

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 27, 2023

AMENDED COMPLETENESS, CERTIFICATE & AGREEMENT APPROVAL
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Dr. Darryl Henson
Superintendent
Marlin Independent School District
130 Coleman Street
Marlin, TX 76661

Re: Amendment Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Marlin Independent School District and Copperhead Solar, LLC, Application 1639

Dear Superintendent Henson:

This application (Application 1639) was originally submitted on September 8, 2021, to the Marlin Independent School District (school district) by Copperhead Solar, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ On November 5, 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 January 28, 2022. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on June 20, 2022.

On October 27, 2023, the Comptroller received an amendment to the agreement to move the start of the value limitation from 2025 to 2024 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, 2023**.

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:

8FDFC70F5753487...
Will Counihan
Director
Data Analysis & Transparency

cc: Destinee Gesing, Walsh Gallegos Trevino Russo & Kyle, P.C.
Chris Morgan, National Grid Renewables Development, LLC
Jeff Ringblom, National Grid Renewables Development, LLC
Sam Gregson, Cummings Westlake LLC

Amended Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Copperhead Solar, LLC (project) applying to Marlin 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 Copperhead Solar, LLC.

	Original	Amendment No. 1
Applicant	Copperhead Solar, LLC	Copperhead Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar	Renewable Energy - Solar
School District	Marlin ISD	Marlin ISD
2020-2021 Average Daily Attendance	721	721
County	Falls	Falls
Proposed Total Investment in District	\$155,500,000	\$155,500,000
Proposed Qualified Investment	\$155,500,000	\$155,500,000
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	1*	1*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$885	\$885
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$885	\$885
Minimum annual wage committed to by applicant for qualified jobs	\$46,000	\$46,000
Minimum weekly wage required for non-qualifying jobs	\$796.75	\$796.75
Minimum annual wage required for non-qualifying jobs	\$41,431	\$41,431
Investment per Qualifying Job	\$155,500,000	\$155,500,000
Estimated M&O levy without any limit (15 years)	\$7,716,071	\$7,716,071
Estimated M&O levy with Limitation (15 years)	\$2,656,653	\$2,656,653
Estimated gross M&O tax benefit (15 years)	\$5,059,418	\$5,059,418

* 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 Copperhead Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2023	250	296	546	\$13,750,000	\$30,379,000	\$44,129,000
2024	1	24	25	\$46,000	\$5,159,000	\$5,205,000
2025	1	16	17	\$46,000	\$3,639,000	\$3,685,000
2026	1	2	3	\$46,000	\$1,980,000	\$2,026,000
2027	1	(5)	-4	\$46,000	\$955,000	\$1,001,000
2028	1	(8)	-7	\$46,000	\$401,000	\$447,000
2029	1	(7)	-6	\$46,000	\$166,000	\$212,000
2030	1	(5)	-4	\$46,000	\$141,000	\$187,000
2031	1	(3)	-2	\$46,000	\$230,000	\$276,000
2032	1	(1)	0	\$46,000	\$358,000	\$404,000
2033	1	1	2	\$46,000	\$512,000	\$558,000
2034	1	2	3	\$46,000	\$675,000	\$721,000
2035	1	3	4	\$46,000	\$826,000	\$872,000
2036	1	4	5	\$46,000	\$940,000	\$986,000

Source: CPA REMI, Copperhead Solar, 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*	Marlin ISD I&S Tax Levy	Marlin ISD M&O Tax Levy	Marlin ISD M&O and I&S Tax Levies	Falls County Tax Levy	Falls County Emergency Service #2 Hospital District Tax Levy	Estimated Total Property Taxes
			0.0000	0.0000	0.9833		0.9877	0.0295	
2024	\$113,268,419	\$113,268,419		\$0	\$1,113,768	\$1,113,768	\$1,118,797	\$33,426	\$2,265,991
2025	\$107,617,498	\$107,617,498		\$0	\$1,058,203	\$1,058,203	\$1,062,981	\$31,758	\$2,152,942
2026	\$99,021,090	\$99,021,090		\$0	\$973,674	\$973,674	\$978,071	\$29,221	\$1,980,966
2027	\$89,746,069	\$89,746,069		\$0	\$882,473	\$882,473	\$886,458	\$26,484	\$1,795,415
2028	\$79,723,396	\$79,723,396		\$0	\$783,920	\$783,920	\$787,460	\$23,526	\$1,594,906
2029	\$68,907,040	\$68,907,040		\$0	\$677,563	\$677,563	\$680,622	\$20,334	\$1,378,520
2030	\$57,227,961	\$57,227,961		\$0	\$562,723	\$562,723	\$565,263	\$16,888	\$1,144,874
2031	\$44,617,116	\$44,617,116		\$0	\$438,720	\$438,720	\$440,701	\$13,167	\$892,588
2032	\$30,993,857	\$30,993,857		\$0	\$304,763	\$304,763	\$306,139	\$9,146	\$620,048
2033	\$23,412,063	\$23,412,063		\$0	\$230,211	\$230,211	\$231,250	\$6,909	\$468,370
2034	\$23,402,063	\$23,402,063		\$0	\$230,112	\$230,112	\$231,152	\$6,906	\$468,170
2035	\$23,392,363	\$23,392,363		\$0	\$230,017	\$230,017	\$231,056	\$6,903	\$467,976
2036	\$23,382,863	\$23,382,863		\$0	\$229,924	\$229,924	\$230,962	\$6,900	\$467,786
			Total	\$0	\$7,716,071	\$7,716,071	\$7,750,912	\$231,568	\$15,698,552

Source: CPA, Copperhead Solar, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Falls 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 and tax abatement with the county.

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		Marlin ISD I&S Tax Levy	Marlin ISD M&O Tax Levy	Marlin ISD M&O and I&S Tax Levies	Falls County Tax Levy	Falls County Emergency Service #2 Hospital District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0000	0.9833		0.9877	0.0295	
2024	\$113,268,419	\$20,000,000		\$0	\$196,660	\$196,660	\$111,880	\$33,426	\$341,965
2025	\$107,617,498	\$20,000,000		\$0	\$196,660	\$196,660	\$106,298	\$31,758	\$334,716
2026	\$99,021,090	\$20,000,000		\$0	\$196,660	\$196,660	\$97,807	\$29,221	\$323,688
2027	\$89,746,069	\$20,000,000		\$0	\$196,660	\$196,660	\$88,646	\$26,484	\$311,790
2028	\$79,723,396	\$20,000,000		\$0	\$196,660	\$196,660	\$78,746	\$23,526	\$298,932
2029	\$68,907,040	\$20,000,000		\$0	\$196,660	\$196,660	\$68,062	\$20,334	\$285,057
2030	\$57,227,961	\$20,000,000		\$0	\$196,660	\$196,660	\$56,526	\$16,888	\$270,074
2031	\$44,617,116	\$20,000,000		\$0	\$196,660	\$196,660	\$44,070	\$13,167	\$253,897
2032	\$30,993,857	\$20,000,000		\$0	\$196,660	\$196,660	\$30,614	\$9,146	\$236,420
2033	\$23,412,063	\$20,000,000		\$0	\$196,660	\$196,660	\$23,125	\$6,909	\$226,694
2034	\$23,402,063	\$23,402,063		\$0	\$230,112	\$230,112	\$231,152	\$6,906	\$468,170
2035	\$23,392,363	\$23,392,363		\$0	\$230,017	\$230,017	\$231,056	\$6,903	\$467,976
2036	\$23,382,863	\$23,382,863		\$0	\$229,924	\$229,924	\$230,962	\$6,900	\$467,786
			Total	\$0	\$2,656,653	\$2,656,653	\$1,398,943	\$231,568	\$4,287,165
			Diff	\$0	\$5,059,418	\$5,059,418	\$6,351,969	\$0	\$11,411,387
Assumes School Value Limitation and Tax Abatements with the County.									

Source: CPA, Copperhead Solar, 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 Copperhead Solar, 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	2021	\$0	\$0	\$0	\$0
	2022	\$0	\$0	\$0	\$0
	2023	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2024	\$196,660	\$196,660	\$917,108	\$917,108
	2025	\$196,660	\$393,320	\$861,543	\$1,778,651
	2026	\$196,660	\$589,980	\$777,014	\$2,555,666
	2027	\$196,660	\$786,640	\$685,813	\$3,241,479
	2028	\$196,660	\$983,300	\$587,260	\$3,828,739
	2029	\$196,660	\$1,179,960	\$480,903	\$4,309,642
	2030	\$196,660	\$1,376,620	\$366,063	\$4,675,704
	2031	\$196,660	\$1,573,280	\$242,060	\$4,917,764
	2032	\$196,660	\$1,769,940	\$108,103	\$5,025,867
	2033	\$196,660	\$1,966,600	\$33,551	\$5,059,418
Maintain Viable Presence (5 Years)	2034	\$230,112	\$2,196,712	\$0	\$5,059,418
	2035	\$230,017	\$2,426,730	\$0	\$5,059,418
	2036	\$229,924	\$2,656,653	\$0	\$5,059,418
	2037	\$229,833	\$2,886,487	\$0	\$5,059,418
	2038	\$229,745	\$3,116,231	\$0	\$5,059,418
Additional Years as Required by 313.026(c)(1) (10 Years)	2039	\$229,658	\$3,345,889	\$0	\$5,059,418
	2040	\$229,575	\$3,575,464	\$0	\$5,059,418
	2041	\$229,493	\$3,804,957	\$0	\$5,059,418
	2042	\$229,413	\$4,034,370	\$0	\$5,059,418
	2043	\$229,336	\$4,263,706	\$0	\$5,059,418
	2044	\$229,260	\$4,492,966	\$0	\$5,059,418
	2045	\$229,186	\$4,722,152	\$0	\$5,059,418
	2046	\$229,114	\$4,951,267	\$0	\$5,059,418
	2047	\$229,044	\$5,180,310	\$0	\$5,059,418
	2048	\$228,975	\$5,409,285	\$0	\$5,059,418
		\$5,409,285	is greater than	\$5,059,418	

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, Copperhead Solar, 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.