

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



May 23, 2012

Dick Van Hoose  
Superintendent  
Lorenzo Independent School District  
P. O. Box 520  
Lorenzo, Texas 79343

Dear Superintendent Van Hoose:

On April 5, 2012, the Comptroller received the completed application for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted in November 9, 2011 to the Lorenzo Independent School District (Lorenzo ISD) by Crosby County Wind Farm LLC. 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.

Lorenzo ISD 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 (\$37 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. Crosby County Wind Farm LLC is proposing the construction of a wind power electric generation facility in Crosby County. Crosby County Wind Farm LLC is an active franchise taxpayer in good standing, as required by Tax Code Section 313.024(a).

As required by Section 313.024(h), 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 Crosby County Wind Farm LLC, the Comptroller's recommendation is that Crosby County Wind Farm LLC's 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 determine if the evidence supports making specific findings that the information in the application is true and correct, the applicant is eligible for a limitation and that granting the application is in the best

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

interest of the school district and state. As stated above, we prepared the recommendation by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria.

The Comptroller's recommendation is based on the application that has been submitted and reviewed by the Comptroller. The recommendation may not be used by the ISD 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 10 days prior to the meeting scheduled by the 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 providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
3. The district must approve and execute a limitation agreement that has been reviewed by this office within a year from the date of this letter; and
4. Section 313.025 requires the district to provide to the Comptroller a copy of the signed limitation agreement within 7 days after execution.

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

Sincerely,



Martin A. Hubert  
Deputy Comptroller

Enclosure

cc: Robert Wood

**Economic Impact for Chapter 313 Project**

Applicant	Crosby County Wind Farm LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Lorenzo ISD
2009-10 Enrollment in School District	315
County	Crosby
Total Investment in District	\$37,000,000
Qualified Investment	\$37,000,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	3*
Number of qualifying jobs committed to by applicant	3
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$730
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$713
Minimum Annual Wage committed to by applicant for qualified jobs	\$38,000
Investment per Qualifying Job	\$12,333,333
Estimated 15 year M&O levy without any limit or credit:	\$3,646,100
Estimated gross 15 year M&O tax benefit	\$1,887,482
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):	\$1,872,955
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$527,080
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$1,773,145
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	51.4%
Percentage of tax benefit due to the limitation	72.1%
Percentage of tax benefit due to the credit.	27.9%
* 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 Crosby County Wind Farm LLC (the project) applying to Lorenzo 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 three new jobs when fully operational. All three 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 South Plains Association of Governments Region, where Crosby County is located was \$33,717 in 2010. The annual average manufacturing wage for 2010-2011 for Crosby County is \$32,110. That same year, the county annual average wage for all industries was \$35,568. In addition to a salary of \$38,000, each qualifying position will receive a benefits package that includes medical, dental, and vision insurance, with at least 80% of the premiums being paid by the company as well as receive area wide competitive vacation time, sick leave, and skills training. The project's total investment is \$37 million, resulting in a relative level of investment per qualifying job of \$12.3 million.

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

According to Crosby County Wind Farm LLC's application, it "can locate the project anywhere in the U.S. with sufficient prevailing wind conditions conducive to power generation. However, Crosby County Wind Farm, LLC was formed for the purpose of developing a wind farm in Crosby County.

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

During the past two years, one project in the South Plains Association of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.

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

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Crosby County 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 Crosby County 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 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 Crosby County Wind Farm**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	125	101	226	\$4,750,000	\$6,250,000	\$11,000,000
2013	3	9	12	\$114,000	\$1,886,000	\$2,000,000
2014	3	5	8	\$114,000	\$886,000	\$1,000,000
2015	3	2	5	\$114,000	\$886,000	\$1,000,000
2016	3	7	10	\$114,000	\$886,000	\$1,000,000
2017	3	3	6	\$114,000	\$886,000	\$1,000,000
2018	3	8	11	\$114,000	\$886,000	\$1,000,000
2019	3	8	11	\$114,000	\$886,000	\$1,000,000
2020	3	5	8	\$114,000	\$886,000	\$1,000,000
2021	3	10	13	\$114,000	\$1,886,000	\$2,000,000
2022	3	11	14	\$114,000	\$886,000	\$1,000,000
2023	3	13	16	\$114,000	\$1,886,000	\$2,000,000
2024	3	17	20	\$114,000	\$1,886,000	\$2,000,000
2025	3	11	14	\$114,000	\$1,886,000	\$2,000,000
2026	3	15	18	\$114,000	\$1,886,000	\$2,000,000
2027	3	15	18	\$114,000	\$1,886,000	\$2,000,000

Source: CPA, REMI, Crosby County Wind Farm LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.6 billion in 2010. Lorenzo ISD's ad valorem tax base in 2010 was \$119 million. The statewide average wealth per WADA was estimated at \$345,067 for fiscal 2010-2011. During that same year, Lorenzo ISD's estimated wealth per WADA was \$221,911. 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 and Crosby County with all property tax incentives sought being granted using estimated market value from Crosby County Wind Farm LLC's application. Crosby County Wind Farm LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatement with the county. Table 3 illustrates the estimated tax impact of the Crosby County 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 <sup>1</sup>	Lorenzo ISD I&S Levy	Lorenzo ISD M&O Levy	Lorenzo ISD M&O and I&S Tax Levies (Before Credit Credited)	Lorenzo ISD M&O and I&S Tax Levies (After Credit Credited)	Crosby County	Estimated Total Property Taxes
				0.0000	1.0107			0.5900	
2013	\$37,000,000	\$37,000,000		\$0	\$373,959	\$373,959	\$373,959	\$0	\$373,959
2014	\$35,150,000	\$35,150,000		\$0	\$355,261	\$355,261	\$355,261	\$0	\$355,261
2015	\$33,300,000	\$10,000,000		\$0	\$101,070	\$101,070	\$101,070	\$0	\$101,070
2016	\$31,450,000	\$10,000,000		\$0	\$101,070	\$101,070	\$50,535	\$0	\$50,535
2017	\$29,600,000	\$10,000,000		\$0	\$101,070	\$101,070	\$50,535	\$0	\$50,535
2018	\$27,750,000	\$10,000,000		\$0	\$101,070	\$101,070	\$50,535	\$0	\$50,535
2019	\$25,900,000	\$10,000,000		\$0	\$101,070	\$101,070	\$50,535	\$0	\$50,535
2020	\$24,050,000	\$10,000,000		\$0	\$101,070	\$101,070	\$50,535	\$0	\$50,535
2021	\$22,200,000	\$10,000,000		\$0	\$101,070	\$101,070	\$50,535	\$0	\$50,535
2022	\$20,350,000	\$10,000,000		\$0	\$101,070	\$101,070	\$50,535	\$0	\$50,535
2023	\$18,500,000	\$18,500,000		\$0	\$186,980	\$186,980	\$13,644	\$109,150	\$122,794
2024	\$16,650,000	\$16,650,000		\$0	\$168,282	\$168,282	\$168,282	\$98,235	\$266,517
2025	\$14,800,000	\$14,800,000		\$0	\$149,584	\$149,584	\$149,584	\$87,320	\$236,904
2026	\$12,950,000	\$12,950,000		\$0	\$130,886	\$130,886	\$130,886	\$76,405	\$207,291
2027	\$11,100,000	\$11,100,000		\$0	\$112,188	\$112,188	\$112,188	\$65,490	\$177,678
						<b>Total</b>	<b>\$1,758,618</b>	<b>\$436,600</b>	<b>\$2,195,218</b>

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Crosby County Wind Farm LLC

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

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate <sup>1</sup>	Lorenzo ISD I&S Levy	Lorenzo ISD M&O Levy		Lorenzo ISD M&O and I&S Tax Levies	Crosby County	Estimated Total Property Taxes
				0.0000	1.0107			0.5900	
2013	\$37,000,000	\$37,000,000		\$0	\$373,959	X	\$373,959	\$218,300	\$592,259
2014	\$35,150,000	\$35,150,000		\$0	\$355,261		\$355,261	\$207,385	\$562,646
2015	\$33,300,000	\$33,300,000		\$0	\$336,563		\$336,563	\$196,470	\$533,033
2016	\$31,450,000	\$31,450,000		\$0	\$317,865		\$317,865	\$185,555	\$503,420
2017	\$29,600,000	\$29,600,000		\$0	\$299,167		\$299,167	\$174,640	\$473,807
2018	\$27,750,000	\$27,750,000		\$0	\$280,469		\$280,469	\$163,725	\$444,194
2019	\$25,900,000	\$25,900,000		\$0	\$261,771		\$261,771	\$152,810	\$414,581
2020	\$24,050,000	\$24,050,000		\$0	\$243,073		\$243,073	\$141,895	\$384,968
2021	\$22,200,000	\$22,200,000		\$0	\$224,375		\$224,375	\$130,980	\$355,355
2022	\$20,350,000	\$20,350,000		\$0	\$205,677		\$205,677	\$120,065	\$325,742
2023	\$18,500,000	\$18,500,000		\$0	\$186,980		\$186,980	\$109,150	\$296,130
2024	\$16,650,000	\$16,650,000		\$0	\$168,282		\$168,282	\$98,235	\$266,517
2025	\$14,800,000	\$14,800,000		\$0	\$149,584		\$149,584	\$87,320	\$236,904
2026	\$12,950,000	\$12,950,000		\$0	\$130,886		\$130,886	\$76,405	\$207,291
2027	\$11,100,000	\$11,100,000		\$0	\$112,188	\$112,188	\$65,490	\$177,678	
						<b>Total</b>	<b>\$3,646,100</b>	<b>\$2,128,425</b>	<b>\$5,774,525</b>

Source: CPA, Crosby County Wind Farm LLC

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

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table II" in this attachment shows the estimated 13 year M&O tax levy without the value limitation agreement would be \$3,403,027. The estimated gross 13 year M&O tax benefit, or levy loss, is \$1,887,482.

Attachment 3 is an economic overview of Crosby 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 99-398

Applicant Name: Credit County Wind Farm, LLC  
 USD Name: Lorenzo USD

PROPERTY INVESTMENT AMOUNTS

(Estimated investment in each year. Do not put cumulative totals.)

Year	School Year	Tax Year (FIR in actual tax year below) YYYY	Column A: Tangible Personal Property (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 (whether 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  Continue to Maintain Viable Presence  Post-Settle-Up Period  Post-Settle-Up Period	1	2013	200,000	0		0	200,000
	2	2014	50,000	0		0	50,000
	3	2015	34,620,000	130,000	34,750,000	2,000,000	36,750,000
	4	2016					
	5	2017					
	6	2018					
	7	2019					
	8	2020					
	9	2021					
	10	2022					
	11	2023					
	12	2024					
	13	2025					
	14	2026					
	15	2027					

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 §13.021(1)(A)-(D).

Column A: For the purposes of investment, please list amount invested each year, not cumulative totals. 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.

Column B: 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 §13.021(1)(E).

Column D: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value for planning, construction and operation of the facility. The most significant 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.

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

Signature of Authorized Company Representative:  DATE: 3-22-12

Schedule B (Rev. May 2010): Estimate of Market and Taxable Value  
 Crosby County Wind Farm, LLC

Form 50-296

Applicant Name  
 Lorenzo ISD

ISD Name	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	Final taxable value for M&O—after all reductions
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"			
	pre-year 1	2012-2013	2012	N/A	0	0	N/A	0	0
Complete tax years of qualifying time period	1	2013-2014	2013	N/A	130,000	36,870,000	N/A	37,000,000	37,000,000
	2	2014-2015	2014	N/A	123,500	35,026,500	N/A	35,150,000	35,150,000
	3	2015-2016	2015	N/A	117,000	33,183,000	N/A	33,300,000	10,000,000
	4	2016-2017	2016	N/A	110,500	31,339,500	N/A	31,450,000	10,000,000
	5	2017-2018	2017	N/A	104,000	29,496,000	N/A	29,600,000	10,000,000
Tax Credit Period (with 50% cap on credit)	6	2018-2019	2018	N/A	97,500	27,652,500	N/A	27,750,000	10,000,000
	7	2019-2020	2019	N/A	91,000	25,809,000	N/A	25,900,000	10,000,000
	8	2020-2021	2020	N/A	84,500	23,965,500	N/A	24,050,000	10,000,000
	9	2021-2022	2021	N/A	78,000	22,122,000	N/A	22,200,000	10,000,000
	10	2022-2023	2022	N/A	71,500	20,278,500	N/A	20,350,000	10,000,000
Credit Settle-Up Period	11	2023-2024	2023	N/A	65,000	18,435,000	N/A	18,500,000	18,500,000
	12	2024-2025	2024	N/A	58,500	16,591,500	N/A	16,650,000	16,650,000
	13	2025-2026	2025	N/A	52,000	14,748,000	N/A	14,800,000	14,800,000
Post- Settle-Up Period	14	2026-2027	2026	N/A	45,500	12,904,500	N/A	12,950,000	12,950,000
	15	2027-2028	2027	N/A	39,000	11,061,000	N/A	11,100,000	11,100,000

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]*

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

3-2-2-12

DATE

**Schedule C- Application: Employment Information**

Crosby County Wind Farm, LLC  
 Lorenzo ISD

Applicant Name  
 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) 125 FTE's	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	2012-2013	2012	0	38,000	0	0	0	0
	1	2013-2014	2013	0	0	3	38,000	3	38,000
	2	2014-2015	2014	0	0	3	38,000	3	38,000
	3	2015-2016	2015	0	0	3	38,000	3	38,000
	4	2016-2017	2016	0	0	3	38,000	3	38,000
	5	2017-2018	2017	0	0	3	38,000	3	38,000
	6	2018-2019	2018	0	0	3	38,000	3	38,000
	7	2019-2020	2019	0	0	3	38,000	3	38,000
	8	2020-2021	2020	0	0	3	38,000	3	38,000
	9	2021-2022	2021	0	0	3	38,000	3	38,000
	10	2022-2023	2022	0	0	3	38,000	3	38,000
	11	2023-2024	2023	0	0	3	38,000	3	38,000
	12	2024-2025	2024	0	0	3	38,000	3	38,000
	13	2025-2026	2025	0	0	3	38,000	3	38,000
	14	2026-2027	2026	0	0	3	38,000	3	38,000
	15	2027-2028	2027	0	0	3	38,000	3	38,000
Complete tax years of qualifying time period									
Tax Credit Period (With 50% cap on credit)									
Value Limitation Period									
Credit 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.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

CROSBY COUNTY WIND FARM, LLC

By:   
 Shannon Adkins, President

Date: March 22, 2012

Schedule D: (Rev. 10-1-10) Other Tax Information

Crosby County Wind Farm, LLC

ISD Name

Lorenzo ISD

Form 50-298

Applicant Name	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Sales Tax Information		Franchise Tax	Other Property Tax Abatements Sought				
				Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax		Column H: Estimate of Franchise tax due from (or attributable to) the applicant	County	City	Hospital	Other
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2012-2013	2012	4,000,000	32,800,000	0	0%	0%	0%	0%	0%
	Complete tax years of qualifying time period	1	2013-2014	2013	0	444,474	0	100%	0%	0%	0%
		2	2014-2015	2014	0	445,493	0	100%	0%	0%	0%
		3	2015-2016	2015	0	931,385	0	100%	0%	0%	0%
		4	2016-2017	2016	0	978,900	0	100%	0%	0%	0%
		5	2017-2018	2017	0	1,020,354	0	100%	0%	0%	0%
	Tax Credit Period (with 50% cap on credit)	Value Limitation Period	6	2018-2019	0	1,078,298	2,509	100%	0%	0%	0%
			7	2019-2020	0	1,100,897	7,834	100%	0%	0%	0%
			8	2020-2021	0	1,119,752	18,658	100%	0%	0%	0%
			9	2021-2022	0	1,288,203	21,654	100%	0%	0%	0%
			10	2022-2023	0	1,293,603	20,838	100%	0%	0%	0%
	Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2023-2024	626,511	781,934	21,950	0%	0%	0%	0%
			12	2024-2025	639,041	765,974	20,952	0%	0%	0%	0%
			13	2025-2026	651,822	750,231	21,216	0%	0%	0%	0%
	Post-Settle-Up Period	Post-Settle-Up Period	14	2026-2027	664,858	734,709	21,705	0%	0%	0%	0%
15			2027-2028	678,155	719,412	22,207	0%	0%	0%	0%	

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE 3-22-12

# **Attachment 2**

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

**Prepared by**

**Randy McDowell, RTSBA**

**School Financial Consultant**

**&**

**Neal Brown**

**School Finance Specialist, Region 16 ESC**

# **Lorenzo ISD Financial Impact of Chapter 313 Agreement**

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## **Summary of Lorenzo ISD Financial Impact of the Limited Appraised Value Application from Crosby County Wind Farm, LLC**

### **Introduction**

Crosby County Wind Farm, LLC, applied for a property value limitation from Lorenzo Independent School District under Chapter 313 of the Tax Code. The application was submitted on November 3, 2011 and subsequently approved for consideration by the Lorenzo ISD Board of Trustees. Crosby County Wind Farm, LLC (“Crosby Wind”), is requesting the property value limitation as a “renewable energy electric generation” company 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 77<sup>th</sup> Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80<sup>th</sup> 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.

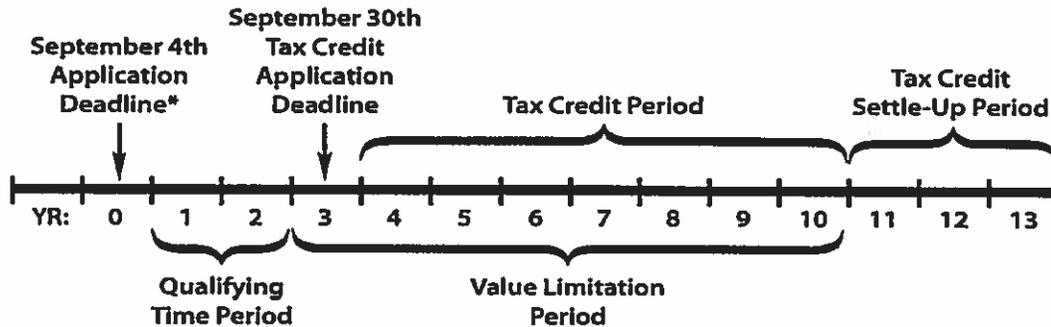
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## Lorenzo ISD Financial Impact of Chapter 313 Agreement

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### Timeline for Companies Applying for Tax Credit (in 3rd Year) After June 15, 2007

#### Appraised Value Limitation and Credit Under Tax Code Chapter 313



\* Companies may apply throughout the year by agreement with the school district. Sept. 4th is the deadline for applications with agreements commencing in the following tax year.

The company must file an application with the school district by September 4 to qualify for consideration of a Limited Appraised Value Agreement ("LAVA" or "Agreement") to begin the following tax year. 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. Lorenzo ISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million and less than \$90 million, thus Lorenzo ISD 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 Lorenzo ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy.

## Lorenzo ISD Financial Impact of Chapter 313 Agreement

### Taxable Value Impact from LAVA

The "Additional Value from Crosby 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 Lorenzo ISD.

**TABLE I- Calculation of Taxable Value:**

Tax Year	Additional Value from Crosby Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2012	37,000,000	n/a	0	37,000,000
Jan. 1, 2013	35,150,000	n/a	0	35,150,000
Jan. 1, 2014	33,300,000	(10,000,000)	23,300,000	10,000,000
Jan. 1, 2015	31,450,000	(10,000,000)	21,450,000	10,000,000
Jan. 1, 2016	29,600,000	(10,000,000)	19,600,000	10,000,000
Jan. 1, 2017	27,750,000	(10,000,000)	17,750,000	10,000,000
Jan. 1, 2018	25,900,000	(10,000,000)	15,900,000	10,000,000
Jan. 1, 2019	24,050,000	(10,000,000)	14,050,000	10,000,000
Jan. 1, 2020	22,200,000	(10,000,000)	12,200,000	10,000,000
Jan. 1, 2021	20,350,000	(10,000,000)	10,350,000	10,000,000
Jan. 1, 2022	18,500,000	n/a	0	18,500,000
Jan. 1, 2023	16,650,000	n/a	0	16,650,000
Jan. 1, 2024	14,800,000	n/a	0	14,800,000

## Lorenzo ISD Financial Impact of Chapter 313 Agreement

### Crosby County Wind Farm's Tax Benefit from Agreement

The projected amount of the net tax savings for Crosby Wind is \$1.873 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.

**TABLE II- Computation of Net Tax Savings:**

Fiscal Year	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2012-2013	373,959	0	n/a	0	0
2013-2014	355,261	0	n/a	0	0
2014-2015	336,563	235,493	n/a	(14,527)	220,966
2015-2016	317,865	216,795	50,535	0	267,330
2016-2017	299,167	198,097	50,535	0	248,632
2017-2018	280,469	179,399	50,535	0	229,934
2018-2019	261,771	160,701	50,535	0	211,236
2019-2020	243,073	142,003	50,535	0	192,538
2020-2021	224,375	123,305	50,535	0	173,840
2021-2022	205,677	104,607	50,535	0	155,142
2022-2023	186,980	0	173,335	0	173,335
2023-2024	168,282	0	0	0	0
2024-2025	149,584	0	0	0	0
<b>Totals</b>	<b>3,403,027</b>	<b>1,360,402</b>	<b>527,080</b>	<b>(14,527)</b>	<b>1,872,955</b>

# Lorenzo ISD Financial Impact of Chapter 313 Agreement

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## Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Lorenzo 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 Appendix B. The following assumptions were used to compare the financial impact of the LAVA:

- The current state funding formulas (in effect for 2011-2012 fiscal year) were used for state aid and recapture calculation purposes
  - Level 2 of Tier II yield - \$59.97 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 2011
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- A constant taxable value was used with no projected increase or decrease, except as it related to the requested LAVA. The district's 2011 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 2011-2012 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.

## Lorenzo ISD Financial Impact of Chapter 313 Agreement

The tables displayed below (Table III, IV, V) are excerpts from Appendix B. These scenarios were computed to compare the District's revenue without the additional taxable value of Crosby Wind (Table III), the addition of Crosby Wind taxable values without a Chapter 313 Agreement (Table IV), and the addition of Crosby Wind taxable values with a Chapter 313 Agreement (Table V).

**TABLE III – District Revenues without Crosby Wind:**

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue				
2012-2013	185,000,000	1,789,135	846,651	(0)	2,635,786	144,491	2,780,277
2013-2014	185,000,000	1,789,135	841,379	(0)	2,630,514	137,533	2,768,047
2014-2015	185,000,000	1,789,135	836,118	(0)	2,625,253	137,258	2,762,511
2015-2016	185,000,000	1,789,135	830,868	(0)	2,620,003	136,983	2,756,986
2016-2017	185,000,000	1,789,135	825,628	(0)	2,614,763	136,709	2,751,472
2017-2018	185,000,000	1,789,135	820,398	(0)	2,609,533	136,436	2,745,969
2018-2019	185,000,000	1,789,135	815,179	(0)	2,604,314	136,163	2,740,477
2019-2020	185,000,000	1,789,135	809,971	(0)	2,599,106	135,891	2,734,996
2020-2021	185,000,000	1,789,135	804,772	(0)	2,593,907	135,619	2,729,526
2021-2022	185,000,000	1,789,135	799,585	(0)	2,588,720	135,348	2,724,067
2022-2023	185,000,000	1,789,135	794,407	(0)	2,583,542	135,077	2,718,619
2023-2024	185,000,000	1,789,135	789,240	(0)	2,578,375	134,807	2,713,182
2024-2025	185,000,000	1,789,135	784,083	(0)	2,573,218	134,537	2,707,756

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

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue				
2012-2013	222,000,000	2,146,962	488,824	(0)	2,635,786	173,389	2,809,175
2013-2014	220,150,000	2,129,071	501,444	(0)	2,630,514	136,387	2,766,901
2014-2015	218,300,000	2,111,179	514,074	(0)	2,625,253	136,104	2,761,358
2015-2016	216,450,000	2,093,288	526,715	(0)	2,620,003	135,822	2,755,825
2016-2017	214,600,000	2,075,397	539,366	(0)	2,614,763	135,541	2,750,304
2017-2018	212,750,000	2,057,505	552,028	(0)	2,609,533	135,260	2,744,793
2018-2019	210,900,000	2,039,614	564,700	(0)	2,604,314	134,979	2,739,293
2019-2020	209,050,000	2,021,723	577,383	(0)	2,599,106	134,699	2,733,804
2020-2021	207,200,000	2,003,831	590,076	(0)	2,593,907	134,419	2,728,326
2021-2022	205,350,000	1,985,940	602,780	(0)	2,588,720	134,139	2,722,859
2022-2023	203,500,000	1,968,049	615,494	(0)	2,583,542	133,860	2,717,402
2023-2024	201,650,000	1,950,157	628,218	(0)	2,578,375	133,581	2,711,956
2024-2025	199,800,000	1,932,266	640,953	(0)	2,573,218	133,303	2,706,521

## Lorenzo ISD Financial Impact of Chapter 313 Agreement

**TABLE V – District Revenues with Crosby Wind with Chapter 313 Agreement:**

Fiscal Year	M&O Taxes		M&O				Total District Revenue	
	Total Taxable Value	Comp Rate After Credits	State Revenue	Recapture Amount	Hold Harmless Revenue	Taxes > Payment		
						Comp Rate		for District Losses
2012-2013	222,000,000	2,146,962	488,824	(0)	2,635,786	173,389	0	2,809,175
2013-2014	220,150,000	2,129,071	501,444	(0)	2,630,514	136,387	0	2,766,901
2014-2015	195,000,000	1,885,845	739,408	(0)	2,625,253	121,577	14,527	2,761,358
2015-2016	195,000,000	1,885,845	734,158	(0)	2,620,003	136,983	0	2,756,986
2016-2017	195,000,000	1,885,845	728,918	(0)	2,614,763	136,709	0	2,751,472
2017-2018	195,000,000	1,885,845	723,688	(0)	2,609,533	136,436	0	2,745,969
2018-2019	195,000,000	1,885,845	718,469	(0)	2,604,314	136,163	0	2,740,477
2019-2020	195,000,000	1,885,845	713,261	(0)	2,599,106	135,891	0	2,734,996
2020-2021	195,000,000	1,885,845	708,062	(0)	2,593,907	135,619	0	2,729,526
2021-2022	195,000,000	1,885,845	702,875	(0)	2,588,720	135,348	0	2,724,067
2022-2023	203,500,000	1,968,049	615,494	(0)	2,583,542	140,965	0	2,724,507
2023-2024	201,650,000	1,950,157	628,218	(0)	2,578,375	133,581	0	2,711,956
2024-2025	199,800,000	1,932,266	640,953	(0)	2,573,218	133,303	0	2,706,521

### Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79<sup>th</sup> 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.

## Lorenzo ISD Financial Impact of Chapter 313 Agreement

### Payments in Lieu of Taxes

Assuming that the District and Crosby County Wind Farm, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) of the net tax savings will be paid to Lorenzo ISD by Crosby County Wind Farm, LLC, the projected amount of these payments over the life of the agreement is \$249,000 of the \$1.87 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	Lorenzo ISD Share \$100/ADA	Crosby County Wind Share
2012-2013	0	0	0
2013-2014	0	0	0
2014-2015	220,966	27,932	193,034
2015-2016	267,330	27,876	239,454
2016-2017	248,632	27,820	220,812
2017-2018	229,934	27,764	202,170
2018-2019	211,236	27,709	183,527
2019-2020	192,538	27,654	164,885
2020-2021	173,840	27,598	146,242
2021-2022	155,142	27,543	127,599
2022-2023	173,335	27,488	145,847
2023-2024	0	0	0
2024-2025	0	0	0
<b>Totals</b>	<b>1,872,955</b>	<b>249,384</b>	<b>1,623,571</b>

# Lorenzo ISD Financial Impact of Chapter 313 Agreement

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## 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
Pre-K thru 6	16	352	198	154
7 thru 12	12	240	107	133
<b>Total</b>	<b>28</b>	<b>592</b>	<b>305</b>	<b>287</b>

The building capacities are based on 22 students per classroom for the elementary campuses, 20 students for the Jr. High and high school. Lorenzo ISD is a pre-kindergarten through 12<sup>th</sup> grade district.

Crosby County 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 three full-time employees are expected. It is not known whether these would be new employees to the Lorenzo 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 three positions equates to 2 new students.

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

# **Lorenzo ISD Financial Impact of Chapter 313 Agreement**

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## **Conclusion**

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

Crosby Wind 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, Crosby Wind is projected to benefit from a 61% tax savings over the eleven year period of this agreement. Crosby 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.

Lorenzo ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Crosby 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.



# TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [www.tea.state.tx.us](http://www.tea.state.tx.us)

Robert Scott  
Commissioner

May 15, 2012

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 Crosby County Wind Farm LLC project on the number and size of school facilities in Lorenzo Independent School District (LISD). Based on the analysis prepared by Randy McDowell and Neal Brown for the school district and a conversation with the LISD superintendent, Dick Van Hoose, the TEA has found that the Crosby County Wind Farm LLC project would not have a significant impact on the number or size of school facilities in LISD.

Please feel free to contact Al McKenzie, manager of forecasting, facilities, and transportation, by phone at (512) 463-9186 or by email at [al.mckenzie@tea.state.tx.us](mailto:al.mckenzie@tea.state.tx.us) if you need further information regarding this issue.

Sincerely,

A handwritten signature in black ink that reads "Belinda Dyer". The signature is written in a cursive, flowing style.

Belinda Dyer  
Division Manager  
Office of School Finance

BD/bd



# TEXAS EDUCATION AGENCY

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Robert Scott  
Commissioner

May 15, 2012

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 has analyzed the revenue gains that would be realized by the proposed Crosby County Wind Farm LLC project for the Lorenzo Independent School District (LISD). Projections prepared by our Office of School Finance 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 Crosby County Wind Farm LLC project on LISD are correct.

Please feel free to contact Al McKenzie, manager of forecasting, facilities, and transportation, by phone at (512) 463-9186 or by email at [al.mckenzie@tea.state.tx.us](mailto:al.mckenzie@tea.state.tx.us) if you need further information regarding this issue.

Sincerely,

Belinda Dyer  
Division Manager  
Office of School Finance

BD/bd

# Attachment 3

## Crosby County

### Population

- Total county population in 2010 for Crosby County: 6,069 , up 0.1 percent from 2009. State population increased 1.8 percent in the same time period.
- Crosby County was the state's 193th largest county in population in 2010 and the 190 th fastest growing county from 2009 to 2010.
- Crosby County's population in 2009 was 42.1 percent Anglo (below the state average of 46.7 percent), 4.2 percent African-American (below the state average of 11.3 percent) and 52.7 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Crosby County:

Ralls:	1,940	Crosbyton:	1,591
Lorenzo:	1,171		

### Economy and Income

#### *Employment*

- September 2011 total employment in Crosby County: 2,454 , up 1.4 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 Crosby County unemployment rate: 10.3 percent, up from 7.8 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*

- Crosby County's ranking in per capita personal income in 2009: 101st with an average per capita income of \$34,095, up 2.5 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 Crosby County averaged \$144.99 million annually from 2007 to 2010. County total agricultural values in 2010 were down 4.9 percent from 2009. Major agriculture related commodities in Crosby County during 2010 included:
  - Hay                                      - Wheat                                      - Other Beef                                      - Cottonseed                                      - Cotton
- 2011 oil and gas production in Crosby County: 491,409.0 barrels of oil and 40,450.0 Mcf of gas. In September 2011, there were 442 producing oil wells and 0 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 Crosby County during the fourth quarter 2010: \$2.79 million, up 5.6 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Ralls:	\$1.06 million, up 2.1 percent from the same quarter in 2009.
Crosbyton:	\$961,607.00, up 0.4 percent from the same quarter in 2009.
Lorenzo:	\$372,095.00, up 8.9 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 Crosby County through the fourth quarter of 2010: \$10.25 million, up 1.1 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Ralls:	\$3.83 million, up 0.6 percent from the same period in 2009.
Crosbyton:	\$3.42 million, down 6.3 percent from the same period in 2009.
Lorenzo:	\$1.34 million, down 2.2 percent from the same period in 2009.

*Annual (2010)*

- Taxable sales in Crosby County during 2010: \$10.25 million, up 1.1 percent from 2009.
- Crosby County sent an estimated \$640,386.63 (or 0.00 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Ralls:	\$3.83 million, up 0.6 percent from 2009.
Crosbyton:	\$3.42 million, down 6.3 percent from 2009.

Lorenzo: \$1.34 million, down 2.2 percent from 2009.

### ***Sales Tax – Local Sales Tax Allocations***

*(The release date for sales tax allocations to cities for the sales activity month of 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 Crosby County based on the sales activity month of August 2011: \$17,417.34, up 4.0 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:
 

Ralls:	\$7,975.40, up 7.0 percent from August 2010.
Crosbyton:	\$7,209.34, up 4.8 percent from August 2010.
Lorenzo:	\$2,232.60, down 7.2 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 Crosby County based on sales activity months from September 2010 through August 2011: \$226,258.47, up 0.9 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:
 

Ralls:	\$103,179.19, up 6.7 percent from fiscal 2010.
Crosbyton:	\$92,855.99, down 5.8 percent from fiscal 2010.
Lorenzo:	\$30,223.29, up 4.5 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 Crosby County based on sales activity months through August 2011: \$149,922.76, up 0.2 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:
 

Ralls:	\$67,121.63, up 5.5 percent from the same period in 2010.
Crosbyton:	\$61,654.58, down 7.0 percent from the same period in 2010.
Lorenzo:	\$21,146.55, up 7.7 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 Crosby County based on sales activity in the 12 months ending in August 2011: \$226,258.47, up 0.9 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:
 

Ralls:	\$103,179.19, up 6.7 percent from the previous 12-month period.
Crosbyton:	\$92,855.99, down 5.8 percent from the previous 12-month period.
Lorenzo:	\$30,223.29, up 4.5 percent from the previous 12-month period.

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

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

Ralls:	\$84,931.24, up 4.0 percent from the same period in 2010.
Crosbyton:	\$78,924.83, down 4.4 percent from the same period in 2010.
Lorenzo:	\$25,791.46, up 5.8 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 Crosby County based on sales activity months in 2010: \$225,943.92, up 2.7 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:
 

Ralls:	\$99,709.05, up 5.6 percent from 2009.
Crosbyton:	\$97,519.75, down 1.0 percent from 2009.
Lorenzo:	\$28,715.12, up 6.0 percent from 2009.

### ***Property Tax***

- As of January 2009, property values in Crosby County: \$655.16 million, up 2.5 percent from January 2008 values. The property tax base per person in Crosby County is \$107,245, above the statewide average of \$85,809. About 24.5 percent of the property tax base is derived from oil, gas and minerals.

### **State Expenditures**

- Crosby County's ranking in state expenditures by county in fiscal year 2010: 184th. State expenditures in the county for FY2010: \$28.18 million, up 0.1 percent from FY2009.
- In Crosby County, 7 state agencies provide a total of 27 jobs and \$270,638.00 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
  - Health & Human Services Commission
  - Department of Aging and Disability Services

### **Higher Education**

- Community colleges in Crosby County fall 2010 enrollment:
  - None.
- Crosby County is in the service area of the following:
  - South Plains College with a fall 2010 enrollment of 10,153. Counties in the service area include:
    - Bailey County
    - Cochran County
    - Crosby County
    - Floyd County
    - Gaines County
    - Garza County
    - Hale County
    - Hockley County
    - Lamb County
    - Lubbock County
    - Lynn County
    - Motley County
    - Terry County
    - Yoakum County
- Institutions of higher education in Crosby County fall 2010 enrollment:

### **School Districts**

- Crosby County had 3 school districts with 11 schools and 1,273 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.)
  - Crosbyton ISD had 415 students in the 2009-10 school year. The average teacher salary was \$40,893. The percentage of students meeting the 2010 TAKS passing standard for all tests was 65 percent.
  - Lorenzo ISD had 317 students in the 2009-10 school year. The average teacher salary was \$41,094. The percentage of students meeting the 2010 TAKS passing standard for all tests was 50 percent.
  - Ralls ISD had 541 students in the 2009-10 school year. The average teacher salary was \$37,609. The percentage of students meeting the 2010 TAKS passing standard for all tests was 66 percent.