

S U S A N
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



March 6, 2014

Kenny Austin
Superintendent
Friona Independent School District
909 E. 11th
Friona, Texas 79035

Dear Superintendent Austin:

On Dec. 13, 2013, the Comptroller received the completed application (Application #381) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in November 2013 to the Friona Independent School District (the school district) by Mariah North West LLC (the applicant). This letter presents the results of the Comptroller's review of the application:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

The school district is currently classified as a rural school district in Category 2 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$728 million) is consistent with the proposed appraised value limitation sought (\$20 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a wind power electric generation facility in Parmer 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. 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.

Note that any new building or other improvement existing as of the application review start date of Dec. 13, 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	Mariah North West LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind & Solar
School District	Friona ISD
2011-12 Enrollment in School District	1,204
County	Parmer
Total Investment in District	\$728,000,000
Qualified Investment	\$728,000,000
Limitation Amount	\$20,000,000
Number of total jobs committed to by applicant	10
Number of qualifying jobs committed to by applicant	10
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$885
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$885
Minimum Annual Wage committed to by applicant for qualified jobs	\$46,035
Investment per Qualifying Job	\$72,800,000
Estimated 15 year M&O levy without any limit or credit:	\$60,208,480
Estimated gross 15 year M&O tax benefit	\$41,211,680
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):	\$35,519,970
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$3,837,600
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$24,688,510
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	59.0%
Percentage of tax benefit due to the limitation	90.7%
Percentage of tax benefit due to the credit	9.3%

This presents the Comptroller's economic impact evaluation of Mariah North West LLC (the project) applying to Friona 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 ten new jobs when fully operational. All ten jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Panhandle Regional Planning Commission Region, where Parmer County is located was \$41,850 in 2012. The annual average manufacturing wage for 2012 for Parmer County is \$50,544. That same year, the county annual average wage for all industries was \$36,465. In addition to a salary of \$46,035, each qualifying position will receive the following benefits: medical coverage, dental plans, vision plans, 401(k) retirement savings plans, life insurance, short and long term disability insurance, education assistance, scholarship programs, paid holidays and vacation, and wellness programs. The project's total investment is \$728 million, resulting in a relative level of investment per qualifying job of \$72.8 million.

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

According to Mariah North West LLC's application, "The Mariah Renewable Energy Center is made possible by world renowned solar and wind energy companies who have implemented successful renewable energy projects in South Africa, Norway, Sweden, and the United States. This unique attribute gives flexibility and ample opportunity to invest in a variety of regions in Texas and throughout the world."

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

During the past two years, 30 projects in the Panhandle Regional Planning Commission Region applied for value limitation agreements under Tax Code, Chapter 313.

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

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Mariah North West 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 Mariah North West 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 Mariah North West LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2014	4	6	10	\$219,575	\$268,425	\$488,000
2015	153	153	306	\$7,894,475	\$10,105,525	\$18,000,000
2016	82	84	166	\$4,224,475	\$7,775,525	\$12,000,000
2017	10	13	23	\$460,350	\$2,539,650	\$3,000,000
2018	10	21	31	\$460,350	\$2,539,650	\$3,000,000
2019	10	23	33	\$460,350	\$2,539,650	\$3,000,000
2020	10	25	35	\$460,350	\$3,539,650	\$4,000,000
2021	10	27	37	\$460,350	\$3,539,650	\$4,000,000
2022	10	25	35	\$460,350	\$3,539,650	\$4,000,000
2023	10	31	41	\$460,350	\$3,539,650	\$4,000,000
2024	10	23	33	\$460,350	\$3,539,650	\$4,000,000
2025	10	31	41	\$460,350	\$3,539,650	\$4,000,000
2026	10	17	27	\$460,350	\$2,539,650	\$3,000,000
2027	10	15	25	\$460,350	\$2,539,650	\$3,000,000
2028	10	11	21	\$460,350	\$1,539,650	\$2,000,000
2029	10	8	18	\$460,350	\$1,539,650	\$2,000,000

Source: CPA, REMI, Mariah North West LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2012-2013. Friona ISD's ad valorem tax base in 2012-2013 was \$306.1 million. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Friona ISD's estimated wealth per WADA was \$172,689. 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, Parmer County, Parmer County Hospital District, and High Plains Underground Water Conservation District #1, with all property tax incentives sought being granted using estimated market value from Mariah North West LLC's application. Mariah North West 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 Mariah North West LLC project on the region if all taxes are assessed.

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 \$52,658,880. The estimated gross 13 year M&O tax benefit, or levy loss, is \$41,211,680.

Attachment 3 is an economic overview of Parmer 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. May 2010): Investment

Form 90-398

Applicant Name: MARIAH NORTH WEST LLC
 ESD Name: FRIONA INDEPENDENT SCHOOL DISTRICT

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put estimates in table.)									
	School Year (YYYY-YYYY)	Tax Year (FY in actual tax year below)	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Investment that is not qualified investment but investment affecting applicable 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)	Year	2014	\$ 14,000,000.00		\$ 14,000,000.00		\$ 14,000,000.00		
	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)	2014-2015	2015	\$ 474,000,000.00		\$ 474,000,000.00	\$ 474,000,000.00		
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)	2015-2016	2016	\$ 240,000,000.00		\$ 240,000,000.00	\$ 240,000,000.00		
	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)	1	2016						
		2	2017						
		3	2018						
		4	2019						
		5	2020						
		6	2021						
		7	2022						
		8	2023						
		9	2024						
		10	2025						
		11	2026						
		12	2027						
13		2028							
14	2029								
15	2030								
Tax Credit Period (with 50% cap on credit)									
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 §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

Column B: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc.

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

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

Column E: The total dollar amount of planned investment each year in buildings or nonremovable components of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

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

Signature: *James Scott* DATE: 11/20/2013

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

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

Form 50-296

Applicant Name: **MARIAH NORTH WEST LLC**
 ISD Name: **FRIONA INDEPENDENT SCHOOL DISTRICT**

Applicant Name ISD Name	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 U.S. - after all reductions
	pre-year 1	2014-2015	2014	\$ -	\$ -	\$ -	-	\$ -	\$ -
	1	2015-2016	2015	\$ -	\$ -	\$ 14,000,000	-	\$ 14,000,000	\$ 14,000,000
	2	2016-2017	2016	\$ -	\$ -	\$ 488,000,000	-	\$ 488,000,000	\$ 488,000,000
	3	2017-2018	2017	\$ -	\$ -	\$ 655,200,000	-	\$ 655,200,000	\$ 20,000,000
	4	2018-2019	2018	\$ -	\$ -	\$ 618,800,000	-	\$ 618,800,000	\$ 20,000,000
	5	2019-2020	2019	\$ -	\$ -	\$ 582,400,000	-	\$ 582,400,000	\$ 20,000,000
	6	2020-2021	2020	\$ -	\$ -	\$ 546,000,000	-	\$ 546,000,000	\$ 20,000,000
	7	2021-2022	2021	\$ -	\$ -	\$ 509,600,000	-	\$ 509,600,000	\$ 20,000,000
	8	2022-2023	2022	\$ -	\$ -	\$ 473,200,000	-	\$ 473,200,000	\$ 20,000,000
	9	2023-2024	2023	\$ -	\$ -	\$ 436,800,000	-	\$ 436,800,000	\$ 20,000,000
	10	2024-2025	2024	\$ -	\$ -	\$ 400,400,000	-	\$ 400,400,000	\$ 20,000,000
	11	2025-2026	2025	\$ -	\$ -	\$ 364,000,000	-	\$ 364,000,000	\$ 364,000,000
	12	2026-2027	2026	\$ -	\$ -	\$ 364,000,000	-	\$ 364,000,000	\$ 364,000,000
	13	2027-2028	2027	\$ -	\$ -	\$ 364,000,000	-	\$ 364,000,000	\$ 364,000,000
	14	2028-2029	2028	\$ -	\$ -	\$ 364,000,000	-	\$ 364,000,000	\$ 364,000,000
	15	2029-2030	2029	\$ -	\$ -	\$ 364,000,000	-	\$ 364,000,000	\$ 364,000,000

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.


 James Scott, CEO
 11/20/2013
 DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Schedule C- Application: Employment Information

Applicant Name: **MARIAH NORTHWEST LLC**
 ISD Name: **FRIONA INDEPENDENT SCHOOL DISTRICT**

Form 50-286

	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	8,783 hrs	\$25/hr	0	\$ -	0	\$ -
Complete tax years of qualifying time period	1	2015-2016	2015	287,365 hrs	\$25/hr	10	\$ 46,035.00	10	\$ 46,035.00
	2	2016-2017	2016	150,665 hrs	\$25/hr	10	\$ 46,035.00	10	\$ 46,035.00
	3	2017-2018	2017			10	\$ 46,035.00	10	\$ 46,035.00
	4	2018-2019	2018			10	\$ 46,035.00	10	\$ 46,035.00
	5	2019-2020	2019			10	\$ 46,035.00	10	\$ 46,035.00
Value Limitation Period	6	2020-2021	2020			10	\$ 46,035.00	10	\$ 46,035.00
	7	2021-2022	2021			10	\$ 46,035.00	10	\$ 46,035.00
	8	2022-2023	2022			10	\$ 46,035.00	10	\$ 46,035.00
	9	2023-2024	2023			10	\$ 46,035.00	10	\$ 46,035.00
	10	2024-2025	2024			10	\$ 46,035.00	10	\$ 46,035.00
Credit Settle-Up Period	11	2025-2026	2025			10	\$ 46,035.00	10	\$ 46,035.00
	12	2026-2027	2026			10	\$ 46,035.00	10	\$ 46,035.00
	13	2027-2028	2027			10	\$ 46,035.00	10	\$ 46,035.00
Post-Settle-Up Period	14	2028-2029	2028			10	\$ 46,035.00	10	\$ 46,035.00
	15	2029-2030	2028			10	\$ 46,035.00	10	\$ 46,035.00

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

11/20/2013

 DATE

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

Applicant Name: **MARIAH NORTHWEST LLC** ISD Name: **FRIONA INDEPENDENT SCHOOL DISTRICT** Form 50-296
 Franchise Tax: **Other Property Tax Abatements Sought**

	Year	School Year (YYYY-YYYY)	Tax/ Calendar Year (YYYY-YYYY)	Sales Tax Information			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		
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2014-2015	2014	\$ 50,000	\$ 100,050,000	\$ 5,300,000						
Complete tax years of qualifying time period	1	2015-2016	2015	\$ 100,000	\$ -	\$ 5,300,000						
	2	2016-2017	2016	\$ 100,000	\$ -	\$ 5,300,000	100					
	3	2017-2018	2017	\$ 100,000	\$ -	\$ 5,300,000	100					
	4	2018-2019	2018	\$ 100,000	\$ -	\$ 5,300,000	100					
	5	2019-2020	2019	\$ 100,000	\$ -	\$ 5,300,000	100					
	6	2020-2021	2020	\$ 100,000	\$ -	\$ 5,300,000	100					
	7	2021-2022	2021	\$ 100,000	\$ -	\$ 5,300,000	90					
	8	2022-2023	2022	\$ 100,000	\$ -	\$ 5,300,000	80					
	9	2023-2024	2023	\$ 100,000	\$ -	\$ 5,300,000	70					
	10	2024-2025	2024	\$ 100,000	\$ -	\$ 5,300,000	60					
	11	2025-2026	2025	\$ 100,000	\$ -	\$ 5,300,000	50					
	12	2026-2027	2026	\$ 100,000	\$ -	\$ 5,300,000						
	13	2027-2028	2027	\$ 100,000	\$ -	\$ 5,300,000						
	14	2028-2029	2028	\$ 100,000	\$ -	\$ 5,300,000						
	15	2029-2030	2029	\$ 100,000	\$ -	\$ 5,300,000						

*For planning, construction and operation of the facility. **Estimated Parmer County Hospital District Percentages.** Percentages have not yet been requested by the Applicant.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE:  DATE: 3-4-2014

Attachment 2



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

Michael Williams
Commissioner

March 3, 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 Mariah North West LLC project for the Friona Independent School District (FISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by McDowell & 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 Mariah North West LLC project on FISD 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,

A handwritten signature in blue ink, appearing to read "Al McKenzie".

Al McKenzie, Manager
Foundation School Program Support

AM/rk



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

Michael Williams
Commissioner

March 3, 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 Mariah North West LLC project on the number and size of school facilities in Friona Independent School District (FISD). Based on the analysis prepared by McDowell & Brown for the school district and a conversation with the FISD business manager, Diana Wright, the TEA has found that the Mariah North West LLC project would not have a significant impact on the number or size of school facilities in FISD.

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".

Al McKenzie, Manager
Foundation School Program Support

AM/rk

Friona ISD Financial Impact of Chapter 313 Agreement

Summary of the District's Financial Impact of Chapter 313 Agreement with Mariah North West II, LLC

Prepared by

Randy McDowell, RTSBA

&

Neal Brown

School Finance Consultants

Friona ISD Financial Impact of Chapter 313 Agreement

Summary of Friona ISD Financial Impact of the Limited Appraised Value Application from Mariah North West II, LLC

Introduction

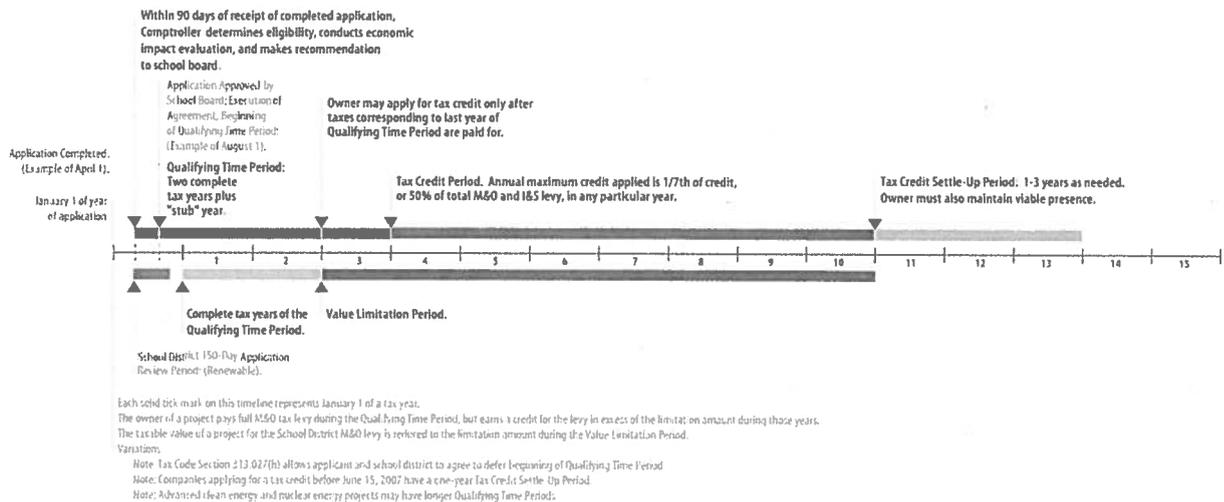
Mariah North West II, LLC applied for a property value limitation from Friona Independent School District under Chapter 313 of the Tax Code. The application was submitted on November 19, 2013 and subsequently approved for consideration by the Friona ISD Board of Trustees. Mariah North West II, LLC ("Mariah NW II"), 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.

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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. Friona ISD is considered a Rural category 2 District as categorized with total taxable value of industrial property of at least \$90 million but less than \$200 million, thus Friona ISD has a minimum qualified investment amount of \$20 million. A qualifying entity’s taxable

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value would be reduced to \$20 million during years three through ten of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Friona 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 Mariah NW II” represents the values that the company estimated as their taxable values in the application that was filed with the district. During years three through ten, the company’s taxable value will be limited to the \$20,000,000 minimum qualified investment of Friona ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Mariah NW II	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2015	14,000,000	n/a	0	14,000,000
Jan. 1, 2016	488,000,000	n/a	0	488,000,000
Jan. 1, 2017	655,200,000	(20,000,000)	635,200,000	20,000,000
Jan. 1, 2018	618,800,000	(20,000,000)	598,800,000	20,000,000
Jan. 1, 2019	582,400,000	(20,000,000)	562,400,000	20,000,000
Jan. 1, 2020	546,000,000	(20,000,000)	526,000,000	20,000,000
Jan. 1, 2021	509,600,000	(20,000,000)	489,600,000	20,000,000
Jan. 1, 2022	473,200,000	(20,000,000)	453,200,000	20,000,000
Jan. 1, 2023	436,800,000	(20,000,000)	416,800,000	20,000,000
Jan. 1, 2024	400,400,000	(20,000,000)	380,400,000	20,000,000
Jan. 1, 2025	364,000,000	n/a	0	364,000,000
Jan. 1, 2026	364,000,000	n/a	0	364,000,000
Jan. 1, 2027	364,000,000	n/a	0	364,000,000

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Mariah North West's Tax Benefit from Agreement

The projected amount of the net tax savings for Mariah NW II is \$35.52 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.

Friona 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 \$.92 for the life of this agreement. The M&O rate for 2016-2017 and 2025-2026 is projected to decrease to \$.82 due to the rollback tax rate calculation.
- The district has outstanding bonds that are scheduled to payoff in 2027 with annual debt payments of approximately \$300,000 and currently have a \$.09 I&S tax rate. The I&S rates displayed below reflect the impact of the increased property values from the wind project. The district could pursue a bond election and issue additional 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	0.9200	0.089	128,800	0	n/a	0	0
2016-2017	0.8200	0.037	4,001,600	0	n/a	0	0
2017-2018	0.9200	0.031	6,027,840	5,843,840	n/a	(5,691,710)	152,130
2018-2019	0.9200	0.032	5,692,960	5,508,960	191,008	0	5,699,968
2019-2020	0.9200	0.033	5,358,080	5,174,080	188,096	0	5,362,176
2020-2021	0.9200	0.035	5,023,200	4,839,200	187,550	0	5,026,750
2021-2022	0.9200	0.037	4,688,320	4,504,320	186,276	0	4,690,596
2022-2023	0.9200	0.038	4,353,440	4,169,440	181,908	0	4,351,348
2023-2024	0.9200	0.040	4,018,560	3,834,560	179,360	0	4,013,920
2024-2025	0.9200	0.042	3,683,680	3,499,680	176,084	0	3,675,764
2025-2026	0.8200	0.044	2,984,800	0	2,547,318	0	2,547,318
2026-2027	0.9200	0.044	3,348,800	0	0	0	0
2027-2028	0.9200	0.000	3,348,800	0	0	0	0
Totals			52,658,880	37,374,080	3,837,600	(5,691,710)	35,519,970

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Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Friona 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.

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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 Mariah NW II (Table III), the addition of Mariah NW II's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Mariah NW II's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Mariah North West II, 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	325,663,713	2,540,177	5,760,496	0	8,300,673	1,124,304	9,424,978
2016-2017	328,920,350	2,565,579	5,714,343	0	8,279,922	1,125,673	9,405,595
2017-2018	332,209,553	2,591,235	4,622,204	0	7,213,439	1,122,496	8,335,935
2018-2019	335,531,649	2,617,147	4,579,977	0	7,197,124	1,119,332	8,316,456
2019-2020	338,886,965	2,643,318	4,533,478	0	7,176,796	1,116,180	8,292,976
2020-2021	342,275,835	2,669,752	4,490,728	0	7,160,479	1,113,040	8,273,519
2021-2022	345,698,593	2,696,449	4,447,709	0	7,144,158	1,109,912	8,254,070
2022-2023	349,155,579	2,723,414	4,400,409	0	7,123,823	1,106,797	8,230,619
2023-2024	352,647,135	2,750,648	4,356,848	0	7,107,495	1,103,693	8,211,188
2024-2025	356,173,606	2,778,154	4,313,013	0	7,091,167	1,100,602	8,191,769
2025-2026	359,735,342	2,805,936	4,264,888	0	7,070,824	1,097,522	8,168,345
2026-2027	363,332,696	2,833,995	4,220,493	0	7,054,488	1,094,454	8,148,942
2027-2028	366,966,023	2,862,335	4,175,802	0	7,038,137	1,091,397	8,129,534

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TABLE IV- District Revenues with Mariah North West II, LLC 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	339,663,713	2,649,377	5,651,296	0	8,300,673	1,171,045	9,471,719
2016-2017	816,920,350	6,371,979	4,489,179	0	10,861,158	1,039,328	11,900,485
2017-2018	987,409,553	7,701,795	713,593	236,746	8,178,642	1,561,272	9,739,914
2018-2019	954,331,649	7,443,787	456,382	1,126,819	6,773,350	1,378,038	8,151,387
2019-2020	921,286,965	7,186,038	451,306	868,859	6,768,485	1,350,111	8,118,596
2020-2021	888,275,835	6,928,552	449,686	611,666	6,766,571	1,322,184	8,088,754
2021-2022	855,298,593	6,671,329	462,574	355,302	6,778,601	1,294,253	8,072,855
2022-2023	822,355,579	6,414,374	447,677	221,352	6,640,699	1,266,316	7,907,015
2023-2024	789,447,135	6,157,688	597,747	197,031	6,558,403	1,238,368	7,796,771
2024-2025	756,573,606	5,901,274	843,511	172,767	6,572,018	1,210,404	7,782,422
2025-2026	723,735,342	5,645,136	1,084,984	148,565	6,581,555	1,182,418	7,763,973
2026-2027	727,332,696	5,673,195	1,324,509	131,400	6,866,304	1,214,259	8,080,563
2027-2028	730,966,023	5,701,535	1,279,829	135,364	6,846,000	1,215,488	8,061,488

TABLE V – District Revenues with Mariah North West II, LLC with Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes Comp Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Payment for District Losses	Total District Revenue
2016-2017	816,920,350	6,371,979	4,489,179	0	10,861,158	1,039,328	0	11,900,485
2017-2018	352,209,553	2,747,235	812,684	79,777	3,480,141	568,063	5,691,710	9,739,914
2018-2019	355,531,649	2,773,147	4,420,857	0	7,194,004	1,116,689	0	8,310,693
2019-2020	358,886,965	2,799,318	4,374,358	0	7,173,676	1,113,588	0	8,287,264
2020-2021	362,275,835	2,825,752	4,331,608	0	7,157,359	1,110,498	0	8,267,858
2021-2022	365,698,593	2,852,449	4,288,589	0	7,141,038	1,107,420	0	8,248,457
2022-2023	369,155,579	2,879,414	4,241,289	0	7,120,703	1,104,352	0	8,225,055
2023-2024	372,647,135	2,906,648	4,197,728	0	7,104,375	1,101,296	0	8,205,671
2024-2025	376,173,606	2,934,154	4,153,893	0	7,088,047	1,098,250	0	8,186,297
2025-2026	723,735,342	5,645,136	4,062,443	0	9,707,579	814,456	0	10,522,035
2026-2027	727,332,696	5,673,195	1,324,509	131,400	6,866,304	1,214,259	0	8,080,563
2027-2028	730,966,023	5,701,535	1,279,829	135,364	6,846,000	1,215,488	0	8,061,488

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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.

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Payments in Lieu of Taxes

Assuming that the District and Mariah North West II, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Friona ISD by Mariah NW II, the projected amount of these payments over the life of the agreement is \$1,394,393 of the \$35.52 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	Friona ISD \$100/ADA	Mariah NW II's Share
2015-2016	0	108,879	(108,879)
2016-2017	0	108,607	(108,607)
2017-2018	152,130	108,336	43,795
2018-2019	5,699,968	108,065	5,591,903
2019-2020	5,362,176	107,795	5,254,381
2020-2021	5,026,750	107,525	4,919,225
2021-2022	4,690,596	107,256	4,583,340
2022-2023	4,351,348	106,988	4,244,360
2023-2024	4,013,920	106,721	3,907,199
2024-2025	3,675,764	106,454	3,569,310
2025-2026	2,547,318	106,188	2,441,130
2026-2027	0	105,922	(105,922)
2027-2028	0	105,657	(105,657)
Totals	35,519,970	1,394,393	34,125,577

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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
Friona Primary	EE thru 1	18	360	279	81
Friona Elementary	2-5	33	660	327	333
Friona Jr. High	6-8	23	414	261	153
Friona High	9-12	31	558	341	217
Total		105	1,992	1,208	784

The building capacities are based on 20 students per classroom for the elementary campuses, 18 students for the middle and high school. Friona ISD is a early education through 12th grade district.

Mariah North West II, 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 ten full-time employees are expected. It is not known whether these would be new employees to the Friona 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 ten positions equates to 5 new students.

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

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Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Mariah North West II, LLC, would be beneficial to both Mariah NW II and Friona ISD under the current school finance system.

Mariah North West II, 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, Mariah NW II is projected to benefit from a 90% tax savings over the first eleven year period of this agreement. Mariah NW II 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.

Friona ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Mariah NW II 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

Parmer County

Population

- Total county population in 2010 for Parmer County: 9,340 , up 1.5 percent from 2009. State population increased 1.8 percent in the same time period.
- Parmer County was the state's 172th largest county in population in 2010 and the 66 th fastest growing county from 2009 to 2010.
- Parmer County's population in 2009 was 40.0 percent Anglo (below the state average of 46.7 percent), 1.5 percent African-American (below the state average of 11.3 percent) and 57.3 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Parmer County:

Friona:	3,538	Bovina:	1,716
Farwell:	1,252		

Economy and Income

Employment

- September 2011 total employment in Parmer County: 4,532 , up 1.7 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 Parmer County unemployment rate: 5.1 percent, up from 4.4 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

- Parmer County's ranking in per capita personal income in 2009: 174th with an average per capita income of \$30,260, down 4.5 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 Parmer County averaged \$491.23 million annually from 2007 to 2010. County total agricultural values in 2010 were up 33.5 percent from 2009. Major agriculture related commodities in Parmer County during 2010 included:
 - Wheat
 - Ensilage
 - Corn
 - Other Beef
 - Fed Beef
- 2011 oil and gas production in Parmer County: barrels of oil and 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 Parmer County during the fourth quarter 2010: \$4.96 million, up 8.9 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Friona:	\$2.91 million, up 7.2 percent from the same quarter in 2009.
Bovina:	\$461,898.00, up 4.2 percent from the same quarter in 2009.
Farwell:	\$971,217.00, up 4.6 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 Parmer County through the fourth quarter of 2010: \$19.01 million, up 1.0 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Friona:	\$11.23 million, up 1.2 percent from the same period in 2009.
Bovina:	\$1.77 million, up 0.9 percent from the same period in 2009.
Farwell:	\$3.97 million, up 8.0 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Parmer County during 2010: \$19.01 million, up 1.0 percent from 2009.
- Parmer County sent an estimated \$1.19 million (or 0.01 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Friona:	\$11.23 million, up 1.2 percent from 2009.
Bovina:	\$1.77 million, up 0.9 percent from 2009.

Farwell: \$3.97 million, up 8.0 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 Parmer County based on the sales activity month of August 2011: \$47,828.47, up 17.8 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:
 - Friona:** \$33,053.61, up 24.9 percent from August 2010.
 - Bovina:** \$7,125.86, up 8.2 percent from August 2010.
 - Farwell:** \$7,649.00, up 1.4 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 Parmer County based on sales activity months from September 2010 through August 2011: \$563,096.87, up 13.9 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:
 - Friona:** \$374,298.16, up 18.5 percent from fiscal 2010.
 - Bovina:** \$93,210.32, up 12.4 percent from fiscal 2010.
 - Farwell:** \$95,588.39, down 0.1 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 Parmer County based on sales activity months through August 2011: \$369,377.18, up 13.9 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:
 - Friona:** \$245,944.88, up 16.7 percent from the same period in 2010.
 - Bovina:** \$60,771.65, up 12.4 percent from the same period in 2010.
 - Farwell:** \$62,660.65, up 5.3 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 Parmer County based on sales activity in the 12 months ending in August 2011: \$563,096.87, up 13.9 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:
 - Friona:** \$374,298.16, up 18.5 percent from the previous 12-month period.
 - Bovina:** \$93,210.32, up 12.4 percent from the previous 12-month period.
 - Farwell:** \$95,588.39, down 0.1 percent from the previous 12-month period.

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

- Payment to the cities from January 2011 through October 2011:
 - Friona:** \$311,126.74, up 18.7 percent from the same period in 2010.
 - Bovina:** \$78,872.66, up 15.8 percent from the same period in 2010.
 - Farwell:** \$80,323.34, up 6.1 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 Parmer County based on sales activity months in 2010: \$518,071.45, up 6.9 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:
 - Friona:** \$339,173.43, up 9.2 percent from 2009.
 - Bovina:** \$86,486.52, up 7.5 percent from 2009.
 - Farwell:** \$92,411.50, down 1.4 percent from 2009.

Property Tax

- As of January 2009, property values in Parmer County: \$903.59 million, up 6.3 percent from January 2008 values. The property tax base per person in Parmer County is \$97,265, 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

- Parmer County's ranking in state expenditures by county in fiscal year 2010: 205th. State expenditures in the county for FY2010: \$17.09 million, down 0.4 percent from FY2009.
- In Parmer County, 3 state agencies provide a total of 20 jobs and \$166,366.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Department of Transportation
 - Department of Public Safety
 - AgriLife Extension Service

Higher Education

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

School Districts

- Parmer County had 4 school districts with 11 schools and 2,400 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.)
 - Bovina ISD had 510 students in the 2009-10 school year. The average teacher salary was \$39,247. The percentage of students meeting the 2010 TAKS passing standard for all tests was 70 percent.
 - Farwell ISD had 538 students in the 2009-10 school year. The average teacher salary was \$40,231. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.
 - Friona ISD had 1,212 students in the 2009-10 school year. The average teacher salary was \$42,516. The percentage of students meeting the 2010 TAKS passing standard for all tests was 73 percent.
 - Lazbuddie ISD had 140 students in the 2009-10 school year. The average teacher salary was \$37,669. The percentage of students meeting the 2010 TAKS passing standard for all tests was 70 percent.