

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



November 1, 2013

Mike Jackson
Superintendent
Vega Independent School District
200 Longhorn Dr.
Vega, Texas 79092

Dear Superintendent Jackson:

On August 21, 2013, the Comptroller received the completed application (Application # 318) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in July 2013 to the Vega Independent School District (the school district) by River Birch Wind Project, 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 (\$76.5 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 Oldham County, 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 August 21, 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	River Birch Wind Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Vega ISD
2011-12 Enrollment in School District	337
County	Oldham
Total Investment in District	\$76,500,000
Qualified Investment	\$76,500,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	2*
Number of qualifying jobs committed to by applicant	2
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$885
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$885
Minimum Annual Wage committed to by applicant for qualified jobs	\$46,035
Investment per Qualifying Job	\$38,250,000
Estimated 15 year M&O levy without any limit or credit:	\$6,575,511
Estimated gross 15 year M&O tax benefit	\$4,045,938
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):	\$3,951,650
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$623,659
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$2,623,861
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	60.1%
Percentage of tax benefit due to the limitation	84.6%
Percentage of tax benefit due to the credit	15.4%
* 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 River Birch Wind Project, LLC (the project) applying to Vega 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 two new jobs when fully operational. All two 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 Panhandle Regional Planning Commission Region, where Oldham County is located was \$41,850 in 2012. The annual average manufacturing wage for 2012 for Oldham County is unavailable. That same year, the county annual average wage for all industries was \$45,812. In addition to a salary of \$46,035, each qualifying position will receive the following benefits: At least 80% of employees of the operator of the River Birch Wind Project will be employed in qualifying jobs pursuant to Texas Tax Code 313.024(d). Qualifying jobs will meet the definition of Texas Tax Code Section 313.051(b). Employees will be offered a group health benefit plan for which the operator of the River Birch Wind Project will pay at least 80% of the premiums or other charges assessed for employee-only coverage under the plan or as necessary to be in compliance with the Affordable Care Act. In addition, each qualifying employee will receive area wide competitive 401(k) Retirement Savings Plan, vacation time, sick leave and skills training. The project's total investment is \$76.5 million, resulting in a relative level of investment per qualifying job of \$38.3 million.

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

According to River Birch Wind Project, LLC's application, "Infinity Wind Power, LLC is actively developing wind energy projects throughout Texas as well as other states.... Infinity successfully developed two wind projects that are now operational and a third that is under construction in different states around the United States of America."

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

During the past two years, 19 projects in the Panhandle Regional Planning Commission 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 River Birch Wind Project, 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 River Birch Wind Project, 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 River Birch Wind Project, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	5	5	10	\$200,000	\$166,000	\$366,000
2014	75	73	148	\$3,000,000	\$5,301,000	\$8,301,000
2015	2	5	7	\$92,070	\$761,930	\$854,000
2016	2	3	5	\$92,070	\$517,930	\$610,000
2017	2	3	5	\$92,070	\$761,930	\$854,000
2018	2	0	2	\$92,070	\$151,930	\$244,000
2019	2	0	2	\$92,070	\$395,930	\$488,000
2020	2	2	4	\$92,070	\$273,930	\$366,000
2021	2	2	4	\$92,070	\$395,930	\$488,000
2022	2	0	2	\$92,070	\$273,930	\$366,000
2023	2	2	4	\$92,070	\$517,930	\$610,000
2024	2	(2)	0	\$92,070	\$151,930	\$244,000
2025	2	2	4	\$92,070	\$29,930	\$122,000
2026	2	(2)	0	\$92,070	-\$92,070	\$0
2027	2	2	4	\$92,070	\$151,930	\$244,000
2028	2	0	2	\$92,070	-\$92,070	\$0

Source: CPA, REMI, River Birch Wind Project, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Vega ISD's ad valorem tax base in 2011 was \$158.4 million. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Vega ISD's estimated wealth per WADA was \$288,228. 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, Oldham County, and Llano Estacado Water District, with all property tax incentives sought being granted using estimated market value from River Birch Wind Project, LLC's application. River Birch Wind Project, LLC has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county. Table 3 illustrates the estimated tax impact of the River Birch Wind Project, 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	Vega ISD I&S Levy	Vega ISD M&O Levy	Vega ISD M&O and I&S Tax Levies (Before Credit Credited)	Vega ISD M&O and I&S Tax Levies (After Credit Credited)	Oldham County Tax Levy	Llano Estacado Water District Tax Levy	Estimated Total Property Taxes
			0.1370	1.0400				0.6688	0.0100	
2014	\$1,912,500	\$1,912,500		\$2,620	\$19,890	\$22,510	\$22,510	\$12,790	\$191	\$35,492
2015	\$73,444,500	\$73,444,500		\$100,619	\$763,823	\$864,442	\$864,442	\$0	\$7,344	\$871,786
2016	\$67,592,600	\$10,000,000		\$92,602	\$104,000	\$196,602	\$196,602	\$0	\$6,759	\$203,361
2017	\$62,209,000	\$10,000,000		\$85,226	\$102,300	\$187,526	\$119,891	\$0	\$6,221	\$126,112
2018	\$57,254,600	\$10,000,000		\$78,439	\$104,000	\$182,439	\$114,694	\$0	\$5,725	\$120,419
2019	\$52,696,500	\$10,000,000		\$72,194	\$104,000	\$176,194	\$109,176	\$0	\$5,270	\$114,445
2020	\$48,502,600	\$10,000,000		\$66,449	\$104,000	\$170,449	\$103,898	\$0	\$4,850	\$108,748
2021	\$44,644,000	\$10,000,000		\$61,162	\$98,300	\$159,462	\$96,473	\$0	\$4,464	\$100,937
2022	\$41,092,600	\$10,000,000		\$56,297	\$104,000	\$160,297	\$94,942	\$0	\$4,109	\$99,051
2023	\$37,825,500	\$10,000,000		\$51,821	\$104,000	\$155,821	\$91,149	\$0	\$3,783	\$94,932
2024	\$34,818,600	\$34,818,600		\$47,701	\$362,113	\$409,815	\$248,121	\$0	\$3,482	\$251,603
2025	\$32,051,900	\$32,051,900		\$43,911	\$333,340	\$377,251	\$377,251	\$214,357	\$3,205	\$594,813
2026	\$29,506,400	\$29,506,400		\$40,424	\$306,867	\$347,290	\$347,290	\$197,333	\$2,951	\$547,574
2027	\$27,164,100	\$27,164,100		\$37,215	\$282,507	\$319,721	\$319,721	\$181,668	\$2,716	\$504,106
2028	\$25,009,000	\$25,009,000		\$34,262	\$260,094	\$294,356	\$294,356	\$167,255	\$2,501	\$464,112
						Total	\$3,400,516	\$773,403	\$63,572	\$4,237,492

Assumes School Value Limitation and a Tax Abatement with the County.

Source: CPA, River Birch Wind Project, LLC

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Vega ISD I&S Levy	Vega ISD M&O Levy	Vega ISD M&O and I&S Tax Levies	Oldham County Tax Levy	Llano Estacado Water District Tax Levy	Estimated Total Property Taxes	
			0.1370	1.0400			0.6688	0.0100		
2014	\$1,912,500	\$1,912,500		\$2,620	\$19,890	\$22,510	\$12,790	\$191	\$35,492	
2015	\$73,444,500	\$73,444,500		\$100,619	\$763,823	\$864,442	\$491,182	\$7,344	\$1,362,968	
2016	\$67,592,600	\$67,592,600		\$92,602	\$702,963	\$795,565	\$452,046	\$6,759	\$1,254,370	
2017	\$62,209,000	\$62,209,000		\$85,226	\$636,398	\$721,624	\$416,041	\$6,221	\$1,143,887	
2018	\$57,254,600	\$57,254,600		\$78,439	\$595,448	\$673,887	\$382,907	\$5,725	\$1,062,519	
2019	\$52,696,500	\$52,696,500		\$72,194	\$548,044	\$620,238	\$352,424	\$5,270	\$977,931	
2020	\$48,502,600	\$48,502,600		\$66,449	\$504,427	\$570,876	\$324,376	\$4,850	\$900,102	
2021	\$44,644,000	\$44,644,000		\$61,162	\$438,851	\$500,013	\$298,570	\$4,464	\$803,047	
2022	\$41,092,600	\$41,092,600		\$56,297	\$427,363	\$483,660	\$274,819	\$4,109	\$762,588	
2023	\$37,825,500	\$37,825,500		\$51,821	\$393,385	\$445,206	\$252,969	\$3,783	\$701,958	
2024	\$34,818,600	\$34,818,600		\$47,701	\$362,113	\$409,815	\$232,860	\$3,482	\$646,157	
2025	\$32,051,900	\$32,051,900		\$43,911	\$333,340	\$377,251	\$214,357	\$3,205	\$594,813	
2026	\$29,506,400	\$29,506,400		\$40,424	\$306,867	\$347,290	\$197,333	\$2,951	\$547,574	
2027	\$27,164,100	\$27,164,100		\$37,215	\$282,507	\$319,721	\$181,668	\$2,716	\$504,106	
2028	\$25,009,000	\$25,009,000		\$34,262	\$260,094	\$294,356	\$167,255	\$2,501	\$464,112	
						Total	\$7,446,454	\$4,251,598	\$63,572	\$11,761,624

Source: CPA, River Birch Wind Project, LLC

¹Tax Rate per \$100 Valuation

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 II" in this attachment shows the estimated 13 year M&O tax levy without the value limitation agreement would be \$5,991,048. The estimated gross 13 year M&O tax benefit, or levy loss, is \$\$4,045,938.

Attachment 3 is an economic overview of Oldham 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. 001
Attachment 17

Schedule A (Rev. January 2013): Investment

Form 50-296

Applicant Name: RIVER BIRCH VAND PROJECT, LLC
ISD Name: VEGA ISD

PROPERTY INVESTMENT AMOUNTS										
(Estimated investment in each year. Do not put cumulative totals.)										
	Year	School Year (YYYY-YYYY)	Tax Year (FY in actual tax year below)	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)		
This year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	(Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment))									
	(Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property))		2013	0				0		
	(Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property))		2013-2014	2013						
	Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2014	3,825,000		3,825,000		3,825,000	
			2	2015	72,225,000	450,000	72,675,000		72,675,000	
		Value Limitation Period	3	2016	0	0	0	0	0	0
			4	2017	0	0	0	0	0	0
			5	2018	0	0	0	0	0	0
			6	2019	0	0	0	0	0	0
			7	2020	0	0	0	0	0	0
			8	2021	0	0	0	0	0	0
			9	2022	0	0	0	0	0	0
			10	2023	0	0	0	0	0	0
			11	2024	0	0	0	0	0	0
			12	2025	0	0	0	0	0	0
Credit Settle-Up Period		Continue to Maintain Viable Presence	13	2026	0	0	0	0	0	
			14	2027	0	0	0	0	0	
			15	2028	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 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 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.

8/2/13

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Schedule B (Rev. January 2013): Estimated Market And Taxable Value
 RIVER BIRCH WIND PROJECT, LLC

Applicant Name
 ISD Name

VECA ISD

Form 50-296

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Qualified Property		Reductions from Market Value	Estimated Taxable Value		
				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"		Final taxable value for M&O—after all reductions	Final taxable value for M&O—after all reductions	
pre-year 1	2013-2014	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Complete tax years of qualifying time period	1	2014-2015	\$ -	\$ -	\$ 1,912,500	\$ -	\$ 1,912,500	\$ 1,912,500	\$ 1,912,500
	2	2015-2016	\$ -	\$ 436,500	\$ 73,008,000	\$ -	\$ 73,444,500	\$ 73,444,500	\$ 73,444,500
	3	2016-2017	\$ -	\$ 425,600	\$ 67,167,000	\$ -	\$ 67,592,600	\$ 67,592,600	\$ 67,592,600
	4	2017-2018	\$ -	\$ 415,000	\$ 61,794,000	\$ -	\$ 62,209,000	\$ 62,209,000	\$ 62,209,000
	5	2018-2019	\$ -	\$ 404,600	\$ 56,850,000	\$ -	\$ 57,254,600	\$ 57,254,600	\$ 57,254,600
Value Limitation Period	6	2019-2020	\$ -	\$ 394,500	\$ 52,302,000	\$ -	\$ 52,696,500	\$ 52,696,500	\$ 52,696,500
	7	2020-2021	\$ -	\$ 384,600	\$ 48,118,000	\$ -	\$ 48,502,600	\$ 48,502,600	\$ 48,502,600
	8	2021-2022	\$ -	\$ 375,000	\$ 44,269,000	\$ -	\$ 44,644,000	\$ 44,644,000	\$ 44,644,000
	9	2022-2023	\$ -	\$ 365,600	\$ 40,727,000	\$ -	\$ 41,092,600	\$ 41,092,600	\$ 41,092,600
	10	2023-2024	\$ -	\$ 356,500	\$ 37,469,000	\$ -	\$ 37,825,500	\$ 37,825,500	\$ 37,825,500
Credit Settle-Up Period	11	2024-2025	\$ -	\$ 347,600	\$ 34,471,000	\$ -	\$ 34,818,600	\$ 34,818,600	\$ 34,818,600
	12	2025-2026	\$ -	\$ 338,900	\$ 31,713,000	\$ -	\$ 32,051,900	\$ 32,051,900	\$ 32,051,900
	13	2026-2027	\$ -	\$ 330,400	\$ 29,176,000	\$ -	\$ 29,506,400	\$ 29,506,400	\$ 29,506,400
Post-Settle-Up Period	14	2027-2028	\$ -	\$ 322,100	\$ 26,842,000	\$ -	\$ 27,164,100	\$ 27,164,100	\$ 27,164,100
	15	2028-2029	\$ -	\$ 314,000	\$ 24,695,000	\$ -	\$ 25,009,000	\$ 25,009,000	\$ 25,009,000

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.

7/19/13

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

**Amendment No. 001
Attachment 19
Schedule C- Application: Employment Information**

Applicant Name: RIVER BIRCH WIND PROJECT, LLC
ISD Name: VEGA 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	5 FTEs	\$40,000.00	0	\$0.00	0	\$0.00
Complete tax years of qualifying time period	1	2014-2015	2014	75 FTEs	\$40,000.00	0	\$0.00	0	\$0.00
	2	2015-2016	2015			2	\$46,035.00	2	\$46,035.00
	3	2016-2017	2016			2	\$46,035.00	2	\$46,035.00
	4	2017-2018	2017			2	\$46,035.00	2	\$46,035.00
	5	2018-2019	2018			2	\$46,035.00	2	\$46,035.00
Value Limitation Period	6	2019-2020	2019			2	\$46,035.00	2	\$46,035.00
	7	2020-2021	2020			2	\$46,035.00	2	\$46,035.00
	8	2021-2022	2021			2	\$46,035.00	2	\$46,035.00
	9	2022-2023	2022			2	\$46,035.00	2	\$46,035.00
	10	2023-2024	2023			2	\$46,035.00	2	\$46,035.00
Continue to Maintain Viable Presence	11	2024-2025	2024			2	\$46,035.00	2	\$46,035.00
	12	2025-2026	2025			2	\$46,035.00	2	\$46,035.00
	13	2026-2027	2026			2	\$46,035.00	2	\$46,035.00
Post- Settle-Up Period	14	2027-2028	2027			2	\$46,035.00	2	\$46,035.00
Post- Settle-Up Period	15	2028-2029	2028			2	\$46,035.00	2	\$46,035.00

Notes: For job definitions see TAC §9.1051(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

8/11/13

DATE

Schedule D: (Rev. January 2013): Other Tax Information Amendment No. 003 - Attachment 20

Applicant Name

RIVER BIRCH WIND PROJECT, LLC

ISD Name

VEGA ISD

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Sales Tax Information		Franchise Tax	Other Property Tax Abatements Sought							
				Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax		County	City	Hospital	Other				
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2013-2014	2013		478,125	3,346,875								
Complete tax years of qualifying time period	1	2014-2015	2014		9,084,375	0	0%	n/a	n/a	n/a	n/a			
	2	2015-2016	2015		25,500	51,000	100% *	n/a	n/a	n/a	n/a			
	3	2016-2017	2016		25,500	51,000	100% *	n/a	n/a	n/a	n/a			
	4	2017-2018	2017		25,500	51,000	100% *	n/a	n/a	n/a	n/a			
	5	2018-2019	2018		25,500	51,000	100% *	n/a	n/a	n/a	n/a			
	6	2019-2020	2019		25,500	51,000	100% *	n/a	n/a	n/a	n/a			
	7	2020-2021	2020		25,500	51,000	100% *	n/a	n/a	n/a	n/a			
	8	2021-2022	2021		25,500	51,000	100% *	n/a	n/a	n/a	n/a			
	9	2022-2023	2022		25,500	51,000	100% *	n/a	n/a	n/a	n/a			
	10	2023-2024	2023		25,500	51,000	100% *	n/a	n/a	n/a	n/a			
	11	2024-2025	2024		25,500	51,000	100% *	n/a	n/a	n/a	n/a			
	12	2025-2026	2025		25,500	51,000	0%	-	-	0%	0%			
	13	2026-2027	2026		25,500	51,000	0%	-	-	0%	0%			
	14	2027-2028	2027		25,500	51,000	0%	-	-	0%	0%			
	15	2028-2029	2028		25,500	51,000	0%	-	-	0%	0%			

*For planning, construction and operation of the facility.

[Signature]

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

9/18/13

* NOTE - A contractual PILOT payment of \$2,000 per MW installed will be made annually.

Attachment 2

October 10, 2013

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 River Birch Wind LLC project on the number and size of school facilities in Vega Independent School District (VISD). Based on the analysis prepared by Randy McDowell and Neal Brown for the school district and a conversation with the VISD superintendent, Mike Jackson, the TEA has found that the River Birch Wind LLC project would not have a significant impact on the number or size of school facilities in VISD.

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

October 10, 2013

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 River Birch Wind LLC project for the Vega Independent School District (VISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Randy McDowell and Neal 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 River Birch Wind LLC project on VISD 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,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a horizontal line extending to the right.

Al McKenzie, Manager
Foundation School Program Support

AM/rk

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with River Birch Wind Project, LLC**

**Prepared by
Randy McDowell, RTSBA
&
Neal Brown
School Finance Consultants**

Vega ISD Financial Impact of Chapter 313 Agreement

**Summary of Vega ISD Financial Impact
of the
Limited Appraised Value Application
from
River Birch Wind Project, LLC**

Introduction

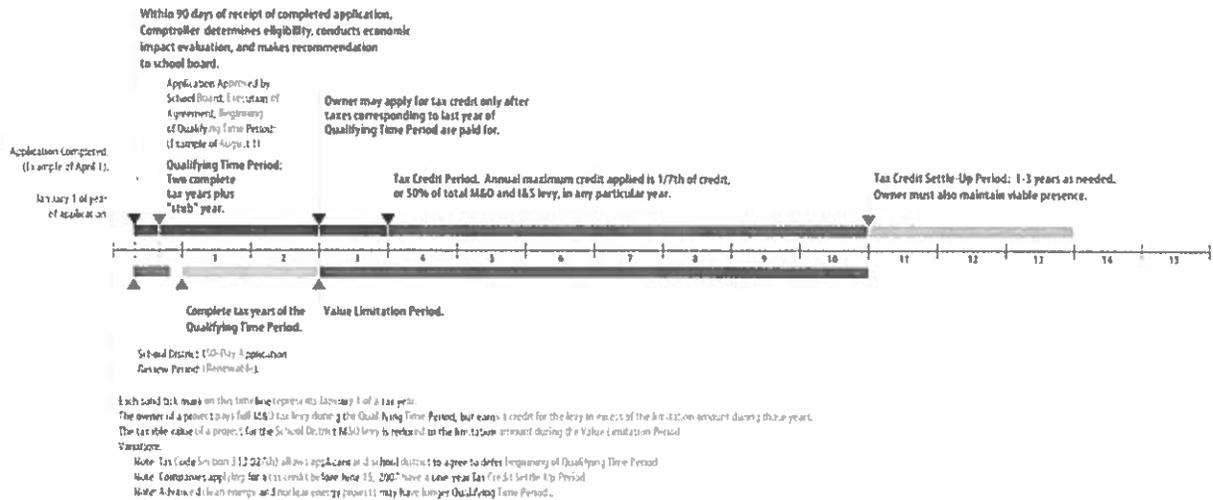
River Birch Wind Project, LLC applied for a property value limitation from Vega Independent School District under Chapter 313 of the Tax Code. The application was submitted on July 23, 2013 and subsequently approved for consideration by the Vega ISD Board of Trustees. River Birch Wind Project, LLC ("River Birch 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.

Vega 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. Vega 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 Vega ISD

Vega ISD Financial Impact of Chapter 313 Agreement

has a minimum qualified investment amount of \$10 million. A qualifying entity's taxable value would be 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 Vega 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 River Birch 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 Vega ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From River Birch Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	1,912,500	n/a	0	1,912,500
Jan. 1, 2015	73,444,500	n/a	0	73,444,500
Jan. 1, 2016	67,592,600	(10,000,000)	57,592,600	10,000,000
Jan. 1, 2017	62,209,000	(10,000,000)	52,209,000	10,000,000
Jan. 1, 2018	57,254,600	(10,000,000)	47,254,600	10,000,000
Jan. 1, 2019	52,696,500	(10,000,000)	42,696,500	10,000,000
Jan. 1, 2020	48,502,600	(10,000,000)	38,502,600	10,000,000
Jan. 1, 2021	44,644,000	(10,000,000)	34,644,000	10,000,000
Jan. 1, 2022	41,092,800	(10,000,000)	31,092,600	10,000,000
Jan. 1, 2023	37,825,500	(10,000,000)	27,825,500	10,000,000
Jan. 1, 2024	34,818,600	n/a	0	34,818,600
Jan. 1, 2025	32,051,900	n/a	0	32,051,900
Jan. 1, 2026	29,506,400	n/a	0	29,506,400

Vega ISD Financial Impact of Chapter 313 Agreement

River Birch Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for River Birch Wind is \$3.951 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.

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

- The District has not held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.04 for the life of this agreement. The M&O rate for 2015-2016, 2017-2018, and 2021-2022 is projected to decrease due to the rollback tax rate calculation.
- The district currently has outstanding bonded indebtedness that are scheduled to payoff in 2027 and currently has a \$.059 I&S rate. The annual debt payment is approximately \$218,200 district share after subsidies. The additional value of the company will further reduce the I&S tax rate. 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
2014-2015	1.040	0.055	19,890	0	n/a	0	0
2015-2016	0.983	0.048	721,959	0	n/a	0	0
2016-2017	1.040	0.051	702,963	598,963	n/a	(94,287)	504,676
2017-2018	1.023	0.053	636,398	534,098	67,635	0	601,733
2018-2019	1.040	0.055	595,448	491,448	67,745	0	559,193
2019-2020	1.040	0.057	548,044	444,044	67,019	0	511,062
2020-2021	1.040	0.060	504,427	400,427	66,551	0	466,978
2021-2022	0.983	0.062	438,851	340,551	62,990	0	403,540
2022-2023	1.040	0.065	427,363	323,363	65,355	0	388,718
2023-2024	1.040	0.067	393,385	289,385	64,672	0	354,057
2024-2025	1.040	0.069	362,113	0	161,693	0	161,693
2025-2026	1.040	0.072	333,340	0	0	0	0
2026-2027	1.040	0.074	306,867	0	0	0	0
Totals			5,991,048	3,422,278	623,659	(94,287)	3,951,650

Vega 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 Vega 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 2012.
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- An annual taxable value increase of 1.0% was used to project the district's taxable value, except as it related to the requested LAVA. The district's 2012 taxable value was used as a baseline for all projections
- The district's enrollment is projected to increase slightly; therefore, the projected ADA and WADA for school year 2012-2013 was increased by .25% 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.

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

TABLE III – District Revenues *without* River Birch Wind:

Fiscal Year	Total Taxable Value	M&O Taxes			Tier I	Revenue	Total
		Compressed Rate	State Revenue	Recapture Amount	Total Revenue	Above Comp Rate	District Revenue
2014-2016	140,998,185	1,315,936	1,610,030	0	2,925,966	304,972	3,230,938
2015-2016	142,208,167	1,327,229	1,607,467	0	2,934,696	306,466	3,241,162
2016-2017	143,430,248	1,338,635	1,600,488	0	2,939,123	307,218	3,246,341
2017-2018	174,729,650	1,630,752	1,587,358	0	3,218,110	265,075	3,483,185
2018-2019	173,572,389	1,619,951	1,300,023	0	2,919,974	303,732	3,223,706
2019-2020	172,571,830	1,610,613	1,320,735	0	2,931,348	304,764	3,236,113
2020-2021	171,719,442	1,602,658	1,335,629	0	2,938,286	305,788	3,244,075
2021-2022	306,271,383	2,858,431	1,302,940	0	4,161,371	325,827	4,487,198
2022-2023	296,975,950	2,771,677	54,891	47,931	2,778,637	346,670	3,125,307
2023-2024	288,329,052	2,690,975	154,410	43,722	2,801,663	343,619	3,145,282
2024-2025	280,292,684	2,615,972	242,883	39,785	2,819,069	340,847	3,159,916
2025-2026	272,831,132	2,546,333	330,209	36,105	2,840,437	338,337	3,178,774
2026-2027	265,910,833	2,481,746	408,293	32,665	2,857,374	336,073	3,193,447

Vega ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with River Birch Wind without Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes			Tier I	Revenue	Total
		Compressed	State	Recapture	Total	Above	District
		Rate	Revenue	Amount	Revenue	Comp Rate	Revenue
2014-2015	142,910,685	1,333,785	1,609,316	0	2,943,101	309,080	3,252,181
2015-2016	215,652,667	2,012,686	1,562,718	0	3,575,404	271,965	3,847,369
2016-2017	211,022,848	1,969,476	889,796	9,781	2,849,492	307,179	3,156,672
2017-2018	236,938,650	2,211,348	933,017	8,633	3,135,733	312,432	3,448,165
2018-2019	230,826,989	2,154,308	698,052	18,846	2,833,715	316,092	3,149,808
2019-2020	225,268,330	2,102,429	766,706	15,781	2,853,354	314,527	3,167,881
2020-2021	220,222,042	2,055,332	825,705	13,148	2,867,889	313,186	3,181,076
2021-2022	350,915,383	3,275,093	833,599	17,432	4,091,260	290,972	4,382,232
2022-2023	338,068,550	3,155,194	65,535	438,732	2,783,997	363,630	3,147,627
2023-2024	326,154,552	3,044,000	65,629	308,925	2,800,704	359,142	3,159,846
2024-2025	315,111,284	2,940,934	61,562	189,554	2,812,941	355,051	3,167,992
2025-2026	304,883,032	2,845,473	61,908	78,064	2,829,317	351,331	3,180,648
2026-2027	295,417,233	2,757,129	129,971	46,433	2,840,667	347,959	3,188,626

TABLE V – District Revenues with River Birch Wind with Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes Comp Rate	State Revenue	Recapture Amount	Revenue			Total District Revenue
					Tier I	Above	Payment	
					Total Revenue	Comp Rate	for District Losses	
2014-2015	142,910,685	1,333,785	1,609,316	0	2,943,101	309,080	0	3,252,181
2015-2016	215,652,667	2,012,686	1,562,718	0	3,575,404	271,965	0	3,847,369
2016-2017	153,430,248	1,431,965	1,413,804	7,124	2,838,645	223,740	94,287	3,156,672
2017-2018	184,729,650	1,724,082	1,490,020	0	3,214,102	329,475	0	3,543,577
2018-2019	183,572,389	1,713,281	1,202,959	0	2,916,240	303,746	0	3,219,987
2019-2020	182,571,830	1,703,943	1,223,672	0	2,927,615	304,764	0	3,232,379
2020-2021	181,719,442	1,695,988	1,238,566	0	2,934,553	305,774	0	3,240,327
2021-2022	316,271,383	2,951,761	1,205,877	0	4,157,638	317,916	0	4,475,554
2022-2023	306,975,950	2,865,007	60,114	111,071	2,814,050	351,340	0	3,165,391
2023-2024	298,329,052	2,784,305	77,347	48,131	2,813,520	348,286	0	3,161,807
2024-2025	315,111,284	2,940,934	136,554	47,962	3,029,526	374,948	0	3,404,474
2025-2026	304,883,032	2,845,473	61,908	78,064	2,829,317	351,331	0	3,180,648
2026-2027	295,417,233	2,757,129	129,971	46,433	2,840,667	347,959	0	3,188,626

Vega 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. These formula changes have 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 new funding formulas, it is presumed that the majority of the district's revenue losses in year three of the LAVA will be offset with additional state funding or a reduction of recapture payments made to the State. Prior to these recent formula changes, school districts felt a significant loss in revenues in year three because the state funding formulas considered the district more property wealthy based on their prior year taxable value. However, districts were only able to tax on the lower value that was a result of the LAVA. Districts are currently "held harmless" for the majority amount of loss in year three; however, it is possible that a future legislative session could eliminate this provision. If the "hold harmless" provision is eliminated, then the company would be required to offset the district's losses as computed in Article III of the Agreement.

Vega ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and River Birch Wind Project, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Vega ISD by River Birch Wind, the projected amount of these payments over the life of the agreement is \$435,022 of the \$3.951 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	Vega ISD Share \$100/ADA	River Birch Wind's Share
2014-2015	0	32,964	(32,964)
2015-2016	0	33,047	(33,047)
2016-2017	504,676	33,129	471,547
2017-2018	601,733	33,212	568,521
2018-2019	559,193	33,295	525,898
2019-2020	511,062	33,378	477,684
2020-2021	466,978	33,462	433,516
2021-2022	403,540	33,545	369,995
2022-2023	388,718	33,629	355,089
2023-2024	354,057	33,713	320,343
2024-2025	161,693	33,798	127,895
2025-2026	0	33,882	(33,882)
2026-2027	0	33,967	(33,967)
Totals	3,951,651	435,022	3,516,628

Vega 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
Vega Elementary	K-6	10	220	162	58
Vega High School	7-12	16	320	181	139
Total		26	540	343	197

The building capacities are based on 22 students per classroom for elementary and 20 students per classroom for secondary. Vega ISD is a kindergarten through 12th grade district.

River Birch Wind Project, 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 two full-time employees are expected. It is not known whether these would be new employees to the Vega 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 two positions equates to 1 new students.

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

Vega ISD Financial Impact of Chapter 313 Agreement

Conclusion

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

River Birch Wind Project, 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, River Birch Wind is projected to benefit from a 75% tax savings over the first eleven year period of this agreement. River Birch 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.

Vega ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require River Birch 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.

Attachment 3

Oldham County

Population

- Total county population in 2010 for Oldham County: 2,119 , up 0.4 percent from 2009. State population increased 1.8 percent in the same time period.
- Oldham County was the state's 235st largest county in population in 2010 and the 161st fastest growing county from 2009 to 2010.
- Oldham County's population in 2009 was 79.4 percent Anglo (above the state average of 46.7 percent), 3.6 percent African-American (below the state average of 11.3 percent) and 14.4 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Oldham County:

Vega:	896	Adrian:	154
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Economy and Income

Employment

- September 2011 total employment in Oldham County: 890 , up 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 Oldham County unemployment rate: 6.0 percent, unchanged from 6.0 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

- Oldham County's ranking in per capita personal income in 2009: 195th with an average per capita income of \$29,139, down 9.0 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 Oldham County averaged \$70.46 million annually from 2007 to 2010. County total agricultural values in 2010 were up 14.5 percent from 2009. Major agriculture related commodities in Oldham County during 2010 included:
 - Hay
 - Sorghum
 - Wheat
 - Other Beef
 - Fed Beef
- 2011 oil and gas production in Oldham County: 107,560.0 barrels of oil and 97,087.0 Mcf of gas. In September 2011, there were 22 producing oil wells and 7 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 Oldham County during the fourth quarter 2010: \$2.19 million, up 90.5 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Vega:	\$721,611.00, up 13.6 percent from the same quarter in 2009.
Adrian:	\$91,828.00, down 18.5 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 Oldham County through the fourth quarter of 2010: \$6.17 million, up 26.9 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Vega:	\$2.73 million, up 10.6 percent from the same period in 2009.
Adrian:	\$468,723.00, down 7.7 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Oldham County during 2010: \$6.17 million, up 26.9 percent from 2009.
- Oldham County sent an estimated \$385,336.88 (or 0.00 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Vega:	\$2.73 million, up 10.6 percent from 2009.
Adrian:	\$468,723.00, down 7.7 percent from 2009.

Sales Tax – Local Sales Tax Allocations

(The release date for sales tax allocations to cities for the sales activity month of September 2011 is currently scheduled for November 9, 2011.)

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Oldham County based on the sales activity month of August 2011: \$4,791.50, down 12.7 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Vega:	\$4,258.76, up 5.5 percent from August 2010.
Adrian:	\$532.74, down 63.4 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Oldham County based on sales activity months from September 2010 through August 2011: \$61,896.45, up 12.4 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Vega:	\$54,346.25, up 17.5 percent from fiscal 2010.
Adrian:	\$7,550.20, down 14.0 percent from fiscal 2010.

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

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Oldham County based on sales activity months through August 2011: \$40,414.75, up 5.7 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Vega:	\$36,541.16, up 14.8 percent from the same period in 2010.
Adrian:	\$3,873.59, down 39.3 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Oldham County based on sales activity in the 12 months ending in August 2011: \$61,896.45, up 12.4 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Vega:	\$54,346.25, up 17.5 percent from the previous 12-month period.
Adrian:	\$7,550.20, down 14.0 percent from the previous 12-month period.

City Calendar Year-To-Date (RJ 2011)

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

Vega:	\$45,098.01, up 16.7 percent from the same period in 2010.
Adrian:	\$5,106.45, down 30.7 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 Oldham County based on sales activity months in 2010: \$59,703.71, up 13.0 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Vega:	\$49,647.33, up 12.6 percent from 2009.
Adrian:	\$10,056.38, up 15.0 percent from 2009.

Property Tax

- As of January 2009, property values in Oldham County: \$531.59 million, up 10.8 percent from January 2008 values. The property tax base per person in Oldham County is \$250,988, above the statewide average of \$85,809. About 9.7 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Oldham County's ranking in state expenditures by county in fiscal year 2010: 224th. State expenditures in the county for FY2010: \$10.59 million, down 0.5 percent from FY2009.
- In Oldham County, 5 state agencies provide a total of 23 jobs and \$196,945.00 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
- Department of Family and Protective Services

Higher Education

■ Community colleges in Oldham County fall 2010 enrollment:

- None.

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

- Amarillo College with a fall 2010 enrollment of 11,540 . Counties in the service area include:

- Carson County
- Castro County
- Deaf Smith County
- Moore County
- Oldham County
- Parmer County
- Potter County
- Randall County
- Swisher County

■ Institutions of higher education in Oldham County fall 2010 enrollment:

- None.

School Districts

■ Oldham County had 4 school districts with 8 schools and 808 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.)

- Adrian ISD had 131 students in the 2009-10 school year. The average teacher salary was \$42,610. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.
- Boys Ranch ISD had 289 students in the 2009-10 school year. The average teacher salary was \$47,687. The percentage of students meeting the 2010 TAKS passing standard for all tests was 54 percent.
- Vega ISD had 289 students in the 2009-10 school year. The average teacher salary was \$44,317. The percentage of students meeting the 2010 TAKS passing standard for all tests was 84 percent.
- Wildorado ISD had 99 students in the 2009-10 school year. The average teacher salary was \$39,737. The percentage of students meeting the 2010 TAKS passing standard for all tests was 87 percent.