



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 20, 2016

REVISED RECOMMENDATION

Jay Lamb
Superintendent
Groom Independent School District
304 W. 3rd Street
Groom, Texas 79039

Re: Amended Recommendation for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Groom Independent School District and Salt Fork Wind, LLC, Application #387

Dear Superintendent Lamb:

On December 19, 2013, the Comptroller received the completed application (Application # 387) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in November 2013 to the Groom Independent School District (the school district) by Salt Fork Wind, LP (the applicant).

At the time of application, the school district was classified as a rural school district in Category 4 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts.

On September 6, 2016, the Comptroller received an amendment to the application to:

- (a) correct an error in the number of jobs created from 7 to 3, and
- (b) decrease the number of turbines and corresponding megawatts

The Comptroller's recommendation is based on the amended 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 amended property value limitation agreement if the amended application is modified, the information presented in the amended application changes, or the amended limitation agreement does not conform to the amended 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:

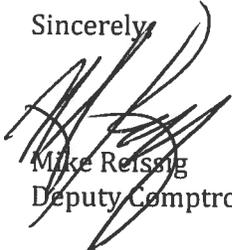
- 1) The applicant must provide the Comptroller a copy of the proposed amended limitation on appraised value agreement no later than ten (10) days prior to the meeting scheduled by the school district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;

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

- 2) The Comptroller must confirm that it received and reviewed the draft amended agreement and affirm the recommendation made in this letter;
- 3) The school district must approve and execute an amended limitation agreement that has been reviewed by the Comptroller; and
- 4) The school district must provide a copy of the signed amended limitation agreement to the Comptroller within seven (7) days after execution, as required by Section 313.025.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,



Mike Reising
Deputy Comptroller

Enclosure

cc: Will Counihan

Summary Information for Groom ISD, Salt Fork Wind, LP

Applicant	Salt Fork Wind, LP
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Groom ISD
2012-13 Enrollment in School District	137
County	Gray
Total Investment in District	\$132,368,182
Qualified Investment	\$132,368,182
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	3*
Number of qualifying jobs committed to by applicant	3
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$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	\$44,122,727
Estimated 15 year M&O levy without any limit or credit:	\$15,255,491
Estimated gross 15 year M&O tax benefit	\$8,913,107
Estimated 15 year M&O tax benefit (<i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$7,938,356
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$554,284
Net M&O Tax (15 years) After Limitation, Credits and Revenue	\$7,317,135
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	52.0%
Percentage of tax benefit due to the limitation	93.8%
Percentage of tax benefit due to the credit.	6.2%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	