

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



August 22, 2014

Ralph Traynham  
Superintendent  
Fort Stockton Independent School District  
101 West Division  
Fort Stockton, Texas 79735

Dear Superintendent Traynham:

On July 2, 2014, the Comptroller issued written notice that FAS 1 LLC (the applicant) submitted a completed application (Application #1011) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted in May 2014 to the Fort Stockton Independent School District (the school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

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

**Determination required by 313.025(h)**

- Sec. 313.024(a)      Applicant is subject to tax imposed by Chapter 171.  
Sec. 313.024(b)      Applicant is proposing to use the property for an eligible project.  
Sec. 313.024(d)      Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.  
Sec. 313.024(d-2)    Not applicable to Application #1011.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

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

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

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

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

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

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of July 2, 2014, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, 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,



Martin A. Hubert  
Deputy Comptroller

Enclosure

cc: Robert Wood

## Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller’s economic impact analysis of FAS 1 LLC (the project) applying to Fort Stockton 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 FAS 1 LLC.

|   |                          |
|---|--------------------------|
| Applicant   | FAS 1 LLC                |
| Tax Code, 313.024 Eligibility Category  | Renewable Energy - Solar |
|   |                          |
| School District   | Fort Stockton ISD        |
| 2012-13 Enrollment in School District   | 2,331                    |
| County  | Pecos                    |
|   |                          |
| Proposed Total Investment in District   | \$275,000,000            |
| Proposed Qualified Investment   | \$275,000,000            |
| Limitation Amount   | \$30,000,000             |
|   |                          |
| Number of new qualifying jobs committed to by applicant   | 2*                       |
| Number of new non-qualifying jobs estimated by applicant  | 0                        |
| Average weekly wage of qualifying jobs committed to by applicant  | \$711                    |
| Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)   | \$709                    |
| Minimum annual wage committed to by applicant for qualified jobs  | \$37,000                 |
| Minimum weekly wage required for non-qualifying jobs  |                          |
| Minimum annual wage required for non-qualifying jobs  |                          |
| Investment per Qualifying Job   | \$137,500,000            |
|   |                          |
| Estimated M&O levy without any limit (15 years)   | \$18,172,928             |
| Estimated M&O levy with Limitation (15 years)   | \$5,980,000              |
| Estimated gross M&O tax benefit (15 years)  | \$12,192,928             |
| <i>* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).</i> |                          |

**Table 2** is the estimated statewide economic impact of FAS 1 LLC (modeled).

| Year | Employment |                    |       | Personal Income |                    |              | Revenue & Expenditure |             |                |
|------|------------|--------------------|-------|-----------------|--------------------|--------------|-----------------------|-------------|----------------|
|      | Direct     | Indirect + Induced | Total | Direct          | Indirect + Induced | Total        | Revenue               | Expenditure | Net Tax Effect |
| 2015 | 200        | 181                | 381   | \$7,506,800     | \$13,367,223       | \$20,874,023 | \$1,190,186           | -\$625,610  | \$1,815,796    |
| 2016 | 2          | 17                 | 19    | \$74,000        | \$2,855,688        | \$2,929,688  | \$221,252             | \$282,288   | -\$61,036      |
| 2017 | 2          | 15                 | 17    | \$74,000        | \$2,489,477        | \$2,563,477  | \$236,511             | \$267,029   | -\$30,518      |
| 2018 | 2          | 10                 | 12    | \$74,000        | \$1,634,984        | \$1,708,984  | \$175,476             | \$267,029   | -\$91,553      |
| 2019 | 2          | 8                  | 10    | \$74,000        | \$1,268,773        | \$1,342,773  | \$160,217             | \$251,770   | -\$91,553      |
| 2020 | 2          | 6                  | 8     | \$74,000        | \$1,146,703        | \$1,220,703  | \$129,700             | \$228,882   | -\$99,182      |
| 2021 | 2          | 4                  | 6     | \$74,000        | \$780,492          | \$854,492    | \$106,812             | \$190,735   | -\$83,923      |
| 2022 | 2          | 4                  | 6     | \$74,000        | \$780,492          | \$854,492    | \$45,776              | \$160,217   | -\$114,441     |
| 2023 | 2          | 2                  | 4     | \$74,000        | \$414,281          | \$488,281    | \$38,147              | \$122,070   | -\$83,923      |
| 2024 | 2          | (2)                | 0     | \$74,000        | \$536,352          | \$610,352    | \$61,035              | \$106,812   | -\$45,777      |
| 2025 | 2          | 4                  | 6     | \$74,000        | \$292,211          | \$366,211    | \$38,147              | \$61,035    | -\$22,888      |
| 2026 | 2          | (2)                | 0     | \$74,000        | \$292,211          | \$366,211    | \$45,776              | \$45,776    | \$0            |
| 2027 | 2          | 2                  | 4     | \$74,000        | \$414,281          | \$488,281    | \$30,518              | \$7,629     | \$22,889       |
| 2028 | 2          | 2                  | 4     | \$74,000        | \$170,141          | \$244,141    | \$15,259              | -\$22,888   | \$38,147       |
| 2029 | 2          | (4)                | -2    | \$74,000        | \$170,141          | \$244,141    | \$15,259              | -\$30,518   | \$45,777       |
| 2030 | 2          | (2)                | 0     | \$74,000        | -\$318,141         | -\$244,141   | -\$22,888             | -\$61,035   | \$38,147       |

Source: CPA, REMI, FAS 1 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> | Fort Stockton ISD I&S Tax Levy | Fort Stockton ISD M&O Tax Levy | Fort Stockton ISD M&O and I&S Tax Levies | Pecos County Tax Levy | Midland College Tax Levy | Middle Pecos Groundwater District Tax Levy | Estimated Total Property Taxes |              |
|   |                                 |                                 |                       | 0.1660                         | 1.0400                         |  | 0.6999                | 0.0255                   | 0.0250                                     |                                |              |
| 2016  | \$275,000,000                   | \$275,000,000                   |                       | \$456,500                      | \$2,860,000                    | \$3,316,500                              | \$1,924,725           | \$70,125                 | \$68,750                                   | \$5,380,100                    |              |
| 2017  | \$233,750,000                   | \$233,750,000                   |                       | \$388,025                      | \$2,431,000                    | \$2,819,025                              | \$1,636,016           | \$59,606                 | \$58,438                                   | \$4,573,085                    |              |
| 2018  | \$198,687,500                   | \$198,687,500                   |                       | \$329,821                      | \$2,066,350                    | \$2,396,171                              | \$1,390,614           | \$50,665                 | \$49,672                                   | \$3,887,122                    |              |
| 2019  | \$168,884,375                   | \$168,884,375                   |                       | \$280,348                      | \$1,756,398                    | \$2,036,746                              | \$1,182,022           | \$43,066                 | \$42,221                                   | \$3,304,054                    |              |
| 2020  | \$143,551,719                   | \$143,551,719                   |                       | \$238,296                      | \$1,492,938                    | \$1,731,234                              | \$1,004,718           | \$36,606                 | \$35,888                                   | \$2,808,446                    |              |
| 2021  | \$122,018,961                   | \$122,018,961                   |                       | \$202,551                      | \$1,268,997                    | \$1,471,549                              | \$854,011             | \$31,115                 | \$30,505                                   | \$2,387,179                    |              |
| 2022  | \$103,716,117                   | \$103,716,117                   |                       | \$172,169                      | \$1,078,648                    | \$1,250,816                              | \$725,909             | \$26,448                 | \$25,929                                   | \$2,029,102                    |              |
| 2023  | \$88,158,699                    | \$88,158,699                    |                       | \$146,343                      | \$916,850                      | \$1,063,194                              | \$617,023             | \$22,480                 | \$22,040                                   | \$1,724,737                    |              |
| 2024  | \$74,934,894                    | \$74,934,894                    |                       | \$124,392                      | \$779,323                      | \$903,715                                | \$524,469             | \$19,108                 | \$18,734                                   | \$1,466,026                    |              |
| 2025  | \$63,694,660                    | \$63,694,660                    |                       | \$105,733                      | \$662,424                      | \$768,158                                | \$445,799             | \$16,242                 | \$15,924                                   | \$1,246,122                    |              |
| 2026  | \$55,000,000                    | \$55,000,000                    |                       | \$91,300                       | \$572,000                      | \$663,300                                | \$384,945             | \$14,025                 | \$13,750                                   | \$1,076,020                    |              |
| 2027  | \$55,000,000                    | \$55,000,000                    |                       | \$91,300                       | \$572,000                      | \$663,300                                | \$384,945             | \$14,025                 | \$13,750                                   | \$1,076,020                    |              |
| 2028  | \$55,000,000                    | \$55,000,000                    |                       | \$91,300                       | \$572,000                      | \$663,300                                | \$384,945             | \$14,025                 | \$13,750                                   | \$1,076,020                    |              |
| 2029  | \$55,000,000                    | \$55,000,000                    |                       | \$91,300                       | \$572,000                      | \$663,300                                | \$384,945             | \$14,025                 | \$13,750                                   | \$1,076,020                    |              |
| 2030  | \$55,000,000                    | \$55,000,000                    |                       | \$91,300                       | \$572,000                      | \$663,300                                | \$384,945             | \$14,025                 | \$13,750                                   | \$1,076,020                    |              |
|   |                                 |                                 |                       |                                |                                | Total                                    | \$21,073,607          | \$12,230,031             | \$445,586                                  | \$436,849                      | \$34,186,073 |

Source: CPA, FAS 1 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 Pecos 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, Midland College and Middle Pecos Groundwater 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> | Fort Stockton ISD I&S Tax Levy | Fort Stockton ISD M&O Tax Levy | Fort Stockton ISD M&O and I&S Tax Levies | Pecos County Tax Levy | Midland College Tax Levy | Middle Pecos Groundwater District Tax Levy | Estimated Total Property Taxes |                     |
|  |                                 |                                 | 0.1660                | 0.1660                         | 1.0400                         |  | 0.6999                | 0.0255                   | 0.0250                                     |                                |                     |
| 2016   | \$275,000,000                   | \$30,000,000                    |                       | \$456,500                      | \$312,000                      | \$768,500                                | \$943,115             | \$34,361                 | \$33,688                                   | \$1,779,664                    |                     |
| 2017   | \$233,750,000                   | \$30,000,000                    |                       | \$388,025                      | \$312,000                      | \$700,025                                | \$801,648             | \$29,207                 | \$28,634                                   | \$1,559,514                    |                     |
| 2018   | \$198,687,500                   | \$30,000,000                    |                       | \$329,821                      | \$312,000                      | \$641,821                                | \$681,401             | \$24,826                 | \$24,339                                   | \$1,372,387                    |                     |
| 2019   | \$168,884,375                   | \$30,000,000                    |                       | \$280,348                      | \$312,000                      | \$592,348                                | \$579,191             | \$21,102                 | \$20,688                                   | \$1,213,329                    |                     |
| 2020   | \$143,551,719                   | \$30,000,000                    |                       | \$238,296                      | \$312,000                      | \$550,296                                | \$492,312             | \$17,937                 | \$17,585                                   | \$1,078,130                    |                     |
| 2021   | \$122,018,961                   | \$30,000,000                    |                       | \$202,551                      | \$312,000                      | \$514,551                                | \$418,465             | \$15,246                 | \$14,947                                   | \$963,210                      |                     |
| 2022   | \$103,716,117                   | \$30,000,000                    |                       | \$172,169                      | \$312,000                      | \$484,169                                | \$355,695             | \$12,959                 | \$12,705                                   | \$865,529                      |                     |
| 2023   | \$88,158,699                    | \$30,000,000                    |                       | \$146,343                      | \$312,000                      | \$458,343                                | \$302,341             | \$11,015                 | \$10,799                                   | \$782,499                      |                     |
| 2024   | \$74,934,894                    | \$30,000,000                    |                       | \$124,392                      | \$312,000                      | \$436,392                                | \$256,990             | \$9,363                  | \$9,180                                    | \$711,925                      |                     |
| 2025   | \$63,694,660                    | \$30,000,000                    |                       | \$105,733                      | \$312,000                      | \$417,733                                | \$218,441             | \$7,959                  | \$7,803                                    | \$651,936                      |                     |
| 2026   | \$55,000,000                    | \$55,000,000                    |                       | \$91,300                       | \$572,000                      | \$663,300                                | \$384,945             | \$14,025                 | \$13,750                                   | \$1,076,020                    |                     |
| 2027   | \$55,000,000                    | \$55,000,000                    |                       | \$91,300                       | \$572,000                      | \$663,300                                | \$384,945             | \$14,025                 | \$13,750                                   | \$1,076,020                    |                     |
| 2028   | \$55,000,000                    | \$55,000,000                    |                       | \$91,300                       | \$572,000                      | \$663,300                                | \$384,945             | \$14,025                 | \$13,750                                   | \$1,076,020                    |                     |
| 2029   | \$55,000,000                    | \$55,000,000                    |                       | \$91,300                       | \$572,000                      | \$663,300                                | \$384,945             | \$14,025                 | \$13,750                                   | \$1,076,020                    |                     |
| 2030   | \$55,000,000                    | \$55,000,000                    |                       | \$91,300                       | \$572,000                      | \$663,300                                | \$384,945             | \$14,025                 | \$13,750                                   | \$1,076,020                    |                     |
|  |                                 |                                 |                       |                                |                                | <b>Total</b>                             | <b>\$8,880,679</b>    | <b>\$6,974,325</b>       | <b>\$254,101</b>                           | <b>\$249,119</b>               | <b>\$16,358,223</b> |
|  |                                 |                                 |                       |                                |                                | <b>Diff</b>                              | <b>\$12,192,928</b>   | <b>\$5,255,706</b>       | <b>\$191,485</b>                           | <b>\$187,731</b>               | <b>\$17,827,850</b> |
| Assumes School Value Limitation and Tax Abatements with the County, Midland College and Middle Pecos Groundwater District. |                                 |                                 |                       |                                |                                |  |                       |                          |  |                                |                     |

Source: CPA, FAS 1 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 over 25 Years

This represents the Comptroller’s determination that FAS 1 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.

### Employment Indirect and Induced Tax Effects

| Year | Employment |                    |       | Personal Income |                    |              | Revenue & Expenditure |                     |                     |
|------|------------|--------------------|-------|-----------------|--------------------|--------------|-----------------------|---------------------|---------------------|
|      | Direct     | Indirect + Induced | Total | Direct          | Indirect + Induced | Total        | Revenue               | Expenditure         | Net Tax Effect      |
| 2015 | 200        | 181                | 381   | \$7,506,800     | \$13,367,223       | \$20,874,023 | \$1,190,186           | -\$625,610          | \$1,815,796         |
| 2016 | 2          | 17                 | 19    | \$74,000        | \$2,855,688        | \$2,929,688  | \$221,252             | \$282,288           | -\$61,036           |
| 2017 | 2          | 15                 | 17    | \$74,000        | \$2,489,477        | \$2,563,477  | \$236,511             | \$267,029           | -\$30,518           |
| 2018 | 2          | 10                 | 12    | \$74,000        | \$1,634,984        | \$1,708,984  | \$175,476             | \$267,029           | -\$91,553           |
| 2019 | 2          | 8                  | 10    | \$74,000        | \$1,268,773        | \$1,342,773  | \$160,217             | \$251,770           | -\$91,553           |
| 2020 | 2          | 6                  | 8     | \$74,000        | \$1,146,703        | \$1,220,703  | \$129,700             | \$228,882           | -\$99,182           |
| 2021 | 2          | 4                  | 6     | \$74,000        | \$780,492          | \$854,492    | \$106,812             | \$190,735           | -\$83,923           |
| 2022 | 2          | 4                  | 6     | \$74,000        | \$780,492          | \$854,492    | \$45,776              | \$160,217           | -\$114,441          |
| 2023 | 2          | 2                  | 4     | \$74,000        | \$414,281          | \$488,281    | \$38,147              | \$122,070           | -\$83,923           |
| 2024 | 2          | (2)                | 0     | \$74,000        | \$536,352          | \$610,352    | \$61,035              | \$106,812           | -\$45,777           |
| 2025 | 2          | 4                  | 6     | \$74,000        | \$292,211          | \$366,211    | \$38,147              | \$61,035            | -\$22,888           |
| 2026 | 2          | (2)                | 0     | \$74,000        | \$292,211          | \$366,211    | \$45,776              | \$45,776            | \$0                 |
| 2027 | 2          | 2                  | 4     | \$74,000        | \$414,281          | \$488,281    | \$30,518              | \$7,629             | \$22,889            |
| 2028 | 2          | 2                  | 4     | \$74,000        | \$170,141          | \$244,141    | \$15,259              | -\$22,888           | \$38,147            |
| 2029 | 2          | (4)                | -2    | \$74,000        | \$170,141          | \$244,141    | \$15,259              | -\$30,518           | \$45,777            |
| 2030 | 2          | (2)                | 0     | \$74,000        | -\$318,141         | -\$244,141   | -\$22,888             | -\$61,035           | \$38,147            |
| 2031 | 2          | (2)                | 0     | \$74,000        | -\$74,000          | \$0          | -\$15,259             | -\$76,294           | \$61,035            |
| 2032 | 2          | (2)                | 0     | \$74,000        | -\$562,281         | -\$488,281   | -\$30,518             | -\$99,182           | \$68,664            |
| 2033 | 2          | (2)                | 0     | \$74,000        | -\$74,000          | \$0          | -\$22,888             | -\$137,329          | \$114,441           |
| 2034 | 2          | (4)                | -2    | \$74,000        | -\$562,281         | -\$488,281   | -\$106,812            | -\$160,217          | \$53,405            |
| 2035 | 2          | (6)                | -4    | \$74,000        | -\$806,422         | -\$732,422   | -\$106,812            | -\$198,364          | \$91,552            |
| 2036 | 2          | (6)                | -4    | \$74,000        | -\$806,422         | -\$732,422   | -\$114,441            | -\$259,399          | \$144,958           |
| 2037 | 2          | (4)                | -2    | \$74,000        | -\$1,294,703       | -\$1,220,703 | -\$144,958            | -\$297,546          | \$152,588           |
| 2038 | 2          | (10)               | -8    | \$74,000        | -\$1,294,703       | -\$1,220,703 | -\$137,329            | -\$328,064          | \$190,735           |
| 2039 | 2          | (8)                | -6    | \$74,000        | -\$1,294,703       | -\$1,220,703 | -\$152,588            | -\$366,211          | \$213,623           |
| 2040 | 2          | (6)                | -4    | \$74,000        | -\$2,027,125       | -\$1,953,125 | -\$198,364            | -\$442,505          | \$244,141           |
|      |            |                    |       |                 |                    | <b>TOTAL</b> | <b>\$1,457,214</b>    | <b>-\$1,113,890</b> | <b>\$2,571,104</b>  |
|      |            |                    |       |                 |                    |              | <b>\$14,271,104</b>   | is greater than     | <b>\$12,192,928</b> |

#### Analysis Summary

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

Yes

Source: CPA, FAS 1 LLC

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

## Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

### Methodology

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

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

### Determination

The Comptroller **has determine** that the limitation on appraised value is a determining factor in the FAS 1 LLC’s decision to invest capital and construct the project in this state. This is based on the information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- According to the company “solar developers would not be able to finance and build projects in this state without the economic development tax incentives offered here”
- Per the company they are considering other locations outside of Texas,
- The applicant is seeking 312 agreements with Pecos County, Groundwater Conservation District and Midland College for ten years starting in 2016 for an annual tax incentive totaling \$353,564,
- An article written in the Fort Stockton Pioneer on March 27, 2014 notes the approval of a first amendment to a memorandum of solar lease between Fort Stockton and FAS 1 LLC, and a first amendment to a solar lease between For Stockton and FAS 1 LLC,
- The proposed land for the FAS 1 LLC project is owned by the City of Fort Stockton
- The application was received by Fort Stockton ISD May 19, 2014

### Supporting Information

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

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

# **Supporting Information**

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

## Application for Appraised Value Limitation on Qualified Property

### SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171?  Yes  No
2. The property will be used for one of the following activities:
  - (1) manufacturing  Yes  No
  - (2) research and development  Yes  No
  - (3) a clean coal project, as defined by Section 5.001, Water Code  Yes  No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code  Yes  No
  - (5) renewable energy electric generation  Yes  No
  - (6) electric power generation using integrated gasification combined cycle technology  Yes  No
  - (7) nuclear electric power generation  Yes  No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)  Yes  No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051  Yes  No
3. Are you requesting that any of the land be classified as qualified investment?  Yes  No
4. Will any of the proposed qualified investment be leased under a capitalized lease?  Yes  No
5. Will any of the proposed qualified investment be leased under an operating lease?  Yes  No
6. Are you including property that is owned by a person other than the applicant?  Yes  No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?  Yes  No

### SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
 

|   |   |
|---|---|
| <input type="checkbox"/> Land has no existing improvements  | <input checked="" type="checkbox"/> Land has existing improvements ( <i>complete Section 13</i> ) |
| <input type="checkbox"/> Expansion of existing operation on the land ( <i>complete Section 13</i> ) | <input type="checkbox"/> Relocation within Texas  |

### SECTION 8: Limitation as Determining Factor

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

If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

# **Supporting Information**

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

**TAB 5**

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

The applicant for this project is a national solar developer with the ability to locate projects of this type in other states in the US with strong solar characteristics. The applicant is actively developing other projects throughout the US and internationally, and in other Texas Counties that are competing for the limited investment funds. The applicant requires this appraised value limitation in order to move forward with the project at this location.

Without the available tax incentives, the economics of the project become far less attractive and the likelihood of completing the project and selling the electricity at competitive prices becomes unlikely. Property taxes can be the highest operating expense for a solar generation facility as they do not have any associated fuel costs for the production of electricity. With electricity prices already below the national average in Texas, it is necessary to limit the property tax liabilities for the project in order to be able to offer electricity at prices that are marketable to Texas customers. Markets such as California that have state wide available subsidies for renewable energy and higher average electricity prices offer attractive incentives to develop in those markets. Solar developers would not be able to finance and build projects in this state without the economic development tax incentives offered here.

# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller

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## Commissioners approve adding 2015 budget item for safe house

Story **Comments** Share Print Font Size

Posted: Thursday, March 27, 2014 5:00 am

By POLLY TAYLOR editor@fspioneer.com | 0 comments

Dorman Herman of First Response Ministries, Kenda Furman-Belardo - Assistant Vice President of Pecos County State Bank, and Lt. Lisa Tarango of the Fort Stockton Police Department, approached the Pecos County Commissioners' Court Monday morning, requesting financial assistance for the Lilah Smith Safe House.

The trio reported to the commissioners how much money had been raised to-date, and asked that the court consider adding a line item to the county's budget, beginning in 2015, for the sum of \$25,000 to help offset the expense of paying a part-time victim liaison, and for general expenses.



Herman said he was asking the commissioners for \$25,000, and would be asking the Fort Stockton City Council for a matching \$25,000 at the regular meeting that evening.

Belardo gave a run down of the sources of funds raised, as of March 24, to the commissioners' court, and stated that First Response Ministries is now able to request matching grants, which will bring the group to where they need to be, in terms of funds needed to complete construction of the shelter.

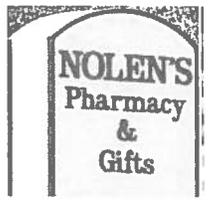
Lt. Tarango stated that a shelter which deals with and houses victims of domestic and sexual abuse is required to have at least a part-time liaison on staff to help the victims when dealing with the police department, and other agencies, and that all other tasks at the shelter would be taken care of by a staff of volunteers.

The commissioners unanimously voted to approve a line item, beginning with the 2015 budget, of at least \$25,000 a year, to help with shelter and part-time liaison expenses.

The commissioners also heard a presentation from hydrogeological scientist Allen Standen, concerning a study of Pecos County he will be conducting in cooperation with the Middle Pecos Groundwater Conservation District.

His study, which will run MPGCD approximately \$200,000, will not only include information which was not available in the recent USGS study presented to the

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commissioners earlier this year, at a cost of \$1 million, but will include all of Pecos County, and not just the western half of the county.

The USGS study took three years of research and preparation. Standen plans to have his study ready within a year after starting it, and will also provide MPGCD with a hard copy of the study, and hopes to eventually create a library of information that can be used by farmers, ranchers and other individuals when preparing permit applications, and for general information.

Paul Weatherby, General Manager of MPGCD, told the commissioners that he realized it was too late in the fiscal year to consider participating financially in the study, but asked them to consider adding a line item to next year's budget to help defray the costs of Standen's study.

The commissioners, again, unanimously approved adding a line item to the 2015 budget for funds designated to help for the study.

Sam Calderon approached the commissioners about waiving the green fees at this weekend's Fort Stockton Historical Society Golf Tournament.

He said waiving the \$250 fee would help maximize fundraising, and that he would also be asking both of the golf pros at Desert Pines golf course to waive their fees as well.

The golf tournament will benefit the Annie Riggs Museum courtyard project that is in progress, and for every dollar raised, up to \$30,000, an Abel Hangar grant will provide matching funds.

The commissioners unanimously approved waiving the green fees for the tournament.

Even though there will be no Primary run-off elections of Pecos County candidates, there will be some in district and state races.

The commissioners approved allowing the Democratic and Republican parties to use county buildings for the May 27 Primary run-off election, as well as the use of county equipment, and set branch locations for early voting, which begins May 19, and runs thru May 23. Early voting hours will be from 8 a.m. to 5 p.m., and 7 a.m. to 7 p.m. on May 27, Primary election run-off day.

The commissioners' court considered a letter from Iraan resident Leland Mann, who has been living with his daughter due to the need for medical treatment since September, asking that the penalties assessed on his 2013 property taxes for late payment be abated.

The amount owed by Mann is \$93.84. The commissioners expressed sympathy for Mann's current situation, but said they are unable to waive the penalties, and would have County Attorney Ori White draft a letter stating why.

In other business, the commissioners approved a first amendment to a memorandum of solar lease between Fort Stockton and FAS 1 LLC, and a first amendment to a solar lease between Fort Stockton and FAS 1 LLC.

They also approved entering into an agreement with Tyler Technologies for the Pecos County Clerk and the Pecos County District Clerk offices, so that they can begin processing court related payments with credit cards.

The commissioners' court convened a closed executive session to consult with attorney Ron Griffin and County Attorney Ori White, regarding the pending, contemplated litigation and/or settlement offer(s) in reference to the County's opposition to Clean Energy's proposed fueling station permit application pending before the Texas Rail Road Commission.



Discuss Share Print

Posted in News on Thursday, March 27, 2014 5:00 am.

### More From This Site

- Community Calendar
- Stop Measles In Its Tracks
- Water district sets City's hearing
- First No Bullies Rally in Fort Stockton June 28
- Road closure on 285 due to wreck

### From Around The Web

- Bladder benefits of weight loss (Walmart Health and Wellness Center)
- Need A New Credit Card? Here Is The List of 2014's Best Credit Cards (NextAdvisor Daily)
- Finally, One Link Established- Chronic Fatigue Syndrome (CFS), Lupus, Fibromyalgia, Autoimmune disease and Chronic Lyme Disease (Envita)
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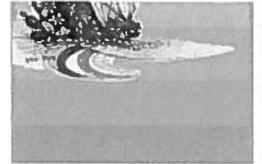
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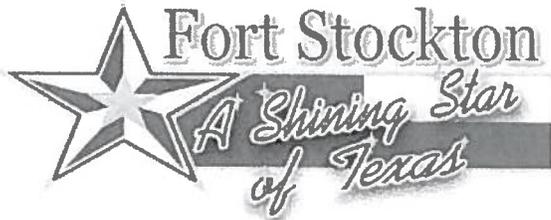
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CITY OF FORT STOCKTON CITY COUNCIL  
REGULAR CITY COUNCIL MEETING  
MONDAY, MARCH 24, 2014  
6:30 P.M.

PUBLIC ANNOUNCEMENT: This meeting is being broadcast live on FSTV Channel 38

CALL MEETING TO ORDER AFTER DECLARING A QUORUM PRESENT.

INVOCATION

PLEDGE OF ALLEGIANCE

**MISSION STATEMENT:** "The Mission of the City of Fort Stockton Municipal Government is to Promote & Value Public Confidence and Trust by the Accountable and Responsible Use of Community Resources; to Ensure Public Safety; Improve Public Services; Promote Local Recreation and Entertainment; and Generate Economic Development."

**2nd PUBLIC HEARING:** On Voluntary Annexation, as Petitioned by Property Owners Vimalkumar S. Bhakta, Paresh Patel and Jayesh M. Patel; Meldi Pizza LLC DBA Little Caesars, a Texas Limited Liability Corporation for a: 0.344 Acre Tract of Land Being Out of Section 27, Block 146, T&STL RR Co. Survey, Pecos County, Texas, and also Being Out of a 6.736 Acre Tract described in Volume 766, Page 456, Pecos County, Texas Deed Records & Zone Property "Commercial." (Page 1-7)

1. Public Testimony on Agenda Items Only.

**2. CONSENT AGENDA:**

"All matters listed are considered to be routine by the City Council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and considered separately."

Minutes: (Page 8-29)

Regular Meeting Minutes of Fort Stockton City Council, 03/10/2014

Regular Meeting Minutes of Intergovernmental Recreation Board, 03/19/2014

Special Meeting Minutes of Planning & Zoning Commission, 03/05/2014

Regular Meeting Minutes of Fort Stockton Housing Authority Board, 02/19/2014

Regular Meeting Minutes of Convention & Visitor's Bureau, 02/11/2014

Accounts Payable Total \$ 247,214.75 (Page 30-54)

Account Recap Report Total: \$7,242,958.80 (Page 55-56)

**BOARD OF ADJUSTMENT**

**(Recess from the Regular Meeting to convene as the Board of Adjustment)  
Requires a unanimous vote of 4 Members to approve item.**

3. Discuss/Act upon 6' Variance from the required 25' Front Yard Setback Requirement, as petitioned by Justin Holland, 305 S. Greasewood Street, Fort Stockton, Texas. (Page 57-67)

**(Reconvene into the Regular Session)**

**ORDINANCE:**

4. Discuss/Act upon Ordinance No. 14-102 & Annexation Service Plan for **LOVE'S TRAVEL STOP AND COUNTRY STORES ADDITION**: A 10.91 Acres Tract of Land, Being an 11.19 Acres Tract Save and Except 0.208 Acres Tract, described by Deed Recorded in Volume 399, Page 318, Pecos County, Texas Deed Records, Out of Block N, Fort Stockton Irrigated Lands Company, Out of Section 160, George C. Thurman Survey, Pecos County, Texas, as petitioned by Property Owner Greg Love & Zone Property "Commercial" (Page 68-72)

**OTHER BUSINESS:**

5. Discuss/Act upon funding request to assist in supporting the Lilah Smith House for FY 2014-2015. (Page 73-98)
6. Discuss/Act upon participation in the Pecos County 4-H Scholarship Auction to be held April 5, 2014. (Page 99-101)
7. Discuss/Act upon the Quarterly Employee Longevity Pay (January – March 2014). (Page 102-103)
8. Discuss/Act upon amending the Fort Stockton Historical Society Contract with the City of Fort Stockton for the Management of Repairs & Upgrades. (Page 104-107)
9. Discuss/Act upon the Convention & Visitor's Bureau's request to purchase a new 16 mm Digital Electronic Display measuring 6'4" x 6'7" to replace the existing Electronic Display Panels.

**EXECUTIVE SESSIONS:**

10. **EXECUTIVE SESSION:** Pursuant to the provisions of the Open Meetings Laws, V.T.C.S., Section §551.074, To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: **Ref: (a) City Manager Raul B. Rodriguez**  
**(b) Chief of Police Arturo Fuentes**  
**(c) Lieutenant Lisa Tarango**
11. **EXECUTIVE SESSION:** Pursuant to the provisions of the Open Meetings Laws, V.T.C.S., Section §551.074, To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: **Ref: (a) Interim Director of Finance**
12. **EXECUTIVE SESSION:** Pursuant to the provisions of the Open Meetings Laws, V.T.C.S., Section §551.072, Deliberation Regarding Real Property:  
**Ref: (a) Amendment to Memorandum of Solar Lease with FAS 1, LLC**  
**(b) Amendment to Solar Lease with FAS 1, LLC**  
**(c) Expansion of the Fort Stockton Police Department Building**
13. **EXECUTIVE SESSION:** Pursuant to the provisions of the Open Meetings Laws, V.T.C.S., Section §551.087, Deliberation Regarding Economic Development Negotiations:  
**Ref: (a) Pledge & Letter of Support to TxDOT for the USDOT Tiger Grant**  
**(b) Expansion of the Former Wal-Mart Building**  
**(c) Hydrogeological Report & Study of the Capitan Reef Aquifer**
14. Reconvene into Open Session and take action, if any, on items discussed in Executive Session:
- Discuss/Act upon duties of City Manager Raul B. Rodriguez, Chief of Police Arturo Fuentes and Lieutenant Lisa Tarango.
  - Discuss/Act upon appointment of Interim Director of Finance.
  - Discuss/Act upon First Amendment to Memorandum of Solar Lease between the City of Fort Stockton, Texas and FAS 1, LLC.
  - Discuss/Act upon First Amendment to Solar Lease between the City of Fort Stockton, Texas and FAS 1, LLC.
  - Discuss/Act upon expansion of the Fort Stockton Police Department Building.
  - Discuss/Act upon the Fort Stockton 4-A Economic Development Corporation's Pledge of \$200,000.00 to the Texas Department of Transportation to assist in securing the USDOT Tiger

Grant to install 135 lb. rail from Sulfur Junction to West of Fort Stockton; and endorse Letter of Support.

- Discuss/Act upon the Fort Stockton 4-A Economic Development Corporation's Loan of \$50,000 to Fort Stockton Income Properties for the expansion of the former Wal-Mart Building.
- Discuss/Act upon the Fort Stockton 4-B Economic Development Corporation's Payment of \$150,000 for Professional Services to secure a Hydrogeological Report and Study of the Capitan Reef Aquifer to determine water availability for potential Commercial and Industrial Development in the Fort Stockton/Pecos County Area.

**ADDITIONAL BUSINESS:**

15. Comments/Updates from City Manager Rodriguez regarding the Status of the City of Fort Stockton, etc.
16. Questions from the Media on Agenda Items.

[CLICK THE LINK TO VIEW THE PDF – AGENDA 032414](#)



REQUEST FOR PROPOSALS (RFP) NOTICE: FUEL & LUBE SERVICES  
FOR PUBLIC WORKS DEPARTMENTS June 27, 2014  
AGENDA: JUNE 23, 2014 (Rescheduled to June 26, 2014) June 27, 2014  
MINUTES: JUNE 9, 2014 June 27, 2014  
AGENDA: JUNE 26, 2014 June 23, 2014  
ORDINANCE 14-107: DESIGNATED PARKING AREAS FOR PARKS June  
10, 2014