



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 19, 2016

AMENDED CERTIFICATION

Bryan Davis  
Superintendent  
Dimmitt Independent School District  
608 W. Halsell St.  
Dimmitt, Texas 79027

Dear Superintendent Davis:

This application (Application #1085) was originally submitted on June 25, 2015, to the Dimmitt Independent School District (the school district) by Bethel Wind Farm (the applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>[1]</sup>. On September 17, 2015, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a Certificate for a limitation on appraised value on December 18, 2015. The applicant and school district executed an agreement for a limitation on appraised value (the agreement) on December 28, 2015.

On May 5, 2016, the Comptroller received an amendment to the agreement. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

**Determination required by 313.025(h)**

The information provided by the applicant related to eligibility has not changed and therefore, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

**Certificate decision required by 313.025(d)**

Determination required by 313.026(c)(1)

Based on the amended information provided by the applicant, the Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue

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

lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The information provided by the applicant related to the limitation on appraised value as a determining factor has not changed and therefore, the Comptroller has determined that the applicant meets the requirement.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value for the amendment.

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the amendment to the agreement by December 31, 2016.

Should you have any questions, please contact Korry Castillo, Director, Data Analysis & Transparency, by email at [korry.castillo@cpa.texas.gov](mailto:korry.castillo@cpa.texas.gov) or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig  
Deputy Comptroller

Enclosure

cc: Korry Castillo

### Attachment A – Economic Impact Analysis

These following tables summarize the Comptroller’s economic impact analysis of Bethel Wind Farm LLC (the project) applying to Dimmitt Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

**Table 1** is a summary of investment, employment and tax impact of Bethel Wind Farm LLC.

Applicant	Bethel Wind Farm, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Dimmitt ISD
Estimated 2014-2015 Average Daily Attendance	1,075
County	Castro
Proposed Total Investment in District	\$370,000,000
Proposed Qualified Investment	\$370,000,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$927
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$927
Minimum annual wage committed to by applicant for qualified jobs	\$48,203
Minimum weekly wage required for non-qualifying jobs	\$684
Minimum annual wage required for non-qualifying jobs	\$35,568
Investment per Qualifying Job	\$37,000,000
Estimated M&O levy without any limit (15 years)	\$35,980,050
Estimated M&O levy with Limitation (15 years)	\$10,457,076
Estimated gross M&O tax benefit (15 years)	\$25,522,974

**Table 2** is the estimated statewide economic impact of Bethel Wind Farm LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	210	188	398,438	\$8,482,030	\$8,668,970	\$17,151,000
2017	10	28	38	\$482,030	\$2,935,970	\$3,418,000
2018	10	25	35	\$482,030	\$2,447,970	\$2,930,000
2019	10	19	29	\$482,030	\$1,958,970	\$2,441,000
2020	10	17	27	\$482,030	\$1,592,970	\$2,075,000
2021	10	21	31	\$482,030	\$1,836,970	\$2,319,000
2022	10	17	27	\$482,030	\$1,104,970	\$1,587,000
2023	10	21	31	\$482,030	\$1,348,970	\$1,831,000
2024	10	15	25	\$482,030	\$1,836,970	\$2,319,000
2025	10	25	35	\$482,030	\$2,447,970	\$2,930,000
2026	10	23	33	\$482,030	\$2,203,970	\$2,686,000
2027	10	21	31	\$482,030	\$1,226,970	\$1,709,000
2028	10	13	23	\$482,030	\$982,970	\$1,465,000
2029	10	11	21	\$482,030	\$738,970	\$1,221,000
2030	10	11	21	\$482,030	-\$116,030	\$366,000
2031	10	6	16	\$482,030	-\$726,030	-\$244,000

Source: CPA, REMI, Bethel Wind Farm LLC

**Table 3** examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

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>	Dimmitt ISD I&S Levy	Dimmitt ISD M&O Levy	Dimmitt ISD M&O and I&S Tax Levies	Castro County Tax Levy	Castro County Hospital District Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes
				0.3300	1.0400		0.542	0.329	0.008026	
2017	\$360,000,000	\$360,000,000		\$1,188,000	\$3,744,000	\$4,932,000	\$1,951,200	\$1,184,400	\$28,894	\$8,096,494
2018	\$334,810,000	\$334,810,000		\$1,104,873	\$3,482,024	\$4,586,897	\$1,814,670	\$1,101,525	\$26,872	\$7,529,964
2019	\$311,382,800	\$311,382,800		\$1,027,563	\$3,238,381	\$4,265,944	\$1,687,695	\$1,024,449	\$24,992	\$7,003,080
2020	\$289,595,029	\$289,595,029		\$955,664	\$3,011,788	\$3,967,452	\$1,569,605	\$952,768	\$23,243	\$6,513,067
2021	\$269,331,951	\$269,331,951		\$888,795	\$2,801,052	\$3,689,848	\$1,459,779	\$886,102	\$21,617	\$6,057,346
2022	\$250,486,859	\$250,486,859		\$826,607	\$2,605,063	\$3,431,670	\$1,357,639	\$824,102	\$20,104	\$5,633,515
2023	\$232,960,517	\$232,960,517		\$768,770	\$2,422,789	\$3,191,559	\$1,262,646	\$766,440	\$18,697	\$5,239,343
2024	\$216,660,632	\$216,660,632		\$714,980	\$2,253,271	\$2,968,251	\$1,174,301	\$712,813	\$17,389	\$4,872,754
2025	\$201,501,371	\$201,501,371		\$664,955	\$2,095,614	\$2,760,569	\$1,092,137	\$662,940	\$16,173	\$4,531,818
2026	\$187,402,909	\$187,402,909		\$618,430	\$1,948,990	\$2,567,420	\$1,015,724	\$616,556	\$15,041	\$4,214,740
2027	\$178,032,764	\$178,032,764		\$587,508	\$1,851,541	\$2,439,049	\$964,938	\$585,728	\$14,289	\$4,004,003
2028	\$169,131,125	\$169,131,125		\$558,133	\$1,758,964	\$2,317,096	\$916,691	\$556,441	\$13,574	\$3,803,803
2029	\$160,674,569	\$160,674,569		\$530,226	\$1,671,016	\$2,201,242	\$870,856	\$528,619	\$12,896	\$3,613,613
2030	\$152,640,841	\$152,640,841		\$503,715	\$1,587,465	\$2,091,180	\$827,313	\$502,188	\$12,251	\$3,432,932
2031	\$145,008,799	\$145,008,799		\$478,529	\$1,508,092	\$1,986,621	\$785,948	\$477,079	\$11,638	\$3,261,286
			<b>Total</b>	<b>\$11,416,747</b>	<b>\$35,980,050</b>	<b>\$47,396,796</b>	<b>\$18,751,141</b>	<b>\$11,382,150</b>	<b>\$277,669</b>	<b>\$77,807,757</b>

Source: CPA, Bethel Wind Farm LLC

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

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Castro County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county and the hospital district.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Table 4 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>	Dimmitt ISD I&S Levy	Dimmitt ISD M&O Levy	Dimmitt ISD M&O and I&S Tax Levies	Castro County Tax Levy	Castro County Hospital District Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes
				0.3300	1.0400		0.542	0.329	0.008026	
2017	\$360,000.000	\$20,000.000		\$1,188.000	\$208,000	\$1,396,000	\$389,160	\$231,840	\$28,894	\$2,045,894
2018	\$334,810.000	\$20,000.000		\$1,104.873	\$208,000	\$1,312,873	\$389,160	\$231,840	\$26,872	\$1,960,745
2019	\$311,382.800	\$20,000.000		\$1,027.563	\$208,000	\$1,235,563	\$389,160	\$231,840	\$24,992	\$1,881,555
2020	\$289,595.029	\$20,000.000		\$955.664	\$208,000	\$1,163,664	\$389,160	\$231,840	\$23,243	\$1,807,906
2021	\$269,331.951	\$20,000.000		\$888.795	\$208,000	\$1,096,795	\$389,160	\$231,840	\$21,617	\$1,739,412
2022	\$250,486.859	\$20,000.000		\$826.607	\$208,000	\$1,034,607	\$389,160	\$231,840	\$20,104	\$1,675,711
2023	\$232,960.517	\$20,000.000		\$768.770	\$208,000	\$976,770	\$389,160	\$231,840	\$18,697	\$1,616,467
2024	\$216,660.632	\$20,000.000		\$714.980	\$208,000	\$922,980	\$389,160	\$231,840	\$17,389	\$1,561,369
2025	\$201,501.371	\$20,000.000		\$664.955	\$208,000	\$872,955	\$389,160	\$231,840	\$16,173	\$1,510,127
2026	\$187,402.909	\$20,000.000		\$618.430	\$208,000	\$826,430	\$389,160	\$231,840	\$15,041	\$1,462,471
2027	\$178,032.764	\$178,032.764		\$587.508	\$1,851.541	\$2,439,049	\$964,938	\$585,728	\$14,289	\$4,004,003
2028	\$169,131.125	\$169,131.125		\$558.133	\$1,758.964	\$2,317,096	\$916,691	\$556,441	\$13,574	\$3,803,803
2029	\$160,674.569	\$160,674.569		\$530.226	\$1,671.016	\$2,201,242	\$870,856	\$528,619	\$12,896	\$3,613,613
2030	\$152,640.841	\$152,640.841		\$503.715	\$1,587,465	\$2,091,180	\$827,313	\$502,188	\$12,251	\$3,432,932
2031	\$145,008.799	\$145,008.799		\$478.529	\$1,508,092	\$1,986,621	\$785,948	\$477,079	\$11,638	\$3,261,286
			<b>Total</b>	<b>\$11,416,747</b>	<b>\$10,457,076</b>	<b>\$21,873,823</b>	<b>\$8,257,345</b>	<b>\$4,968,456</b>	<b>\$277,669</b>	<b>\$35,377,293</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$25,522,974</b>	<b>\$25,522,974</b>	<b>\$10,493,796</b>	<b>\$6,413,695</b>	<b>\$0</b>	<b>\$42,430,464</b>

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

Source: CPA, Bethel Wind Farm LLC

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

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that Bethel Wind Farm, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2017	\$208,000	\$208,000	\$3,536,000	\$3,536,000
	2018	\$208,000	\$416,000	\$3,274,024	\$6,810,024
	2019	\$208,000	\$624,000	\$3,030,381	\$9,840,405
	2020	\$208,000	\$832,000	\$2,803,788	\$12,644,193
	2021	\$208,000	\$1,040,000	\$2,593,052	\$15,237,246
	2022	\$208,000	\$1,248,000	\$2,397,063	\$17,634,309
	2023	\$208,000	\$1,456,000	\$2,214,789	\$19,849,098
	2024	\$208,000	\$1,664,000	\$2,045,271	\$21,894,369
	2025	\$208,000	\$1,872,000	\$1,887,614	\$23,781,983
	2026	\$208,000	\$2,080,000	\$1,740,990	\$25,522,974
<b>Maintain Viable Presence (5 Years)</b>	2027	\$1,851,541	\$3,931,541	\$0	\$25,522,974
	2028	\$1,758,964	\$5,690,504	\$0	\$25,522,974
	2029	\$1,671,016	\$7,361,520	\$0	\$25,522,974
	2030	\$1,587,465	\$8,948,985	\$0	\$25,522,974
	2031	\$1,508,092	\$10,457,076	\$0	\$25,522,974
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2032	\$1,462,798	\$11,919,874	\$0	\$25,522,974
	2033	\$1,418,866	\$13,338,740	\$0	\$25,522,974
	2034	\$1,376,254	\$14,714,994	\$0	\$25,522,974
	2035	\$1,334,923	\$16,049,917	\$0	\$25,522,974
	2036	\$1,294,834	\$17,344,751	\$0	\$25,522,974
	2037	\$1,255,950	\$18,600,701	\$0	\$25,522,974
	2038	\$1,218,234	\$19,818,935	\$0	\$25,522,974
	2039	\$1,181,652	\$21,000,587	\$0	\$25,522,974
	2040	\$1,146,168	\$22,146,755	\$0	\$25,522,974
	2041	\$1,111,751	\$23,258,507	\$0	\$25,522,974

**\$23,258,507**

is less than

**\$25,522,974**

**Analysis Summary**

Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

No

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Bethel Wind Farm, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2016	210	188	398.438	\$8,482,030	\$8,668,970	\$17,151,000	1266000	-687000	\$1,953,000
2017	10	28	38	\$482,030	\$2,935,970	\$3,418,000	275000	252000	\$23,000
2018	10	25	35	\$482,030	\$2,447,970	\$2,930,000	259000	259000	\$0
2019	10	19	29	\$482,030	\$1,958,970	\$2,441,000	237000	298000	-\$61,000
2020	10	17	27	\$482,030	\$1,592,970	\$2,075,000	214000	290000	-\$76,000
2021	10	21	31	\$482,030	\$1,836,970	\$2,319,000	229000	267000	-\$38,000
2022	10	17	27	\$482,030	\$1,104,970	\$1,587,000	175000	252000	-\$77,000
2023	10	21	31	\$482,030	\$1,348,970	\$1,831,000	206000	237000	-\$31,000
2024	10	15	25	\$482,030	\$1,836,970	\$2,319,000	237000	237000	\$0
2025	10	25	35	\$482,030	\$2,447,970	\$2,930,000	275000	198000	\$77,000
2026	10	23	33	\$482,030	\$2,203,970	\$2,686,000	282000	214000	\$68,000
2027	10	21	31	\$482,030	\$1,226,970	\$1,709,000	191000	175000	\$16,000
2028	10	13	23	\$482,030	\$982,970	\$1,465,000	183000	160000	\$23,000
2029	10	11	21	\$482,030	\$738,970	\$1,221,000	160000	160000	\$0
2030	10	11	21	\$482,030	-\$116,030	\$366,000	99000	122000	-\$23,000
2031	10	6	16	\$482,030	-\$726,030	-\$244,000	53000	84000	-\$31,000
2032	10	8	18	\$482,030	-\$726,030	-\$244,000	53000	76000	-\$23,000
2033	10	6	16	\$482,030	-\$970,030	-\$488,000	31000	8000	\$23,000
2034	10	8	18	\$482,030	-\$970,030	-\$488,000	23000	8000	\$15,000
2035	10	4	14	\$482,030	-\$1,581,030	-\$1,099,000	-8000	-38000	\$30,000
2036	10	6	16	\$482,030	-\$1,825,030	-\$1,343,000	-31000	-99000	\$68,000
2037	10	4	14	\$482,030	-\$1,825,030	-\$1,343,000	-46000	-114000	\$68,000
2038	10	2	12	\$482,030	-\$1,581,030	-\$1,099,000	-31000	-137000	\$106,000
2039	10	8	18	\$482,030	-\$1,947,030	-\$1,465,000	-61000	-183000	\$122,000
2040	10	2	12	\$482,030	-\$2,557,030	-\$2,075,000	-92000	-237000	\$145,000
2041	10	8	18	\$482,030	-\$2,679,030	-\$2,197,000	-122000	-259000	\$137,000
						<b>Total</b>	<b>\$4,057,000</b>	<b>\$1,543,000</b>	<b>\$2,514,000</b>
							<b>\$25,772,507</b>	is greater than	<b>\$25,522,974</b>

**Analysis Summary**

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

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.