

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

April 14, 2022

**AMENDED COMPLETENESS,
CERTIFICATE & AGREEMENT
APPROVAL**

Justin Risner
Superintendent
Central Independent School District
7622 US HWY 69 N.
Pollok, Texas 75969

Re: Amendment Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Central Independent School District and Azalea Springs Solar Park LLC, Application 1582

Dear Superintendent Risner:

This application (Application 1582) was originally submitted on April 16, 2021, to the Central Independent School District (school district) by Azalea Springs Solar Park LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On May 28, 2021, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on August 6, 2021. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on September 13, 2021.

On March 4, 2022, the Comptroller received an amendment to the agreement to delay the start of the limitation from 2024 to 2025 and subsequently, determined that it includes the information necessary to be determined as complete. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement and determinations required:

- 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 issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

The information provided by the applicant related to eligibility has not changed and therefore, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

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

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

Based on the amended information provided by the applicant, the Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller previously determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

Based on these determinations, the Comptroller approves changes to the certificate for a limitation on appraised value for the amendment.


The Comptroller's review of the amended application and amended agreement assumes the accuracy and completeness of the statements in the amendment. If the amendment is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) and all amendments, executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This approval is no longer valid if the information presented in the amendment changes, or the amended limitation agreement does not conform to the amended application. Additionally, this approval is contingent on the school district approving and executing the amendment to the agreement **by December 31, 2022**.

This office has also been provided with the Amended Agreement for Limitation on Appraised Value. As requested, the amendment to the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1). Based on our review, this office concludes that the agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact John Villarreal, Manager, Data Analysis & Transparency, by email at john.villarreal@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 3-5241, or at 512-463-5241.

Sincerely,

DocuSigned by:

8FD5C70F5753487...
Will Counihan
Director
Data Analysis & Transparency

cc: Shelly Leung, Powell Law Group, LLP
Kris Cheney, EDP Renewables North America LLC
Danielle Thurber, EDP Renewables North America LLC
Renn Neilson, Baker Botts L.L.P.

Amended Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Azalea Springs Solar Park LLC (project) applying to Central Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Azalea Springs Solar Park LLC.

	Original	Amendment No. 1
Applicant	Azalea Springs Solar Park LLC	Azalea Springs Solar Park LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar	Renewable Energy - Solar
School District	Central ISD	Central ISD
2019-2020 Average Daily Attendance	1,462	1,462
County	Angelina	Angelina
Proposed Total Investment in District	\$199,421,053	\$260,000,000
Proposed Qualified Investment	\$199,421,053	\$260,000,000
Limitation Amount	\$20,000,000	\$20,000,000
Qualifying Time Period (Full Years)	2023-2024	2023-2024
Number of new qualifying jobs committed to by applicant	3*	3*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$926	\$926
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$926	\$926
Minimum annual wage committed to by applicant for qualified jobs	\$48,175	\$48,175
Minimum weekly wage required for non-qualifying jobs	\$813.00	\$813.00
Minimum annual wage required for non-qualifying jobs	\$42,276	\$42,276
Investment per Qualifying Job	\$66,473,684	\$86,666,667
Estimated M&O levy without any limit (15 years)	\$15,855,566	\$20,710,390
Estimated M&O levy with Limitation (15 years)	\$5,560,264	\$6,043,039
Estimated gross M&O tax benefit (15 years)	\$10,295,302	\$14,667,351

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table 2 is the estimated statewide economic impact of Azalea Springs Solar Park LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2022	200	231	431	\$9,523,800	\$23,176,200	\$32,700,000
2023	200	242	442	\$9,523,800	\$27,356,200	\$36,880,000
2024	200	244	444	\$9,523,800	\$30,296,200	\$39,820,000
2025	3	28	31	\$144,526	\$8,025,474	\$8,170,000
2026	3	9	12	\$144,526	\$5,085,474	\$5,230,000
2027	3	(7)	-4	\$144,526	\$2,785,474	\$2,930,000
2028	3	(12)	-9	\$144,526	\$1,525,474	\$1,670,000
2029	3	(11)	-8	\$144,526	\$995,474	\$1,140,000
2030	3	(8)	-5	\$144,526	\$925,474	\$1,070,000
2031	3	(3)	0	\$144,526	\$1,135,474	\$1,280,000
2032	3	2	5	\$144,526	\$1,455,474	\$1,600,000
2033	3	6	9	\$144,526	\$1,815,474	\$1,960,000
2034	3	9	12	\$144,526	\$2,165,474	\$2,310,000
2035	3	10	13	\$144,526	\$2,355,474	\$2,500,000
2036	3	11	14	\$144,526	\$2,525,474	\$2,670,000
2037	3	12	15	\$144,526	\$2,645,474	\$2,790,000
2038	3	12	15	\$144,526	\$2,725,474	\$2,870,000
2039	3	11	14	\$144,526	\$2,745,474	\$2,890,000

Source: CPA REMI, Azalea Springs Solar Park LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Central ISD I&S Tax Levy	Central ISD M&O Tax Levy	Central M&O and I&S Tax Levies	Angelina County Tax Levy	Angelina College Tax Levy	Estimated Total Property Taxes
				0.1626	1.0547		0.4371	0.1710	
2025	\$247,492,570	\$247,492,570		\$402,331	\$2,610,304	\$3,012,635	\$1,081,840	\$423,108	\$4,517,583
2026	\$227,732,570	\$227,732,570		\$370,209	\$2,401,895	\$2,772,104	\$995,465	\$389,327	\$4,156,896
2027	\$207,972,570	\$207,972,570		\$338,086	\$2,193,487	\$2,531,573	\$909,090	\$355,546	\$3,796,209
2028	\$188,212,570	\$188,212,570		\$305,964	\$1,985,078	\$2,291,042	\$822,715	\$321,764	\$3,435,521
2029	\$168,452,570	\$168,452,570		\$273,842	\$1,776,669	\$2,050,511	\$736,340	\$287,983	\$3,074,834
2030	\$148,692,570	\$148,692,570		\$241,719	\$1,568,261	\$1,809,980	\$649,965	\$254,202	\$2,714,146
2031	\$128,932,570	\$128,932,570		\$209,597	\$1,359,852	\$1,569,448	\$563,590	\$220,421	\$2,353,459
2032	\$109,172,570	\$109,172,570		\$177,474	\$1,151,443	\$1,328,917	\$477,215	\$186,639	\$1,992,772
2033	\$89,412,570	\$89,412,570		\$145,352	\$943,034	\$1,088,386	\$390,840	\$152,858	\$1,632,084
2034	\$74,592,570	\$74,592,570		\$121,260	\$786,728	\$907,988	\$326,059	\$127,522	\$1,361,569
2035	\$74,592,570	\$74,592,570		\$121,260	\$786,728	\$907,988	\$326,059	\$127,522	\$1,361,569
2036	\$74,592,570	\$74,592,570		\$121,260	\$786,728	\$907,988	\$326,059	\$127,522	\$1,361,569
2037	\$74,592,570	\$74,592,570		\$121,260	\$786,728	\$907,988	\$326,059	\$127,522	\$1,361,569
2038	\$74,592,570	\$74,592,570		\$121,260	\$786,728	\$907,988	\$326,059	\$127,522	\$1,361,569
2039	\$74,592,570	\$74,592,570		\$121,260	\$786,728	\$907,988	\$326,059	\$127,522	\$1,361,569
			Total	\$3,192,133	\$20,710,390	\$23,902,524	\$8,583,413	\$3,356,980	\$35,842,917

Source: CPA, Azalea Springs Solar Park LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Angelina County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Central ISD I&S Tax Levy	Central ISD M&O Tax Levy	Central M&O and I&S Tax Levies	Angelina County Tax Levy	Angelina College Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1626	1.0547		0.4371	0.1710	
2025	\$247,492,570	\$20,000,000		\$402,331	\$210,940	\$613,271	\$1,081,840	\$423,108	\$2,118,219
2026	\$227,732,570	\$20,000,000		\$370,209	\$210,940	\$581,149	\$995,465	\$389,327	\$1,965,941
2027	\$207,972,570	\$20,000,000		\$338,086	\$210,940	\$549,026	\$909,090	\$355,546	\$1,813,662
2028	\$188,212,570	\$20,000,000		\$305,964	\$210,940	\$516,904	\$822,715	\$321,764	\$1,661,383
2029	\$168,452,570	\$20,000,000		\$273,842	\$210,940	\$484,782	\$736,340	\$287,983	\$1,509,105
2030	\$148,692,570	\$20,000,000		\$241,719	\$210,940	\$452,659	\$649,965	\$254,202	\$1,356,826
2031	\$128,932,570	\$20,000,000		\$209,597	\$210,940	\$420,537	\$563,590	\$220,421	\$1,204,547
2032	\$109,172,570	\$20,000,000		\$177,474	\$210,940	\$388,414	\$477,215	\$186,639	\$1,052,269
2033	\$89,412,570	\$20,000,000		\$145,352	\$210,940	\$356,292	\$390,840	\$152,858	\$899,990
2034	\$74,592,570	\$20,000,000		\$121,260	\$210,940	\$332,200	\$326,059	\$127,522	\$785,781
2035	\$74,592,570	\$74,592,570		\$121,260	\$786,728	\$907,988	\$326,059	\$127,522	\$1,361,569
2036	\$74,592,570	\$74,592,570		\$121,260	\$786,728	\$907,988	\$326,059	\$127,522	\$1,361,569
2037	\$74,592,570	\$74,592,570		\$121,260	\$786,728	\$907,988	\$326,059	\$127,522	\$1,361,569
2038	\$74,592,570	\$74,592,570		\$121,260	\$786,728	\$907,988	\$326,059	\$127,522	\$1,361,569
2039	\$74,592,570	\$74,592,570		\$121,260	\$786,728	\$907,988	\$326,059	\$127,522	\$1,361,569
			Total	\$3,192,133	\$6,043,039	\$9,235,173	\$8,583,413	\$3,356,980	\$21,175,566
			Diff	\$0	\$14,667,351	\$14,667,351	\$0	\$0	\$14,667,351

Source: CPA, Azalea Springs Solar Park LLC

*Tax Rate per \$100 Valuation

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.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller’s determination that Azalea Springs Solar Park LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2022	\$5,195	\$5,195	\$0	\$0
	2023	\$400,708	\$405,903	\$0	\$0
	2024	\$817,393	\$1,223,295	\$0	\$0
Limitation Period (10 Years)	2025	\$210,940	\$1,434,235	\$2,399,364	\$2,399,364
	2026	\$210,940	\$1,645,175	\$2,190,955	\$4,590,320
	2027	\$210,940	\$1,856,115	\$1,982,547	\$6,572,866
	2028	\$210,940	\$2,067,055	\$1,774,138	\$8,347,004
	2029	\$210,940	\$2,277,995	\$1,565,729	\$9,912,733
	2030	\$210,940	\$2,488,935	\$1,357,321	\$11,270,054
	2031	\$210,940	\$2,699,875	\$1,148,912	\$12,418,966
	2032	\$210,940	\$2,910,815	\$940,503	\$13,359,469
	2033	\$210,940	\$3,121,755	\$732,094	\$14,091,563
	2034	\$210,940	\$3,332,695	\$575,788	\$14,667,351
Maintain Viable Presence (5 Years)	2035	\$786,728	\$4,119,423	\$0	\$14,667,351
	2036	\$786,728	\$4,906,151	\$0	\$14,667,351
	2037	\$786,728	\$5,692,879	\$0	\$14,667,351
	2038	\$786,728	\$6,479,607	\$0	\$14,667,351
	2039	\$786,728	\$7,266,334	\$0	\$14,667,351
Additional Years as Required by 313.026(c)(1) (10 Years)	2040	\$786,728	\$8,053,062	\$0	\$14,667,351
	2041	\$786,728	\$8,839,790	\$0	\$14,667,351
	2042	\$786,728	\$9,626,518	\$0	\$14,667,351
	2043	\$786,728	\$10,413,246	\$0	\$14,667,351
	2044	\$786,728	\$11,199,974	\$0	\$14,667,351
	2045	\$786,728	\$11,986,701	\$0	\$14,667,351
	2046	\$786,728	\$12,773,429	\$0	\$14,667,351
	2047	\$786,728	\$13,560,157	\$0	\$14,667,351
	2048	\$786,728	\$14,346,885	\$0	\$14,667,351
	2049	\$786,728	\$15,133,613	\$0	\$14,667,351

\$15,133,613

is greater than

\$14,667,351

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Azalea Springs Solar Park LLC

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.