

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



March 17, 2014

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

Dear Superintendent Lamb:

On Dec. 19, 2013, the Comptroller received the completed application (Application # 387) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in November 2013 to the Groom Independent School District (the school district) by Salt Fork Wind, LP (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 (\$142.8 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 Donley and Gray Counties, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described by the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

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

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

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

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 Dec. 19, 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	Salt Fork Wind, LP
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Groom ISD
2012-13 Enrollment in School District	137
County	Donley & Gray
Total Investment in District	\$142,750,000
Qualified Investment	\$142,750,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	7*
Number of qualifying jobs committed to by applicant	7
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	\$20,392,857
Estimated 15 year M&O levy without any limit or credit:	\$16,810,915
Estimated gross 15 year M&O tax benefit	\$11,125,389
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):	\$10,150,638
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$1,380,600
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$6,660,277
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	60.4%
Percentage of tax benefit due to the limitation	87.6%
Percentage of tax benefit due to the credit.	12.4%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

This presents the Comptroller's economic impact evaluation of Salt Fork Wind, LP (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 seven new jobs when fully operational. All seven of these 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 Donley and Gray Counties are located was \$41,850 in 2012. The annual average manufacturing wage for 2012-2013 for Donley County, where the largest portion of this project is located, is \$31,044. That same period, the county annual average wage for all industries was \$29,783. In addition to an annual average salary of \$46,035 each qualifying position will be offered a full package of benefits including medical, dental, life insurance, short- and long-term disability, 401(k) plan, individual retirement account (IRA), paid cell phone, paid leave, and paid holidays. The project's total investment is \$142.8 million, resulting in a relative level of investment per qualifying job of \$20.4 million.

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

According to Salt Fork Wind, LP's application, "Cielo Wind Power, LP., acting as parent company of Salt Fork Wind, L.P., is a U.S. developer of wind projects, and has operations in several regions within the contiguous United States." The application also states, "Cielo has the ability to locate wind farms anywhere in the U.S. with the right conditions. For these reasons Cielo Wind Power studies and looks at various competing sites throughout the market areas where wind development is attractive. Without a Value Limitation program, Cielo Wind Power would seek to move to alternative sites outside the State of Texas."

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

During the past two years, 32 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 Salt Fork Wind, LP 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 Salt Fork Wind, LP's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Salt Fork Wind, LP

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2014	0	0	0	\$0	\$0	\$0
2015	157	136	293	\$5,470,388	\$9,529,612	\$15,000,000
2016	157	140	297	\$5,470,388	\$12,529,612	\$18,000,000
2017	7	14	21	\$322,238	\$2,677,762	\$3,000,000
2018	7	3	10	\$322,238	\$1,677,762	\$2,000,000
2019	7	1	8	\$322,238	\$1,677,762	\$2,000,000
2020	7	(3)	4	\$322,238	\$677,762	\$1,000,000
2021	7	(1)	6	\$322,238	\$677,762	\$1,000,000
2022	7	1	8	\$322,238	\$677,762	\$1,000,000
2023	7	3	10	\$322,238	\$677,762	\$1,000,000
2024	7	3	10	\$322,238	\$677,762	\$1,000,000
2025	7	7	14	\$322,238	\$677,762	\$1,000,000
2026	7	(1)	6	\$322,238	\$677,762	\$1,000,000
2027	7	5	12	\$322,238	\$677,762	\$1,000,000
2028	7	3	10	\$322,238	\$677,762	\$1,000,000
2029	7	1	8	\$322,238	\$677,762	\$1,000,000

Source: CPA, REMI, Salt Fork Wind, LP

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2012-2013. Groom ISD's ad valorem tax base in 2012-2013 was \$65.5 million. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Groom ISD's estimated wealth per WADA was \$298,306. 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, Donley County, Gray County and the Panhandle Groundwater Conservation District #3 with all property tax incentives sought being granted using estimated market value from Salt Fork Wind, LP's application. Salt Fork Wind, LP has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county. Table 3 illustrates the estimated tax impact of the Salt Fork Wind, LP project on the region if all taxes are assessed.

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought											
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate 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)	Donley County Tax Levy	Gray Conty Tax Levy	Panhandle Groundwater Conservation District #3 Tax Levy	Estimated Total Property Taxes
			0.2160	1.1700				0.5987	0.4973	0.0089	
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$142,750,000	\$142,750,000		\$308,340	\$1,484,600	\$1,792,940	\$1,792,940	\$0	\$709,947	\$12,662	\$2,515,549
2017	\$135,612,500	\$10,000,000		\$292,923	\$117,000	\$409,923	\$409,923	\$0	\$674,450	\$12,029	\$1,096,402
2018	\$128,831,875	\$10,000,000		\$278,277	\$117,000	\$395,277	\$287,821	\$0	\$640,727	\$11,427	\$939,975
2019	\$122,390,281	\$10,000,000		\$264,363	\$117,000	\$381,363	\$275,131	\$0	\$608,691	\$10,856	\$894,678
2020	\$116,270,767	\$10,000,000		\$251,145	\$117,000	\$368,145	\$262,555	\$0	\$578,256	\$10,313	\$851,125
2021	\$110,457,229	\$10,000,000		\$238,588	\$117,000	\$355,588	\$251,248	\$0	\$549,344	\$9,798	\$810,389
2022	\$104,934,367	\$10,000,000		\$226,658	\$117,000	\$343,658	\$240,561	\$0	\$521,876	\$9,308	\$771,745
2023	\$99,687,649	\$10,000,000		\$215,325	\$117,000	\$332,325	\$230,960	\$0	\$495,783	\$8,842	\$735,584
2024	\$94,703,267	\$10,000,000		\$204,559	\$117,000	\$321,559	\$124,330	\$0	\$470,993	\$8,400	\$603,724
2025	\$89,968,103	\$89,968,103		\$194,331	\$935,668	\$1,129,999	\$574,708	\$0	\$447,444	\$7,980	\$1,030,132
2026	\$85,469,698	\$85,469,698		\$184,615	\$999,995	\$1,184,610	\$1,184,610	\$511,669	\$425,072	\$7,581	\$2,128,932
2027	\$81,196,213	\$81,196,213		\$175,384	\$949,996	\$1,125,380	\$1,125,380	\$486,086	\$403,818	\$7,202	\$2,022,486
2028	\$77,136,403	\$77,136,403		\$166,615	\$902,496	\$1,069,111	\$1,069,111	\$461,782	\$383,627	\$6,842	\$1,921,361
2029	\$73,279,582	\$73,279,582		\$158,284	\$857,371	\$1,015,655	\$1,015,655	\$438,693	\$364,446	\$6,500	\$1,825,293
						Total	\$8,844,932	\$1,898,230	\$7,274,474	\$129,740	\$18,147,376

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Salt Fork Wind, LP

¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives											
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Groom ISD I&S Levy	Groom ISD M&O Levy	Groom ISD M&O and I&S Tax Levies	Donley County Tax Levy	Gray Conty Tax Levy	Panhandle Groundwater Conservation District #3 Tax Levy	Estimated Total Property Taxes	
			0.2160	1.1700			0.5987	0.4973	0.0089		
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2016	\$142,750,000	\$142,750,000		\$308,340	\$1,484,600	\$1,792,940	\$854,581	\$709,947	\$12,662	\$3,370,131	
2017	\$135,612,500	\$135,612,500		\$292,923	\$1,586,666	\$1,879,589	\$811,852	\$674,450	\$12,029	\$3,377,920	
2018	\$128,831,875	\$128,831,875		\$278,277	\$1,507,333	\$1,785,610	\$771,260	\$640,727	\$11,427	\$3,209,024	
2019	\$122,390,281	\$122,390,281		\$264,363	\$1,431,966	\$1,696,329	\$732,697	\$608,691	\$10,856	\$3,048,573	
2020	\$116,270,767	\$116,270,767		\$251,145	\$1,360,368	\$1,611,513	\$696,062	\$578,256	\$10,313	\$2,896,144	
2021	\$110,457,229	\$110,457,229		\$238,588	\$1,292,350	\$1,530,937	\$661,259	\$549,344	\$9,798	\$2,751,337	
2022	\$104,934,367	\$104,934,367		\$226,658	\$1,227,732	\$1,454,390	\$628,196	\$521,876	\$9,308	\$2,613,770	
2023	\$99,687,649	\$99,687,649		\$215,325	\$1,166,345	\$1,381,671	\$596,786	\$495,783	\$8,842	\$2,483,082	
2024	\$94,703,267	\$94,703,267		\$204,559	\$1,108,028	\$1,312,587	\$566,947	\$470,993	\$8,400	\$2,358,928	
2025	\$89,968,103	\$89,968,103		\$194,331	\$935,668	\$1,129,999	\$538,599	\$447,444	\$7,980	\$2,124,023	
2026	\$85,469,698	\$85,469,698		\$184,615	\$999,995	\$1,184,610	\$511,669	\$425,072	\$7,581	\$2,128,932	
2027	\$81,196,213	\$81,196,213		\$175,384	\$949,996	\$1,125,380	\$486,086	\$403,818	\$7,202	\$2,022,486	
2028	\$77,136,403	\$77,136,403		\$166,615	\$902,496	\$1,069,111	\$461,782	\$383,627	\$6,842	\$1,921,361	
2029	\$73,279,582	\$73,279,582		\$158,284	\$857,371	\$1,015,655	\$438,693	\$364,446	\$6,500	\$1,825,293	
						Total	\$19,970,321	\$8,756,469	\$7,274,474	\$129,740	\$36,131,004

Source: CPA, Salt Fork Wind, LP

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 \$ 15,051,048. The estimated gross 13 year M&O tax benefit, or levy loss, is \$ 9,744,789.

Attachment 3 is economic overviews of Donley and Gray Counties.

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

Applicant Name: SALT FORK WIND, LP
 ISD Name: GROOM ISD

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
		School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Tangible Personal Property Investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment) Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property) 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 Value Limitation Period Continuous to Maintain Viable Presence Post-Settle-Up Period Post-Settle-Up Period	Year	2015-2016	2015						
	1	2015-2016	2015	\$ 141,750,000	\$ 755,000	\$ 142,750,000		\$ 142,750,000	
	2	2016-2017	2016						
	3	2017-2018	2017						
	4	2018-2019	2018						
	5	2019-2020	2019						
	6	2020-2021	2020						
	7	2021-2022	2021						
	8	2022-2023	2022						
	9	2023-2024	2023						
	10	2024-2025	2024						
	11	2025-2026	2025						
	12	2026-2027	2026						
	13	2027-2028	2027						
	14	2028-2029	2028						
15	2029-2030	2029							

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 §313.021(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-property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

Column B: 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 credit. When using this schedule for any purpose other than the original application, replace original estimates with actual supervisory district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE:  DATE: 12-18-2013

Amendment No. 001 Schedule B (Rev. May 2010): Estimated Market And Taxable Value
 Applicant Name SALT FORK WIND, LP
 ISD Name 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	Final taxable value for M&O—after all reductions
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or in or on the new improvement	Exempted Value	Final taxable value for I&S - after all reductions		
	pre-year 1	2014-2015	2014	N/A	\$ -	\$ -	N/A	\$ -	\$ -	
	1	2015-2016	2015	N/A	\$ -	\$ -	N/A	\$ -	\$ -	
Complete tax years of qualifying time period	2	2016-2017	2016	N/A	\$ -	\$ 142,750,000	N/A	\$ 142,750,000	\$ 142,750,000	
	3	2017-2018	2017	N/A	\$ -	\$ 135,612,500	N/A	\$ 135,612,500	\$ 10,000,000	
	4	2018-2019	2018	N/A	\$ -	\$ 128,831,875	N/A	\$ 74,759,209	\$ 10,000,000	
	5	2019-2020	2019	N/A	\$ -	\$ 122,390,281	N/A	\$ 122,390,281	\$ 10,000,000	
Tax Credit Period (with 50% cap on credit)	6	2020-2021	2020	N/A	\$ -	\$ 116,270,767	N/A	\$ 116,270,767	\$ 10,000,000	
	7	2021-2022	2021	N/A	\$ -	\$ 110,457,229	N/A	\$ 110,457,229	\$ 10,000,000	
	8	2022-2023	2022	N/A	\$ -	\$ 104,934,367	N/A	\$ 104,934,367	\$ 10,000,000	
	9	2023-2024	2023	N/A	\$ -	\$ 99,687,649	N/A	\$ 99,687,649	\$ 10,000,000	
	10	2024-2025	2024	N/A	\$ -	\$ 94,703,267	N/A	\$ 94,703,267	\$ 10,000,000	
Credit Settle-Up Period	11	2025-2026	2025	N/A	\$ -	\$ 89,968,103	N/A	\$ 89,968,103	\$ 89,968,103	
	12	2026-2027	2026	N/A	\$ -	\$ 85,469,698	N/A	\$ 85,469,698	\$ 85,469,698	
	13	2027-2028	2027	N/A	\$ -	\$ 81,196,213	N/A	\$ 81,196,213	\$ 81,196,213	
Post- Settle-Up Period	14	2028-2029	2028	N/A	\$ -	\$ 77,136,403	N/A	\$ 77,136,403	\$ 77,136,403	
	15	2029-2030	2029	N/A	\$ -	\$ 73,279,582	N/A	\$ 73,279,582	\$ 73,279,582	

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE *John Johnson* DATE 12-18-2013

Applicant Name

SALT FORK WIND, LP
GROOM ISD

ISD Name

Form 50-298

	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									
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2015-2016	2015	34,321	7	\$ 46,034	7	\$ 46,034	
		2	2016-2017	2016	34,321	7	\$ 46,034	7	\$ 46,034	
		3	2017-2018	2017	0	34,321	7	\$ 46,034	7	\$ 46,034
		4	2018-2019	2018	0	34,321	7	\$ 46,034	7	\$ 46,034
		5	2019-2020	2019	0	34,321	7	\$ 46,034	7	\$ 46,034
		6	2020-2021	2020	0	34,321	7	\$ 46,034	7	\$ 46,034
		7	2021-2022	2021	0	34,321	7	\$ 46,034	7	\$ 46,034
		8	2022-2023	2022	0	34,321	7	\$ 46,034	7	\$ 46,034
		9	2023-2024	2023	0	34,321	7	\$ 46,034	7	\$ 46,034
		10	2024-2025	2024	0	34,321	7	\$ 46,034	7	\$ 46,034
		11	2025-2026	2025	0	34,321	7	\$ 46,034	7	\$ 46,034
		12	2026-2027	2026	0	34,321	7	\$ 46,034	7	\$ 46,034
		13	2027-2028	2027	0	34,321	7	\$ 46,034	7	\$ 46,034
		14	2028-2029	2028	0	34,321	7	\$ 46,034	7	\$ 46,034
		15	2029-2030	2029	0	34,321	7	\$ 46,034	7	\$ 46,034

Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

12-18-2013

DATE

Attachment 2

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Salt Fork Wind, LP**

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
Salt Fork Wind, LP**

Introduction

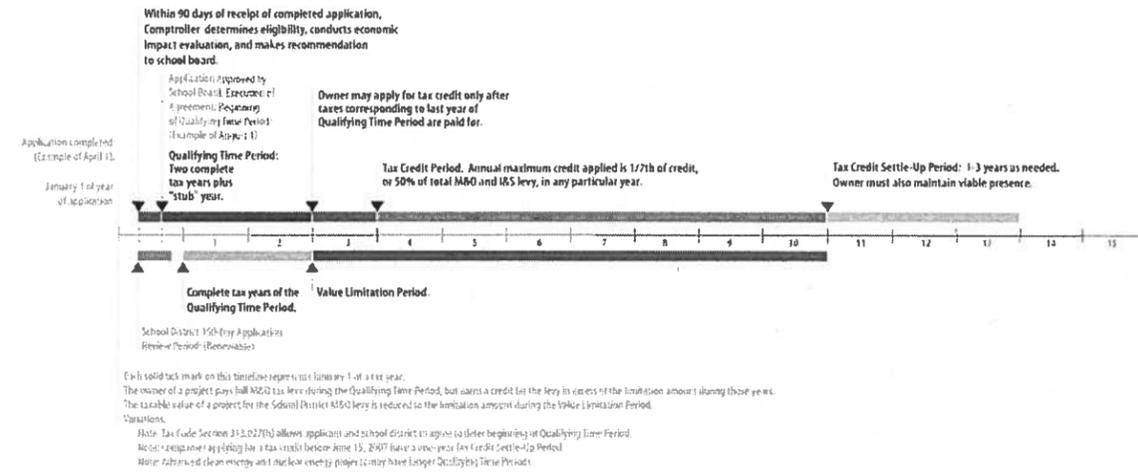
Salt Fork Wind, LP applied for a property value limitation from Groom Independent School District under Chapter 313 of the Tax Code. The application was submitted on November 12, 2013 and subsequently approved for consideration by the Groom ISD Board of Trustees. Salt Fork Wind, LP ("Salt Fork Wind"), 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 Salt Fork 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 Salt Fork Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2015	0	n/a	0	0
Jan. 1, 2016	142,750,000	n/a	0	142,750,000
Jan. 1, 2017	135,612,500	(10,000,000)	125,612,500	10,000,000
Jan. 1, 2018	128,831,875	(10,000,000)	118,831,875	10,000,000
Jan. 1, 2019	122,390,281	(10,000,000)	112,390,281	10,000,000
Jan. 1, 2020	116,270,767	(10,000,000)	106,270,767	10,000,000
Jan. 1, 2021	110,457,229	(10,000,000)	100,457,229	10,000,000
Jan. 1, 2022	104,934,367	(10,000,000)	94,934,367	10,000,000
Jan. 1, 2023	99,687,649	(10,000,000)	89,687,649	10,000,000
Jan. 1, 2024	94,703,267	(10,000,000)	84,703,267	10,000,000
Jan. 1, 2025	89,968,103	n/a	0	89,968,103
Jan. 1, 2026	85,469,698	n/a	0	85,469,698
Jan. 1, 2027	81,196,213	n/a	0	81,196,213

Groom ISD Financial Impact of Chapter 313 Agreement

Salt Fork Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Salt Fork Wind is \$10.15 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 2016-2017 and 2025-2026 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
2015-2016	1.1700	0.211	0	0	n/a	0	0
2016-2017	1.0400	0.072	1,484,600	0	n/a	0	0
2017-2018	1.1700	0.074	1,586,666	1,469,666	n/a	(926,853)	542,813
2018-2019	1.1700	0.076	1,507,333	1,390,333	107,456	(13,050)	1,484,739
2019-2020	1.1700	0.078	1,431,966	1,314,966	106,232	(10,601)	1,410,597
2020-2021	1.1700	0.081	1,360,368	1,243,368	105,590	(8,427)	1,340,531
2021-2022	1.1700	0.083	1,292,350	1,175,350	104,340	(8,035)	1,271,655
2022-2023	1.1700	0.085	1,227,732	1,110,732	103,097	(4,403)	1,209,426
2023-2024	1.1700	0.086	1,166,345	1,049,345	101,366	(2,528)	1,148,183
2024-2025	1.1700	0.088	1,108,028	991,028	100,169	(854)	1,090,344
2025-2026	1.0400	0.090	935,668	0	652,350	0	652,350
2026-2027	1.1700	0.092	999,995	0	0	0	0
2027-2028	1.1700	0.000	949,996	0	0	0	0
Totals			15,051,048	9,744,789	1,380,600	(974,751)	10,150,638

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 2013.
- 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 2013 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 2013-2014 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 Salt Fork Wind (Table III), the addition of Salt Fork Wind's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Salt Fork Wind's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Salt Fork Wind:

Fiscal Year	M&O Taxes				Hold	M&O	Total District Revenue
	Total Taxable Value	Compressed Rate	State Revenue	Recapture Amount	Harmless Revenue	Taxes > Comp Rate	
2015-2016	73,032,403	730,324	453,464	1,980	1,181,808	164,002	1,345,810
2016-2017	73,762,727	737,627	440,241	2,395	1,175,474	164,370	1,339,844
2017-2018	74,500,354	745,004	424,054	3,600	1,165,457	164,749	1,330,206
2018-2019	75,245,358	752,454	411,455	4,812	1,159,097	165,138	1,324,235
2019-2020	75,997,812	759,978	393,642	6,029	1,147,591	165,538	1,313,129
2020-2021	76,757,790	767,578	380,894	7,252	1,141,219	165,947	1,307,167
2021-2022	77,525,368	775,254	368,070	8,481	1,134,842	166,368	1,301,210
2022-2023	78,300,621	783,006	355,172	9,717	1,128,461	166,799	1,295,260
2023-2024	79,083,627	790,836	342,199	10,959	1,122,076	167,240	1,289,316
2024-2025	79,874,464	798,745	329,144	12,208	1,115,681	167,692	1,283,373
2025-2026	80,673,208	806,732	316,010	13,463	1,109,279	168,155	1,277,434
2026-2027	81,479,940	814,799	302,796	14,725	1,102,871	168,629	1,271,500
2027-2028	82,294,740	822,947	289,638	15,993	1,096,592	169,114	1,265,706

Groom ISD Financial Impact of Chapter 313 Agreement

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

Fiscal Year	M&O Taxes				Hold	M&O	Total District Revenue
	Total Taxable Value	Compressed Rate	State Revenue	Recapture Amount	Harmless Revenue	Taxes > Comp Rate	
2015-2016	73,032,403	730,324	453,464	2,372	1,181,416	163,584	1,345,000
2016-2017	216,512,727	2,165,127	423,259	0	2,588,387	160,947	2,749,334
2017-2018	210,112,854	2,101,129	70,235	1,182,160	989,203	354,928	1,344,131
2018-2019	204,077,233	2,040,772	69,549	1,119,985	990,336	344,770	1,335,106
2019-2020	198,388,093	1,983,881	64,101	1,061,616	986,367	335,195	1,321,561
2020-2021	193,028,557	1,930,286	63,843	1,006,867	987,262	326,175	1,313,436
2021-2022	187,982,597	1,879,826	65,152	955,562	989,416	317,682	1,307,099
2022-2023	183,234,988	1,832,350	63,021	907,535	987,836	309,692	1,297,528
2023-2024	178,771,276	1,787,713	62,453	862,627	987,538	302,180	1,289,718
2024-2025	174,577,731	1,745,777	61,902	820,689	986,991	295,122	1,282,113
2025-2026	170,641,311	1,706,413	61,741	781,576	986,577	288,497	1,275,074
2026-2027	166,949,638	1,669,496	61,217	745,156	985,558	282,284	1,267,842
2027-2028	163,490,953	1,634,910	59,958	711,298	983,570	276,463	1,260,033

TABLE V – District Revenues with Salt Fork Wind with Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes		State Revenue	Recapture Amount	Hold Harmless Revenue	M&O	Payment	Total District Revenue
		Comp Rate	Taxes > Comp Rate				for District Losses		
2015-2016	73,032,403	730,324	453,464	2,372	1,181,416	163,584	0	1,345,000	
2016-2017	216,512,727	2,165,127	423,259	0	2,588,387	160,947	0	2,749,334	
2017-2018	84,500,354	845,004	(95,480)	475,767	273,756	143,522	926,853	1,344,131	
2018-2019	85,245,358	852,454	310,455	16,275	1,146,633	175,422	13,050	1,335,106	
2019-2020	85,997,812	859,978	292,642	17,487	1,135,133	175,827	10,601	1,321,561	
2020-2021	86,757,790	867,578	279,894	18,705	1,128,767	176,243	8,427	1,313,436	
2021-2022	87,525,368	875,254	267,070	19,929	1,122,395	176,669	8,035	1,307,099	
2022-2023	88,300,621	883,006	254,173	21,160	1,116,020	177,105	4,403	1,297,528	
2023-2024	89,083,627	890,836	241,198	22,397	1,109,638	177,552	2,528	1,289,718	
2024-2025	89,874,464	898,745	228,145	23,640	1,103,249	178,009	854	1,282,113	
2025-2026	170,641,311	1,706,413	207,974	0	1,914,387	98,637	0	2,013,025	
2026-2027	166,949,638	1,669,496	61,217	745,156	985,558	282,284	0	1,267,842	
2027-2028	163,490,953	1,634,910	59,958	711,298	983,570	276,463	0	1,260,033	

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. Those formula changes 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 funding formulas, some districts had the majority of the district's revenue losses in year three of the LAVA offset with additional state funding. The funding that was available to offset those revenue losses was called Additional State Aid for Tax Reduction (ASATR) and those funds were phased out as a result of legislation in the 82nd Legislative Session in 2011. This legislation eliminated the ASATR funding for fiscal year 2017-2018 and thereafter and can have a significant financial impact for LAVA agreements that have a year three in 2017-2018 or later. The loss of ASATR funding can again cause a district to experience a significant loss of funds in year three of the agreement and consequently cause the company to have revenue protection payments during that year that are similar to those experienced prior to 2006-2007.

Groom ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Salt Fork Wind, LP mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Groom ISD by Salt Fork Wind, the projected amount of these payments over the life of the agreement is \$160,579 of the \$10.15 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	Salt Fork Wind's Share
2015-2016	0	12,727	(12,727)
2016-2017	0	12,664	(12,664)
2017-2018	542,813	12,600	530,213
2018-2019	1,484,739	12,537	1,472,202
2019-2020	1,410,597	12,475	1,398,123
2020-2021	1,340,531	12,412	1,328,119
2021-2022	1,271,655	12,350	1,259,304
2022-2023	1,209,426	12,288	1,197,138
2023-2024	1,148,183	12,227	1,135,956
2024-2025	1,090,344	12,166	1,078,178
2025-2026	652,350	12,105	640,245
2026-2027	0	12,044	(12,044)
2027-2028	0	11,984	(11,984)
Totals	10,150,638	160,579	9,990,059

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.

Salt Fork Wind, LP 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 seven 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 seven positions equates to 4 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 Salt Fork Wind, LP would be beneficial to both Salt Fork Wind and Groom ISD under the current school finance system.

Salt Fork Wind, LP 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, Salt Fork Wind is projected to benefit from a 85% tax savings over the first eleven year period of this agreement. Salt Fork 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 Salt Fork 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.

Michael Williams
Commissioner

March 12, 2014

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 Salt Fork Wind LP 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 Salt Fork Wind LP 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,



Al McKenzie, Manager
Foundation School Program Support

AM/rk

Michael Williams
Commissioner

March 12, 2014

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 Salt Fork Wind LP 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 Salt Fork Wind LP 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,



Al McKenzie, Manager
Foundation School Program Support

AM/rk

Attachment 3

Donley County

Population

- Total county population in 2010 for Donley County: 3,718 , up 0.4 percent from 2009. State population increased 1.8 percent in the same time period.
- Donley County was the state's 212rd largest county in population in 2010 and the 153rd fastest growing county from 2009 to 2010.
- Donley County's population in 2009 was 83.3 percent Anglo (above the state average of 46.7 percent), 5.9 percent African-American (below the state average of 11.3 percent) and 8.8 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Donley County:

Clarendon:	1,896	Howardwick:	423
Hedley:	354		

Economy and Income

Employment

- September 2011 total employment in Donley County: 1,845 , up 0.4 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 Donley County unemployment rate: 6.2 percent, up from 6.1 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

- Donley County's ranking in per capita personal income in 2009: 130th with an average per capita income of \$32,200, up 5.5 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 Donley County averaged \$42.33 million annually from 2007 to 2010. County total agricultural values in 2010 were down 2.6 percent from 2009. Major agriculture related commodities in Donley County during 2010 included:
 - Alfalfa
 - Peanuts
 - Cotton
 - Other Beef
 - Fed Beef
- 2011 oil and gas production in Donley County: barrels of oil and 9,729.0 Mcf of gas. In September 2011, there were 0 producing oil wells and 4 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 Donley County during the fourth quarter 2010: \$3.43 million, up 14.0 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Clarendon:	\$3.06 million, up 15.7 percent from the same quarter in 2009.
Howardwick:	\$167,576.00, down 5.7 percent from the same quarter in 2009.
Hedley:	\$56,165.00, up 7.8 percent from the same quarter in 2009.

Taxable Sales through the end of 4th quarter 2010 (January 2010 through December 30, 2010)

- Taxable sales in Donley County through the fourth quarter of 2010: \$14.46 million, up 9.7 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Clarendon:	\$11.57 million, up 5.8 percent from the same period in 2009.
Howardwick:	\$787,960.00, down 6.0 percent from the same period in 2009.
Hedley:	\$189,312.00, up 4.2 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Donley County during 2010: \$14.46 million, up 9.7 percent from 2009.
- Donley County sent an estimated \$903,855.69 (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:

Clarendon:	\$11.57 million, up 5.8 percent from 2009.
Howardwick:	\$787,960.00, down 6.0 percent from 2009.

Hedley: \$189,312.00, up 4.2 percent from 2009.

Sales Tax – Local Sales Tax Allocations

(The release date for sales tax allocations to cities for the sales activity month of November 2011 is currently scheduled for December 7, 2011.)

Monthly

- Statewide payments based on the sales activity month of September 2011: \$580.11 million, up 7.1 percent from September 2010.
- Payments to all cities in Donley County based on the sales activity month of September 2011: \$37,503.49, up 2.4 percent from September 2010.

- Payment based on the sales activity month of September 2011 to the city of:

Clarendon:	\$35,312.88, up 2.4 percent from September 2010.
Howardwick:	\$1,231.08, up 5.5 percent from September 2010.
Hedley:	\$959.53, up 1.7 percent from September 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2011 through September 2011: \$580.11 million, up 7.1 percent from the same period in 2011.
- Payments to all cities in Donley County based on sales activity months from September 2011 through September 2011: \$37,503.49, up 2.4 percent from fiscal 2011.
- Payments based on sales activity months from September 2011 through September 2011 to the city of:

Clarendon:	\$35,312.88, up 2.4 percent from fiscal 2011.
Howardwick:	\$1,231.08, up 5.5 percent from fiscal 2011.
Hedley:	\$959.53, up 1.7 percent from fiscal 2011.

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

- Statewide payments based on sales activity months through September 2011: \$4.57 billion, up 8.1 percent from the same period in 2010.
- Payments to all cities in Donley County based on sales activity months through September 2011: \$258,547.53, up 2.4 percent from the same period in 2010.

- Payments based on sales activity months through September 2011 to the city of:

Clarendon:	\$242,580.45, up 2.9 percent from the same period in 2010.
Howardwick:	\$10,209.48, down 6.8 percent from the same period in 2010.
Hedley:	\$5,757.60, down 0.6 percent from the same period in 2010.

12 months ending in September 2011

- Statewide payments based on sales activity in the 12 months ending in September 2011: \$6.11 billion, up 7.9 percent from the previous 12-month period.
- Payments to all cities in Donley County based on sales activity in the 12 months ending in September 2011: \$350,487.01, up 5.7 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in September 2011 to the city of:

Clarendon:	\$330,076.10, up 6.3 percent from the previous 12-month period.
Howardwick:	\$13,170.10, down 2.9 percent from the previous 12-month period.
Hedley:	\$7,240.81, down 1.2 percent from the previous 12-month period.

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

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

Clarendon:	\$307,069.65, up 6.2 percent from the same period in 2010.
Howardwick:	\$12,518.05, up 0.5 percent from the same period in 2010.
Hedley:	\$6,978.17, down 0.9 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 Donley County based on sales activity months in 2010: \$344,489.34, up 5.4 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Clarendon:	\$323,302.75, up 5.1 percent from 2009.
Howardwick:	\$13,910.83, up 10.1 percent from 2009.
Hedley:	\$7,275.76, up 10.0 percent from 2009.

Property Tax

- As of January 2009, property values in Donley County: \$495.20 million, up 6.2 percent from January 2008 values. The property tax base per person in Donley County is \$135,153, above the statewide average of \$85,809. About 0.2 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Donley County's ranking in state expenditures by county in fiscal year 2010: 201st. State expenditures in the county for FY2010: \$18.09 million, unchanged 0.0 percent from FY2009.
- In Donley County, 4 state agencies provide a total of 22 jobs and \$202,874.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Department of Transportation
 - Department of Public Safety
 - AgriLife Extension Service
 - Animal Health Commission

Higher Education

- Community colleges in Donley County preliminary fall 2011 enrollment:
 - Clarendon College, a Public Community College, had 1,347 students.
- Donley County is in the service area of the following:
 - Clarendon College with a preliminary fall 2011 enrollment of 1,347. Counties in the service area include:
 - Armstrong County
 - Briscoe County
 - Childress County
 - Collingsworth County
 - Donley County
 - Gray County
 - Hall County
 - Wheeler County
- Institutions of higher education in Donley County preliminary fall 2011 enrollment:
 - None.

School Districts

- Donley County had 2 school districts with 4 schools and 669 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.)
 - Clarendon ISD had 532 students in the 2009-10 school year. The average teacher salary was \$40,024. The percentage of students meeting the 2010 TAKS passing standard for all tests was 77 percent.
 - Hedley ISD had 137 students in the 2009-10 school year. The average teacher salary was \$40,701. The percentage of students meeting the 2010 TAKS passing standard for all tests was 71 percent.

Gray County

Population

- Total county population in 2010 for Gray County: 21,744 , down 1.4 percent from 2009. State population increased 1.8 percent in the same time period.
- Gray County was the state's 109th largest county in population in 2010 and the 244th fastest growing county from 2009 to 2010.
- Gray County's population in 2009 was 68.6 percent Anglo (above the state average of 46.7 percent), 6.2 percent African-American (below the state average of 11.3 percent) and 22.0 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Gray County:

Pampa:	17,213	McLean:	814
Lefors:	559		

Economy and Income

Employment

- September 2011 total employment in Gray County: 10,309 , up 3.0 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 Gray County unemployment rate: 6.6 percent, down from 6.8 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

- Gray County's ranking in per capita personal income in 2009: 37th with an average per capita income of \$39,357, down 4.0 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Gray County averaged \$92.71 million annually from 2007 to 2010. County total agricultural values in 2010 were up 49.7 percent from 2009. Major agriculture related commodities in Gray County during 2010 included:
 - Wheat
 - Corn
 - Other Beef
 - Sorghum
 - Fed Beef
- 2011 oil and gas production in Gray County: 691,697.0 barrels of oil and 6.8 million Mcf of gas. In September 2011, there were 2825 producing oil wells and 1038 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 Gray County during the fourth quarter 2010: \$138.49 million, up 33.8 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Pampa:	\$59.26 million, up 34.6 percent from the same quarter in 2009.
McLean:	\$508,196.00, up 11.7 percent from the same quarter in 2009.
Lefors:	\$145,879.00, down 17.6 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 Gray County through the fourth quarter of 2010: \$485.00 million, up 17.2 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Pampa:	\$204.88 million, up 17.6 percent from the same period in 2009.
McLean:	\$1.97 million, down 0.9 percent from the same period in 2009.
Lefors:	\$656,560.00, down 8.5 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Gray County during 2010: \$485.00 million, up 17.2 percent from 2009.
- Gray County sent an estimated \$30.31 million (or 0.18 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Pampa:	\$204.88 million, up 17.6 percent from 2009.
McLean:	\$1.97 million, down 0.9 percent from 2009.

Lefors: \$656,560.00, down 8.5 percent from 2009.

Sales Tax – Local Sales Tax Allocations

(The release date for sales tax allocations to cities for the sales activity month of November 2011 is currently scheduled for December 7, 2011.)

Monthly

- Statewide payments based on the sales activity month of September 2011: \$580.11 million, up 7.1 percent from September 2010.
- Payments to all cities in Gray County based on the sales activity month of September 2011: \$517,836.91, up 11.2 percent from September 2010.
- Payment based on the sales activity month of September 2011 to the city of:
 - Pampa:** \$512,066.78, up 11.3 percent from September 2010.
 - McLean:** \$4,701.64, up 6.6 percent from September 2010.
 - Lefors:** \$1,068.49, down 3.3 percent from September 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2011 through September 2011: \$580.11 million, up 7.1 percent from the same period in 2011.
- Payments to all cities in Gray County based on sales activity months from September 2011 through September 2011: \$517,836.91, up 11.2 percent from fiscal 2011.
- Payments based on sales activity months from September 2011 through September 2011 to the city of:
 - Pampa:** \$512,066.78, up 11.3 percent from fiscal 2011.
 - McLean:** \$4,701.64, up 6.6 percent from fiscal 2011.
 - Lefors:** \$1,068.49, down 3.3 percent from fiscal 2011.

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

- Statewide payments based on sales activity months through September 2011: \$4.57 billion, up 8.1 percent from the same period in 2010.
- Payments to all cities in Gray County based on sales activity months through September 2011: \$3.75 million, up 10.9 percent from the same period in 2010.
- Payments based on sales activity months through September 2011 to the city of:
 - Pampa:** \$3.70 million, up 10.9 percent from the same period in 2010.
 - McLean:** \$37,690.32, up 14.7 percent from the same period in 2010.
 - Lefors:** \$8,499.47, up 3.5 percent from the same period in 2010.

12 months ending in September 2011

- Statewide payments based on sales activity in the 12 months ending in September 2011: \$6.11 billion, up 7.9 percent from the previous 12-month period.
- Payments to all cities in Gray County based on sales activity in the 12 months ending in September 2011: \$4.98 million, up 11.6 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in September 2011 to the city of:
 - Pampa:** \$4.91 million, up 11.6 percent from the previous 12-month period.
 - McLean:** \$50,539.66, up 13.1 percent from the previous 12-month period.
 - Lefors:** \$11,507.23, down 0.6 percent from the previous 12-month period.

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

- Payment to the cities from January 2011 through November 2011:
 - Pampa:** \$4.57 million, up 11.7 percent from the same period in 2010.
 - McLean:** \$46,266.34, up 11.1 percent from the same period in 2010.
 - Lefors:** \$10,605.66, up 0.9 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 Gray County based on sales activity months in 2010: \$4.61 million, up 6.4 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:
 - Pampa:** \$4.55 million, up 6.6 percent from 2009.
 - McLean:** \$45,711.22, down 9.8 percent from 2009.
 - Lefors:** \$11,219.43, down 7.6 percent from 2009.

Property Tax

- As of January 2009, property values in Gray County: \$1.82 billion, up 2.3 percent from January 2008 values. The property tax base per person in Gray County is \$82,387, below the statewide average of \$85,809. About 33.0 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Gray County's ranking in state expenditures by county in fiscal year 2010: 127th. State expenditures in the county for FY2010: \$68.70 million, up 0.2 percent from FY2009.
- In Gray County, 13 state agencies provide a total of 430 jobs and \$4.27 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Department of Criminal Justice
 - Department of Transportation
 - Department of Family and Protective Services
 - Texas Tech University
 - Railroad Commission of Texas

Higher Education

- Community colleges in Gray County preliminary fall 2011 enrollment:
 - None.
- Gray County is in the service area of the following:
 - Clarendon College with a preliminary fall 2011 enrollment of 1,347 . Counties in the service area include:
 - Armstrong County
 - Briscoe County
 - Childress County
 - Collingsworth County
 - Donley County
 - Gray County
 - Hall County
 - Wheeler County
- Institutions of higher education in Gray County preliminary fall 2011 enrollment:
 - None.

School Districts

- Gray County had 4 school districts with 10 schools and 3,871 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.)
 - Grandview-Hopkins ISD had 29 students in the 2009-10 school year. The average teacher salary was \$35,357. The percentage of students meeting the 2010 TAKS passing standard for all tests was 92 percent.
 - Lefors ISD had 157 students in the 2009-10 school year. The average teacher salary was \$40,336. The percentage of students meeting the 2010 TAKS passing standard for all tests was 61 percent.
 - McLean ISD had 220 students in the 2009-10 school year. The average teacher salary was \$40,552. The percentage of students meeting the 2010 TAKS passing standard for all tests was 89 percent.
 - Pampa ISD had 3,465 students in the 2009-10 school year. The average teacher salary was \$43,173. The percentage of students meeting the 2010 TAKS passing standard for all tests was 71 percent.