



June 26, 2013

Christina Gutierrez  
Superintendent  
Bishop Consolidated Independent School District  
719 E. 6<sup>th</sup> St.  
Bishop, Texas 78343

Dear Superintendent Gutierrez:

On April 4, 2013, the Comptroller received the completed application (Application # 271) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted in February, 2013 to the Bishop Independent School District (the school district) by Patriot Wind Farm, 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 1 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 (\$235.85 million) is consistent with the proposed appraised value limitation sought (\$30 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 Nueces County, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described in 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 Patriot Wind Farm, LLC's application under Tax Code Chapter 313 not be approved.

The agency's complete economic impact evaluation is attached, but in summary, the agency's recommendation is based on the continued concern that the net impact of the project may negatively impact the regional economy due to the potential negative impact on the military training mission of Naval Air Station Kingsville (NASK), and the continued objection by the city of Kingsville to projects that may negatively impact the regional economy. Even a small negative economic impact caused by the impact on the mission of NASK, which is approximately 10 miles from the project, would exceed the

<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

positive economic impact estimated to be caused by the construction and operation of the project. If the presence of wind turbines causes a reduction of base related activity as small as 10%, the regional economy is projected to be worse off after the project is built. Similarly, while we didn't estimate the impact on Corpus Christi, Naval Air Station Corpus Christi is approximately 12 miles from the project, and the city economy could be negatively affected by a reduction in base related activity.

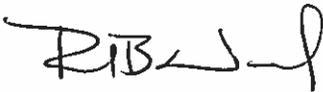
In making this recommendation, the office has considered, in addition to the economic analysis, the objections raised by the city of Kingsville. The economy of the city of Kingsville relies heavily on the economic activity generated by NASK, and while the project is not within the jurisdiction of the city, the city has a significant stake in, and impact on, the economy of the region. Our office also notes that Bishop CISD, and the adjoining district, London ISD, both approved resolutions opposing wind farms in August 2012. The city of Corpus Christi has also noted their concerns about wind turbines and how they may affect military flight.

Texas has exceeded its goals for renewable energy generation, and is the leading state in wind energy generation. The state has proven itself to be inviting to wind energy, and much of that generation has received benefits from local governments and the state through Chapter 313 agreements. It is not in the state's interest, however, to recommend agreements when a small nearby community raises concerns about its own economy and voices objection. Chapter 313 should not be used to provide an advantage to one unit of local government at the expense of another.

The applicant has entered into an agreement with the Department of Defense and its subsidiaries pertaining to this proposed project, and this office commends the applicant working with the federal government and the military to protect military and civilian flight in the region. Patriot Wind Farm, LLC has set an important precedent by actively engaging the military, and the region is better positioned to meet the challenges of maintaining naval training and flight safety in the vicinity of wind turbines as a result of the agreement. This office acknowledges the importance of the agreement between the company and the federal government, and we likewise acknowledge that the state and local communities have no certainty of any given level of economic activity due to military bases in the state. However, due in part to that uncertainty, it is our position that the local governments in the region who have the most at stake should have a significant voice in whether or not the state recommends in favor of an economic incentive that may impact them.

Should you have any questions, please contact me by email at [robert.wood@cpa.state.tx.us](mailto: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,



Robert B. Wood  
Director, Economic Development and Analysis

**Economic Impact for Chapter 313 Project**

<b>Applicant</b>	<b>Patriot Wind Farm, LLC</b>
<b>Tax Code, 313.024 Eligibility Category</b>	<b>Renewable Energy Electric Generation</b>
<b>School District</b>	<b>Bishop CISD</b>
<b>2011-12 Enrollment in School District</b>	<b>1,256</b>
<b>County</b>	<b>Nueces</b>
<b>Total Investment in District</b>	<b>\$235,850,000</b>
<b>Qualified Investment</b>	<b>\$235,850,000</b>
<b>Limitation Amount</b>	<b>\$30,000,000</b>
<b>Number of total jobs committed to by applicant</b>	<b>10</b>
<b>Number of qualifying jobs committed to by applicant</b>	<b>8</b>
<b>Average Weekly Wage of Qualifying Jobs committed to by applicant</b>	<b>\$983</b>
<b>Minimum Weekly Wage Required Tax Code, 313.051(b)</b>	<b>\$983</b>
<b>Minimum Annual Wage committed to by applicant for qualified jobs</b>	<b>\$51,138</b>
<b>Investment per Qualifying Job</b>	<b>\$29,481,250</b>
<b>Estimated 15 year M&amp;O levy without any limit or credit:</b>	<b>\$23,003,038</b>
<b>Estimated gross 15 year M&amp;O tax benefit</b>	<b>\$13,268,257</b>
<b>Estimated 15 year M&amp;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):</b>	<b>\$12,956,802</b>
<b>Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)</b>	<b>\$1,779,413</b>
<b>Net M&amp;O Tax (15 years) After Limitation, Credits and Revenue Protection:</b>	<b>\$10,046,236</b>
<b>Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)</b>	<b>56.3%</b>
<b>Percentage of tax benefit due to the limitation</b>	<b>86.6%</b>
<b>Percentage of tax benefit due to the credit</b>	<b>13.4%</b>

This presents the Comptroller's economic impact evaluation of Patriot Wind (the project) applying to Bishop Consolidated 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 ten new jobs when fully operational. Eight 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 Coastal Bend Council of Governments Region, where Nueces County is located was \$46,489 in 2011. The annual average manufacturing wage for 2011-12 for Nueces County is \$67,795. That same year, the county annual average wage for all industries was \$41,717. In addition to a salary of \$51,137.90, each qualifying position will receive the following benefits: medical insurance, prescription insurance, dental insurance, vision insurance, life & personal accident insurance, short- and long-term disability benefits, free instructor led and online training, tuition reimbursement, employee assistance program, adoption assistance, health care flexible spending account plan, dependent care flexible spending account plan, commuter benefits program, purchasing advantages through Insperity's marketplace, 401(k) plan, making friends international exchange program for children of employees, 15 to 25 days of paid vacation per year, 12 paid holidays per year, paid family and medical leave, and paid military leave. The project's total investment is \$235.85 million, resulting in a relative level of investment per qualifying job of \$29.5 million.

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

According to Patriot Wind's application, "E.ON Climate & Renewables (EC&R) is an international company that develops, constructs, and operates wind energy projects. EC&R has a proven history of success across the United States evidenced by the development, construction and operation of over 2,000 MWs of wind farms. We have the ability to locate projects of this type across the several regions within the United States, Canada, and Europe which gives EC&R the opportunity to maximize in return on capital investment. Securing this Chapter 313 abatement with BCISD will help make the Project more economically viable and competitive versus other investment options in this region."

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

During the past two years, two projects in the Coastal Bend Council of Governments 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 Patriot Wind 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 Patriot Wind'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. We incorporated into the model 10% reduction in force at the NASK. Included in this reduction in force were 211 active military, federal civilian, and military contractor positions over a period of six years. This reduction in force also resulted in a direct income loss of 11.77 million dollars.

**Table 1: Estimated Statewide Economic Impact of Investment and Employment in Patriot Wind**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	100	111	211	\$5,200,000	\$6,800,000	\$12,000,000
2014	50	(47)	3	\$2,591,379	-\$2,591,379	\$0
2015	10	(94)	-84	\$511,379	-\$5,511,379	-\$5,000,000
2016	10	(102)	-92	\$511,379	-\$6,511,379	-\$6,000,000
2017	10	(100)	-90	\$511,379	-\$7,511,379	-\$7,000,000
2018	10	(100)	-90	\$511,379	-\$7,511,379	-\$7,000,000
2019	10	(98)	-88	\$511,379	-\$8,511,379	-\$8,000,000
2020	10	(2)	8	\$511,379	-\$1,511,379	-\$1,000,000
2021	10	8	18	\$511,379	-\$511,379	\$0
2022	10	4	14	\$511,379	-\$511,379	\$0
2023	10	8	18	\$511,379	\$488,621	\$1,000,000
2024	10	4	14	\$511,379	\$488,621	\$1,000,000
2025	10	6	16	\$511,379	-\$511,379	\$0
2026	10	2	12	\$511,379	\$488,621	\$1,000,000
2027	10	(2)	8	\$511,379	-\$511,379	\$0
2028	10	(4)	6	\$511,379	-\$511,379	\$0
Sum			-116			-\$19,000,000

Source: CPA, REMI, Patriot Wind

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Bishop ISD's ad valorem tax base in 2011 was \$469.8 million. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Bishop ISD's estimated wealth per WADA was \$287,242. 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, Nueces County and Farm to Market, Nueces County Hospital District, Nueces Drainage District #2, Del Mar College District, Emergency Service District #3, and Emergency Service District #6, with all property tax incentives sought being granted using estimated market value from Patriot Wind's application. Patriot Wind has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county, hospital district, and college district. Table 3 illustrates the estimated tax impact of the Patriot Wind project on the region if all taxes are assessed.

**Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought**

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Bishop ISD I&S Levy	Bishop ISD M&O Levy	Bishop ISD M&O and I&S Tax Levies (Before Credit Credited)	Bishop ISD M&O and I&S Tax Levies (After Credit Credited)	Nueces County and Farm to Market Tax Levy	Nueces County Hospital District Tax Levy	Nueces Drainage District #2 Tax Levy (53%)	Del Mar College District Tax Levy	Emergency Service District #3 Tax Levy	Emergency Service District #6 Tax Levy	Estimated Total Property Taxes
				0.5116	1.0392			0.3553	0.1624	0.3982	0.2580	0.0300	0.1856	
2014	\$23,510,000	\$23,510,000		\$120,268	\$244,325	\$364,593	\$364,593	\$41,761	\$11,456	\$49,620	\$18,197	\$7,053	\$43,635	\$536,314
2015	\$201,222,500	\$201,222,500		\$1,029,374	\$2,091,185	\$3,120,559	\$3,120,559	\$357,431	\$98,053	\$424,694	\$155,748	\$60,367	\$373,473	\$4,590,324
2016	\$193,173,600	\$30,000,000		\$988,199	\$311,772	\$1,299,971	\$1,299,971	\$343,133	\$94,130	\$407,707	\$149,518	\$57,952	\$358,534	\$2,710,945
2017	\$185,446,656	\$30,000,000		\$948,671	\$311,772	\$1,260,443	\$1,006,241	\$329,408	\$90,365	\$391,398	\$143,537	\$55,634	\$344,193	\$2,360,777
2018	\$178,028,790	\$30,000,000		\$910,724	\$311,772	\$1,222,496	\$968,294	\$316,232	\$86,751	\$375,742	\$137,796	\$53,409	\$330,425	\$2,268,648
2019	\$170,907,638	\$30,000,000		\$874,295	\$311,772	\$1,186,067	\$931,865	\$607,165	\$83,281	\$360,713	\$132,284	\$51,272	\$317,208	\$2,483,788
2020	\$164,071,333	\$30,000,000		\$839,323	\$311,772	\$1,151,095	\$896,893	\$582,878	\$79,949	\$346,284	\$126,993	\$49,221	\$304,520	\$2,386,739
2021	\$157,508,479	\$30,000,000		\$805,750	\$311,772	\$1,117,522	\$863,321	\$559,563	\$76,751	\$332,433	\$121,913	\$47,253	\$292,339	\$2,293,572
2022	\$151,208,140	\$30,000,000		\$773,520	\$311,772	\$1,085,292	\$831,091	\$537,181	\$73,681	\$319,136	\$117,036	\$45,362	\$280,645	\$2,204,132
2023	\$145,159,815	\$30,000,000		\$742,580	\$311,772	\$1,054,352	\$800,150	\$515,693	\$70,734	\$306,370	\$112,355	\$43,548	\$269,420	\$2,118,270
2024	\$139,353,421	\$139,353,421		\$712,876	\$1,448,216	\$2,161,093	\$2,161,093	\$495,066	\$226,349	\$294,115	\$359,536	\$41,806	\$258,643	\$3,836,607
2025	\$133,779,285	\$133,779,285		\$684,361	\$1,390,288	\$2,074,649	\$2,074,649	\$475,263	\$217,295	\$282,351	\$345,155	\$40,134	\$248,297	\$3,683,143
2026	\$128,428,114	\$128,428,114		\$656,987	\$1,334,676	\$1,991,663	\$1,991,663	\$456,252	\$208,603	\$271,057	\$331,348	\$38,528	\$238,365	\$3,535,818
2027	\$123,290,989	\$123,290,989		\$630,707	\$1,281,289	\$1,911,997	\$1,911,997	\$438,002	\$200,259	\$260,214	\$318,094	\$36,987	\$228,831	\$3,394,385
2028	\$118,359,350	\$118,359,350		\$605,479	\$1,230,038	\$1,835,517	\$1,835,517	\$420,482	\$192,249	\$249,806	\$305,371	\$35,508	\$219,677	\$3,258,609
						<b>Total</b>	<b>\$21,057,896</b>	<b>\$6,475,509</b>	<b>\$1,809,906</b>	<b>\$4,671,640</b>	<b>\$2,874,882</b>	<b>\$664,034</b>	<b>\$4,108,204</b>	<b>\$41,662,072</b>

Assumes School Value Limitation and Tax Abatements with the County, College District, and Hospital District.

Source: CPA, Patriot Wind

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives**

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Bishop ISD I&S Levy	Bishop ISD M&O Levy	Bishop ISD M&O and I&S Tax Levies	Nueces County and Farm to Market Tax Levy	Nueces County Hospital District Tax Levy	Nueces Drainage District #2 Tax Levy (53%)	Del Mar College District Tax Levy	Emergency Service District #3 Tax Levy	Emergency Service District #6 Tax Levy	Estimated Total Property Taxes	
				0.5116	1.0392		0.3553	0.1624	0.3982	0.2580	0.0300	0.1856		
2014	\$23,510,000	\$23,510,000		\$120,268	\$244,325	\$364,593	\$83,521	\$38,187	\$49,620	\$60,657	\$7,053	\$43,635	\$647,265	
2015	\$201,222,500	\$201,222,500		\$1,029,374	\$2,091,185	\$3,120,559	\$714,861	\$326,842	\$424,694	\$519,160	\$60,367	\$373,473	\$5,539,956	
2016	\$193,173,600	\$193,173,600		\$988,199	\$2,007,537	\$2,995,736	\$686,267	\$313,768	\$407,707	\$498,394	\$57,952	\$358,534	\$5,318,357	
2017	\$185,446,656	\$185,446,656		\$948,671	\$1,927,236	\$2,875,907	\$658,816	\$301,217	\$391,398	\$478,458	\$55,634	\$344,193	\$5,105,623	
2018	\$178,028,790	\$178,028,790		\$910,724	\$1,850,146	\$2,760,870	\$632,463	\$289,169	\$375,742	\$459,320	\$53,409	\$330,425	\$4,901,398	
2019	\$170,907,638	\$170,907,638		\$874,295	\$1,776,141	\$2,650,436	\$607,165	\$277,602	\$360,713	\$440,947	\$51,272	\$317,208	\$4,705,342	
2020	\$164,071,333	\$164,071,333		\$839,323	\$1,705,095	\$2,544,418	\$582,878	\$266,498	\$346,284	\$423,309	\$49,221	\$304,520	\$4,517,128	
2021	\$157,508,479	\$157,508,479		\$805,750	\$1,636,891	\$2,442,641	\$559,563	\$255,838	\$332,433	\$406,377	\$47,253	\$292,339	\$4,336,443	
2022	\$151,208,140	\$151,208,140		\$773,520	\$1,571,415	\$2,344,936	\$537,181	\$245,604	\$319,136	\$390,122	\$45,362	\$280,645	\$4,162,986	
2023	\$145,159,815	\$145,159,815		\$742,580	\$1,508,559	\$2,251,138	\$515,693	\$235,780	\$306,370	\$374,517	\$43,548	\$269,420	\$3,996,466	
2024	\$139,353,421	\$139,353,421		\$712,876	\$1,448,216	\$2,161,093	\$495,066	\$226,349	\$294,115	\$359,536	\$41,806	\$258,643	\$3,836,607	
2025	\$133,779,285	\$133,779,285		\$684,361	\$1,390,288	\$2,074,649	\$475,263	\$217,295	\$282,351	\$345,155	\$40,134	\$248,297	\$3,683,143	
2026	\$128,428,114	\$128,428,114		\$656,987	\$1,334,676	\$1,991,663	\$456,252	\$208,603	\$271,057	\$331,348	\$38,528	\$238,365	\$3,535,818	
2027	\$123,290,989	\$123,290,989		\$630,707	\$1,281,289	\$1,911,997	\$438,002	\$200,259	\$260,214	\$318,094	\$36,987	\$228,831	\$3,394,385	
2028	\$118,359,350	\$118,359,350		\$605,479	\$1,230,038	\$1,835,517	\$420,482	\$192,249	\$249,806	\$305,371	\$35,508	\$219,677	\$3,258,609	
						<b>Total</b>	<b>\$34,326,153</b>	<b>\$7,863,474</b>	<b>\$3,595,259</b>	<b>\$4,671,640</b>	<b>\$5,710,763</b>	<b>\$664,034</b>	<b>\$4,108,204</b>	<b>\$60,939,527</b>

Source: CPA, Patriot Wind

<sup>1</sup>Tax 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 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$23,003,038. The estimated gross 15 year M&O tax benefit, or levy loss, is \$13,268,257.

Attachment 3 is an economic overview of Nueces 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**

Schedule A (Rev. May 2010): Investment

Applicant Name: Patriot Wind Farm, LLC  
 ISD Name: Bishop CSD

Form ID-286

PROPERTY INVESTMENT AMOUNTS											
(Estimated investment in each year. Do not put cumulative totals.)											
	Year	School Year (YYYY-YYYY)	Tax Year (if in actual tax year below)	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during the year	Column B: Building or permanent nonremovable components of building (annual amount only)	Column C: Sum of A and B Qualifying Investment (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)	2013-2014	2013	\$ 47,020,000	\$ 750,000	\$ 47,020,000		\$ 47,020,000		\$ 47,020,000	
				1	2014-2015	2014	\$ 188,830,000	\$ 750,000	\$ 188,830,000		\$ 188,830,000
				2	2015-2016	2015	\$ -	\$ -	\$ -		\$ -
				3	2016-2017	2016	\$ -	\$ -	\$ -		\$ -
				4	2017-2018	2017	\$ -	\$ -	\$ -		\$ -
				5	2018-2019	2018	\$ -	\$ -	\$ -		\$ -
				6	2019-2020	2019	\$ -	\$ -	\$ -		\$ -
				7	2020-2021	2020	\$ -	\$ -	\$ -		\$ -
				8	2021-2022	2021	\$ -	\$ -	\$ -		\$ -
				9	2022-2023	2022	\$ -	\$ -	\$ -		\$ -
				10	2023-2024	2023	\$ -	\$ -	\$ -		\$ -
				11	2024-2025	2024	\$ -	\$ -	\$ -		\$ -
				12	2025-2026	2025	\$ -	\$ -	\$ -		\$ -
				13	2026-2027	2026	\$ -	\$ -	\$ -		\$ -
				14	2027-2028	2027	\$ -	\$ -	\$ -		\$ -
15	2028-2029	2028	\$ -	\$ -	\$ -		\$ -				
Tax Credit Period (with 50% cap on credits)	Value Limitation Period										
Credit Settle-Up Period	Continue to Maintain Viable Presence										
	Post-Settle-Up Period										
	Post-Settle-Up Period										

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 §313.02(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

Column B: [For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property]. 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.

Column C: 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 §313.02(1)(B).

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 examples for many projects would be land. Other examples may be items such as professional services, etc.

Column E: 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.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE: \_\_\_\_\_ DATE: 06-15-2013

**Schedule B (Rev. May 2010): Estimated Market And Taxable Value**

Applicant Name  
ISD Name

Patriot Wind Farm, LLC  
Bishop ISD

Form 50-296

	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						
Complete tax years of qualifying time period	1	2014-2015	2014		\$ 23,510,000			\$ 23,510,000	\$ 23,510,000
	2	2015-2016	2015	\$ 750,000	\$ 200,472,500			\$ 201,222,500	\$ 201,222,500
	3	2016-2017	2016	\$ 720,000	\$ 192,453,600			\$ 193,173,600	\$ 30,000,000
	4	2017-2018	2017	\$ 691,200	\$ 184,755,456			\$ 185,446,656	\$ 30,000,000
	5	2018-2019	2018	\$ 663,552	\$ 177,365,238			\$ 178,028,790	\$ 30,000,000
	6	2019-2020	2019	\$ 637,010	\$ 170,270,628			\$ 170,907,638	\$ 30,000,000
Tax Credit Period (with 50% cap on credit)	7	2020-2021	2020	\$ 611,530	\$ 163,459,803			\$ 164,071,333	\$ 30,000,000
	8	2021-2022	2021	\$ 587,068	\$ 156,921,411			\$ 157,508,479	\$ 30,000,000
	9	2022-2023	2022	\$ 563,586	\$ 150,644,555			\$ 151,208,140	\$ 30,000,000
	10	2023-2024	2023	\$ 541,042	\$ 144,618,772			\$ 145,159,815	\$ 30,000,000
Credit Settle-Up Period	11	2024-2025	2024	\$ 519,400	\$ 138,834,021			\$ 139,353,422	\$ 139,353,422
	12	2025-2026	2025	\$ 498,624	\$ 133,280,661			\$ 133,779,285	\$ 133,779,285
	13	2026-2027	2026	\$ 478,679	\$ 127,949,434			\$ 128,428,114	\$ 128,428,114
Post-Settle-Up Period	14	2027-2028	2027	\$ 459,532	\$ 122,831,457			\$ 123,290,989	\$ 123,290,989
Post-Settle-Up Period	15	2028-2029	2028	\$ 441,151	\$ 117,918,199			\$ 118,359,350	\$ 118,359,350

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.

*[Signature]*  
DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

**Schedule C- Application: Employment Information**

Patriot Wind Farm, LLC

Bishop CIBD

Applicant Name  
ISD Name

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 meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2013-2014	2013	100 FTE	\$ 52,000				
Complete tax years of qualifying time period	1	2014-2015	2014	40 FTE	\$ 52,000	10	\$ 51,137.90	8	\$ 51,137.90
	2	2015-2016	2015			10	\$ 51,137.90	8	\$ 51,137.90
	3	2016-2017	2016			10	\$ 51,137.90	8	\$ 51,137.90
	4	2017-2018	2017			10	\$ 51,137.90	8	\$ 51,137.90
	5	2018-2019	2018			10	\$ 51,137.90	8	\$ 51,137.90
Value Limitation Period	6	2019-2020	2019			10	\$ 51,137.90	8	\$ 51,137.90
	7	2020-2021	2020			10	\$ 51,137.90	8	\$ 51,137.90
	8	2021-2022	2021			10	\$ 51,137.90	8	\$ 51,137.90
	9	2022-2023	2022			10	\$ 51,137.90	8	\$ 51,137.90
	10	2023-2024	2023			10	\$ 51,137.90	8	\$ 51,137.90
Continue to Maintain Viable Presence	11	2024-2025	2024			10	\$ 51,137.90	8	\$ 51,137.90
	12	2025-2026	2025			10	\$ 51,137.90	8	\$ 51,137.90
	13	2026-2027	2026			10	\$ 51,137.90	8	\$ 51,137.90
Post-Settle-Up Period	14	2027-2028	2027			10	\$ 51,137.90	8	\$ 51,137.90
Post-Settle-Up Period	15	2028-2029	2028			10	\$ 51,137.90	8	\$ 51,137.90

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

2/25/2013

DATE

Schedule D: (Rev. May 2010): Other Tax Information

Applicant Name

Patriot Wind Farm, LLC

ISD Name

Bishop CISD

Form 50-286

	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	\$0.00	\$0.00	\$0.00	0%	0%	0%	0%	0%
Tax Credit Period (with 50% cap on credit)	1	2014-2015	2014	\$7,308,028	\$27,064	\$0.00	50%	0%	70%	70%	
	2	2015-2016	2015	\$0.00	\$0.00	\$0.00	50%	0%	70%	70%	
	3	2016-2017	2016	\$0.00	\$0.00	\$0.00	50%	0%	70%	70%	
	4	2017-2018	2017	\$0.00	\$0.00	\$0.00	50%	0%	70%	70%	
	5	2018-2019	2018	\$0.00	\$0.00	\$0.00	50%	0%	70%	70%	
	6	2019-2020	2019	\$0.00	\$0.00	\$0.00	0%	0%	70%	70%	
	7	2020-2021	2020	\$0.00	\$0.00	\$118,000	0%	0%	70%	70%	
	8	2021-2022	2021	\$0.00	\$0.00	\$129,000	0%	0%	70%	70%	
	9	2022-2023	2022	\$0.00	\$0.00	\$149,000	0%	0%	70%	70%	
	10	2023-2024	2023	\$0.00	\$0.00	\$163,000	0%	0%	70%	70%	
	11	2024-2025	2024	\$0.00	\$0.00	\$172,000	0%	0%	0%	0%	
	12	2025-2026	2025	\$0.00	\$0.00	\$177,000	0%	0%	0%	0%	
	13	2026-2027	2026	\$0.00	\$0.00	\$200,000	0%	0%	0%	0%	
	14	2027-2028	2027	\$0.00	\$0.00	\$216,000	0%	0%	0%	0%	
	15	2028-2029	2028	\$0.00	\$0.00	\$232,000	0%	0%	0%	0%	

\*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

*[Signature]*

08 - 15 - 2013

DATE

# **Attachment 2**

June 12, 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 Patriot Wind project on the number and size of school facilities in Bishop Independent School District (BISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and conversations with the BISD Superintendent Christina Gutierrez and Business Manager Carolyn Lee, the TEA has found that the Patriot Wind project would not have a significant impact on the number or size of school facilities in BISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at [al.mckenzie@tea.state.tx.us](mailto:al.mckenzie@tea.state.tx.us) if you need further information regarding this issue.

Sincerely,



Al McKenzie, Manager  
Foundation School Program Support

AM/rk

June 12, 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 Patriot Wind project for the Bishop Independent School District (BISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe the firm's assumptions regarding the potential revenue gain are valid, and its estimates of the impact of the Patriot Wind project on BISD are correct.

Please feel free to contact me by phone at (512) 463-9186 or by email at [al.mckenzie@tea.state.tx.us](mailto:al.mckenzie@tea.state.tx.us) if you need further information regarding this issue.

Sincerely,



Al McKenzie, Manager  
Foundation School Program Support

AM/rk

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED PATRIOT  
WIND PROJECT ON THE FINANCES OF THE BISHOP  
CONSOLIDATED INDEPENDENT SCHOOL DISTRICT UNDER A  
REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION**

**April 1, 2013**

**Final Report**

**PREPARED BY**



# **Estimated Impact of the Proposed Patriot Wind Project on the Finances of the Bishop Consolidated Independent School District under a Requested Chapter 313 Property Value Limitation**

## **Introduction**

Patriot Wind Project (Patriot Wind) has requested that the Bishop Consolidated Independent School District (BCISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to BCISD on February 8, 2013, Patriot Wind proposes to invest \$236 million to construct a new wind power generation project in BCISD.

The Patriot Wind project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, BCISD may offer a minimum value limitation of \$30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2014-15 and 2015-16 school years, unless the District and the Company agree to an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2014-15 and 2015-16 school years. Beginning with the 2016-17 school year, the project would go on the local tax roll at \$30 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with BCISD currently levying a \$0.5116 I&S tax rate. The full taxable value of the investment is expected to reach \$201 million in the 2015-16 school year. At full taxable value, an initial estimate is that the I&S tax rate could be reduced to approximately \$0.27 per \$100, as a result of the project value increase and a reduced debt service payment obligation.

In the case of the Patriot Wind project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. BCISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$311,455). No out-year revenue losses are anticipated under current law.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$13.0 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District, although any negotiated supplemental payments to BCISD would be deducted from the potential tax savings.

## School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct its property value study and now the planned audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 as a result of the one-year lag in property values.

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study, assuming a similar deduction is made in the state property values.

Under the HB 1 system adopted in 2006, most school districts received additional state aid for tax reduction (ASATR) that was used to maintain their target revenue amounts established at the revenue levels under old law for the 2005-06 or 2006-07 school years, whichever was highest. In terms of new Chapter 313 property value limitation agreements, adjustments to ASATR funding often moderated the impact of the reduced M&O collections as a result of the limitation, in contrast with the earlier formula-driven finance system.

Under the HB 1 system adopted in 2006, most school districts received additional state aid for tax reduction (ASATR) that was used to maintain their target revenue amounts established at the revenue levels under old law for the 2005-06 or 2006-07 school years, whichever was highest. In terms of new Chapter 313 property value limitation agreements, adjustments to ASATR funding often moderated the impact of the reduced M&O collections as a result of the limitation, in contrast with the earlier formula-driven finance system.

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted under Senate Bill 1 (SB 1) as approved in the First Called Session in 2011 are designed to make \$4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 797 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 227 districts operating directly on the state formulas.

For the 2012-13 school year, the SB 1 changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formulas. As a result of these changes, the number of ASATR districts fell to 421, with an estimated 603 formula districts in operation.

For the 2013-14 school year and beyond, the ASATR reduction percentage will be set in the General Appropriations Act. The 2011 legislative session saw the adoption of a statement of legislative intent to no longer fund target revenue (through ASATR) by the 2017-18 school year. It is likely that ASATR state funding will be reduced in future years and eliminated by the 2017-18 school year, based on current state policy.

Based on the estimates presented below, BCISD became a formula district in the 2012-13 school year, which means it no longer receives ASATR funding. Based on current law, BCISD would become eligible for nearly \$1.2 million in ASATR funding when the value limitation takes effect for the 2016-17 school year, a topic that will be addressed in a later section of this report.

One key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the Patriot Wind project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

### **Underlying Assumptions**

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The general approach used here is to use the most recent Texas Education student enrollment projections, which show very modest enrollment increases for the District. The most recent local property values are maintained in order to isolate the effects of the value limitation under the school finance system. The current SB 1 reductions are reflected in the underlying models. With regard to ASATR funding the 92.35 percent reduction enacted for the 2012-13 school year and thereafter, until the 2017-18 school year. A statement of legislative intent was adopted in 2011 to no longer fund target revenue by the 2017-18 school year, so that change is reflected in the estimates presented below. The projected taxable values of the Patriot Wind Project project are factored into the base model used here. The impact of the limitation value for the proposed Patriot Wind project is isolated separately and the focus of this analysis.

Student enrollment counts commence at 1,223 students in average daily attendance (ADA) for the 2013-14 school year in analyzing the effects of the Patriot Wind project on the finances of BCISD. The District's local tax base reached \$463.9 million for the 2012 tax year and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.0392 is used throughout this analysis. BCISD has estimated state property wealth per weighted ADA or WADA of approximately \$280,879 for the 2012-13 school year. BCISD remains a Chapter 42 school district and is not subject to recapture under the scenarios presented below. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

### **School Finance Impact**

School finance models were prepared for BCISD under the assumptions outlined above through the 2028-29 school year. Beyond the 2012-13 school year, no attempt was made to forecast the

88<sup>th</sup> percentile or Austin yield that influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

Under the proposed agreement, a model is established to make a calculation of the “Baseline Revenue” by adding the value of the proposed Patriot Wind facility to the model, but without assuming that a value limitation is approved. The results of this model are shown in Table 2.

A second model is developed which adds the Patriot Wind value but imposes the proposed property value limitation effective in the third year, which in this case is the 2016-17 school year. The results of this model are identified as “Value Limitation Revenue Model” under the revenue protection provisions of the proposed agreement (see Table 3). A summary of the differences between these models is shown in Table 4.

Under these assumptions, BCISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$311,455). Total M&O tax savings for Patriot Wind are expected to total \$1.7 million for the 2016-17 school year,

One risk factor under the estimates presented here relates to the implementation of the value limitation in the 2016-17 school year. The formula loss of \$311,455 cited above between the base and the limitation models is based on an assumption that BCISD receives nearly \$1.4 million in ASATR funding in the 2016-17 school year. This is a source of funding that is under significant legislative scrutiny.

In general, the ASATR offset poses little financial risk to BCISD as a result of the adoption of the value limitation agreement. But a significant reduction of ASATR funding prior to the assumed 2017-18 school year elimination of these funds could reduce the residual tax savings in the first year that the \$30 million value limitation takes effect.

The Comptroller’s state property value study influences these calculations, as noted previously. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect. Two value determinations are now made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

### **Impact on the Taxpayer**

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$1.0392 per \$100 of taxable value M&O rate is assumed for the 2012-13 school year and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$11.5 million over the life of the agreement. In addition, Patriot Wind would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale

of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$1.8 million over the life of the agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key BCISD revenue losses are expected to total approximately -\$311,455 in the first year the value limitation takes effect under the the agreement, which assumes a \$1.4 million ASATR state aid offset. The potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to total \$13.0 million over the life of the agreement. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial year of the agreement, there would still be a substantial tax benefit to Patriot Wind under the value limitation agreement for the remaining years that the limitation is in effect.

### **Facilities Funding Impact**

The Patriot Wind project remains fully taxable for debt services taxes, with BCISD currently levying a \$0.5116 per \$100 I&S rate. The project value increase in the 2015-16 school year is accompanied by a reduction in payments on bonded debt of about \$600,000, results in an I&S tax rate that could fall as low as \$0.27 per \$100 in that year, which cuts the I&S tax rate nearly in half. Changes in the underlying tax base and the taxable value of the project could affect this estimate.

The Patriot Wind project is not expected to affect BCISD in terms of enrollment. Ten permanent jobs are anticipated once the wind project is in full operation. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

### **Conclusion**

The proposed Patriot Wind wind power generation project enhances the tax base of BCISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated \$13.0 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of BCISD in meeting its future debt service obligations, making substantial taxpayer relief possible for debt service taxes.

**Table 1 – Base District Information with Patriot Wind Project Value and Limitation Values**

Year of Agreement	School Year	ADA	WADA	Current M&O Tax Rate	Projected I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2013-14	1,224.17	1,764.02	\$1.0392	\$0.5116	\$466,470,438	\$466,470,438	\$472,226,248	\$472,226,248	\$267,699	\$267,699
1	2014-15	1,243.37	1,788.52	\$1.0392	\$0.4900	\$489,980,438	\$489,980,438	\$472,226,248	\$472,226,248	\$264,032	\$264,032
2	2015-16	1,262.86	1,839.04	\$1.0392	\$0.2700	\$667,692,938	\$667,692,938	\$495,736,248	\$495,736,248	\$269,563	\$269,563
3	2016-17	1,282.67	1,864.58	\$1.0392	\$0.2700	\$659,644,038	\$496,470,438	\$673,448,748	\$673,448,748	\$361,181	\$361,181
4	2017-18	1,302.78	1,891.03	\$1.0392	\$0.5116	\$651,917,094	\$496,470,438	\$665,399,848	\$502,226,248	\$351,872	\$265,584
5	2018-19	1,323.21	1,918.07	\$1.0392	\$0.2700	\$644,499,228	\$496,470,438	\$657,872,904	\$502,226,248	\$342,882	\$261,839
6	2019-20	1,343.96	1,940.38	\$1.0392	\$0.2750	\$637,378,076	\$496,470,438	\$650,255,038	\$502,226,248	\$335,117	\$258,828
7	2020-21	1,365.04	1,962.57	\$1.0392	\$0.2760	\$630,541,771	\$496,470,438	\$643,133,886	\$502,226,248	\$327,700	\$255,903
8	2021-22	1,386.44	1,984.97	\$1.0392	\$0.2760	\$623,978,917	\$496,470,438	\$636,297,581	\$502,226,248	\$320,558	\$253,014
9	2022-23	1,408.18	2,007.59	\$1.0392	\$0.2700	\$617,678,578	\$496,470,438	\$629,734,727	\$502,226,248	\$313,676	\$250,163
10	2023-24	1,430.27	2,034.93	\$1.0392	\$0.2700	\$611,630,253	\$496,470,438	\$623,434,388	\$502,226,248	\$306,367	\$246,803
11	2024-25	1,452.69	2,065.66	\$1.0392	\$0.2700	\$605,823,860	\$605,823,860	\$617,386,063	\$502,226,248	\$298,881	\$243,131
12	2025-26	1,475.47	2,097.24	\$1.0392	\$0.2750	\$600,249,723	\$600,249,723	\$611,579,670	\$611,579,670	\$291,612	\$291,612
13	2026-27	1,498.61	2,129.31	\$1.0392	\$0.2600	\$594,898,552	\$594,898,552	\$606,005,533	\$606,005,533	\$284,602	\$284,602
14	2027-28	1,522.11	2,161.47	\$1.0392	\$0.2600	\$589,761,427	\$589,761,427	\$600,654,362	\$600,654,362	\$277,892	\$277,892
15	2028-29	1,545.98	2,194.11	\$1.0392	\$0.2600	\$584,829,788	\$584,829,788	\$595,517,237	\$595,517,237	\$271,416	\$271,416

\*Tier II Yield: \$47.65; AISD Yield: \$59.97; Equalized Wealth: \$476,500 per WADA

**Table 2-- "Baseline Revenue Model"--Project Value Added with No Value Limitation**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$4,519,221	\$4,075,915	\$0	\$0	\$0	\$240,563	\$298,348	\$0	\$9,134,047
1	2014-15	\$4,746,558	\$4,195,846	\$0	\$0	\$0	\$252,665	\$321,217	\$0	\$9,516,286
2	2015-16	\$6,465,006	\$4,209,523	\$0	\$0	\$0	\$344,139	\$421,471	\$0	\$11,440,139
3	2016-17	\$6,387,174	\$2,581,017	\$0	\$0	\$0	\$339,996	\$224,529	\$0	\$9,532,717
4	2017-18	\$6,312,456	\$2,789,877	\$0	\$0	\$0	\$336,019	\$236,662	\$0	\$9,675,014
5	2018-19	\$6,240,727	\$2,998,465	\$0	\$0	\$0	\$332,201	\$248,818	\$0	\$9,820,210
6	2019-20	\$6,171,866	\$3,181,150	\$0	\$0	\$0	\$328,535	\$259,387	\$0	\$9,940,939
7	2020-21	\$6,105,761	\$3,360,315	\$0	\$0	\$0	\$325,016	\$269,772	\$0	\$10,060,864
8	2021-22	\$6,042,299	\$3,537,756	\$0	\$0	\$0	\$321,638	\$280,083	\$0	\$10,181,777
9	2022-23	\$5,981,376	\$3,713,592	\$0	\$0	\$0	\$318,395	\$290,327	\$0	\$10,303,690
10	2023-24	\$5,922,890	\$3,909,613	\$0	\$0	\$0	\$315,282	\$301,868	\$0	\$10,449,653
11	2024-25	\$5,866,743	\$4,119,610	\$0	\$0	\$0	\$312,293	\$314,318	\$0	\$10,612,964
12	2025-26	\$5,812,842	\$4,331,354	\$0	\$0	\$0	\$309,424	\$326,908	\$0	\$10,780,528
13	2026-27	\$5,761,097	\$4,543,169	\$0	\$0	\$0	\$306,670	\$339,530	\$0	\$10,950,466
14	2027-28	\$5,711,422	\$4,753,260	\$0	\$0	\$0	\$304,025	\$352,071	\$0	\$11,120,779
15	2028-29	\$5,663,734	\$4,963,617	\$0	\$0	\$0	\$301,487	\$364,654	\$0	\$11,293,492

**Table 3--“Value Limitation Revenue Model”--Project Value Added with Value Limit**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$4,519,221	\$4,075,915	\$0	\$0	\$0	\$240,563	\$298,348	\$0	\$9,134,047
1	2014-15	\$4,746,558	\$4,195,846	\$0	\$0	\$0	\$252,665	\$321,217	\$0	\$9,516,286
2	2015-16	\$6,465,006	\$4,209,523	\$0	\$0	\$0	\$344,139	\$421,471	\$0	\$11,440,139
3	2016-17	\$4,809,315	\$2,581,017	\$1,405,861	\$0	\$0	\$256,005	\$169,063	\$0	\$9,221,261
4	2017-18	\$4,809,315	\$4,399,937	\$0	\$0	\$0	\$256,005	\$322,066	\$0	\$9,787,323
5	2018-19	\$4,809,315	\$4,532,282	\$0	\$0	\$0	\$256,005	\$330,334	\$0	\$9,927,936
6	2019-20	\$4,809,315	\$4,641,774	\$0	\$0	\$0	\$256,005	\$337,154	\$0	\$10,044,248
7	2020-21	\$4,809,315	\$4,750,673	\$0	\$0	\$0	\$256,005	\$343,935	\$0	\$10,159,929
8	2021-22	\$4,809,315	\$4,860,659	\$0	\$0	\$0	\$256,005	\$350,784	\$0	\$10,276,764
9	2022-23	\$4,809,315	\$4,971,738	\$0	\$0	\$0	\$256,005	\$357,699	\$0	\$10,394,758
10	2023-24	\$4,809,315	\$5,105,593	\$0	\$0	\$0	\$256,005	\$366,054	\$0	\$10,536,968
11	2024-25	\$5,866,743	\$5,255,910	\$0	\$0	\$0	\$312,293	\$457,999	\$0	\$11,892,945
12	2025-26	\$5,812,842	\$4,331,354	\$0	\$0	\$0	\$309,424	\$326,908	\$0	\$10,780,528
13	2026-27	\$5,761,097	\$4,543,169	\$0	\$0	\$0	\$306,670	\$339,530	\$0	\$10,950,466
14	2027-28	\$5,711,422	\$4,753,260	\$0	\$0	\$0	\$304,025	\$352,071	\$0	\$11,120,779
15	2028-29	\$5,663,734	\$4,963,617	\$0	\$0	\$0	\$301,487	\$364,654	\$0	\$11,293,492

**Table 4 – Value Limit less Project Value with No Limit**

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2016-17	-\$1,577,859	\$0	\$1,405,861	\$0	\$0	-\$83,991	-\$55,467	\$0	-\$311,455
4	2017-18	-\$1,503,141	\$1,610,060	\$0	\$0	\$0	-\$80,014	\$85,404	\$0	\$112,309
5	2018-19	-\$1,431,411	\$1,533,817	\$0	\$0	\$0	-\$76,196	\$81,516	\$0	\$107,726
6	2019-20	-\$1,362,551	\$1,460,624	\$0	\$0	\$0	-\$72,530	\$77,767	\$0	\$103,309
7	2020-21	-\$1,296,445	\$1,390,358	\$0	\$0	\$0	-\$69,011	\$74,163	\$0	\$99,065
8	2021-22	-\$1,232,984	\$1,322,903	\$0	\$0	\$0	-\$65,633	\$70,700	\$0	\$94,987
9	2022-23	-\$1,172,061	\$1,258,146	\$0	\$0	\$0	-\$62,390	\$67,373	\$0	\$91,068
10	2023-24	-\$1,113,574	\$1,195,980	\$0	\$0	\$0	-\$59,277	\$64,186	\$0	\$87,315
11	2024-25	\$0	\$1,136,300	\$0	\$0	\$0	\$0	\$143,681	\$0	\$1,279,981
12	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Table 5 - Estimated Financial impact of the Patriot Wind Project Property Value Limitation Request Submitted to BCISD at \$1.0392 M&O Tax Rate**

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits	
Pre-Year 1	2013-14	\$0	\$0	\$0	\$1.039	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
1	2014-15	\$23,510,000	\$23,510,000	\$0	\$1.039	\$244,325	\$244,325	\$0	\$0	\$0	\$0	\$0	
2	2015-16	\$201,222,500	\$201,222,500	\$0	\$1.039	\$2,091,185	\$2,091,185	\$0	\$0	\$0	\$0	\$0	
3	2016-17	\$193,173,600	\$30,000,000	\$163,173,600	\$1.039	\$2,007,537	\$311,772	\$1,695,765	\$0	\$1,695,765	-\$311,455	\$1,384,310	
4	2017-18	\$185,446,656	\$30,000,000	\$155,446,656	\$1.039	\$1,927,236	\$311,772	\$1,615,464	\$254,202	\$1,869,666	\$0	\$1,869,666	
5	2018-19	\$178,028,790	\$30,000,000	\$148,028,790	\$1.039	\$1,850,146	\$311,772	\$1,538,374	\$254,202	\$1,792,576	\$0	\$1,792,576	
6	2019-20	\$170,907,638	\$30,000,000	\$140,907,638	\$1.039	\$1,776,141	\$311,772	\$1,464,369	\$254,202	\$1,718,570	\$0	\$1,718,570	
7	2020-21	\$164,071,333	\$30,000,000	\$134,071,333	\$1.039	\$1,705,095	\$311,772	\$1,393,323	\$254,202	\$1,647,525	\$0	\$1,647,525	
8	2021-22	\$157,508,479	\$30,000,000	\$127,508,479	\$1.039	\$1,636,891	\$311,772	\$1,325,119	\$254,202	\$1,579,321	\$0	\$1,579,321	
9	2022-23	\$151,208,140	\$30,000,000	\$121,208,140	\$1.039	\$1,571,415	\$311,772	\$1,259,643	\$254,202	\$1,513,845	\$0	\$1,513,845	
10	2023-24	\$145,159,815	\$30,000,000	\$115,159,815	\$1.039	\$1,508,559	\$311,772	\$1,196,787	\$254,202	\$1,450,989	\$0	\$1,450,989	
11	2024-25	\$139,353,422	\$139,353,422	\$0	\$1.039	\$1,448,217	\$1,448,217	\$0	\$0	\$0	\$0	\$0	
12	2025-26	\$133,779,285	\$133,779,285	\$0	\$1.039	\$1,390,288	\$1,390,288	\$0	\$0	\$0	\$0	\$0	
13	2026-27	\$128,428,114	\$128,428,114	\$0	\$1.039	\$1,334,676	\$1,334,676	\$0	\$0	\$0	\$0	\$0	
14	2027-28	\$123,290,989	\$123,290,989	\$0	\$1.039	\$1,281,289	\$1,281,289	\$0	\$0	\$0	\$0	\$0	
15	2028-29	\$118,359,350	\$118,359,350	\$0	\$1.039	\$1,230,038	\$1,230,038	\$0	\$0	\$0	\$0	\$0	
						\$23,003,038	\$11,514,194	\$11,488,844	\$1,779,413	\$13,268,257	-\$311,455	\$12,956,802	
								Tax Credit for Value Over Limit in First 2 Years		Year 1	Year 2	Max Credits	
										\$0	\$1,779,413	\$1,779,413	
										Credits Earned		\$1,779,413	
										Credits Paid		\$1,779,413	
										Excess Credits Unpaid		\$0	

**\*Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

# Attachment 3

## Nueces County

### Population

- Total county population in 2010 for Nueces County: 323,196 , up 0.3 percent from 2009. State population increased 1.8 percent in the same time period.
- Nueces County was the state's 14th largest county in population in 2010 and the 174th fastest growing county from 2009 to 2010.
- Nueces County's population in 2009 was 33.8 percent Anglo (below the state average of 46.7 percent), 3.7 percent African-American (below the state average of 11.3 percent) and 60.0 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Nueces County:

Corpus Christi:	287,439	Robstown:	12,169
Port Aransas:	3,905	Bishop:	3,127
Driscoll:	805	Agua Dulce:	715
Petronila:	79		

### Economy and Income

#### *Employment*

- September 2011 total employment in Nueces County: 159,610 , up 2.7 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 Nueces County unemployment rate: 7.8 percent, up from 7.6 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:

Corpus Christi:            7.6 percent, up from 7.3 percent in September 2010.

*(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*

- Nueces County's ranking in per capita personal income in 2009: 58th with an average per capita income of \$37,162, down 2.4 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 Nueces County averaged \$80.34 million annually from 2007 to 2010. County total agricultural values in 2010 were up 755.7 percent from 2009. Major agriculture related commodities in Nueces County during 2010 included:
  - Cotton                      ▪ Sesame                      ▪ Nursery                      ▪ Other Beef                      ▪ Sorghum
- 2011 oil and gas production in Nueces County: 320,277.0 barrels of oil and 19.1 million Mcf of gas. In September 2011, there were 189 producing oil wells and 718 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 Nueces County during the fourth quarter 2010: \$1.04 billion, up 15.0 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Corpus Christi:	\$938.09 million, up 10.8 percent from the same quarter in 2009.
Robstown:	\$57.65 million, up 113.2 percent from the same quarter in 2009.
Port Aransas:	\$11.99 million, up 11.1 percent from the same quarter in 2009.
Bishop:	\$1.44 million, down 2.2 percent from the same quarter in 2009.
Driscoll:	\$420,248.00, up 11.6 percent from the same quarter in 2009.
Agua Dulce:	\$296,518.00, down 2.7 percent from the same quarter in 2009.
Petronila:	\$72,807.00, up 184.8 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 Nueces County through the fourth quarter of 2010: \$3.83 billion, up 9.8 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Corpus Christi:	\$3.46 billion, up 7.2 percent from the same period in 2009.
Robstown:	\$200.33 million, up 69.6 percent from the same period in 2009.
Port Aransas:	\$70.69 million, down 1.1 percent from the same period in 2009.
Bishop:	\$5.79 million, up 1.1 percent from the same period in 2009.

<b>Driscoll:</b>	\$1.56 million, down 0.2 percent from the same period in 2009.
<b>Agua Dulce:</b>	\$1.13 million, up 5.6 percent from the same period in 2009.
<b>Petronila:</b>	\$211,186.00, up 54.0 percent from the same period in 2009.

**Annual (2010)**

- Taxable sales in Nueces County during 2010: \$3.83 billion, up 9.8 percent from 2009.
- Nueces County sent an estimated \$239.49 million (or 1.40 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:
 

<b>Corpus Christi:</b>	\$3.46 billion, up 7.2 percent from 2009.
<b>Robstown:</b>	\$200.33 million, up 69.6 percent from 2009.
<b>Port Aransas:</b>	\$70.69 million, down 1.1 percent from 2009.
<b>Bishop:</b>	\$5.79 million, up 1.1 percent from 2009.
<b>Driscoll:</b>	\$1.56 million, down 0.2 percent from 2009.
<b>Agua Dulce:</b>	\$1.13 million, up 5.6 percent from 2009.
<b>Petronila:</b>	\$211,186.00, up 54.0 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 Nueces County based on the sales activity month of August 2011: \$6.22 million, up 24.4 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:
 

<b>Corpus Christi:</b>	\$5.77 million, up 25.5 percent from August 2010.
<b>Robstown:</b>	\$274,860.33, up 8.9 percent from August 2010.
<b>Port Aransas:</b>	\$159,780.24, up 19.7 percent from August 2010.
<b>Bishop:</b>	\$15,632.42, up 3.1 percent from August 2010.
<b>Driscoll:</b>	\$4,054.43, up 3.6 percent from August 2010.
<b>Agua Dulce:</b>	\$2,541.27, up 18.0 percent from August 2010.
<b>Petronila:</b>	\$128.85, down 80.3 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 Nueces County based on sales activity months from September 2010 through August 2011: \$67.37 million, up 13.5 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:
 

<b>Corpus Christi:</b>	\$62.23 million, up 12.6 percent from fiscal 2010.
<b>Robstown:</b>	\$3.41 million, up 32.1 percent from fiscal 2010.
<b>Port Aransas:</b>	\$1.47 million, up 16.5 percent from fiscal 2010.
<b>Bishop:</b>	\$181,403.13, up 3.8 percent from fiscal 2010.
<b>Driscoll:</b>	\$46,574.81, up 20.7 percent from fiscal 2010.
<b>Agua Dulce:</b>	\$27,564.94, up 12.4 percent from fiscal 2010.
<b>Petronila:</b>	\$4,487.91, down 7.8 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 Nueces County based on sales activity months through August 2011: \$44.88 million, up 13.9 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:
 

<b>Corpus Christi:</b>	\$41.38 million, up 13.8 percent from the same period in 2010.
<b>Robstown:</b>	\$2.20 million, up 13.5 percent from the same period in 2010.
<b>Port Aransas:</b>	\$1.12 million, up 20.4 percent from the same period in 2010.
<b>Bishop:</b>	\$118,773.55, up 1.0 percent from the same period in 2010.
<b>Driscoll:</b>	\$32,410.79, up 24.2 percent from the same period in 2010.
<b>Agua Dulce:</b>	\$17,822.83, up 4.8 percent from the same period in 2010.
<b>Petronila:</b>	\$2,064.77, down 39.5 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 Nueces County based on sales activity in the 12 months ending in August 2011: \$67.37 million, up 13.5 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:
 

Corpus Christi:	\$62.23 million, up 12.6 percent from the previous 12-month period.
Robstown:	\$3.41 million, up 32.1 percent from the previous 12-month period.
Port Aransas:	\$1.47 million, up 16.5 percent from the previous 12-month period.
Bishop:	\$181,403.13, up 3.8 percent from the previous 12-month period.
Driscoll:	\$46,574.81, up 20.7 percent from the previous 12-month period.
Agua Dulce:	\$27,564.94, up 12.4 percent from the previous 12-month period.
Petronila:	\$4,487.91, down 7.8 percent from the previous 12-month period.

■ **City Calendar Year-To-Date (RJ 2011)**

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

Corpus Christi:	\$52.50 million, up 13.5 percent from the same period in 2010.
Robstown:	\$2.82 million, up 23.8 percent from the same period in 2010.
Port Aransas:	\$1.27 million, up 17.3 percent from the same period in 2010.
Bishop:	\$151,640.26, up 5.2 percent from the same period in 2010.
Driscoll:	\$39,572.43, up 21.4 percent from the same period in 2010.
Agua Dulce:	\$22,637.66, up 9.1 percent from the same period in 2010.
Petronila:	\$3,017.84, down 24.5 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 Nueces County based on sales activity months in 2010: \$61.89 million, up 4.6 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:
 

Corpus Christi:	\$57.20 million, up 2.9 percent from 2009.
Robstown:	\$3.15 million, up 60.8 percent from 2009.
Port Aransas:	\$1.28 million, down 3.6 percent from 2009.
Bishop:	\$180,187.04, up 2.9 percent from 2009.
Driscoll:	\$40,265.82, up 1.3 percent from 2009.
Agua Dulce:	\$26,741.96, up 10.2 percent from 2009.
Petronila:	\$5,834.13, up 11.9 percent from 2009.

**Property Tax**

- As of January 2009, property values in Nueces County: \$23.73 billion, up 3.6 percent from January 2008 values. The property tax base per person in Nueces County is \$73,450, below the statewide average of \$85,809. About 2.3 percent of the property tax base is derived from oil, gas and minerals.

**State Expenditures**

- Nueces County's ranking in state expenditures by county in fiscal year 2010: 11th. State expenditures in the county for FY2010: \$1.67 billion, up 0.2 percent from FY2009.
- In Nueces County, 36 state agencies provide a total of 5,862 jobs and \$44.13 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 

- Texas A & M University	• Department of Aging and Disability Services (Corpus Christi State School)
- Department of Family and Protective Services	• Department of Transportation

**Higher Education**

- Community colleges in Nueces County fall 2010 enrollment:
  - Del Mar College, a Public Community College, had 12,236 students.
- Nueces County is in the service area of the following:

- Del Mar College with a fall 2010 enrollment of 12,236 . Counties in the service area include:
  - Aransas County
  - Kenedy County
  - Kleberg County
  - Nueces County
  - San Patricio County

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

- Texas A&M University-Corpus Christi, a Public University (part of Texas A&M University System), had 10,033 students.

### School Districts

■ Nueces County had 12 school districts with 108 schools and 59,713 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.)

- Agua Dulce ISD had 341 students in the 2009-10 school year. The average teacher salary was \$41,075. The percentage of students meeting the 2010 TAKS passing standard for all tests was 61 percent.
- Banquete ISD had 831 students in the 2009-10 school year. The average teacher salary was \$45,570. The percentage of students meeting the 2010 TAKS passing standard for all tests was 77 percent.
- Bishop CISD had 1,224 students in the 2009-10 school year. The average teacher salary was \$44,028. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
- Calallen ISD had 3,797 students in the 2009-10 school year. The average teacher salary was \$47,321. The percentage of students meeting the 2010 TAKS passing standard for all tests was 86 percent.
- Corpus Christi ISD had 38,041 students in the 2009-10 school year. The average teacher salary was \$50,380. The percentage of students meeting the 2010 TAKS passing standard for all tests was 71 percent.
- Driscoll ISD had 263 students in the 2009-10 school year. The average teacher salary was \$41,729. The percentage of students meeting the 2010 TAKS passing standard for all tests was 89 percent.
- Flour Bluff ISD had 5,440 students in the 2009-10 school year. The average teacher salary was \$46,636. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.
- London ISD had 352 students in the 2009-10 school year. The average teacher salary was \$46,308. The percentage of students meeting the 2010 TAKS passing standard for all tests was 93 percent.
- Port Aransas ISD had 548 students in the 2009-10 school year. The average teacher salary was \$47,343. The percentage of students meeting the 2010 TAKS passing standard for all tests was 84 percent.
- Robstown ISD had 3,385 students in the 2009-10 school year. The average teacher salary was \$43,354. The percentage of students meeting the 2010 TAKS passing standard for all tests was 55 percent.
- Tulo-so-Midway ISD had 3,408 students in the 2009-10 school year. The average teacher salary was \$45,404. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.
- West Oso ISD had 2,083 students in the 2009-10 school year. The average teacher salary was \$45,631. The percentage of students meeting the 2010 TAKS passing standard for all tests was 63 percent.