

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



February 10, 2014

Gilbert Trevino
Superintendent
Floydada ISD
226 W. California Street
Floydada, Texas 79235

Dear Superintendent Trevino:

On Nov. 12, 2013, the Comptroller received the completed application (Application # 347) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in September 2013 to the Floydada Independent School District (the school district) by Cedar Cap Wind, 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 3 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 (\$141 million) is consistent with the proposed appraised value limitation sought (\$10 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 Floyd and Motley Counties, 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. When approving a job waiver requested under Section 313.025(f-1), the school district must also find that the statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. 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 and a cursory review of the industry standard evidence necessary to support the waiver of the required number of jobs.

Note that any new building or other improvement existing as of the application review start date of Nov. 12, 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	Cedar Cap Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Floydada ISD
2011-12 Enrollment in School District	806
County	Floyd
Total Investment in District	\$141,000,000
Qualified Investment	\$141,000,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	4*
Number of qualifying jobs committed to by applicant	4
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$769
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$712
Minimum Annual Wage committed to by applicant for qualified jobs	\$40,000
Investment per Qualifying Job	\$35,250,000
Estimated 15 year M&O levy without any limit or credit:	\$14,362,728
Estimated gross 15 year M&O tax benefit	\$10,059,510
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):	\$8,643,653
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$2,116,832
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$13,761,869
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	4.2%
Percentage of tax benefit due to the limitation	79.0%
Percentage of tax benefit due to the credit.	21.0%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

This presents the Comptroller's economic impact evaluation of Cedar Cap Wind, LLC (the project) applying to Floydada 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 four new jobs when fully operational. All four 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 South Plains Association of Governments Region, where Floyd County is located was \$33,662 in 2012. The annual average manufacturing wage for 2012-2013 for Floyd County is \$45,591. During that same time period, the county annual average wage for all industries was \$34,073. In addition to an annual average salary of \$40,000 each qualifying position will receive benefits such as health insurance, 401(k), vacation time, sick leave and skills training. The project's total investment is \$141 million, resulting in a relative level of investment per qualifying job of \$35.3 million.

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

According to the Cedar Cap Wind, LLC application, "Cedar Cap Wind, LLC is a wholly owned subsidiary of Gamesa Energy USA, LLC. The company has production centers in the main wind markets: Spain and China, as the global production and supply hubs, while maintaining its local production capacity in India, US, and Brazil." The application also states "Gamesa has the proven ability to locate and develop wind farms in many countries as well as numerous locations throughout the United States."

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

During the past two years, seven projects in the South Plains State Planning 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 Cedar Cap Wind, 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 Cedar Cap Wind, 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 Cedar Cap Wind, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	50	52	102	\$2,500,000	\$3,500,000	\$6,000,000
2014	100	106	206	\$5,000,000	\$8,000,000	\$13,000,000
2015	54	58	112	\$2,660,000	\$5,340,000	\$8,000,000
2016	4	6	10	\$160,000	\$1,840,000	\$2,000,000
2017	4	0	4	\$160,000	\$840,000	\$1,000,000
2018	4	(2)	2	\$160,000	\$840,000	\$1,000,000
2019	4	0	4	\$160,000	\$840,000	\$1,000,000
2020	4	2	6	\$160,000	\$840,000	\$1,000,000
2021	4	4	8	\$160,000	\$840,000	\$1,000,000
2022	4	4	8	\$160,000	\$840,000	\$1,000,000
2023	4	4	8	\$160,000	\$840,000	\$1,000,000
2024	4	4	8	\$160,000	\$840,000	\$1,000,000
2025	4	12	16	\$160,000	\$840,000	\$1,000,000
2026	4	6	10	\$160,000	\$840,000	\$1,000,000
2027	4	6	10	\$160,000	\$840,000	\$1,000,000
2028	4	6	10	\$160,000	\$840,000	\$1,000,000
2029	4	4	8	\$160,000	\$840,000	\$1,000,000

Source: CPA, REMI, Cedar Cap Wind, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.7 billion in 2012-2013. Floydada ISD's ad valorem tax base in 2012-2013 was \$210.7 million. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same period, Floydada ISD's estimated wealth per WADA was \$160,463. 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, Floyd County, Caprock Hospital District and the High Plains Underground Water Conservation District #1 with all property tax incentives sought being granted using estimated market value from Cedar Cap Wind, LLC's application. Cedar Cap Wind, LLC has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county and the Caprock Hospital District. Table 3 illustrates the estimated tax impact of the Cedar Cap Wind, LLC project on the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Floydada ISD I&S Levy	Floydada ISD M&O Levy	Floydada ISD M&O and I&S Tax Levies (Before Credit Credited)	Floydada ISD M&O and I&S Tax Levies (After Credit Credited)	Floyd County Tax Levy	Caprock Hospital District Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes
				0.1379	1.1700			0.4910	0.2004	0.0200	
2015	\$78,960,000	\$78,960,000		\$108,886	\$844,872	\$953,758	\$953,758	\$387,694	\$158,250	\$15,792	\$1,515,493
2016	\$135,360,000	\$135,360,000		\$186,661	\$1,488,960	\$1,675,621	\$1,675,621	\$132,924	\$54,257	\$27,072	\$1,889,874
2017	\$124,571,000	\$10,000,000		\$171,783	\$117,000	\$288,783	\$288,783	\$122,329	\$49,933	\$24,914	\$485,959
2018	\$114,643,500	\$10,000,000		\$158,093	\$117,000	\$275,093	\$275,093	\$140,725	\$57,442	\$22,929	\$496,189
2019	\$105,509,400	\$10,000,000		\$145,497	\$117,000	\$262,497	\$142,090	\$129,513	\$52,865	\$21,102	\$345,570
2020	\$97,105,700	\$10,000,000		\$133,909	\$117,000	\$250,909	\$133,851	\$119,197	\$48,654	\$19,421	\$321,123
2021	\$89,373,400	\$10,000,000		\$123,246	\$117,000	\$240,246	\$125,910	\$241,353	\$80,604	\$17,875	\$465,742
2022	\$82,258,500	\$10,000,000		\$113,434	\$117,000	\$230,434	\$119,204	\$222,139	\$74,187	\$16,452	\$431,983
2023	\$75,712,000	\$10,000,000		\$104,407	\$117,000	\$221,407	\$113,141	\$260,222	\$68,283	\$15,142	\$456,789
2024	\$69,687,900	\$10,000,000		\$96,100	\$117,000	\$213,100	\$107,659	\$239,517	\$62,850	\$13,938	\$423,964
2025	\$64,145,200	\$64,145,200		\$88,456	\$699,183	\$787,639	\$684,887	\$220,467	\$57,851	\$12,829	\$976,034
2026	\$59,044,900	\$59,044,900		\$81,423	\$690,825	\$772,248	-\$10,323	\$289,910	\$118,337	\$11,809	\$409,733
2027	\$54,351,900	\$54,351,900		\$74,951	\$635,917	\$710,869	\$156,099	\$266,868	\$108,931	\$10,870	\$542,768
2028	\$50,033,300	\$50,033,300		\$68,996	\$585,390	\$654,386	\$654,386	\$245,664	\$100,276	\$10,007	\$1,010,331
2029	\$46,060,000	\$46,060,000		\$63,517	\$538,902	\$602,419	\$602,419	\$226,155	\$92,313	\$9,212	\$930,098
						Total	\$6,022,578	\$3,244,676	\$1,185,033	\$249,363	\$10,701,650

Assumes School Value Limitation and Tax Abatement with the County and the Hospital District.

Source: CPA, Cedar Cap Wind, LLC

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Floydada ISD I&S Levy	Floydada ISD M&O Levy	Floydada ISD M&O and I&S Tax Levies	Floyd County Tax Levy	Caprock Hospital District Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes	
				0.1379	1.1700		0.4910	0.2004	0.0200		
2015	\$78,960,000	\$78,960,000		\$108,886	\$844,872	\$953,758	\$387,694	\$158,250	\$15,792	\$1,515,493	
2016	\$135,360,000	\$135,360,000		\$186,661	\$1,488,960	\$1,675,621	\$664,618	\$271,286	\$27,072	\$2,638,597	
2017	\$124,571,000	\$124,571,000		\$171,783	\$1,457,481	\$1,629,264	\$611,644	\$249,663	\$24,914	\$2,515,485	
2018	\$114,643,500	\$114,643,500		\$158,093	\$1,341,329	\$1,499,422	\$562,900	\$229,766	\$22,929	\$2,315,017	
2019	\$105,509,400	\$105,509,400		\$145,497	\$1,234,460	\$1,379,957	\$518,051	\$211,460	\$21,102	\$2,130,570	
2020	\$97,105,700	\$97,105,700		\$133,909	\$1,136,137	\$1,270,045	\$476,789	\$194,617	\$19,421	\$1,960,873	
2021	\$89,373,400	\$89,373,400		\$123,246	\$1,045,669	\$1,168,915	\$438,823	\$179,120	\$17,875	\$1,804,733	
2022	\$82,258,500	\$82,258,500		\$113,434	\$962,424	\$1,075,859	\$403,889	\$164,861	\$16,452	\$1,661,061	
2023	\$75,712,000	\$75,712,000		\$104,407	\$885,830	\$990,237	\$371,746	\$151,740	\$15,142	\$1,528,866	
2024	\$69,687,900	\$69,687,900		\$96,100	\$815,348	\$911,448	\$342,168	\$139,667	\$13,938	\$1,407,220	
2025	\$64,145,200	\$64,145,200		\$88,456	\$699,183	\$787,639	\$314,953	\$128,559	\$12,829	\$1,243,980	
2026	\$59,044,900	\$59,044,900		\$81,423	\$690,825	\$772,248	\$289,910	\$118,337	\$11,809	\$1,192,304	
2027	\$54,351,900	\$54,351,900		\$74,951	\$635,917	\$710,869	\$266,868	\$108,931	\$10,870	\$1,097,538	
2028	\$50,033,300	\$50,033,300		\$68,996	\$585,390	\$654,386	\$245,664	\$100,276	\$10,007	\$1,010,331	
2029	\$46,060,000	\$46,060,000		\$63,517	\$538,902	\$602,419	\$226,155	\$92,313	\$9,212	\$930,098	
						Total	\$16,082,088	\$6,121,870	\$2,498,845	\$249,363	\$24,952,166

Source: CPA, Cedar Cap Wind, LLC

¹Tax Rate per \$100 Valuation

Note: Table 2 & 3 manually updated to reflect the varying M&O rates for years 2015, 2016 and 2025.

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 2" in this attachment shows the estimated 13 year M&O tax levy without the value limitation agreement would be \$13,238,436. The estimated gross 13 year M&O tax benefit, or levy loss, is \$8,643,653.

Attachment 3 is an economic overview of Floyd 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

Amendment No. 003
Attachment 17

Schedule A (Rev. January 2013): Investment

Applicant Name: CEDAR CAP WIND, LLC
ISD Name: FLOYDADA ISD

Form 50-296

PROPERTY INVESTMENT AMOUNTS

(Estimated investment in each year. Do not put cumulative totals.)

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	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 (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic 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)	2013-2014	2013	0	0	0	0	0	
	2013-2014	2013	7,050,000	0	7,050,000	0	7,050,000	
	2014-2015	2014						
	Complete tax years of qualifying time period	1 2015-2016	2015	105,000,000	750,000	105,750,000	0	105,750,000
		2 2016-2017	2016	28,200,000	0	28,200,000	0	28,200,000
		3 2017-2018	2017	0	0	0	0	0
		4 2018-2019	2018	0	0	0	0	0
		5 2019-2020	2019	0	0	0	0	0
		6 2020-2021	2020	0	0	0	0	0
		7 2021-2022	2021	0	0	0	0	0
		8 2022-2023	2022	0	0	0	0	0
		9 2023-2024	2023	0	0	0	0	0
		10 2024-2025	2024	0	0	0	0	0
	Value Limitation Period	11 2025-2026	2025	0	0	0	0	0
		12 2026-2027	2026	0	0	0	0	0
13 2027-2028		2027	0	0	0	0	0	
Credit Settle-Up Period	14 2028-2029	2028	0	0	0	0	0	
	15 2029-2030	2029	0	0	0	0	0	

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: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

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

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 credits. 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.

19 Dec 13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE _____ DATE _____

Schedule B (Rev. January 2013): Estimated Market And Taxable Value

Applicant Name
CEDAR CAP WIND, LLC

ISD Name
FLOYDADA ISD

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	Final taxable value for M&O--after all reductions
				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"			
	pre-year 1	2013-2014	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	pre-year 2	2014-2015	2014	\$ -	\$ -	\$ 3,525,000	\$ -	\$ 3,525,000	\$ 3,525,000
Complete tax years of qualifying time period	1	2015-2016	2015	\$ -	\$ 525,000	\$ 78,435,000	\$ -	\$ 78,960,000	\$ 78,960,000
	2	2016-2017	2016	\$ -	\$ 720,000	\$ 134,640,000	\$ -	\$ 135,360,000	\$ 10,000,000
	3	2017-2018	2017	\$ -	\$ 702,000	\$ 123,869,000	\$ -	\$ 124,571,000	\$ 10,000,000
	4	2018-2019	2018	\$ -	\$ 684,500	\$ 113,959,000	\$ -	\$ 114,643,500	\$ 10,000,000
	5	2019-2020	2019	\$ -	\$ 667,400	\$ 104,842,000	\$ -	\$ 105,509,400	\$ 10,000,000
Value Limitation Period	6	2020-2021	2020	\$ -	\$ 650,700	\$ 96,455,000	\$ -	\$ 97,105,700	\$ 10,000,000
	7	2021-2022	2021	\$ -	\$ 634,400	\$ 88,739,000	\$ -	\$ 89,373,400	\$ 10,000,000
	8	2022-2023	2022	\$ -	\$ 618,500	\$ 81,640,000	\$ -	\$ 82,258,500	\$ 10,000,000
	9	2023-2024	2023	\$ -	\$ 603,000	\$ 75,109,000	\$ -	\$ 75,712,000	\$ 10,000,000
	10	2024-2025	2024	\$ -	\$ 587,900	\$ 69,100,000	\$ -	\$ 69,687,900	\$ 69,687,900
Credit Settle-Up Period	11	2025-2026	2025	\$ -	\$ 573,200	\$ 63,572,000	\$ -	\$ 64,145,200	\$ 64,145,200
	12	2026-2027	2026	\$ -	\$ 558,900	\$ 58,486,000	\$ -	\$ 59,044,900	\$ 59,044,900
	13	2027-2028	2027	\$ -	\$ 544,900	\$ 53,807,000	\$ -	\$ 54,351,900	\$ 54,351,900
Post- Settle-Up Period	14	2028-2029	2028	\$ -	\$ 531,300	\$ 49,502,000	\$ -	\$ 50,033,300	\$ 50,033,300
	15	2029-2030	2029	\$ -	\$ 518,000	\$ 45,542,000	\$ -	\$ 46,060,000	\$ 46,060,000

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.



19 Dec 13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Amendment No. 003
Attachment 19

Schedule C- Application: Employment Information

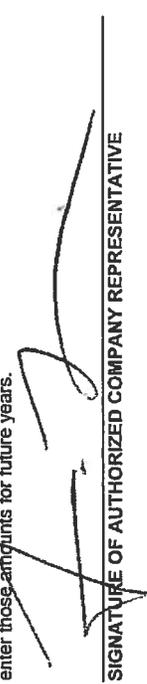
Applicant Name: CEDAR CAP WIND, LLC
ISD Name: FLOYDADA ISD

Form 50-296

	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	2013-2014	2013	50 FTEs	\$50,000	0		0	
	pre-year 2	2014-2015	2014	100 FTEs	\$50,000	0		0	
Tax Credit Period (with 50% cap on credit)	1	2015-2016	2015	50 FTEs	\$50,000	4	\$40,000	4	\$40,000
	2	2016-2017	2016			4	\$40,000	4	\$40,000
	3	2017-2018	2017			4	\$40,000	4	\$40,000
	4	2018-2019	2018			4	\$40,000	4	\$40,000
	5	2019-2020	2019			4	\$40,000	4	\$40,000
	6	2020-2021	2020			4	\$40,000	4	\$40,000
	7	2021-2022	2021			4	\$40,000	4	\$40,000
	8	2022-2023	2022			4	\$40,000	4	\$40,000
	9	2023-2024	2023			4	\$40,000	4	\$40,000
	10	2024-2025	2024			4	\$40,000	4	\$40,000
Credit Settle-Up Period	11	2025-2026	2025			4	\$40,000	4	\$40,000
	12	2026-2027	2026			4	\$40,000	4	\$40,000
	13	2027-2028	2027			4	\$40,000	4	\$40,000
Post-Settle-Up Period	14	2028-2029	2028			4	\$40,000	4	\$40,000
	15	2029-2030	2029			4	\$40,000	4	\$40,000

Notes: For job definitions see TAC §8.1051(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

19 Dec 13
DATE

Attachment 2

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Cedar Cap Wind, LLC
Amended Application**

Prepared by

Randy McDowell, RTSBA

&

Neal Brown

School Finance Consultants

Floydada ISD Financial Impact of Chapter 313 Agreement

**Summary of Floydada ISD Financial Impact
of the
Limited Appraised Value Application
from
Cedar Cap Wind, LLC**

Introduction

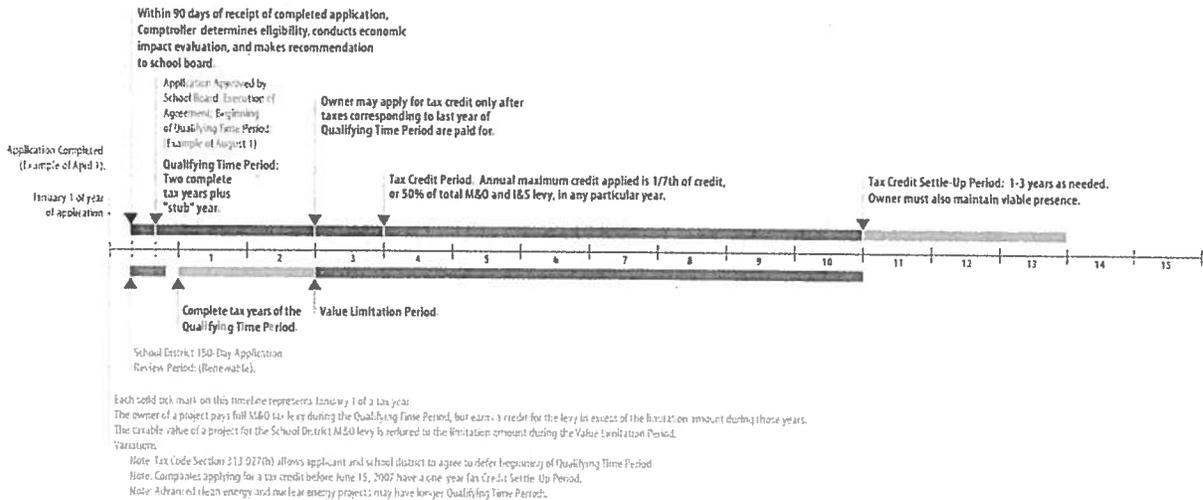
Cedar Cap Wind, LLC applied for a property value limitation from Floydada Independent School District under Chapter 313 of the Tax Code. The application was submitted on September 4, 2013 and subsequently approved for consideration by the Floydada ISD Board of Trustees. Cedar Cap Wind, LLC ("Cedar Cap Wind"), 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.

Floydada ISD Financial Impact of Chapter 313 Agreement

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. Floydada ISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million but less than \$90 million, thus Floydada ISD has a minimum qualified investment amount of \$10 million. A qualifying entity’s taxable value would be

Floydada ISD Financial Impact of Chapter 313 Agreement

reduced to \$10 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 Floydada 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 Cedar Cap Wind” 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 \$10,000,000 minimum qualified investment of Floydada ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Cedar Cap Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2015	78,960,000	n/a	0	78,960,000
Jan. 1, 2016	135,360,000	n/a	0	135,360,000
Jan. 1, 2017	124,571,000	(10,000,000)	114,571,000	10,000,000
Jan. 1, 2018	114,643,500	(10,000,000)	104,643,500	10,000,000
Jan. 1, 2019	105,509,400	(10,000,000)	95,509,400	10,000,000
Jan. 1, 2020	97,105,700	(10,000,000)	87,105,700	10,000,000
Jan. 1, 2021	89,373,400	(10,000,000)	79,373,400	10,000,000
Jan. 1, 2022	82,258,500	(10,000,000)	72,258,500	10,000,000
Jan. 1, 2023	75,712,000	(10,000,000)	65,712,000	10,000,000
Jan. 1, 2024	69,687,900	(10,000,000)	59,687,900	10,000,000
Jan. 1, 2025	64,145,200	n/a	0	64,145,200
Jan. 1, 2026	59,044,900	n/a	0	59,044,900
Jan. 1, 2027	54,351,900	n/a	0	54,351,900

Floydada ISD Financial Impact of Chapter 313 Agreement

Cedar Cap Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Cedar Cap Wind is \$8.643 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.

Floydada ISD's projected tax rates for maintenance & operations (M&O) and interest & sinking (I&S) are based on the following assumptions:

- The District held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.17 for the life of this agreement. The M&O rates for 2015-2016, 2016-2017 & 2025-2026 are projected to drop to \$1.07, \$1.10 & \$1.09 respectively, due to the rollback tax rate calculations.
- The district has outstanding bonds that are scheduled to payoff in 2037 and currently have a \$.137 I&S tax rate. This district's annual debt payments are just over \$360,000 per year through 2037 and the debt rates below are calculated rates using the projected taxable values with the addition of Longhorn Wind's estimated taxable values. 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	1.070	0.113	844,872	0	n/a	0	0
2016-2017	1.100	0.101	1,488,960	0	n/a	0	0
2017-2018	1.170	0.104	1,457,481	1,340,481	n/a	(1,415,858)	(75,377)
2018-2019	1.170	0.108	1,341,329	1,224,329	120,407	0	1,344,736
2019-2020	1.170	0.111	1,234,460	1,117,460	117,058	0	1,234,518
2020-2021	1.170	0.115	1,136,137	1,019,137	114,336	0	1,133,472
2021-2022	1.170	0.118	1,045,669	928,669	111,230	0	1,039,899
2022-2023	1.170	0.121	962,424	845,424	108,266	0	953,691
2023-2024	1.170	0.124	885,830	768,830	105,441	0	874,272
2024-2025	1.170	0.127	815,348	698,348	102,752	0	801,100
2025-2026	1.090	0.130	699,183	0	782,571	0	782,571
2026-2027	1.170	0.133	690,825	0	554,770	0	554,770
2027-2028	1.170	0.136	635,917	0	0	0	0
Totals			13,238,436	7,942,678	2,116,832	(1,415,858)	8,643,653

Floydada ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Floydada 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 decrease of .5% 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 1.0% 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.

Floydada ISD Financial Impact of Chapter 313 Agreement

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 Cedar Cap Wind (Table III), the addition of Cedar Cap Wind's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Cedar Cap Wind's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Cedar Cap Wind, 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	222,914,475	2,229,145	4,587,145	0	6,816,290	857,547	7,673,837
2016-2017	221,799,902	2,217,999	4,528,842	0	6,746,842	925,415	7,672,257
2017-2018	220,690,903	2,206,909	4,473,105	0	6,680,014	916,197	7,596,211
2018-2019	219,587,448	2,195,874	4,417,309	0	6,613,183	907,071	7,520,254
2019-2020	218,489,511	2,184,895	4,362,722	0	6,547,617	898,036	7,445,653
2020-2021	217,397,063	2,173,971	4,311,420	0	6,485,390	889,091	7,374,481
2021-2022	216,310,078	2,163,101	4,262,530	0	6,425,631	880,235	7,305,866
2022-2023	215,228,528	2,152,285	4,209,048	0	6,361,333	871,468	7,232,801
2023-2024	214,152,385	2,141,524	4,152,975	0	6,294,499	862,788	7,157,287
2024-2025	213,081,623	2,130,816	4,102,005	0	6,232,822	854,195	7,087,016
2025-2026	212,016,215	2,120,162	4,053,047	0	6,173,209	845,687	7,018,896
2026-2027	210,956,134	2,109,561	4,005,043	0	6,114,604	837,265	6,951,869
2027-2028	209,901,353	2,099,014	3,957,160	0	6,056,173	828,926	6,885,100

Floydada ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with Cedar Cap Wind 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	301,874,475	3,018,745	4,572,948	0	7,591,693	705,368	8,297,061
2016-2017	357,159,902	3,571,599	3,713,254	0	7,284,854	757,809	8,042,663
2017-2018	345,261,903	3,452,619	3,094,590	0	6,547,209	887,608	7,434,817
2018-2019	334,230,948	3,342,309	3,148,668	0	6,490,977	880,117	7,371,095
2019-2020	323,998,911	3,239,989	3,199,083	0	6,439,072	872,662	7,311,734
2020-2021	314,502,763	3,145,028	3,246,905	0	6,391,932	865,238	7,257,170
2021-2022	305,683,478	3,056,835	3,273,599	0	6,330,434	857,840	7,188,274
2022-2023	297,487,028	2,974,870	3,298,865	0	6,273,735	850,468	7,124,203
2023-2024	289,864,385	2,898,644	3,315,250	0	6,213,894	843,122	7,057,016
2024-2025	282,769,523	2,827,695	3,330,950	0	6,158,646	835,799	6,994,444
2025-2026	276,161,415	2,761,614	3,346,441	0	6,108,055	828,501	6,936,556
2026-2027	270,001,034	2,700,010	3,353,156	0	6,053,166	821,226	6,874,392
2027-2028	264,253,253	2,642,533	3,354,974	0	5,997,506	813,975	6,811,481

TABLE V – District Revenues with Cedar Cap Wind 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	357,159,902	3,571,599	3,713,254	0	7,284,854	757,809	0	8,042,663
2017-2018	230,690,903	2,306,909	3,117,504	0	5,424,413	594,547	1,415,858	7,434,817
2018-2019	229,587,448	2,295,874	4,315,307	0	6,611,181	906,957	0	7,518,138
2019-2020	228,489,511	2,284,895	4,264,619	0	6,549,514	897,921	0	7,447,435
2020-2021	227,397,063	2,273,971	4,219,420	0	6,493,390	888,975	0	7,382,366
2021-2022	226,310,078	2,263,101	4,160,531	0	6,423,632	880,119	0	7,303,750
2022-2023	225,228,528	2,252,285	4,107,050	0	6,359,335	871,350	0	7,230,686
2023-2024	224,152,385	2,241,524	4,050,977	0	6,292,501	862,669	0	7,155,171
2024-2025	223,081,623	2,230,816	4,000,008	0	6,230,825	854,075	0	7,084,900
2025-2026	276,161,415	2,761,614	3,944,574	0	6,706,188	679,023	0	7,385,210
2026-2027	270,001,034	2,700,010	3,353,156	0	6,053,166	821,226	0	6,874,392
2027-2028	264,253,253	2,642,533	3,354,974	0	5,997,506	813,975	0	6,811,481

Floydada ISD Financial Impact of Chapter 313 Agreement

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.

Floydada ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Cedar Cap Wind, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Floydada ISD by Cedar Cap Wind, the projected amount of these payments over the life of the agreement is \$861,599 of the \$8.643 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	Floydada ISD \$100/ADA	Cedar Cap Wind's Share
2015-2016	0	70,347	(70,347)
2016-2017	0	69,643	(69,643)
2017-2018	(75,377)	68,947	(144,324)
2018-2019	1,344,736	68,257	1,276,479
2019-2020	1,234,518	67,575	1,166,943
2020-2021	1,133,472	66,899	1,066,573
2021-2022	1,039,899	66,230	973,669
2022-2023	953,691	65,568	888,123
2023-2024	874,272	64,912	809,360
2024-2025	801,100	64,263	736,837
2025-2026	782,571	63,620	718,951
2026-2027	554,770	62,984	491,786
2027-2028	0	62,354	(62,354)
Totals	8,643,653	861,599	7,782,054

Floydada ISD Financial Impact of Chapter 313 Agreement

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
A.B. Duncan Elementary	EE-6	30	600	469	131
Floydada Jr. High	7-8	15	270	125	145
Floydada High	9-12	31	558	201	357
Total		76	1,428	795	633

The building capacities are based on 20 students per classroom for elementary and 18 students per grade level at secondary schools. Floydada ISD is a early-education through 12th grade district.

Cedar Cap Wind, 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 four full-time employees are expected. It is not known whether these would be new employees to the Floydada 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 four positions equates to 2 new students.

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

Floydada ISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Cedar Cap Wind, LLC, would be beneficial to both Cedar Cap Wind and Floydada ISD under the current school finance system.

Cedar Cap Wind, 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, Cedar Cap Wind is projected to benefit from a 80% tax savings over the first twelve year period of this agreement. Cedar Cap Wind 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.

Floydada ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Cedar Cap Wind 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.

February 5, 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 Cedar Cap Wind LLC project on the number and size of school facilities in Floydada Independent School District (FISD). Based on the analysis prepared by McDowell & Brown for the school district and a conversation with the FISD CFO, Sharon Rainwater, the TEA has found that the Cedar Cap Wind 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,



Al McKenzie, Manager
Foundation School Program Support

AM/rk

February 5, 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 Cedar Cap Wind LLC project for the Floydada 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 Cedar Cap Wind 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,



Al McKenzie, Manager
Foundation School Program Support

AM/rk

Attachment 3

Floyd County

Population

- Total county population in 2010 for Floyd County: 6,398 , down 1.4 percent from 2009. State population increased 1.8 percent in the same time period.
- Floyd County was the state's 190rd largest county in population in 2010 and the 243rd fastest growing county from 2009 to 2010.
- Floyd County's population in 2009 was 45.1 percent Anglo (below the state average of 46.7 percent), 4.1 percent African-American (below the state average of 11.3 percent) and 49.6 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Floyd County:

Floydada:	3,066	Lockney:	1,672
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Economy and Income

Employment

- September 2011 total employment in Floyd County: 2,804 , down 1.3 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 Floyd County unemployment rate: 9.2 percent, up from 8.8 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

- Floyd County's ranking in per capita personal income in 2009: 125th with an average per capita income of \$32,738, down 1.3 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 Floyd County averaged \$334.71 million annually from 2007 to 2010. County total agricultural values in 2010 were up 17.5 percent from 2009. Major agriculture related commodities in Floyd County during 2010 included:
 - Corn
 - Cottonseed
 - Other Beef
 - Cotton
 - Fed Beef
- 2011 oil and gas production in Floyd County: 1,175.0 barrels of oil and 36.0 Mcf of gas. In September 2011, there were 4 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 Floyd County during the fourth quarter 2010: \$3.76 million, up 3.2 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Floydada:	\$2.52 million, up 5.9 percent from the same quarter in 2009.
Lockney:	\$1.02 million, up 12.4 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 Floyd County through the fourth quarter of 2010: \$14.18 million, down 0.8 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Floydada:	\$9.79 million, up 1.8 percent from the same period in 2009.
Lockney:	\$3.62 million, up 4.8 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Floyd County during 2010: \$14.18 million, down 0.8 percent from 2009.
- Floyd County sent an estimated \$886,481.88 (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:

Floydada:	\$9.79 million, up 1.8 percent from 2009.
Lockney:	\$3.62 million, up 4.8 percent from 2009.

Sales Tax – Local Sales Tax Allocations

(The release date for sales tax allocations to cities for the sales activity month of November 2011 is currently scheduled for December 7, 2011.)

Monthly

- Statewide payments based on the sales activity month of September 2011: \$580.11 million, up 7.1 percent from September 2010.
- Payments to all cities in Floyd County based on the sales activity month of September 2011: \$34,445.76, down 2.9 percent from September 2010.
- Payment based on the sales activity month of September 2011 to the city of:

Floydada:	\$25,391.74, up 0.9 percent from September 2010.
Lockney:	\$9,054.02, down 12.3 percent from September 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2011 through September 2011: \$580.11 million, up 7.1 percent from the same period in 2011.
- Payments to all cities in Floyd County based on sales activity months from September 2011 through September 2011: \$34,445.76, down 2.9 percent from fiscal 2011.
- Payments based on sales activity months from September 2011 through September 2011 to the city of:

Floydada:	\$25,391.74, up 0.9 percent from fiscal 2011.
Lockney:	\$9,054.02, down 12.3 percent from fiscal 2011.

January 2011 through September 2011 (Sales Activity Year-To-Date)

- Statewide payments based on sales activity months through September 2011: \$4.57 billion, up 8.1 percent from the same period in 2010.
- Payments to all cities in Floyd County based on sales activity months through September 2011: \$293,441.04, up 13.5 percent from the same period in 2010.
- Payments based on sales activity months through September 2011 to the city of:

Floydada:	\$206,572.55, up 16.5 percent from the same period in 2010.
Lockney:	\$86,868.49, up 6.9 percent from the same period in 2010.

12 months ending in September 2011

- Statewide payments based on sales activity in the 12 months ending in September 2011: \$6.11 billion, up 7.9 percent from the previous 12-month period.
- Payments to all cities in Floyd County based on sales activity in the 12 months ending in September 2011: \$385,190.25, up 10.7 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in September 2011 to the city of:

Floydada:	\$269,999.18, up 12.4 percent from the previous 12-month period.
Lockney:	\$115,191.07, up 7.0 percent from the previous 12-month period.

City Calendar Year-To-Date (RJ 2011)

- Payment to the cities from January 2011 through November 2011:

Floydada:	\$252,403.36, up 13.8 percent from the same period in 2010.
Lockney:	\$106,146.44, 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 Floyd County based on sales activity months in 2010: \$350,335.44, up 3.2 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Floydada:	\$240,742.64, up 0.8 percent from 2009.
Lockney:	\$109,592.80, up 8.8 percent from 2009.

Property Tax

- As of January 2009, property values in Floyd County: \$512.90 million, up 11.8 percent from January 2008 values. The property tax base per person in Floyd County is \$79,224, below the statewide average of \$85,809. About 0.1 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Floyd County's ranking in state expenditures by county in fiscal year 2010: 187th. State expenditures in the county for FY2010: \$24.87 million, down 0.3 percent from FY2009.
- In Floyd County, 3 state agencies provide a total of 19 jobs and \$157,811.00 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 Floyd County preliminary fall 2011 enrollment:

- None.

■ Floyd County is in the service area of the following:

- South Plains College with a preliminary fall 2011 enrollment of 10,538 . Counties in the service area include:

- Bailey County
- Cochran County
- Crosby County
- Floyd County
- Gaines County
- Garza County
- Hale County
- Hockley County
- Lamb County
- Lubbock County
- Lynn County
- Motley County
- Terry County
- Yoakum County

■ Institutions of higher education in Floyd County preliminary fall 2011 enrollment:

- None.

School Districts

- Floyd County had 2 school districts with 9 schools and 1,430 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.)

- Floydada ISD had 879 students in the 2009-10 school year. The average teacher salary was \$40,013. The percentage of students meeting the 2010 TAKS passing standard for all tests was 68 percent.
- Lockney ISD had 551 students in the 2009-10 school year. The average teacher salary was \$40,960. The percentage of students meeting the 2010 TAKS passing standard for all tests was 67 percent.