

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

July 29, 2022

Shannon Baker
Superintendent
Mildred Independent School District
5475 Highway 287
Corsicana, Texas 75109

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Mildred Independent School
District and Armadillo Solar Center, LLC, Application 1735

Dear Superintendent Baker:

On May 6, 2022, the Comptroller issued written notice that Armadillo Solar Center, LLC (applicant) submitted a completed application (Application 1735) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on February 28, 2022, to the Mildred Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application 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)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.

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

Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1735.

Based on the information provided by the applicant, 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.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

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 has 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, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) 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 certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by **December 31, 2022**.

Note that any building or improvement existing as of the application review start date of May 6, 2022, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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,

DocuSigned by:

11EA6DEF0EC441E...

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Armadillo Solar Center, LLC (project) applying to Mildred 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 Armadillo Solar Center, LLC.

Applicant	Armadillo Solar Center, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Mildred ISD
2020-2021 Average Daily Attendance	727
County	Navarro County
Proposed Total Investment in District	\$204,750,000
Proposed Qualified Investment	\$204,750,000
Limitation Amount	\$60,000,000
Qualifying Time Period (Full Years)	2023-2024
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,065
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,065
Minimum annual wage committed to by applicant for qualified jobs	\$55,355
Minimum weekly wage required for non-qualifying jobs	\$833.00
Minimum annual wage required for non-qualifying jobs	\$43,316
Investment per Qualifying Job	\$102,375,000
Estimated M&O levy without any limit (15 years)	\$9,686,861
Estimated M&O levy with Limitation (15 years)	\$6,483,817
Estimated gross M&O tax benefit (15 years)	\$3,203,044

* 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 Armadillo Solar Center, LLC (modeled).

Employment				Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2024	150	163	313	\$6,750,000	\$18,000,000	\$24,750,000
2025	2	15	17	\$110,711	\$3,169,289	\$3,280,000
2026	2	12	14	\$110,711	\$2,459,289	\$2,570,000
2027	2	5	7	\$110,711	\$1,559,289	\$1,670,000
2028	2	1	3	\$110,711	\$969,289	\$1,080,000
2029	2	(1)	1	\$110,711	\$609,289	\$720,000
2030	2	(2)	0	\$110,711	\$429,289	\$540,000
2031	2	(1)	1	\$110,711	\$369,289	\$480,000
2032	2	(0)	2	\$110,711	\$389,289	\$500,000
2033	2	1	3	\$110,711	\$479,289	\$590,000
2034	2	2	4	\$110,711	\$579,289	\$690,000
2035	2	3	5	\$110,711	\$699,289	\$810,000
2036	2	4	6	\$110,711	\$799,289	\$910,000
2037	2	4	6	\$110,711	\$889,289	\$1,000,000
2038	2	5	7	\$110,711	\$959,289	\$1,070,000
2039	2	5	7	\$110,711	\$1,019,289	\$1,130,000
2040	2	5	7	\$110,711	\$1,029,289	\$1,140,000

Source: CPA REMI, Armadillo Solar Center, 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		Mildred ISD I&S Tax Levy	Mildred ISD M&O Tax Levy	Mildred ISD M&O and I&S Tax Levies	Navarro County Tax Levy	Navarro Flood Control Tax Levy	Navarro College Tax Levy	Road and Bridge Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2394	0.8720		0.4922	0.0085	0.1164	0.1038	
2025	\$179,207,345	\$179,207,345		\$429,022	\$1,562,688	\$1,991,710	\$882,059	\$15,233	\$208,597	\$186,017	\$3,283,616
2026	\$154,352,536	\$154,352,536		\$369,520	\$1,345,954	\$1,715,474	\$759,723	\$13,120	\$179,666	\$160,218	\$2,828,202
2027	\$130,190,219	\$130,190,219		\$311,675	\$1,135,259	\$1,446,934	\$640,796	\$11,066	\$151,541	\$135,137	\$2,385,475
2028	\$107,296,143	\$107,296,143		\$256,867	\$935,622	\$1,192,489	\$528,112	\$9,120	\$124,893	\$111,373	\$1,965,987
2029	\$85,399,666	\$85,399,666		\$204,447	\$744,685	\$949,132	\$420,337	\$7,259	\$99,405	\$88,645	\$1,564,778
2030	\$70,875,638	\$70,875,638		\$169,676	\$618,036	\$787,712	\$348,850	\$6,024	\$82,499	\$73,569	\$1,298,654
2031	\$55,195,621	\$55,195,621		\$132,138	\$481,306	\$613,444	\$271,673	\$4,692	\$64,248	\$57,293	\$1,011,349
2032	\$41,106,609	\$41,106,609		\$98,409	\$358,450	\$456,859	\$202,327	\$3,494	\$47,848	\$42,669	\$753,196
2033	\$41,086,081	\$41,086,081		\$98,360	\$358,271	\$456,631	\$202,226	\$3,492	\$47,824	\$42,647	\$752,820
2034	\$41,067,194	\$41,067,194		\$98,315	\$358,106	\$456,421	\$202,133	\$3,491	\$47,802	\$42,628	\$752,474
2035	\$41,049,819	\$41,049,819		\$98,273	\$357,954	\$456,228	\$202,047	\$3,489	\$47,782	\$42,610	\$752,156
2036	\$41,033,833	\$41,033,833		\$98,235	\$357,815	\$456,050	\$201,969	\$3,488	\$47,763	\$42,593	\$751,863
2037	\$41,019,127	\$41,019,127		\$98,200	\$357,687	\$455,887	\$201,896	\$3,487	\$47,746	\$42,578	\$751,593
2038	\$41,005,596	\$41,005,596		\$98,167	\$357,569	\$455,736	\$201,830	\$3,485	\$47,731	\$42,564	\$751,346
2039	\$40,993,149	\$40,993,149		\$98,138	\$357,460	\$455,598	\$201,768	\$3,484	\$47,716	\$42,551	\$751,117
			Total	\$2,659,443	\$9,686,861	\$12,346,304	\$5,467,744	\$94,425	\$1,293,063	\$1,153,092	\$20,354,628

Source: CPA, Armadillo Solar Center, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Navarro 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		Mildred ISD I&S Tax Levy	Mildred ISD M&O Tax Levy	Mildred ISD M&O and I&S Tax Levies	Navarro County Tax Levy	Navarro Flood Control Tax Levy	Navarro College Tax Levy	Road and Bridge Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2394	0.8720		0.4922	0.0085	0.1164	0.1038	
2025	\$179,207,345	\$60,000,000		\$429,022	\$523,200	\$952,222	\$0	\$15,233	\$0	\$186,017	\$1,153,472
2026	\$154,352,536	\$60,000,000		\$369,520	\$523,200	\$892,720	\$0	\$13,120	\$0	\$160,218	\$1,066,058
2027	\$130,190,219	\$60,000,000		\$311,675	\$523,200	\$834,875	\$0	\$11,066	\$0	\$135,137	\$981,079
2028	\$107,296,143	\$60,000,000		\$256,867	\$523,200	\$780,067	\$0	\$9,120	\$0	\$111,373	\$900,561
2029	\$85,399,666	\$60,000,000		\$204,447	\$523,200	\$727,647	\$0	\$7,259	\$0	\$88,645	\$823,551
2030	\$70,875,638	\$60,000,000		\$169,676	\$523,200	\$692,876	\$0	\$6,024	\$0	\$73,569	\$772,470
2031	\$55,195,621	\$55,195,621		\$132,138	\$481,306	\$613,444	\$0	\$4,692	\$0	\$57,293	\$675,429
2032	\$41,106,609	\$41,106,609		\$98,409	\$358,450	\$456,859	\$0	\$3,494	\$0	\$42,669	\$503,022
2033	\$41,086,081	\$41,086,081		\$98,360	\$358,271	\$456,631	\$0	\$3,492	\$0	\$42,647	\$502,770
2034	\$41,067,194	\$41,067,194		\$98,315	\$358,106	\$456,421	\$0	\$3,491	\$0	\$42,628	\$502,539
2035	\$41,049,819	\$41,049,819		\$98,273	\$357,954	\$456,228	\$202,047	\$3,489	\$47,782	\$42,610	\$752,156
2036	\$41,033,833	\$41,033,833		\$98,235	\$357,815	\$456,050	\$201,969	\$3,488	\$47,763	\$42,593	\$751,863
2037	\$41,019,127	\$41,019,127		\$98,200	\$357,687	\$455,887	\$201,896	\$3,487	\$47,746	\$42,578	\$751,593
2038	\$41,005,596	\$41,005,596		\$98,167	\$357,569	\$455,736	\$201,830	\$3,485	\$47,731	\$42,564	\$751,346
2039	\$40,993,149	\$40,993,149		\$98,138	\$357,460	\$455,598	\$201,768	\$3,484	\$47,716	\$42,551	\$751,117
			Total	\$2,659,443	\$6,483,817	\$9,143,261	\$1,009,510	\$94,425	\$238,738	\$1,153,092	\$11,639,025
			Diff	\$0	\$3,203,044	\$3,203,044	\$4,458,235	\$0	\$1,054,324	\$0	\$8,715,603
Assumes School Value Limitation and Tax Abatements with the County.											

Source: CPA, Armadillo Solar Center, 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 Armadillo Solar Center, 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	\$0	\$0	\$0	\$0
	2023	\$0	\$0	\$0	\$0
	2024	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2025	\$523,200	\$523,200	\$1,039,488	\$1,039,488
	2026	\$523,200	\$1,046,400	\$822,754	\$1,862,242
	2027	\$523,200	\$1,569,600	\$612,059	\$2,474,301
	2028	\$523,200	\$2,092,800	\$412,422	\$2,886,723
	2029	\$523,200	\$2,616,000	\$221,485	\$3,108,208
	2030	\$523,200	\$3,139,200	\$94,836	\$3,203,044
	2031	\$481,306	\$3,620,506	\$0	\$3,203,044
	2032	\$358,450	\$3,978,955	\$0	\$3,203,044
	2033	\$358,271	\$4,337,226	\$0	\$3,203,044
	2034	\$358,106	\$4,695,332	\$0	\$3,203,044
Maintain Viable Presence (5 Years)	2035	\$357,954	\$5,053,286	\$0	\$3,203,044
	2036	\$357,815	\$5,411,101	\$0	\$3,203,044
	2037	\$357,687	\$5,768,788	\$0	\$3,203,044
	2038	\$357,569	\$6,126,357	\$0	\$3,203,044
	2039	\$357,460	\$6,483,817	\$0	\$3,203,044
Additional Years as Required by 313.026(c)(1) (10 Years)	2040	\$357,360	\$6,841,178	\$0	\$3,203,044
	2041	\$357,084	\$7,198,262	\$0	\$3,203,044
	2042	\$357,084	\$7,555,346	\$0	\$3,203,044
	2043	\$357,084	\$7,912,430	\$0	\$3,203,044
	2044	\$357,084	\$8,269,514	\$0	\$3,203,044
	2045	\$357,084	\$8,626,598	\$0	\$3,203,044
	2046	\$357,084	\$8,983,682	\$0	\$3,203,044
	2047	\$357,084	\$9,340,766	\$0	\$3,203,044
	2048	\$357,084	\$9,697,850	\$0	\$3,203,044
	2049	\$357,084	\$10,054,934	\$0	\$3,203,044
		\$10,054,934	is greater than	\$3,203,044	
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

Source: CPA, Armadillo Solar Center, 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.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines 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.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Armadillo Solar Center LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- This Project is a reapply of application #1480 Mildred ISD, Armadillo Solar Center, LLC.
- Per Armadillo Solar Center LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Armadillo Solar Center, LLC is a Delaware limited liability company. Armadillo Solar Center, LLC has one member with 100% ownership, Orsted Onshore North America, LLC (“Orsted”). Orsted has successfully developed projects involving over \$1 billion in capital investments in some of the largest electricity markets in the United States, including California, Nebraska, New Jersey, South Dakota, and Texas.”
 - B. “The Applicant for this Project has entered into several contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project, and each of these contracts may be terminated by Applicant without incurring any significant liability.”
 - C. “The Project applied to ERCOT on October 17, 2019, and it has been assigned IGNR number 21INR0421.”
 - D. “The applicant is a national solar developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable solar characteristics. The Applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. In addition to its projects in Texas, the developer is assessing or developing projects in California, Nevada, Colorado, Texas, Nebraska, Illinois, Mississippi, Michigan, Missouri, Indiana, Florida, New York, Maryland, and Virginia. The appraised value limitation is critical to the ability of the Project to move forward in Mildred ISD.”
 - E. “Without the available tax incentives, the economics of the Project become far less attractive

and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.”

- F. “Armadillo Solar has a project website available to the public. Orsted has websites for several of its development projects, and none are intended to imply that further investment of resources into the projects are a foregone conclusion. Rather, the project websites are intended as resource for the communities to find information about potential developments in their community, communicate with Orsted, and learn more about the respective project technologies.”
- The Armadillo Solar website states the following:
 - A. “Located in Navarro County, Texas, the 200 MW Armadillo Solar Center will use over 600,000 solar panels mounted in single-axis tracker arrays that follow the sun to generate more than 400,000 MWh of energy annually, or enough energy to power almost 42,500 American homes. The Armadillo Solar Center will help meet the energy needs of the state by providing reliable, solar-powered electricity.”
 - B. “The project will be supported by long-term financing and an offtake contract. The project will generate tens of millions in tax revenue that will enhance County and School services without raising taxes. You can show your support for solar energy in Navarro County by adding your name to our community letter.”
 - C. “The Armadillo Solar Center will provide a significant economic boost to the local community over the life of the project. The project will generate stable income for project landowners and new tax revenue for the Mildred Independent School District, Navarro County, Navarro College, and other taxing entities. The project will create at least 200 jobs during construction and will require ongoing support for operations and maintenance.”
- According to the supplemental Information provided by the applicant, this project has not been known by any other names.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☒ Yes ☐ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement Q3 2022
2. Estimated commencement of construction Q4 2023
3. Beginning of qualifying time period (MM/DD/YYYY) 1/1/2023
4. First year of limitation (YYYY) 1/1/2025
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
- ☐ A. January 1 following the application date ☒ B. January 1 following the end of QTP
- ☐ C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations Q4 2024

SECTION 10: The Property

1. County or counties in which the proposed project will be located Navarro County
2. Central Appraisal District (CAD) that will be responsible for appraising the property Navarro County Appraisal District
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
- | | |
|---|---|
| M&O (ISD): <u>Mildred ISD, 0.8720, 100%</u>
(Name, tax rate and percent of project) | I&S (ISD): <u>Mildred ISD, 0.2394, 100%</u>
(Name, tax rate and percent of project) |
| County: <u>Navarro County, 0.4922, 100%</u>
(Name, tax rate and percent of project) | City: <u>n/a</u>
(Name, tax rate and percent of project) |
| Hospital District: <u>n/a</u>
(Name, tax rate and percent of project) | Water District: <u>Navarro Flood Control, 0.0085, 100%</u>
(Name, tax rate and percent of project) |
| Other (describe): <u>Navarro College, 0.1164, 100%</u>
(Name, tax rate and percent of project) | Other (describe): <u>Road & Bridge, 0.1038, 100%</u>
(Name, tax rate and percent of project) |

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value

Tab Item 5

Documentation to assist in determining if limitation is a determining factor:

Armadillo Solar Center, LLC is a Delaware limited liability company. Armadillo Solar Center, LLC has one member with 100% ownership, Orsted Onshore North America, LLC (“Orsted”). Orsted has successfully developed projects involving over \$1 billion in capital investments in some of the largest electricity markets in the United States, including California, Nebraska, New Jersey, South Dakota, and Texas.

The Applicant for this Project has entered into several contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project, and each of these contracts may be terminated by Applicant without incurring any significant liability.

The Project applied to ERCOT on October 17, 2019, and it has been assigned GINR number 21INR0421.

The applicant is a national solar developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable solar characteristics. The Applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. In addition to its projects in Texas, the developer is assessing or developing projects in California, Nevada, Colorado, Texas, Nebraska, Illinois, Mississippi, Michigan, Missouri, Indiana, Florida, New York, Maryland, and Virginia. The appraised value limitation is critical to the ability of the Project to move forward in Mildred ISD.

Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.

Armadillo Solar has a project website available to the public. Orsted has websites for several of its development projects, and none are intended to imply that further investment of resources into the projects are a foregone conclusion. Rather, the project websites are intended as resource for the communities to find information about potential developments in their community, communicate with Orsted, and learn more about the respective project technologies.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

An aerial photograph showing rows of solar panels in a field. The panels are blue with white grid lines, and they are arranged in long, parallel rows separated by brownish-green grass. The perspective is from a high angle, looking down at the panels.

Armadillo Solar

Support the Project

Located in Navarro County, Texas, the 200 MW Armadillo Solar Center will use over 600,000 solar panels mounted in single-axis tracker arrays that follow the sun to generate more than 400,000 MWh of energy annually, or enough energy to power almost 42,500 American homes. The Armadillo Solar Center will help meet the energy needs of the state by providing reliable, solar-powered electricity.

The project will be supported by long-term financing and an offtake contract. The project will generate tens of millions in tax revenue that will enhance County and School services without raising taxes. You can show your support for solar energy in Navarro County by adding your name to our community letter.

Significant clean energy investment in the Dallas Fort-Worth region

The Armadillo Solar Center will provide a significant economic boost to the local community over the life of the project. The project will generate stable income for project landowners and new tax revenue for the Mildred Independent School District, Navarro County, Navarro College, and other taxing entities. The project will create at least 200 jobs during construction and will require ongoing support for operations and maintenance.

Navarro County is poised to be a Texas leader in renewable energy, with multiple wind and solar projects planned within the County. Navarro County's economy has historically included agriculture and ranching. Renewable energy supports farmers and ranchers with long-term stable land lease income that can support expansion of operations and keep land in the family. With its commitment to solar energy, and specifically the Armadillo Solar Center, Navarro County continues to grow its economy through the energy sector into the 21st century.

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Mildred ISD – Armadillo Solar Center, LLC App. #1735

Comptroller Questions (via email on June 14, 2022):

1. *Is this project known by any specific names not otherwise mentioned in this application?*
2. *Please also list any other names by which this project may have been known in the past-in media reports, investor presentations, or any listings with any federal or state agency.*

Applicant Response (via email on June 15, 2022):

1. *Armadillo Solar Center, LLC is not known by any other names.*
2. *The Project is not known by any other names.*