

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



October 31, 2013

Jay Lamb
Superintendent
Groom Independent School District
304 W. 3rd St.
Groom, Texas 79039

Dear Superintendent Lamb:

On August 21, 2013, the Comptroller received the completed application (Application # 312) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in July 2013 to the Groom Independent School District (the school district) by Grandview 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 3 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$155.4 million) is consistent with the proposed appraised value limitation sought (\$10 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a wind power electric generation facility in Carson County, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described by the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

After reviewing the application using the criteria listed in Section 313.026, and the information provided by the applicant, the Comptroller's recommendation is that this application under Tax Code Chapter 313 be approved.

Our review of the application assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements; the school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

to only approve an application if the school district finds that the information in the application is true and correct, finds that the applicant is eligible for a limitation and determines that granting the application is in the best interest of the school district and this state. When approving a job waiver requested under Section 313.025(f-1), the school district must also find that the statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. As stated above, the Comptroller's recommendation is prepared by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria and a cursory review of the industry standard evidence necessary to support the waiver of the required number of jobs.

Note that any new building or other improvement existing as of the application review start date of August 21, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

The Comptroller's recommendation is based on the application submitted by the school district and reviewed by the Comptroller. The recommendation may not be used by the school district to support its approval of the property value limitation agreement if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this recommendation is contingent on future compliance with the Chapter 313 and the Texas Administrative Code, with particular reference to the following requirements related to the execution of the agreement:

- 1) The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than ten (10) days prior to the meeting scheduled by the school district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
- 2) The Comptroller must confirm that it received and reviewed the draft agreement and affirm the recommendation made in this letter;
- 3) The school district must approve and execute a limitation agreement that has been reviewed by the Comptroller within a year from the date of this letter; and
- 4) The school district must provide a copy of the signed limitation agreement to the Comptroller within seven (7) days after execution, as required by Section 313.025..

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at robert.wood@cpa.state.tx.us or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Economic Impact for Chapter 313 Project

Applicant	Grandview Wind Farm, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Groom ISD
2011-12 Enrollment in School District	132
County	Carson
Total Investment in District	\$155,422,500
Qualified Investment	\$155,422,500
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	5*
Number of qualifying jobs committed to by applicant	5
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$885
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$885
Minimum Annual Wage committed to by applicant for qualified jobs	\$46,035
Investment per Qualifying Job	\$31,084,500
Estimated 15 year M&O levy without any limit or credit:	\$16,443,743
Estimated gross 15 year M&O tax benefit	\$10,783,129
Estimated 15 year M&O tax benefit (<i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$10,585,185
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$1,306,875
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$5,858,558
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	64.4%
Percentage of tax benefit due to the limitation	87.9%
Percentage of tax benefit due to the credit	12.1%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

This presents the Comptroller's economic impact evaluation of Grandview Wind Farm, LLC (the project) applying to Groom 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 five new jobs when fully operational. All five jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Panhandle Regional Planning Commission Region, where Carson County is located was \$41,850 in 2012. The annual average manufacturing wage for 2012 for Carson County is unavailable. That same year, the county annual average wage for all industries was \$74,906. In addition to a salary of \$50,000, 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 \$155.4 million, resulting in a relative level of investment per qualifying job of \$31.1 million.

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

According to Grandview Wind Farm, LLC'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 GISD 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, 15 projects in the Panhandle Regional Planning Commission Region applied for value limitation agreements under Tax Code, Chapter 313.

Relationship of applicant's industry and jobs and Texas's economic growth plans [313.026(5)]

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Grandview Wind Farm, LLC project requires appear to be in line with the focus and themes of the plan. Texas identified energy as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the energy industry.

Economic Impact [313.026(10)(A), (10)(B), (11), (13-20)]

Table 1 depicts Grandview Wind Farm, LLC's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 15 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Grandview Wind Farm, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2014	100	104	204	\$5,000,000	\$7,000,000	\$12,000,000
2015	5	8	13	\$250,000	\$1,750,000	\$2,000,000
2016	5	10	15	\$250,000	\$750,000	\$1,000,000
2017	5	8	13	\$250,000	\$1,750,000	\$2,000,000
2018	5	7	12	\$250,000	\$750,000	\$1,000,000
2019	5	7	12	\$250,000	\$750,000	\$1,000,000
2020	5	7	12	\$250,000	\$750,000	\$1,000,000
2021	5	9	14	\$250,000	\$750,000	\$1,000,000
2022	5	7	12	\$250,000	\$750,000	\$1,000,000
2023	5	9	14	\$250,000	\$750,000	\$1,000,000
2024	5	5	10	\$250,000	\$750,000	\$1,000,000
2025	5	7	12	\$250,000	\$750,000	\$1,000,000
2026	5	1	6	\$250,000	\$750,000	\$1,000,000
2027	5	7	12	\$250,000	\$750,000	\$1,000,000
2028	5	5	10	\$250,000	\$750,000	\$1,000,000

Source: CPA, REMI, Grandview Wind Farm, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Groom ISD's ad valorem tax base in 2011 was \$65.5 million. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Groom ISD's estimated wealth per WADA was \$300,926. 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, Carson County, and Panhandle Underground Water Conservation District #3, with all property tax incentives sought being granted using estimated market value from Grandview Wind Farm, LLC's application. Grandview Wind Farm, LLC has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county. Table 3 illustrates the estimated tax impact of the Grandview Wind Farm, LLC project on the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Groom ISD I&S Levy	Groom ISD M&O Levy	Groom ISD M&O and I&S Tax Levies (Before Credit Credited)	Groom ISD M&O and I&S Tax Levies (After Credit Credited)	Carson County Tax Levy	Panhandle Ground Water Conservation District #3 Tax Levy	Estimated Total Property Taxes
			0.2320		1.1700			0.5162	0.0089	
2014	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$135,661,017	\$135,661,017		\$314,734	\$1,587,234	\$1,901,967	\$1,901,967	\$210,095	\$12,033	\$2,124,095
2016	\$130,234,576	\$10,000,000		\$302,144	\$117,000	\$419,144	\$419,144	\$201,691	\$11,552	\$632,387
2017	\$124,808,136	\$10,000,000		\$289,555	\$117,000	\$406,555	\$299,380	\$193,287	\$11,070	\$503,737
2018	\$119,381,695	\$10,000,000		\$276,966	\$117,000	\$393,966	\$287,713	\$184,883	\$10,589	\$483,185
2019	\$113,955,254	\$10,000,000		\$264,376	\$117,000	\$381,376	\$276,155	\$411,786	\$10,108	\$698,048
2020	\$108,528,814	\$10,000,000		\$251,787	\$117,000	\$368,787	\$264,705	\$392,177	\$9,627	\$666,508
2021	\$103,102,373	\$10,000,000		\$239,198	\$117,000	\$356,198	\$253,363	\$372,568	\$9,145	\$635,077
2022	\$97,675,932	\$10,000,000		\$226,608	\$117,000	\$343,608	\$242,619	\$352,959	\$8,664	\$604,242
2023	\$92,249,492	\$10,000,000		\$214,019	\$117,000	\$331,019	\$231,007	\$333,350	\$8,183	\$572,540
2024	\$86,823,051	\$86,823,051		\$201,429	\$1,015,830	\$1,217,259	\$636,952	\$448,202	\$7,701	\$1,092,855
2025	\$81,396,610	\$81,396,610		\$188,840	\$952,340	\$1,141,180	\$1,141,180	\$420,190	\$7,220	\$1,568,590
2026	\$75,970,170	\$75,970,170		\$176,251	\$888,851	\$1,065,102	\$1,065,102	\$392,177	\$6,739	\$1,464,017
2027	\$70,543,729	\$70,543,729		\$163,661	\$825,362	\$989,023	\$989,023	\$364,164	\$6,257	\$1,359,445
2028	\$65,117,288	\$65,117,288		\$151,072	\$761,872	\$912,944	\$912,944	\$336,152	\$5,776	\$1,254,872
						Total	\$8,921,254	\$4,613,682	\$124,663	\$13,659,600

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Grandview Wind Farm, LLC

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Groom ISD I&S Levy	Groom ISD M&O Levy	Groom ISD M&O and I&S Tax Levies	Carson County Tax Levy	Panhandle Ground Water Conservation District #3 Tax Levy	Estimated Total Property Taxes	
			0.2320		1.1700		0.5162	0.0089		
2014	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	
2015	\$135,661,017	\$135,661,017		\$314,734	\$1,587,234	\$1,901,967	\$700,316	\$12,033	\$2,614,317	
2016	\$130,234,576	\$130,234,576		\$302,144	\$1,523,745	\$1,825,889	\$672,303	\$11,552	\$2,509,744	
2017	\$124,808,136	\$124,808,136		\$289,555	\$1,460,255	\$1,749,810	\$644,291	\$11,070	\$2,405,171	
2018	\$119,381,695	\$119,381,695		\$276,966	\$1,396,766	\$1,673,731	\$616,278	\$10,589	\$2,300,599	
2019	\$113,955,254	\$113,955,254		\$264,376	\$1,333,276	\$1,597,653	\$588,266	\$10,108	\$2,196,026	
2020	\$108,528,814	\$108,528,814		\$251,787	\$1,269,787	\$1,521,574	\$560,253	\$9,627	\$2,091,453	
2021	\$103,102,373	\$103,102,373		\$239,198	\$1,206,298	\$1,445,495	\$532,240	\$9,145	\$1,986,881	
2022	\$97,675,932	\$97,675,932		\$226,608	\$1,142,808	\$1,369,417	\$504,228	\$8,664	\$1,882,308	
2023	\$92,249,492	\$92,249,492		\$214,019	\$1,079,319	\$1,293,338	\$476,215	\$8,183	\$1,777,735	
2024	\$86,823,051	\$86,823,051		\$201,429	\$1,015,830	\$1,217,259	\$448,202	\$7,701	\$1,673,163	
2025	\$81,396,610	\$81,396,610		\$188,840	\$952,340	\$1,141,180	\$420,190	\$7,220	\$1,568,590	
2026	\$75,970,170	\$75,970,170		\$176,251	\$888,851	\$1,065,102	\$392,177	\$6,739	\$1,464,017	
2027	\$70,543,729	\$70,543,729		\$163,661	\$825,362	\$989,023	\$364,164	\$6,257	\$1,359,445	
2028	\$65,117,288	\$65,117,288		\$151,072	\$761,872	\$912,944	\$336,152	\$5,776	\$1,254,872	
						Total	\$19,704,383	\$7,255,275	\$124,663	\$27,084,321

Source: CPA, Grandview Wind Farm, LLC

¹Tax Rate per \$100 Valuation

Attachment 1 includes schedules A, B, C, and D provided by the applicant in the application. Schedule A shows proposed investment. Schedule B is the projected market value of the qualified property. Schedule C contains employment information, and Schedule D contains tax expenditures and other tax abatement information.

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "TABLE II" in this attachment shows the estimated 13 year M&O tax levy without the value limitation agreement would be \$14,567,280. The estimated gross 13 year M&O tax benefit, or levy loss, is \$10,783,129.

Attachment 3 is an economic overview of Carson 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

Form 10-296

Grandview Wind Farm, LLC
Groom ISD

PROPERTY INVESTMENT AMOUNTS		(Estimated investment in each year. Do not put cumulative totals.)									
Applicant Name ISD Name	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below)	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonmovable component 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)				
The year preceding the first complete tax with district, but before final board approval of the year of the qualifying time period (assuming no deferrals) Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment) Investment made after filing complete application with district, but before final board approval of the year of the qualifying time period (eligible to become qualified property) Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property) Complete tax years of qualifying time period 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 Value Limitation Period Continue to Maintain Viable Presence Post-Settle-Up Period Post-Settle-Up Period	2013-2014	2013									
		2014-2015	2014	\$155,422,500.00	\$0.00	\$155,422,500.00	\$0.00	\$155,422,500.00			
		2015-2016	2015								
		2016-2017	2016								
		2017-2018	2017								
		2018-2019	2018								
		2019-2020	2019								
		2020-2021	2020								
		2021-2022	2021								
		2022-2023	2022								
		2023-2024	2023								
		2024-2025	2024								
		2025-2026	2025								
		2026-2027	2026								
		2027-2028	2027								
	2028-2029	2028									

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years. This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §113.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

Column A: For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property. Include estimates of investment for "replacement" property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonmovable component of buildings that the applicant considers qualified investment under Tax Code §113.021(1)(E).

Column B: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonmovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Column C: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed. This schedule must be submitted with the original application and any application for tax credits. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

Column D: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonmovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Column E: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed. This schedule must be submitted with the original application and any application for tax credits. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

[Signature]

9 Jun 13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE DATE

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

Applicant Name
ISD Name
Grandview Wind Farm, LLC
Groom 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	
				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"	Exempted Value		Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions
	pre-year 1	2013-2014	2013	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Complete tax years of qualifying time period	1	2014-2015	2014	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	2	2015-2016	2015	\$0.00	\$135,661,017.00	\$0.00	\$135,661,017.00	\$ 135,661,017	\$ 135,661,017
	3	2016-2017	2016	\$0.00	\$130,234,576.32	\$0.00	\$130,234,576.32	\$ 10,000,000	\$ 10,000,000
	4	2017-2018	2017	\$0.00	\$124,808,135.64	\$0.00	\$124,808,135.64	\$ 10,000,000	\$ 10,000,000
	5	2018-2019	2018	\$0.00	\$119,381,694.96	\$0.00	\$119,381,694.96	\$ 10,000,000	\$ 10,000,000
Tax Credit Period (with 50% cap on credit)	6	2019-2020	2019	\$0.00	\$113,955,254.28	\$0.00	\$113,955,254.28	\$ 10,000,000	\$ 10,000,000
	7	2020-2021	2020	\$0.00	\$108,528,813.60	\$0.00	\$108,528,813.60	\$ 10,000,000	\$ 10,000,000
	8	2021-2022	2021	\$0.00	\$103,102,372.92	\$0.00	\$103,102,372.92	\$ 10,000,000	\$ 10,000,000
	9	2022-2023	2022	\$0.00	\$97,675,932.24	\$0.00	\$97,675,932.24	\$ 10,000,000	\$ 10,000,000
	10	2023-2024	2023	\$0.00	\$92,249,491.56	\$0.00	\$92,249,491.56	\$ 10,000,000	\$ 10,000,000
Credit Settle-Up Period	11	2024-2025	2024	\$0.00	\$86,823,050.88	\$0.00	\$86,823,050.88	\$ 86,823,051	\$ 86,823,051
	12	2025-2026	2025	\$0.00	\$81,396,610.20	\$0.00	\$81,396,610.20	\$ 81,396,610	\$ 81,396,610
	13	2026-2027	2026	\$0.00	\$75,970,169.52	\$0.00	\$75,970,169.52	\$ 75,970,170	\$ 75,970,170
Post- Settle-Up Period	14	2027-2028	2027	\$0.00	\$70,543,728.84	\$0.00	\$70,543,728.84	\$ 70,543,729	\$ 70,543,729
	15	2028-2029	2028	\$0.00	\$65,117,288.16	\$0.00	\$65,117,288.16	\$ 65,117,288	\$ 65,117,288

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.

9 JUL 13

772

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Amendment No. 001
Attachment 19

Schedule C- Application: Employment Information

Applicant Name
ISD Name
Grandview Wind Farm, LLC
Groom, ISD

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction FTE's or man- hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2013-2014	2013						
	1	2014-2015	2014	100 FTE	\$50,000.00				
	2	2015-2016	2015			5	\$50,000.00	5	\$50,000.00
	3	2016-2017	2016			5	\$50,000.00	5	\$50,000.00
	4	2017-2018	2017			5	\$50,000.00	5	\$50,000.00
	5	2018-2019	2018			5	\$50,000.00	5	\$50,000.00
	6	2019-2020	2019			5	\$50,000.00	5	\$50,000.00
	7	2020-2021	2020			5	\$50,000.00	5	\$50,000.00
	8	2021-2022	2021			5	\$50,000.00	5	\$50,000.00
	9	2022-2023	2022			5	\$50,000.00	5	\$50,000.00
	10	2023-2024	2023			5	\$50,000.00	5	\$50,000.00
	11	2024-2025	2024			5	\$50,000.00	5	\$50,000.00
	12	2025-2026	2025			5	\$50,000.00	5	\$50,000.00
	13	2026-2027	2026			5	\$50,000.00	5	\$50,000.00
	14	2027-2028	2027			5	\$50,000.00	5	\$50,000.00
	15	2028-2029	2028			5	\$50,000.00	5	\$50,000.00
Tax Credit Period (with 50% cap on credit)		Complete tax years of qualifying time period							
Value Limitation Period									
Credit Settle-Up Period		Continue to Maintain Viable Presence							
Post- Settle-Up Period									
Post- Settle-Up Period									

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.

1-21-13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

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

Form 50-296

Groom ISD

Other Property Tax Abatements Sought

Grandview Wind Farm, LLC

ISD Name

Applicant Name

Applicant Name	Sales Tax Information				Franchise Tax	Other Property Tax Abatements Sought				
	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	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	Franchise Tax	County	City	Hospital
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2013-2014	2013	\$0.00	\$0.00	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
	1	2014-2015	2014	\$7,308,028.00	\$27,064.00	\$0.00	70%	0%	0%	0%
	2	2015-2016	2015	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%
	3	2016-2017	2016	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%
	4	2017-2018	2017	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%
	5	2018-2019	2018	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%
	6	2019-2020	2019	\$0.00	\$0.00	\$0.00	30%	0%	0%	0%
	7	2020-2021	2020	\$0.00	\$0.00	\$118,000.00	30%	0%	0%	0%
	8	2021-2022	2021	\$0.00	\$0.00	\$129,000.00	30%	0%	0%	0%
	9	2022-2023	2022	\$0.00	\$0.00	\$149,000.00	30%	0%	0%	0%
	10	2023-2024	2023	\$0.00	\$0.00	\$163,000.00	30%	0%	0%	0%
	11	2024-2025	2024	\$0.00	\$0.00	\$172,000.00	0%	0%	0%	0%
	12	2025-2026	2025	\$0.00	\$0.00	\$177,000.00	0%	0%	0%	0%
	13	2026-2027	2026	\$0.00	\$0.00	\$200,000.00	0%	0%	0%	0%
	14	2027-2028	2027	\$0.00	\$0.00	\$216,000.00	0%	0%	0%	0%
	15	2028-2029	2028	\$0.00	\$0.00	\$232,000.00	0%	0%	0%	0%

*For planning, construction and operation of the facility.

9/26/13

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Attachment 2



1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Michael Williams
Commissioner

September 27, 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 Grandview Wind Farm LLC project for the Groom Independent School District (GISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Randy McDowell and Neal Brown and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Grandview Wind Farm LLC project on GISD are correct.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a stylized flourish at the end.

Al McKenzie, Manager
Foundation School Program Support

AM/rk



1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Michael Williams
Commissioner

September 27, 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 Grandview Wind Farm LLC project on the number and size of school facilities in Groom Independent School District (GISD). Based on the analysis prepared by Randy McDowell and Neal Brown for the school district and a conversation with the GISD superintendent, Jay Lamb, the TEA has found that the Grandview Wind Farm LLC project would not have a significant impact on the number or size of school facilities in GISD.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", is written over a horizontal line.

Al McKenzie, Manager
Foundation School Program Support

AM/rk

Groom ISD Financial Impact of Chapter 313 Agreement

Summary of the District's Financial Impact of Chapter 313 Agreement with Grandview Wind Farm, LLC

Prepared by

Randy McDowell, RTSBA

&

Neal Brown

School Finance Consultants

Groom ISD Financial Impact of Chapter 313 Agreement

Summary of Groom ISD Financial Impact of the Limited Appraised Value Application from Grandview Wind Farm, LLC

Introduction

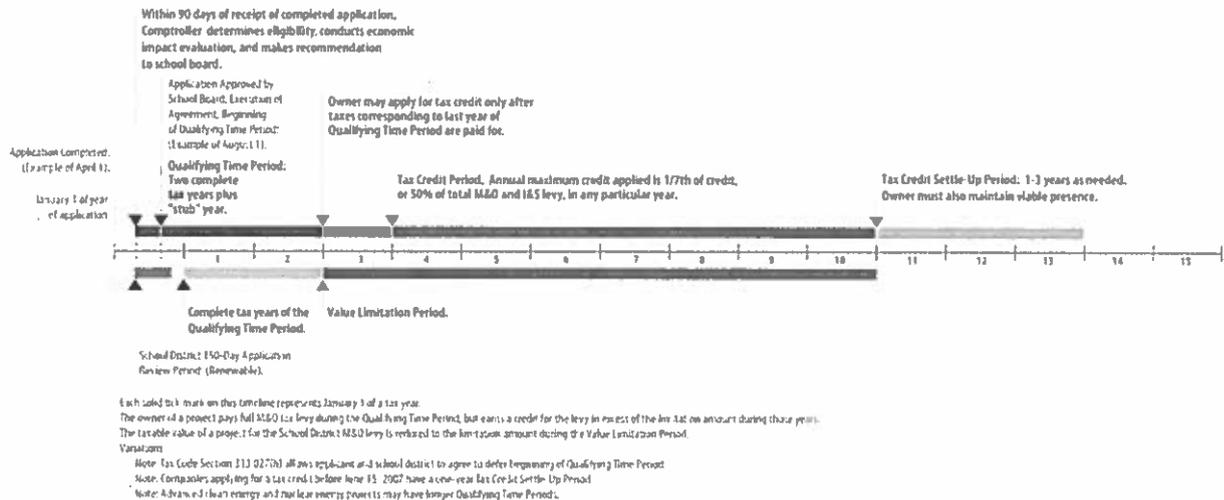
Grandview Wind Farm, LLC applied for a property value limitation from Groom Independent School District under Chapter 313 of the Tax Code. The application was submitted on July 9, 2013 and subsequently approved for consideration by the Groom ISD Board of Trustees. Grandview Wind Farm, LLC ("Grandview Wind"), is requesting the property value limitation as a "renewable energy electric generation" project as listed in Sec. 313.024.(b) of the Tax Code.

"The Economic Development Act ", Tax Code Chapter 313, was created by House Bill 1200 of the 77th Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80th Texas Legislative Session in 2007.

The Economic Development Act was created to attract qualifying businesses to Texas by allowing school districts the option of approving a property value limitation to these qualifying entities. The purpose of the property value limitation is to reduce the maintenance and operations taxes paid by the company, to a school district during the applicable years as displayed below.

Groom ISD Financial Impact of Chapter 313 Agreement

Appraised Value Limitation and Credit under Tax Code Chapter 313 for School District Maintenance & Operations (M&O) Tax



The company must file an application with the school district to qualify for consideration of a Limited Appraised Value Agreement ("LAVA" or "Agreement") to begin the following tax year or a later year if agreed upon by the District and the Company. The first two years of the agreement are considered the qualifying time period and the company's school district taxes will be levied at one-hundred percent of the appraised value. The applicant may then file a separate application with the school district to request tax credits (for taxes paid during the qualifying time period) to be applied during years four through ten of the LAVA, but not to exceed 50% of their tax levy for those years. Any tax credit balance remaining after this period can then be applied during years eleven through thirteen of the agreement, but cannot exceed the actual amount of taxes paid to the school district during the Settle-Up Period. After year thirteen, any leftover credits will not be applied and will expire.

During years three through ten of the LAVA, the qualifying entity's taxable value will be reduced to the minimum qualified investment for the applicable school district as determined by the State Comptroller's Office. Groom ISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million but less than \$90 million, thus Groom ISD

Groom ISD Financial Impact of Chapter 313 Agreement

has a minimum qualified investment amount of \$10 million. A qualifying entity's taxable value would be reduced to \$10 million during years three through ten of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Groom ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy.

Taxable Value Impact from LAVA

The "Additional Value from Grandview Wind" represents the values that the company estimated as their taxable values in the application that was filed with the district. During years three through ten, the company's taxable value will be limited to the \$10,000,000 minimum qualified investment of Groom ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Grandview Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	0	n/a	0	0
Jan. 1, 2015	135,661,017	n/a	0	135,661,017
Jan. 1, 2016	130,234,576	(10,000,000)	120,234,576	10,000,000
Jan. 1, 2017	124,808,135	(10,000,000)	114,808,135	10,000,000
Jan. 1, 2018	119,381,694	(10,000,000)	109,381,694	10,000,000
Jan. 1, 2019	113,955,254	(10,000,000)	103,955,254	10,000,000
Jan. 1, 2020	108,528,813	(10,000,000)	98,528,813	10,000,000
Jan. 1, 2021	103,102,372	(10,000,000)	93,102,372	10,000,000
Jan. 1, 2022	97,675,932	(10,000,000)	87,675,932	10,000,000
Jan. 1, 2023	92,249,491	(10,000,000)	82,249,491	10,000,000
Jan. 1, 2024	86,823,050	n/a	0	86,823,050
Jan. 1, 2025	81,396,610	n/a	0	81,396,610
Jan. 1, 2026	75,970,169	n/a	0	75,970,169

Groom ISD Financial Impact of Chapter 313 Agreement

Grandview Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Grandview Wind is \$10.58 million over the life of the Agreement. This net savings is after all tax credits have been applied and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement. Tax credits during years four through ten are limited to the lesser of 1/7 of the total tax credit or 50% of the total taxes paid for that tax year. Any tax credits not refunded to the company during those years will be refunded up to 100% of the taxes paid in years eleven through thirteen.

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

- The District has held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.17 for the life of this agreement. The M&O rate for 2015-2016 and 2024-2025 is projected to decrease to \$1.04, due to the rollback tax rate calculation.
- The district currently has outstanding bonded indebtedness that are scheduled to payoff in 2027 and currently has a \$.232 I&S rate. The annual debt payment is approximately \$155,000. The additional value of the company will further reduce the I&S tax rate. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	1.1700	0.213	0	0	n/a	0	0
2015-2016	1.0400	0.074	1,410,875	0	n/a	0	0
2016-2017	1.1700	0.076	1,523,745	1,406,745	n/a	(1,15,675)	1,291,069
2017-2018	1.1700	0.078	1,460,255	1,343,255	107,175	(27,825)	1,422,605
2018-2019	1.1700	0.080	1,396,766	1,279,766	108,253	(29,952)	1,356,066
2019-2020	1.1700	0.082	1,333,276	1,216,276	105,222	(11,758)	1,309,740
2020-2021	1.1700	0.084	1,269,787	1,152,787	104,082	(9,160)	1,247,709
2021-2022	1.1700	0.086	1,206,298	1,089,298	102,834	(3,573)	1,188,559
2022-2023	1.1700	0.087	1,142,808	1,025,808	100,989	0	1,126,797
2023-2024	1.1700	0.090	1,079,319	962,319	100,012	0	1,062,331
2024-2025	1.0400	0.092	902,980	0	580,308	0	580,308
2025-2026	1.1700	0.095	952,340	0	0	0	0
2026-2027	1.1700	0.098	888,851	0	0	0	0
Totals			14,567,280	9,476,254	1,306,875	(197,944)	10,585,185

Groom ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Groom ISD. First, a thirteen year financial forecast was prepared to establish a baseline without the added values of the renewable energy electric generation company. Second, a thirteen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a thirteen year financial forecast was prepared that incorporates the additional taxable value of the company with an approved LAVA. These three forecasts are detailed in the "Calculation of LAVA Impact on District's Finances" section. The following assumptions were used to compare the financial impact of the LAVA:

- The current state funding formulas (in effect for 2013-2014 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$61.86 per weighted student in average daily attendance (WADA) per penny of tax effort
- The district's tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2012.
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- An annual taxable value increase of 1.0% was used to project the district's taxable value, except as it related to the requested LAVA. The district's 2012 taxable value was used as a baseline for all projections
- The district's enrollment is projected to decrease slightly; therefore, the projected ADA and WADA for school year 2012-2013 was decreased by .5% per year for the life of the agreement.

Although these assumptions were used to develop a baseline scenario for comparison purposes, many of these factors will not remain constant for the thirteen years of this proposed agreement. Also, Legislative changes to the school finance formulas are likely during the near future and almost certain during the life of this agreement.

Groom ISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

The tables displayed below (Table III, IV, V) show the different impacts on the school district's finances. These scenarios were computed to compare the District's revenue without the additional taxable value of Grandview Wind (Table III), the addition of Grandview Wind's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Grandview Wind's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Grandview Wind:

Fiscal Year	Total Taxable Value	M&O Taxes			Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue	Recapture Amount			
2014-2015	72,309,310	723,093	456,254	1,168	1,178,180	163,241	1,341,420
2015-2016	73,032,403	730,324	443,877	1,575	1,172,626	163,601	1,336,227
2016-2017	73,762,727	737,627	431,430	2,773	1,166,285	163,972	1,330,257
2017-2018	74,500,354	745,004	418,905	3,976	1,159,932	164,352	1,324,285
2018-2019	75,245,358	752,454	401,168	5,185	1,148,436	164,744	1,313,180
2019-2020	75,997,811	759,978	388,450	6,401	1,142,028	165,145	1,307,173
2020-2021	76,757,789	767,578	375,747	7,622	1,135,703	165,557	1,301,260
2021-2022	77,525,367	775,254	362,925	8,849	1,129,329	165,979	1,295,308
2022-2023	78,300,621	783,006	350,030	10,083	1,122,953	166,412	1,289,365
2023-2024	79,083,627	790,836	337,054	11,323	1,116,566	166,855	1,283,422
2024-2025	79,874,463	798,745	323,997	12,570	1,110,171	167,309	1,277,481
2025-2026	80,673,208	806,732	310,855	13,823	1,103,764	167,774	1,271,538
2026-2027	81,479,940	814,799	297,695	15,063	1,097,411	168,250	1,265,661

Groom ISD Financial Impact of Chapter 313 Agreement

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

Fiscal Year	M&O Taxes			Recapture Amount	Hold	M&O	Total District Revenue
	Total Taxable Value	Compressed Rate	State Revenue		Harmless Revenue	Taxes > Comp Rate	
2014-2015	72,309,310	723,093	456,254	1,168	1,178,180	163,241	1,341,420
2015-2016	208,693,420	2,086,934	431,272	0	2,518,206	157,530	2,675,736
2016-2017	203,997,303	2,039,973	80,490	1,105,387	1,015,096	344,635	1,359,731
2017-2018	199,308,489	1,993,085	80,619	1,059,723	1,013,982	336,744	1,350,725
2018-2019	194,827,052	1,946,271	80,768	1,014,150	1,012,889	328,865	1,341,754
2019-2020	189,953,065	1,899,531	65,736	968,652	996,615	320,999	1,317,613
2020-2021	185,266,602	1,852,866	66,275	923,231	995,911	313,145	1,309,058
2021-2022	180,627,739	1,806,277	63,832	877,889	992,221	305,304	1,297,525
2022-2023	175,976,553	1,759,766	62,942	832,630	990,077	297,476	1,287,553
2023-2024	171,333,118	1,713,331	62,060	787,456	987,935	289,661	1,277,596
2024-2025	166,897,513	1,666,975	61,560	742,371	986,164	281,860	1,268,023
2025-2026	162,069,818	1,620,698	60,941	697,378	984,261	274,071	1,258,332
2026-2027	157,450,109	1,574,501	60,443	652,481	982,464	266,296	1,248,760

TABLE V – District Revenues with Grandview Wind with Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O	Payment	Total District Revenue
		Comp Rate	State Revenue			Taxes > Comp Rate	for District Losses	
2014-2015	72,309,310	723,093	456,254	1,168	1,178,180	163,241	0	1,341,420
2015-2016	208,693,420	2,086,934	431,272	0	2,518,206	157,530	0	2,675,736
2016-2017	83,782,727	837,627	718,350	454,202	1,101,776	142,280	115,675	1,359,731
2017-2018	84,500,354	845,004	317,905	15,053	1,147,855	175,045	27,825	1,350,725
2018-2019	85,245,358	852,454	300,168	16,259	1,136,362	175,439	29,952	1,341,754
2019-2020	85,997,811	859,978	287,503	17,471	1,130,011	175,844	11,758	1,317,613
2020-2021	86,757,789	867,578	274,747	18,889	1,123,636	176,260	9,160	1,309,058
2021-2022	87,525,367	875,254	261,926	19,913	1,117,266	176,686	3,573	1,297,525
2022-2023	88,300,621	883,006	249,030	21,144	1,110,892	177,122	0	1,288,014
2023-2024	89,083,627	890,836	236,054	22,381	1,104,510	177,569	0	1,282,078
2024-2025	166,897,513	1,666,975	216,277	0	1,883,252	97,733	0	1,980,986
2025-2026	162,069,818	1,620,698	60,941	697,378	984,261	274,071	0	1,258,332
2026-2027	157,450,109	1,574,501	60,443	652,481	982,464	266,296	0	1,248,760

Groom ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79th Legislative Session and became effective for the 2006-2007 school year. These formula changes have had an effect on the district's financial impact from granting a property value limitation. Due to the district's "Hold Harmless" provision that was enacted in the new funding formulas, it is presumed that the majority of the district's revenue losses in year three of the LAVA will be offset with additional state funding or a reduction of recapture payments made to the State. Prior to these recent formula changes, school districts felt a significant loss in revenues in year three because the state funding formulas considered the district more property wealthy based on their prior year taxable value. However, districts were only able to tax on the lower value that was a result of the LAVA. Districts are currently "held harmless" for the majority amount of loss in year three; however, it is possible that a future legislative session could eliminate this provision. If the "hold harmless" provision is eliminated, then the company would be required to offset the district's losses as computed in Article III of the Agreement.

Groom ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Grandview Wind Farm, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Groom ISD by Grandview Wind, the projected amount of these payments over the life of the agreement is \$160,691 of the \$10.585 million net tax savings amount. This amount will be computed annually according to Section IV of the Agreement.

TABLE VI - Calculation of the Payment in Lieu of Taxes:

Fiscal Year	Net Tax Savings	Groom ISD Share \$100/ADA	Grandview Wind's Share
2014-2015	0	12,736	(12,736)
2015-2016	0	12,672	(12,672)
2016-2017	1,291,069	12,609	1,278,460
2017-2018	1,422,605	12,546	1,410,059
2018-2019	1,356,066	12,483	1,343,583
2019-2020	1,309,740	12,421	1,297,319
2020-2021	1,247,709	12,359	1,235,350
2021-2022	1,188,559	12,297	1,176,262
2022-2023	1,126,797	12,235	1,114,562
2023-2024	1,062,331	12,174	1,050,157
2024-2025	580,308	12,113	568,195
2025-2026	0	12,053	(12,053)
2026-2027	0	11,993	(11,993)
Totals	10,585,185	160,691	10,424,494

Groom ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
K-12	24	432	137	295
Total	24	432	137	295

The building capacities are based on 18 students per classroom for all grade levels. Groom ISD is a kindergarten through 12th grade district.

Grandview Wind Farm, LLC provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that five full-time employees are expected. It is not known whether these would be new employees to the Groom ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new five positions equates to 3 new students.

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

Groom ISD Financial Impact of Chapter 313 Agreement

Conclusion

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

Grandview Wind Farm, LLC would benefit from reduced property taxes during years three through ten of the LAVA. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Grandview Wind is projected to benefit from a 85% tax savings over the first eleven year period of this agreement. Grandview Wind also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

Groom ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Grandview Wind to offset any district losses caused by the LAVA. An annual calculation will be performed each year to determine if a loss to the District has been incurred. The revenue impact to the District will be computed by comparing the District's revenues with and without the LAVA in effect.

Attachment 3

Carson County

Population

- Total county population in 2010 for Carson County: 6,008 , down 1.0 percent from 2009. State population increased 1.8 percent in the same time period.
- Carson County was the state's 194th largest county in population in 2010 and the 236 th fastest growing county from 2009 to 2010.
- Carson County's population in 2009 was 86.7 percent Anglo (above the state average of 46.7 percent), 1.8 percent African-American (below the state average of 11.3 percent) and 9.5 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Carson County:

Panhandle:	2,425	White Deer:	982
Skellytown:	569	Groom:	548

Economy and Income

Employment

- September 2011 total employment in Carson County: 3,099 , up 0.8 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 Carson County unemployment rate: 5.4 percent, up from 4.7 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

(Note: County and state unemployment rates are adjusted for seasonal fluctuations, but the Texas Workforce Commission city unemployment rates are not. Seasonally-adjusted unemployment rates are not comparable with unadjusted rates).

Income

- Carson County's ranking in per capita personal income in 2009: 57th with an average per capita income of \$37,163, down 0.2 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 Carson County averaged \$66.85 million annually from 2007 to 2010. County total agricultural values in 2010 were up 42.1 percent from 2009. Major agriculture related commodities in Carson County during 2010 included:
 - Sorghum • Other Beef • Wheat • Cotton • Corn
- 2011 oil and gas production in Carson County: 158,747.0 barrels of oil and 8.8 million Mcf of gas. In September 2011, there were 1420 producing oil wells and 543 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 Carson County during the fourth quarter 2010: \$4.29 million, down 3.9 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Panhandle:	\$1.50 million, up 0.9 percent from the same quarter in 2009.
White Deer:	\$1.04 million, down 2.7 percent from the same quarter in 2009.
Skellytown:	\$133,132.00, up 0.3 percent from the same quarter in 2009.
Groom:	\$599,521.00, up 7.9 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 Carson County through the fourth quarter of 2010: \$15.97 million, down 1.8 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Panhandle:	\$5.72 million, up 3.5 percent from the same period in 2009.
White Deer:	\$3.17 million, up 0.9 percent from the same period in 2009.
Skellytown:	\$570,791.00, up 4.5 percent from the same period in 2009.
Groom:	\$2.12 million, up 9.3 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Carson County during 2010: \$15.97 million, down 1.8 percent from 2009.
- Carson County sent an estimated \$997,921.88 (or 0.01 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Panhandle:	\$5.72 million, up 3.5 percent from 2009.
White Deer:	\$3.17 million, up 0.9 percent from 2009.
Skellytown:	\$570,791.00, up 4.5 percent from 2009.
Groom:	\$2.12 million, up 9.3 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 Carson County based on the sales activity month of August 2011: \$28,536.32, down 4.1 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Panhandle:	\$13,979.14, up 21.0 percent from August 2010.
White Deer:	\$7,475.77, down 32.5 percent from August 2010.
Skellytown:	\$1,664.29, down 10.5 percent from August 2010.
Groom:	\$5,417.12, up 2.7 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 Carson County based on sales activity months from September 2010 through August 2011: \$359,245.74, down 1.6 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Panhandle:	\$167,505.02, up 10.0 percent from fiscal 2010.
White Deer:	\$101,473.36, up 0.3 percent from fiscal 2010.
Skellytown:	\$22,911.96, down 37.4 percent from fiscal 2010.
Groom:	\$67,355.40, down 10.3 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 Carson County based on sales activity months through August 2011: \$234,340.47, down 0.6 percent from the same period in 2010.
 - Payments based on sales activity months through August 2011 to the city of:
- | | |
|--------------------|--|
| Panhandle: | \$112,576.02, up 12.1 percent from the same period in 2010. |
| White Deer: | \$65,544.15, up 9.0 percent from the same period in 2010. |
| Skellytown: | \$14,312.38, down 47.1 percent from the same period in 2010. |
| Groom: | \$41,907.92, down 12.7 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 Carson County based on sales activity in the 12 months ending in August 2011: \$359,245.74, down 1.6 percent from the previous 12-month period.
 - Payments based on sales activity in the 12 months ending in August 2011 to the city of:
- | | |
|--------------------|---|
| Panhandle: | \$167,505.02, up 10.0 percent from the previous 12-month period. |
| White Deer: | \$101,473.36, up 0.3 percent from the previous 12-month period. |
| Skellytown: | \$22,911.96, down 37.4 percent from the previous 12-month period. |
| Groom: | \$67,355.40, down 10.3 percent from the previous 12-month period. |

■ **City Calendar Year-To-Date (R.J 2011)**

- Payment to the cities from January 2011 through October 2011:
- | | |
|--------------------|--|
| Panhandle: | \$143,218.50, up 12.9 percent from the same period in 2010. |
| White Deer: | \$87,250.49, up 5.1 percent from the same period in 2010. |
| Skellytown: | \$19,342.17, down 38.9 percent from the same period in 2010. |
| Groom: | \$55,041.28, down 9.8 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 Carson County based on sales activity months in 2010: \$360,548.74, up 5.1 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:
 - Panhandle: \$155,380.52, up 2.4 percent from 2009.
 - White Deer: \$96,050.33, down 5.9 percent from 2009.
 - Skellytown: \$35,649.27, up 50.3 percent from 2009.
 - Groom: \$73,468.62, up 12.0 percent from 2009.

Property Tax

- As of January 2009, property values in Carson County: \$1.24 billion, up 14.1 percent from January 2008 values. The property tax base per person in Carson County is \$202,248, above the statewide average of \$85,809. About 43.7 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Carson County's ranking in state expenditures by county in fiscal year 2010: 206th. State expenditures in the county for FY2010: \$16.67 million, down 0.5 percent from FY2009.
- In Carson County, 8 state agencies provide a total of 39 jobs and \$402,980.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Department of Transportation
 - Department of Public Safety
 - Department of Aging and Disability Services
 - AgriLife Extension Service

Higher Education

- Community colleges in Carson County fall 2010 enrollment:
 - None.
- Carson County is in the service area of the following:
 - Amarillo College with a fall 2010 enrollment of 11,540. Counties in the service area include:
 - Carson County
 - Castro County
 - Deaf Smith County
 - Moore County
 - Oldham County
 - Parmer County
 - Potter County
 - Randall County
 - Swisher County
- Institutions of higher education in Carson County fall 2010 enrollment:
 - None.

School Districts

- Carson County had 3 school districts with 6 schools and 1,179 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.)
 - Groom ISD had 134 students in the 2009-10 school year. The average teacher salary was \$43,590. The percentage of students meeting the 2010 TAKS passing standard for all tests was 91 percent.
 - Panhandle ISD had 660 students in the 2009-10 school year. The average teacher salary was \$42,798. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
 - White Deer ISD had 385 students in the 2009-10 school year. The average teacher salary was \$42,681. The percentage of students meeting the 2010 TAKS passing standard for all tests was 79 percent.