$0 | \$52,000 |
| 2024 | \$150,093,000 | \$10,000,000 | | \$0 | \$104,000 | \$104,000 | \$52,000 | \$0 | \$52,000 |
| 2025 | \$138,086,000 | \$138,086,000 | | \$0 | \$1,436,094 | \$1,436,094 | \$124,277 | \$0 | \$124,277 |
| 2026 | \$127,039,000 | \$127,039,000 | | \$0 | \$1,321,206 | \$1,321,206 | \$260,920 | \$800,346 | \$1,061,266 |
| 2027 | \$116,876,000 | \$116,876,000 | | \$0 | \$1,215,510 | \$1,215,510 | \$1,215,510 | \$736,319 | \$1,951,829 |
| | | | | | | Total | \$5,345,410 | \$1,679,123 | \$7,024,533 |

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Briscoe Wind Farm, LLC

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 | Silverton ISD I&S Levy | Silverton ISD M&O Levy | | Silverton ISD M&O and I&S Tax Levies | Briscoe County Tax Levy | Estimated Total Property Taxes |
| | | | | 0.0000 | 1.0400 | | | 0.6300 | |
| 2014 | \$7,537,500 | \$7,537,500 | | \$0 | \$78,390 | | \$78,390 | \$47,486 | \$125,876 |
| 2015 | \$15,075,000 | \$15,075,000 | | \$0 | \$156,780 | | \$156,780 | \$94,973 | \$251,753 |
| 2016 | \$292,455,000 | \$292,455,000 | | \$0 | \$3,041,532 | | \$3,041,532 | \$1,842,467 | \$4,883,999 |
| 2017 | \$269,059,000 | \$269,059,000 | | \$0 | \$2,798,214 | | \$2,798,214 | \$1,695,072 | \$4,493,285 |
| 2018 | \$247,534,000 | \$247,534,000 | | \$0 | \$2,574,354 | | \$2,574,354 | \$1,559,464 | \$4,133,818 |
| 2019 | \$227,731,000 | \$227,731,000 | | \$0 | \$2,368,402 | | \$2,368,402 | \$1,434,705 | \$3,803,108 |
| 2020 | \$209,513,000 | \$209,513,000 | | \$0 | \$2,178,935 | | \$2,178,935 | \$1,319,932 | \$3,498,867 |
| 2021 | \$192,752,000 | \$192,752,000 | | \$0 | \$2,004,621 | | \$2,004,621 | \$1,214,338 | \$3,218,958 |
| 2022 | \$177,332,000 | \$177,332,000 | | \$0 | \$1,844,253 | | \$1,844,253 | \$1,117,192 | \$2,961,444 |
| 2023 | \$163,145,000 | \$163,145,000 | | \$0 | \$1,696,708 | | \$1,696,708 | \$1,027,814 | \$2,724,522 |
| 2024 | \$150,093,000 | \$150,093,000 | | \$0 | \$1,560,967 | | \$1,560,967 | \$945,586 | \$2,506,553 |
| 2025 | \$138,086,000 | \$138,086,000 | | \$0 | \$1,436,094 | | \$1,436,094 | \$869,942 | \$2,306,036 |
| 2026 | \$127,039,000 | \$127,039,000 | | \$0 | \$1,321,206 | | \$1,321,206 | \$800,346 | \$2,121,551 |
| 2027 | \$116,876,000 | \$116,876,000 | | \$0 | \$1,215,510 | | \$1,215,510 | \$736,319 | \$1,951,829 |
| | | | | | | Total | \$24,275,966 | \$14,705,633 | \$38,981,599 |

Source: CPA, Briscoe Wind Farm, LLC

¹Tax Rate per \$100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table II" in this attachment shows the estimated 13 year M&O tax levy without the value limitation agreement would be \$23,810,089. The estimated gross 13 year M&O tax benefit, or levy loss, is \$17,015,286.

Attachment 3 is an economic overview of Briscoe 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 A (Rev. January 2013): Investment

Applicant Name: BRISCOE WIND FARM, LLC
 ISD Name: SILVERTON ISD

Form 5B-256

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | | |
|--|-------------------------|---|--|---|--|--|------------------------------------|---|---|
| (Estimated investment in each year. Do not put cumulative totals.) | | | | | | | | | |
| Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | Tangible Personal Property Investment (original cost) placed in service during this year | Column B: Building or permanent nonremovable component of building (annual amount only) | Column C: Sum of A and B Qualifying Investment (during the qualifying time period) | Column D: Other investment that is not qualified investment but investment affecting economic impact and total value | Column E: Total Investment (A+B+D) | | |
| The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment) Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property) Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property) Complete tax years of qualifying time period Value Limitation Period Tax Credit Period (with 50% cap on credit) | 1 | 2015-2016 | 15,075,000 | 0 | 15,075,000 | 0 | 15,075,000 | 0 | 0 |
| | 2 | 2016-2017 | 15,075,000 | 700,000 | 15,775,000 | 0 | 15,775,000 | 0 | 0 |
| | 3 | 2017-2018 | 270,650,000 | 0 | 270,650,000 | 0 | 270,650,000 | 0 | 0 |
| | 4 | 2018-2019 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 5 | 2019-2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 6 | 2020-2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 7 | 2021-2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 8 | 2022-2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 9 | 2023-2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 10 | 2024-2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 11 | 2025-2026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 12 | 2026-2027 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 13 | 2027-2028 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 14 | 2028-2029 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 15 | 2029-2030 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Credit 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.

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.02(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals. (For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property).

Column B: 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 §313.02(1)(E).

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

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 credits. 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 these amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE:  DATE: 11-6-13

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

Applicant Name
 ISD Name

SILVERTON SD

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 US after all reductions |
| pre-year 1 | 2014-2015 | 2014 | \$ - | \$ - | \$ 7,537,500 | \$ - | \$ - | \$ - | \$ - |
| 1 | 2015-2016 | 2015 | \$ - | \$ - | \$ 15,075,000 | \$ - | \$ 15,075,000 | \$ 15,075,000 | \$ 15,075,000 |
| 2 | 2016-2017 | 2016 | \$ - | \$ - | \$ 292,455,000 | \$ - | \$ 292,455,000 | \$ 292,455,000 | \$ 292,455,000 |
| 3 | 2017-2018 | 2017 | \$ - | \$ - | \$ 269,059,000 | \$ - | \$ 269,059,000 | \$ 269,059,000 | \$ 269,059,000 |
| 4 | 2018-2019 | 2018 | \$ - | \$ - | \$ 247,534,000 | \$ - | \$ 247,534,000 | \$ 247,534,000 | \$ 247,534,000 |
| 5 | 2019-2020 | 2019 | \$ - | \$ - | \$ 227,731,000 | \$ - | \$ 227,731,000 | \$ 227,731,000 | \$ 227,731,000 |
| 6 | 2020-2021 | 2020 | \$ - | \$ - | \$ 209,513,000 | \$ - | \$ 209,513,000 | \$ 209,513,000 | \$ 209,513,000 |
| 7 | 2021-2022 | 2021 | \$ - | \$ - | \$ 192,752,000 | \$ - | \$ 192,752,000 | \$ 192,752,000 | \$ 192,752,000 |
| 8 | 2022-2023 | 2022 | \$ - | \$ - | \$ 177,332,000 | \$ - | \$ 177,332,000 | \$ 177,332,000 | \$ 177,332,000 |
| 9 | 2023-2004 | 2023 | \$ - | \$ - | \$ 163,145,000 | \$ - | \$ 163,145,000 | \$ 163,145,000 | \$ 163,145,000 |
| 10 | 2024-2025 | 2024 | \$ - | \$ - | \$ 150,093,000 | \$ - | \$ 150,093,000 | \$ 150,093,000 | \$ 150,093,000 |
| 11 | 2025-2026 | 2025 | \$ - | \$ - | \$ 138,086,000 | \$ - | \$ 138,086,000 | \$ 138,086,000 | \$ 138,086,000 |
| 12 | 2026-2027 | 2026 | \$ - | \$ - | \$ 127,039,000 | \$ - | \$ 127,039,000 | \$ 127,039,000 | \$ 127,039,000 |
| 13 | 2027-2028 | 2027 | \$ - | \$ - | \$ 116,876,000 | \$ - | \$ 116,876,000 | \$ 116,876,000 | \$ 116,876,000 |
| 14 | 2028-2029 | 2028 | \$ - | \$ - | \$ 107,526,000 | \$ - | \$ 107,526,000 | \$ 107,526,000 | \$ 107,526,000 |
| 15 | 2029-2030 | 2028 | \$ - | \$ - | \$ 98,924,000 | \$ - | \$ 98,924,000 | \$ 98,924,000 | \$ 98,924,000 |

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 OF AUTHORIZED COMPANY REPRESENTATIVE

DATE 11-6-13

Schedule C- Application: Employment Information

Applicant Name
 BRISCOE WIND FARM, LLC
 ISD Name
 SILVERTON ISD

Form 50-296

| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Construction | | New Jobs | | Qualifying Jobs | |
|---|------------|----------------------------|--|--|---|---|--|--|--|
| | | | | Column A: Number of Construction FTE's or man- hours (specify) | Column B: Average annual wage rates for construction workers | Column C: Number of new jobs applicant commits to create (cumulative) | Column D: Average annual wage rate for all new jobs. | Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative) | Column F: Average annual wage of qualifying jobs |
| | pre-year 1 | 2014-2015 | 2014 | 5 FTEs | \$42,000.00 | 0 | \$0.00 | 0 | \$0.00 |
| Complete tax years of qualifying time period | 1 | 2015-2016 | 2015 | 5 FTEs | \$42,000.00 | 1 | \$46,500.00 | 1 | \$46,500.00 |
| | 2 | 2016-2017 | 2016 | 200 FTEs | \$42,000.00 | 7 | \$42,000.00 | 6 | \$46,500.00 |
| | 3 | 2017-2018 | 2017 | | | 7 | \$42,000.00 | 6 | \$46,500.00 |
| | 4 | 2018-2019 | 2018 | | | 7 | \$42,000.00 | 6 | \$46,500.00 |
| | 5 | 2019-2020 | 2019 | | | 7 | \$42,000.00 | 6 | \$46,500.00 |
| Value Limitation Period | 6 | 2020-2021 | 2020 | | | 7 | \$42,000.00 | 6 | \$46,500.00 |
| | 7 | 2021-2022 | 2021 | | | 7 | \$42,000.00 | 6 | \$46,500.00 |
| | 8 | 2022-2023 | 2022 | | | 7 | \$42,000.00 | 6 | \$46,500.00 |
| | 9 | 2023-2024 | 2023 | | | 7 | \$42,000.00 | 6 | \$46,500.00 |
| | 10 | 2024-2025 | 2024 | | | 7 | \$42,000.00 | 6 | \$46,500.00 |
| Credit Settle-Up Period | 11 | 2025-2026 | 2025 | | | 7 | \$42,000.00 | 6 | \$46,500.00 |
| | 12 | 2026-2027 | 2026 | | | 7 | \$42,000.00 | 6 | \$46,500.00 |
| | 13 | 2027-2028 | 2027 | | | 7 | \$42,000.00 | 6 | \$46,500.00 |
| Post-Settle-Up Period | 14 | 2028-2029 | 2028 | | | 7 | \$42,000.00 | 6 | \$46,500.00 |
| | 15 | 2029-2030 | 2028 | | | 7 | \$42,000.00 | 6 | \$46,500.00 |

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.



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE 11-6-13

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

| Applicant Name | | BRISCOE WIND FARM, LLC | | SILVERTON ISD | | Other Property Tax Abatements Sought | | Form 50-296 | |
|----------------|-------------------------|---|---|---|--------|--------------------------------------|----------|-------------|--|
| | | Sales Tax Information | | Franchise Tax | | | | | |
| | | Sales Taxable Expenditures | | Franchise Tax | | | | | |
| | | Column F: Estimate of total annual expenditures* subject to state sales tax | Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax | Column H: Estimate of Franchise tax due from (or attributable to) the applicant | County | City | Hospital | Other | |
| Year | School Year (YYYY-YYYY) | Tax/Calendar Year YYYY | | | | | | | |
| | | | 2,336,625 | 12,738,375 | | | | | |
| | 2014-2015 | 2014 | | | | | | | |
| | 2015-2016 | 2015 | 2,336,625 | 12,738,375 | 0 | n/a | n/a | n/a | |
| | 2016-2017 | 2016 | 42,059,250 | 229,290,750 | 0 | n/a | n/a | n/a | |
| | 2017-2018 | 2017 | 75,000 | 100,000 | 100% | n/a | n/a | n/a | |
| | 2018-2019 | 2018 | 82,500 | 110,000 | 100% | n/a | n/a | n/a | |
| | 2019-2020 | 2019 | 90,800 | 121,000 | 100% | n/a | n/a | n/a | |
| | 2020-2021 | 2020 | 99,900 | 133,100 | 100% | n/a | n/a | n/a | |
| | 2021-2022 | 2021 | 109,900 | 146,400 | 100% | n/a | n/a | n/a | |
| | 2022-2023 | 2022 | 120,900 | 161,000 | 100% | n/a | n/a | n/a | |
| | 2023-2004 | 2023 | 133,000 | 177,100 | 100% | n/a | n/a | n/a | |
| | 2024-2025 | 2024 | 146,300 | 194,800 | 100% | n/a | n/a | n/a | |
| | 2025-2026 | 2025 | 160,900 | 214,300 | 100% | n/a | n/a | n/a | |
| | 2026-2027 | 2026 | 177,000 | 235,700 | 100% | n/a | n/a | n/a | |
| | 2027-2028 | 2027 | 194,700 | 259,300 | 0% | 0% | 0% | 0% | |
| | 2028-2029 | 2028 | 214,200 | 285,200 | 0% | 0% | 0% | 0% | |
| | 2029-2030 | 2028 | 235,600 | 313,700 | 0% | 0% | 0% | 0% | |
| | | | | | | | | | |

*For planning, construction and operation of the facility.


SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE 11-6-13

Attachment 2

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

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

Silverton ISD Financial Impact of Chapter 313 Agreement

**Summary of Silverton ISD Financial Impact
of the
Limited Appraised Value Application
from
Briscoe Wind Farm, LLC**

Introduction

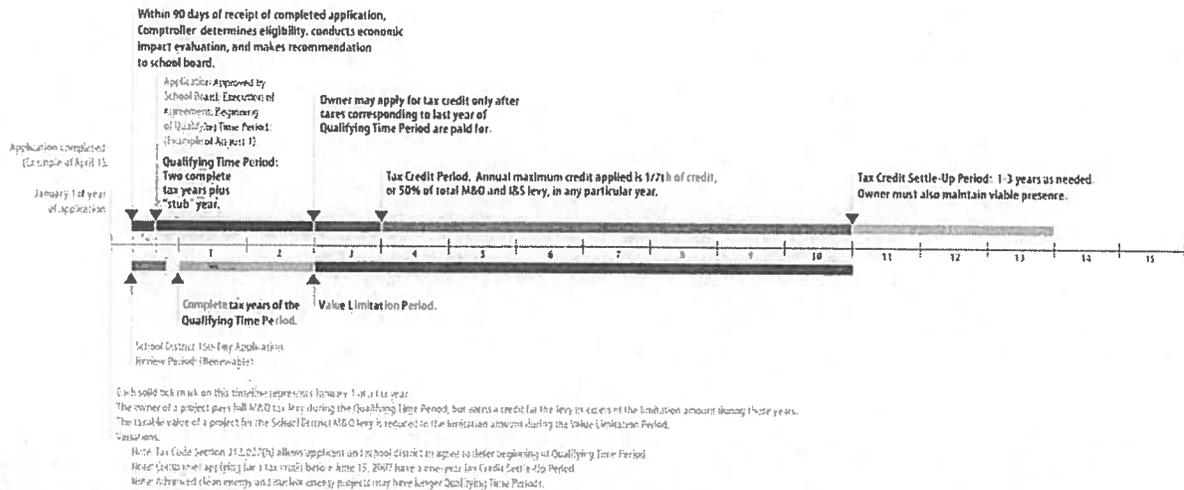
Briscoe Wind Farm, LLC applied for a property value limitation from Silverton Independent School District under Chapter 313 of the Tax Code. The application was submitted on October 22, 2013 and subsequently approved for consideration by the Silverton ISD Board of Trustees. Briscoe Wind Farm, LLC ("Briscoe 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.

Silverton 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. Silverton 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 Silverton ISD has a minimum qualified investment amount of \$10 million. A qualifying entity’s taxable value would be

Silverton ISD Financial Impact of Chapter 313 Agreement

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 Silverton 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 Briscoe 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 Silverton ISD.

TABLE I- Calculation of Taxable Value:

| Tax Year | Additional Value From Briscoe Wind | Minimum Qualified Investment | Abated Value | Taxable Value |
|--------------|---------------------------------------|------------------------------------|-----------------|------------------|
| Jan. 1, 2015 | 15,075,000 | n/a | 0 | 15,075,000 |
| Jan. 1, 2016 | 292,455,000 | n/a | 0 | 292,455,000 |
| Jan. 1, 2017 | 269,059,000 | (10,000,000) | 259,059,000 | 10,000,000 |
| Jan. 1, 2018 | 247,534,000 | (10,000,000) | 237,534,000 | 10,000,000 |
| Jan. 1, 2019 | 227,731,000 | (10,000,000) | 217,731,000 | 10,000,000 |
| Jan. 1, 2020 | 209,513,000 | (10,000,000) | 199,513,000 | 10,000,000 |
| Jan. 1, 2021 | 192,752,000 | (10,000,000) | 182,752,000 | 10,000,000 |
| Jan. 1, 2022 | 177,332,000 | (10,000,000) | 167,332,000 | 10,000,000 |
| Jan. 1, 2023 | 163,145,000 | (10,000,000) | 153,145,000 | 10,000,000 |
| Jan. 1, 2024 | 150,093,000 | (10,000,000) | 140,093,000 | 10,000,000 |
| Jan. 1, 2025 | 138,086,000 | n/a | 0 | 138,086,000 |
| Jan. 1, 2026 | 127,039,000 | n/a | 0 | 127,039,000 |
| Jan. 1, 2027 | 116,876,000 | n/a | 0 | 116,876,000 |

Silverton ISD Financial Impact of Chapter 313 Agreement

Briscoe Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Briscoe Wind is \$17.01 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.

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

- The District has not held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.04 for the life of this agreement. The M&O rates for 2016-2017 & 2025-2026 are projected to drop to \$.95 due to the rollback tax rate calculations.
- The district currently has no outstanding bonds and no I&S tax rate is projected in the study. The district could however 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 |
|---------------|------------------------|------------------------|---------------------|----------------------------|------------------|--------------------------------------|-------------------|
| 2015-2016 | 1.040 | 0.00 | 156,780 | 0 | n/a | 0 | 0 |
| 2016-2017 | 0.950 | 0.00 | 2,778,323 | 0 | n/a | 0 | 0 |
| 2017-2018 | 1.040 | 0.00 | 2,798,214 | 2,694,214 | n/a | (1,878,779) | 815,434 |
| 2018-2019 | 1.040 | 0.00 | 2,574,354 | 2,470,354 | 52,000 | (19,161) | 2,503,193 |
| 2019-2020 | 1.040 | 0.00 | 2,368,402 | 2,264,402 | 52,000 | (8,367) | 2,308,036 |
| 2020-2021 | 1.040 | 0.00 | 2,178,935 | 2,074,935 | 52,000 | 0 | 2,126,935 |
| 2021-2022 | 1.040 | 0.00 | 2,004,621 | 1,900,621 | 52,000 | (6,040) | 1,946,581 |
| 2022-2023 | 1.040 | 0.00 | 1,844,253 | 1,740,253 | 52,000 | (2,923) | 1,789,329 |
| 2023-2024 | 1.040 | 0.00 | 1,696,708 | 1,592,708 | 52,000 | 0 | 1,644,708 |
| 2024-2025 | 1.040 | 0.00 | 1,560,967 | 1,456,967 | 52,000 | 0 | 1,508,967 |
| 2025-2026 | 0.950 | 0.00 | 1,311,817 | 0 | 1,311,817 | 0 | 1,311,817 |
| 2026-2027 | 1.040 | 0.00 | 1,321,206 | 0 | 1,060,286 | 0 | 1,060,286 |
| 2027-2028 | 1.040 | 0.00 | 1,215,510 | 0 | 0 | 0 | 0 |
| Totals | | | 23,810,089 | 16,194,454 | 2,736,103 | (1,915,270) | 17,015,286 |

Silverton 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 Silverton 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 2013.
- 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 2013 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 2013-2014 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.

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

TABLE III – District Revenues *without* Briscoe Wind Farm, LLC:

| Fiscal Year | Total Taxable Value | M&O Taxes | | Recapture Amount | Hold Harmless Revenue | M&O Taxes > Comp Rate | Total District Revenue |
|-------------|------------------------|--------------------|------------------|---------------------|-----------------------------|-----------------------------|---------------------------|
| | | Compressed Rate | State Revenue | | | | |
| 2015-2016 | 113,159,063 | 1,026,013 | 724,608 | 0 | 1,750,621 | 224,250 | 1,974,871 |
| 2016-2017 | 114,290,653 | 1,036,273 | 709,817 | 0 | 1,746,090 | 224,531 | 1,970,621 |
| 2017-2018 | 115,433,560 | 1,046,636 | 694,925 | 0 | 1,741,561 | 223,951 | 1,965,512 |
| 2018-2019 | 116,587,896 | 1,057,102 | 679,927 | 0 | 1,737,029 | 223,373 | 1,960,402 |
| 2019-2020 | 117,753,774 | 1,067,673 | 669,463 | 825 | 1,736,311 | 223,621 | 1,959,933 |
| 2020-2021 | 118,931,312 | 1,078,350 | 654,265 | 1,910 | 1,730,705 | 224,132 | 1,954,837 |
| 2021-2022 | 120,120,625 | 1,089,134 | 638,947 | 3,004 | 1,725,076 | 224,652 | 1,949,729 |
| 2022-2023 | 121,321,832 | 1,100,025 | 623,531 | 4,106 | 1,719,451 | 225,182 | 1,944,633 |
| 2023-2024 | 122,535,050 | 1,111,025 | 608,005 | 5,215 | 1,713,815 | 225,722 | 1,939,537 |
| 2024-2025 | 123,760,400 | 1,122,136 | 592,369 | 6,333 | 1,708,171 | 226,272 | 1,934,443 |
| 2025-2026 | 124,998,004 | 1,133,357 | 576,626 | 7,460 | 1,702,523 | 226,832 | 1,929,355 |
| 2026-2027 | 126,247,984 | 1,144,690 | 560,771 | 8,595 | 1,696,867 | 227,402 | 1,924,269 |
| 2027-2028 | 127,510,464 | 1,156,137 | 544,807 | 9,738 | 1,691,207 | 227,982 | 1,919,188 |

Silverton ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with Briscoe Wind Farm without Chapter 313 Agreement:

| Fiscal Year | Total Taxable Value | M&O Taxes | | Recapture Amount | Hold Harmless Revenue | M&O Taxes > Comp Rate | Total District Revenue |
|-------------|---------------------|-----------------|---------------|------------------|-----------------------|-----------------------|------------------------|
| | | Compressed Rate | State Revenue | | | | |
| 2015-2016 | 128,234,063 | 1,162,698 | 724,608 | 0 | 1,887,306 | 253,873 | 2,141,179 |
| 2016-2017 | 406,745,653 | 3,687,963 | 573,958 | 0 | 4,261,921 | 310,204 | 4,572,124 |
| 2017-2018 | 384,492,560 | 3,486,194 | 119,414 | 2,122,832 | 1,482,776 | 513,810 | 1,996,586 |
| 2018-2019 | 364,121,896 | 3,301,493 | 115,392 | 1,924,299 | 1,492,586 | 486,656 | 1,979,242 |
| 2019-2020 | 345,484,774 | 3,132,510 | 116,303 | 1,742,643 | 1,506,171 | 461,813 | 1,967,984 |
| 2020-2021 | 328,444,312 | 2,978,005 | 112,848 | 1,576,529 | 1,514,323 | 439,098 | 1,953,421 |
| 2021-2022 | 312,872,625 | 2,836,816 | 125,031 | 1,424,725 | 1,537,122 | 418,341 | 1,955,463 |
| 2022-2023 | 298,653,832 | 2,707,894 | 126,071 | 1,286,096 | 1,547,869 | 399,387 | 1,947,256 |
| 2023-2024 | 285,680,050 | 2,590,261 | 122,499 | 1,159,606 | 1,553,154 | 382,093 | 1,935,248 |
| 2024-2025 | 273,853,400 | 2,483,029 | 118,746 | 1,044,300 | 1,557,474 | 366,328 | 1,923,803 |
| 2025-2026 | 263,084,004 | 2,385,383 | 115,548 | 939,311 | 1,561,620 | 351,973 | 1,913,593 |
| 2026-2027 | 253,286,984 | 2,296,553 | 112,523 | 843,836 | 1,565,240 | 338,913 | 1,904,153 |
| 2027-2028 | 244,386,464 | 2,215,852 | 109,364 | 757,133 | 1,568,083 | 327,049 | 1,895,132 |

TABLE V – District Revenues with Briscoe Wind Farm with Chapter 313 Agreement:

| Fiscal Year | Total Taxable Value | M&O Taxes | | Recapture Amount | Hold Harmless Revenue | M&O Taxes > Comp Rate | Payment for District Losses | Total District Revenue |
|-------------|---------------------|-----------|---------------|------------------|-----------------------|-----------------------|-----------------------------|------------------------|
| | | Comp Rate | State Revenue | | | | | |
| 2015-2016 | 128,234,063 | 1,162,698 | 724,608 | 0 | 1,887,306 | 253,873 | 0 | 2,141,179 |
| 2016-2017 | 406,745,653 | 3,687,963 | 573,958 | 0 | 4,261,921 | 310,204 | 0 | 4,572,124 |
| 2017-2018 | 125,433,560 | 1,137,306 | 90,147 | 1,211,919 | 15,534 | 102,273 | 1,878,779 | 1,996,586 |
| 2018-2019 | 126,587,896 | 1,147,772 | 589,257 | 7,201 | 1,729,828 | 230,254 | 19,161 | 1,979,242 |
| 2019-2020 | 127,753,774 | 1,158,343 | 578,793 | 8,277 | 1,728,859 | 230,758 | 8,367 | 1,967,984 |
| 2020-2021 | 128,931,312 | 1,169,020 | 563,587 | 9,361 | 1,723,246 | 231,272 | 0 | 1,954,518 |
| 2021-2022 | 130,120,625 | 1,179,804 | 548,277 | 10,452 | 1,717,628 | 231,795 | 6,040 | 1,955,463 |
| 2022-2023 | 131,321,832 | 1,190,695 | 532,861 | 11,552 | 1,712,005 | 232,328 | 2,923 | 1,947,256 |
| 2023-2024 | 132,535,050 | 1,201,695 | 517,335 | 12,660 | 1,706,370 | 232,871 | 0 | 1,939,241 |
| 2024-2025 | 133,760,400 | 1,212,806 | 501,699 | 13,776 | 1,700,728 | 233,424 | 0 | 1,934,152 |
| 2025-2026 | 263,084,004 | 2,385,383 | 486,782 | 0 | 2,872,165 | 188,331 | 0 | 3,060,496 |
| 2026-2027 | 253,286,984 | 2,296,553 | 112,523 | 843,836 | 1,565,240 | 338,913 | 0 | 1,904,153 |
| 2027-2028 | 244,386,464 | 2,215,852 | 109,364 | 757,133 | 1,568,083 | 327,049 | 0 | 1,895,132 |

Silverton 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. Those formula changes 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 funding formulas, some districts had the majority of the district's revenue losses in year three of the LAVA offset with additional state funding. The funding that was available to offset those revenue losses was called Additional State Aid for Tax Reduction (ASATR) and those funds were phased out as a result of legislation in the 82nd Legislative Session in 2011. This legislation eliminated the ASATR funding for fiscal year 2017-2018 and thereafter and can have a significant financial impact for LAVA agreements that have a year three in 2017-2018 or later. The loss of ASATR funding can again cause a district to experience a significant loss of funds in year three of the agreement and consequently cause the company to have revenue protection payments during that year that are similar to those experienced prior to 2006-2007.

Silverton ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Briscoe Wind Farm, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Silverton ISD by Briscoe Wind, the projected amount of these payments over the life of the agreement is \$234,468 of the \$17.01 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 | Silverton ISD \$100/ADA | Briscoe Wind's Share |
|---------------|-------------------|----------------------------|-------------------------|
| 2015-2016 | 0 | 18,308 | (18,308) |
| 2016-2017 | 0 | 18,262 | (18,262) |
| 2017-2018 | 815,434 | 18,217 | 797,218 |
| 2018-2019 | 2,503,193 | 18,171 | 2,485,021 |
| 2019-2020 | 2,308,036 | 18,126 | 2,289,910 |
| 2020-2021 | 2,126,935 | 18,080 | 2,108,855 |
| 2021-2022 | 1,946,581 | 18,035 | 1,928,546 |
| 2022-2023 | 1,789,329 | 17,990 | 1,771,339 |
| 2023-2024 | 1,644,708 | 17,945 | 1,626,763 |
| 2024-2025 | 1,508,967 | 17,900 | 1,491,067 |
| 2025-2026 | 1,311,817 | 17,856 | 1,293,961 |
| 2026-2027 | 1,060,286 | 17,811 | 1,042,475 |
| 2027-2028 | 0 | 17,766 | (17,766) |
| Totals | 17,015,286 | 234,468 | 16,780,819 |

Silverton 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 |
|------------------|---------------|-------------------------|-------------------|--------------------|-----------------------------|
| Silverton School | Pre-K thru 12 | 22 | 396 | 195 | 201 |
| Total | | 22 | 396 | 195 | 201 |

The building capacities are based on 18 students per classroom for all grade levels. Silverton ISD is a Pre-kindergarten through 12th grade district.

Briscoe Wind Farm, 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 Silverton 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 Silverton ISD as displayed in Table VII above.

Silverton ISD Financial Impact of Chapter 313 Agreement

Conclusion

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

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

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



TEXAS EDUCATION AGENCY

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

Michael Williams
Commissioner

February 14, 2014

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 Briscoe Wind Farm LLC project on the number and size of school facilities in Silverton Independent School District (SISD). Based on the analysis prepared by Randy McDowell and Neal Brown for the school district and a conversation with the SISD principal, Michelle Francis, the TEA has found that the Briscoe Wind Farm LLC project would not have a significant impact on the number or size of school facilities in SISD.

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 blue ink, appearing to read 'Al McKenzie', is written over a light blue horizontal line.

Al McKenzie, Manager
Foundation School Program Support

AM/rk

February 14, 2014

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 Briscoe Wind Farm LLC project for the Silverton Independent School District (SISD). 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 Briscoe Wind Farm LLC project on SISD 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

Attachment 3

Briscoe County

Population

- Total county population in 2010 for Briscoe County: 1,439 , down 1.2 percent from 2009. State population increased 1.8 percent in the same time period.
- Briscoe County was the state's 241th largest county in population in 2010 and the 238 th fastest growing county from 2009 to 2010.
- Briscoe County's population in 2009 was 69.8 percent Anglo (above the state average of 46.7 percent), 2.9 percent African-American (below the state average of 11.3 percent) and 25.8 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Briscoe County:

| | | | |
|-------------------|-----|------------------|-----|
| Silverton: | 611 | Quitaque: | 344 |
|-------------------|-----|------------------|-----|

Economy and Income

Employment

- September 2011 total employment in Briscoe County: 637 , down 5.9 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 Briscoe County unemployment rate: 6.9 percent, up from 5.4 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

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

Income

- Briscoe County's ranking in per capita personal income in 2009: 103rd with an average per capita income of \$34,048, up 6.0 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 Briscoe County averaged \$35.87 million annually from 2007 to 2010. County total agricultural values in 2010 were up 89.2 percent from 2009. Major agriculture related commodities in Briscoe County during 2010 included:
 - Hay
 - Cottonseed
 - Sorghum
 - Corn
 - Other Beef
- 2011 oil and gas production in Briscoe County: barrels of oil and 0.0 Mcf of gas. In September 2011, there were 0 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 Briscoe County during the fourth quarter 2010: \$817,870.00, up 0.8 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

| | |
|-------------------|---|
| Silverton: | \$410,462.00, down 2.0 percent from the same quarter in 2009. |
| Quitaque: | \$305,228.00, down 1.2 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 Briscoe County through the fourth quarter of 2010: \$3.17 million, up 0.2 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

| | |
|-------------------|--|
| Silverton: | \$1.55 million, up 1.2 percent from the same period in 2009. |
| Quitaque: | \$1.15 million, down 0.7 percent from the same period in 2009. |

Annual (2010)

- Taxable sales in Briscoe County during 2010: \$3.17 million, up 0.2 percent from 2009.
- Briscoe County sent an estimated \$198,112.38 (or 0.00 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

| | |
|-------------------|---|
| Silverton: | \$1.55 million, up 1.2 percent from 2009. |
| Quitaque: | \$1.15 million, down 0.7 percent from 2009. |

Sales Tax – Local Sales Tax Allocations

(The release date for sales tax allocations to cities for the sales activity month of November 2011 is currently scheduled for December 7, 2011.)

Monthly

- Statewide payments based on the sales activity month of September 2011: \$580.11 million, up 7.1 percent from September 2010.
- Payments to all cities in Briscoe County based on the sales activity month of September 2011: \$9,552.15, up 11.9 percent from September 2010.
- Payment based on the sales activity month of September 2011 to the city of:

| | |
|-------------------|--|
| Silverton: | \$4,939.52, up 6.2 percent from September 2010. |
| Quitaque: | \$4,612.63, up 18.6 percent from September 2010. |

Fiscal Year

- Statewide payments based on sales activity months from September 2011 through September 2011: \$580.11 million, up 7.1 percent from the same period in 2010.
- Payments to all cities in Briscoe County based on sales activity months from September 2011 through September 2011: \$9,552.15, up 11.9 percent from fiscal 2010.
- Payments based on sales activity months from September 2011 through September 2011 to the city of:

| | |
|-------------------|---|
| Silverton: | \$4,939.52, up 6.2 percent from fiscal 2010. |
| Quitaque: | \$4,612.63, up 18.6 percent from fiscal 2010. |

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

- Statewide payments based on sales activity months through September 2011: \$4.57 billion, up 8.1 percent from the same period in 2010.
- Payments to all cities in Briscoe County based on sales activity months through September 2011: \$73,690.92, up 17.6 percent from the same period in 2010.
- Payments based on sales activity months through September 2011 to the city of:

| | |
|-------------------|--|
| Silverton: | \$41,965.13, up 20.2 percent from the same period in 2010. |
| Quitaque: | \$31,725.79, up 14.2 percent from the same period in 2010. |

12 months ending in September 2011

- Statewide payments based on sales activity in the 12 months ending in September 2011: \$6.11 billion, up 7.9 percent from the previous 12-month period.
- Payments to all cities in Briscoe County based on sales activity in the 12 months ending in September 2011: \$101,764.46, up 22.0 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in September 2011 to the city of:

| | |
|-------------------|---|
| Silverton: | \$60,110.12, up 29.4 percent from the previous 12-month period. |
| Quitaque: | \$41,654.34, up 12.7 percent from the previous 12-month period. |

City Calendar Year-To-Date (RJ 2011)

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

| | |
|-------------------|--|
| Silverton: | \$51,315.12, up 19.0 percent from the same period in 2010. |
| Quitaque: | \$38,747.67, up 11.8 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 Briscoe County based on sales activity months in 2010: \$90,755.20, up 14.1 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

| | |
|-------------------|---|
| Silverton: | \$53,047.37, up 22.7 percent from 2009. |
| Quitaque: | \$37,707.83, up 3.8 percent from 2009. |

Property Tax

- As of January 2009, property values in Briscoe County: \$245.01 million, up 29.9 percent from January 2008 values. The property tax base per person in Briscoe County is \$171,573, above the statewide average of \$85,809. About 0.0 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Briscoe County's ranking in state expenditures by county in fiscal year 2010: 245th. State expenditures in the county for FY2010: \$5.47 million, down 0.5 percent from FY2009.
- In Briscoe County, 6 state agencies provide a total of 24 jobs and \$217,034.00 in annualized wages (as of 1st quarter 2011).

■ Major state agencies in the county (as of first quarter 2011):

- Parks & Wildlife Department
- Department of Transportation
- AgriLife Extension Service
- Department of Family and Protective Services

Higher Education

■ Community colleges in Briscoe County preliminary fall 2011 enrollment:

- None.

■ Briscoe County is in the service area of the following:

- Clarendon College with a preliminary fall 2011 enrollment of 1,347 . Counties in the service area include:
 - Armstrong County
 - Briscoe County
 - Childress County
 - Collingsworth County
 - Donley County
 - Gray County
 - Hall County
 - Wheeler County

■ Institutions of higher education in Briscoe County preliminary fall 2011 enrollment:

- None.

School Districts

■ Briscoe County had 1 school districts with 1 schools and 163 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.)

- Silverton ISD had 163 students in the 2009-10 school year. The average teacher salary was \$42,571. The percentage of students meeting the 2010 TAKS passing standard for all tests was 92 percent.