

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



November 12, 2013

Donna Gill  
Superintendent  
Miami Independent School District  
100 Warrior Lane  
Miami, Texas 79059

Dear Superintendent Gill:

On Aug. 30, 2013, the Comptroller received the completed application (Application # 331) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted in July 2013 to the Miami Independent School District (the school district) by Miami Wind I, LLC (the applicant). This letter presents the results of the Comptroller's review of the application:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

The school district is currently classified as a rural school district in Category 3 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$262 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 Roberts 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

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

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

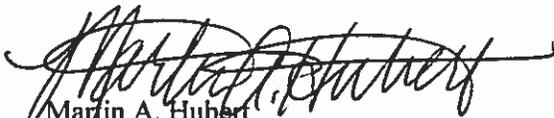
Note that any new building or other improvement existing as of the application review start date of Aug. 30, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

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](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**

**Summary Information for Miami ISD, Miami Wind I, LLC**

Applicant	Miami Wind I, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Miami ISD
2011-12 Enrollment in School District	217
County	Roberts & Gray
Total Investment in District	\$266,936,306
Qualified Investment	\$262,053,953
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	8*
Number of qualifying jobs committed to by applicant	8
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$937
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$885
Minimum Annual Wage committed to by applicant for qualified jobs	\$48,700
Investment per Qualifying Job	\$33,367,038
Estimated 15 year M&O levy without any limit or credit:	\$26,871,827
Estimated gross 15 year M&O tax benefit	\$18,821,086
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):	\$18,146,560
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$2,672,138
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$8,725,268
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	67.5%
Percentage of tax benefit due to the limitation	85.8%
Percentage of tax benefit due to the credit.	14.2%
* 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 Miami Wind I, LLC (the project) applying to Miami 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 eight new jobs when fully operational. All eight 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, where Roberts County is located was \$41,850 in 2012. The annual average manufacturing wage for 2012 for Roberts County is not published or available. In 2012-2013, the county annual average wage for all industries was \$32,279. In addition to an annual average salary of \$48,700 each qualifying position will receive benefits such as 80 percent of the premiums for medical, dental, vision and life insurance, disability plans, 401(k) retirement savings plan, paid vacation and sick leave. The project's total investment is \$266.9 million, resulting in a relative level of investment per qualifying job of \$33.4 million.

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

According to the Miami Wind I, LLC application, "Invenergy develops, owns and operates wind energy projects across the US, Canada and in Europe. We have numerous developments in the nearby states of Kansas and Oklahoma, where the wind resource is equivalent and their taxing incentives are similar to Texas. The Miami Wind Energy project is currently in competition with a 250 MW wind project in Oklahoma, a 200 MW wind energy project in Kansas, and a 300 MW project in Texas."

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

During the past two years, 24 projects in the Panhandle Regional Planning Commission 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 Miami Wind I, 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 Miami Wind I, 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 Miami Wind I, LLC**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	3	3	6	\$131,115	-\$131,115	\$0
2014	140	139	279	\$6,814,254	\$9,185,746	\$16,000,000
2015	8	12	20	\$389,600	\$1,610,400	\$2,000,000
2016	8	15	23	\$389,600	\$1,610,400	\$2,000,000
2017	8	15	23	\$389,600	\$1,610,400	\$2,000,000
2018	8	13	21	\$389,600	\$1,610,400	\$2,000,000
2019	8	17	25	\$389,600	\$1,610,400	\$2,000,000
2020	8	15	23	\$389,600	\$1,610,400	\$2,000,000
2021	8	19	27	\$389,600	\$1,610,400	\$2,000,000
2022	8	15	23	\$389,600	\$1,610,400	\$2,000,000
2023	8	15	23	\$389,600	\$1,610,400	\$2,000,000
2024	8	17	25	\$389,600	\$2,610,400	\$3,000,000
2025	8	19	27	\$389,600	\$1,610,400	\$2,000,000
2026	8	8	16	\$389,600	\$1,610,400	\$2,000,000
2027	8	15	23	\$389,600	\$1,610,400	\$2,000,000
2028	8	12	20	\$389,600	\$1,610,400	\$2,000,000

Source: CPA, REMI, Miami Wind I, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.7 billion in 2011. Miami ISD's ad valorem tax base in 2012-2013 was \$697 million. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Miami ISD's estimated wealth per WADA was \$2,015,830. 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, Roberts and Gray Counties, special purpose districts and Clarendon Community College district with all property tax incentives sought being granted using estimated market value from Miami Wind I, LLC's application. Miami Wind I, LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the counties and Roberts ESD #1. Table 3 illustrates the estimated tax impact of the Miami Wind I, 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>	Miami ISD I&S Levy	Miami ISD M&O Levy	Miami ISD M&O and I&S Tax Levies (Before Credit Credited)	Miami ISD M&O and I&S Tax Levies (After Credit Credited)	Roberts County Tax Levy (89%)	Gray County Tax Levy (11%)	Roberts ESD #1 Tax Levy (89%)	Clarendon Community College District Tax Levy (11%)	Panhandle Water District #3 Tax Levy (89%)	Panhandle Ground WCD #3 (Gray Co.) Tax Levy (11%)	Estimated Total Property Taxes
				0.0240	1.0400			0.6094	0.4973	0.0265	0.0500	0.0089	0.0089	
2014	\$5,772,892	\$5,772,892		\$1,385	\$60,038	\$61,424	\$61,424	\$0	\$0	\$0	\$2,886	\$512	\$512	\$65,334
2015	\$266,936,306	\$266,936,306		\$64,065	\$2,776,138	\$2,840,202	\$2,840,202	\$0	\$0	\$0	\$133,468	\$23,677	\$23,677	\$3,021,025
2016	\$250,920,128	\$10,000,000		\$60,221	\$104,000	\$164,221	\$164,221	\$0	\$0	\$0	\$125,460	\$22,257	\$22,257	\$334,194
2017	\$235,864,920	\$10,000,000		\$56,608	\$104,000	\$160,608	\$160,608	\$0	\$0	\$0	\$117,932	\$20,921	\$20,921	\$268,382
2018	\$221,713,025	\$10,000,000		\$53,211	\$104,000	\$157,211	\$157,211	\$0	\$0	\$0	\$110,857	\$19,666	\$19,666	\$255,400
2019	\$208,410,243	\$10,000,000		\$50,018	\$104,000	\$154,018	\$154,018	\$0	\$0	\$0	\$104,205	\$18,486	\$18,486	\$243,196
2020	\$195,905,629	\$10,000,000		\$47,017	\$104,000	\$151,017	\$151,017	\$0	\$0	\$0	\$97,953	\$17,377	\$17,377	\$231,724
2021	\$184,151,291	\$10,000,000		\$44,196	\$104,000	\$148,196	\$148,196	\$0	\$0	\$0	\$92,076	\$16,334	\$16,334	\$220,940
2022	\$173,102,214	\$10,000,000		\$41,545	\$104,000	\$145,545	\$145,545	\$0	\$0	\$0	\$86,551	\$15,354	\$15,354	\$210,804
2023	\$162,716,081	\$10,000,000		\$39,052	\$104,000	\$143,052	\$143,052	\$0	\$0	\$0	\$81,358	\$14,433	\$14,433	\$201,276
2024	\$152,953,116	\$152,953,116		\$36,709	\$1,590,712	\$1,627,421	\$36,709	\$932,084	\$760,691	\$21,490	\$76,477	\$13,567	\$13,567	\$1,854,585
2025	\$143,775,929	\$143,775,929		\$34,506	\$1,495,270	\$1,529,776	\$812,351	\$876,159	\$715,049	\$20,201	\$71,888	\$12,753	\$12,753	\$2,521,154
2026	\$135,149,373	\$135,149,373		\$32,436	\$1,405,553	\$1,437,989	\$1,437,989	\$823,589	\$672,146	\$18,989	\$67,575	\$11,988	\$11,988	\$3,044,264
2027	\$127,040,411	\$127,040,411		\$30,490	\$1,321,220	\$1,351,710	\$1,351,710	\$774,174	\$631,818	\$17,850	\$63,520	\$11,268	\$11,268	\$2,861,609
2028	\$119,417,986	\$119,417,986		\$28,660	\$1,241,947	\$1,270,607	\$1,270,607	\$727,724	\$593,909	\$16,779	\$59,709	\$10,592	\$10,592	\$2,689,912
						<b>Total</b>	<b>\$8,670,860</b>	<b>\$4,133,730</b>	<b>\$3,373,613</b>	<b>\$95,308</b>	<b>\$1,291,915</b>	<b>\$229,186</b>	<b>\$229,186</b>	<b>\$18,023,798</b>

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

Source: CPA, Miami Wind I, 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>	Miami ISD I&S Levy	Miami ISD M&O Levy	Miami ISD M&O and I&S Tax Levies	Roberts County Tax Levy (89%)	Gray County Tax Levy (11%)	Roberts ESD #1 Tax Levy (89%)	Clarendon Community College District Tax Levy (11%)	Panhandle Water District #3 Tax Levy (89%)	Panhandle Ground WCD #3 (Gray Co.) Tax Levy (11%)	Estimated Total Property Taxes	
				0.0240	1.0400		0.6094	0.4973	0.0265	0.0500	0.0089	0.0089		
2014	\$5,772,892	\$5,772,892		\$1,385	\$60,038	\$61,424	\$35,180	\$28,711	\$811	\$2,886	\$512	\$512	\$130,035	
2015	\$266,936,306	\$266,936,306		\$64,065	\$2,776,138	\$2,840,202	\$1,626,688	\$1,327,570	\$37,505	\$133,468	\$23,677	\$23,677	\$6,012,789	
2016	\$250,920,128	\$250,920,128		\$60,221	\$2,609,569	\$2,669,790	\$1,529,087	\$1,247,916	\$35,255	\$125,460	\$22,257	\$22,257	\$5,652,022	
2017	\$235,864,920	\$235,864,920		\$56,608	\$2,452,995	\$2,509,603	\$1,437,342	\$1,173,041	\$33,140	\$117,932	\$20,921	\$20,921	\$5,312,900	
2018	\$221,713,025	\$221,713,025		\$53,211	\$2,305,815	\$2,359,027	\$1,351,101	\$1,102,659	\$31,151	\$110,857	\$19,666	\$19,666	\$4,994,126	
2019	\$208,410,243	\$208,410,243		\$50,018	\$2,167,467	\$2,217,485	\$1,270,035	\$1,036,499	\$29,282	\$104,205	\$18,486	\$18,486	\$4,694,479	
2020	\$195,905,629	\$195,905,629		\$47,017	\$2,037,419	\$2,084,436	\$1,193,833	\$974,309	\$27,525	\$97,953	\$17,377	\$17,377	\$4,412,810	
2021	\$184,151,291	\$184,151,291		\$44,196	\$1,915,173	\$1,959,370	\$1,122,203	\$915,851	\$25,874	\$92,076	\$16,334	\$16,334	\$4,148,042	
2022	\$173,102,214	\$173,102,214		\$41,545	\$1,800,263	\$1,841,808	\$1,054,871	\$860,900	\$24,321	\$86,551	\$15,354	\$15,354	\$3,899,159	
2023	\$162,716,081	\$162,716,081		\$39,052	\$1,692,247	\$1,731,299	\$991,579	\$809,246	\$22,862	\$81,358	\$14,433	\$14,433	\$3,665,210	
2024	\$152,953,116	\$152,953,116		\$36,709	\$1,590,712	\$1,627,421	\$932,084	\$760,691	\$21,490	\$76,477	\$13,567	\$13,567	\$3,445,297	
2025	\$143,775,929	\$143,775,929		\$34,506	\$1,495,270	\$1,529,776	\$876,159	\$715,049	\$20,201	\$71,888	\$12,753	\$12,753	\$3,238,579	
2026	\$135,149,373	\$135,149,373		\$32,436	\$1,405,553	\$1,437,989	\$823,589	\$672,146	\$18,989	\$67,575	\$11,988	\$11,988	\$3,044,264	
2027	\$127,040,411	\$127,040,411		\$30,490	\$1,321,220	\$1,351,710	\$774,174	\$631,818	\$17,850	\$63,520	\$11,268	\$11,268	\$2,861,609	
2028	\$119,417,986	\$119,417,986		\$28,660	\$1,241,947	\$1,270,607	\$727,724	\$593,909	\$16,779	\$59,709	\$10,592	\$10,592	\$2,689,912	
						<b>Total</b>	<b>\$27,491,946</b>	<b>\$15,745,651</b>	<b>\$12,850,315</b>	<b>\$363,036</b>	<b>\$1,291,915</b>	<b>\$229,186</b>	<b>\$229,186</b>	<b>\$58,201,233</b>

Source: CPA, Miami Wind I, 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 11" in this attachment shows the estimated 13 year M&O tax levy without the value limitation agreement would be \$24,308,660. The estimated gross 13 year M&O tax benefit, or levy loss, is \$16,148,949.

Attachment 3 is an economic overview of Roberts 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**



Applicant Name

Schedule B (Rev. May 2010): Estimated Market And Taxable Value  
Miami Wind 1 LLC

ISD Name  
Miami ISD

Form 50-296

Tax Credit Period (with 50% cap on credit)	Value Limitation Period	Year	School Year (YYYY-YYYY)	Tax Year (FRI in actual tax year) YYYY	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 ISD - after all reductions	Final taxable value for M&O - after all reductions
		pre-year 1	2013-2014	2013	-	-	-	-	-	-
		1	2014-2015	2014	-	-	5,772,892	-	5,772,892	5,772,892
		2	2015-2016	2015	-	-	266,936,306	-	266,936,306	266,936,306
		3	2016-2017	2016	-	-	250,920,128	-	250,920,128	10,000,000
		4	2017-2018	2017	-	-	235,864,920	-	235,864,920	10,000,000
		5	2018-2019	2018	-	-	221,713,025	-	221,713,025	10,000,000
		6	2019-2020	2019	-	-	208,410,243	-	208,410,243	10,000,000
		7	2020-2021	2020	-	-	195,905,629	-	195,905,629	10,000,000
		8	2021-2022	2021	-	-	184,151,291	-	184,151,291	10,000,000
		9	2022-2023	2022	-	-	173,102,214	-	173,102,214	10,000,000
		10	2023-2024	2023	-	-	162,716,081	-	162,716,081	10,000,000
		11	2024-2025	2024	-	-	152,953,116	-	152,953,116	152,953,116
Credit Settle-Up Period	Continue to Maintain Viable Presence	12	2025-2026	2025	-	-	143,775,929	-	143,775,929	143,775,929
		13	2026-2027	2026	-	-	135,149,373	-	135,149,373	135,149,373
Post-Settle-Up Period		14	2027-2028	2027	-	-	127,040,411	-	127,040,411	127,040,411
Post-Settle-Up Period		15	2028-2029	2028	-	-	119,417,986	-	119,417,986	119,417,986

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

DATE 7/26/2013

Attachment 19  
Amendment No. 001

Schedule C - Application: Employment Information

Applicant Name: Miami Wind I LLC  
ISD Name: Miami ISD

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction FTE's or man-hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2013-2014	2013	5,600 Man Hours		0	\$ 48,700	0	\$ 48,700
	1	2014-2015	2014	274,400 Man Hours		0	\$ 48,700	0	\$ 48,700
	2	2015-2016	2015			0	\$ 48,700	0	\$ 48,700
	3	2016-2017	2016			0	\$ 48,700	0	\$ 48,700
	4	2017-2018	2017			0	\$ 48,700	0	\$ 48,700
	5	2018-2019	2018			0	\$ 48,700	0	\$ 48,700
	6	2019-2020	2019			0	\$ 48,700	0	\$ 48,700
	7	2020-2021	2020			0	\$ 48,700	0	\$ 48,700
	8	2021-2022	2021			0	\$ 48,700	0	\$ 48,700
	9	2022-2023	2022			0	\$ 48,700	0	\$ 48,700
	10	2023-2024	2023			0	\$ 48,700	0	\$ 48,700
	11	2024-2025	2024			0	\$ 48,700	0	\$ 48,700
	12	2025-2026	2025			0	\$ 48,700	0	\$ 48,700
	13	2026-2027	2026			0	\$ 48,700	0	\$ 48,700
	14	2027-2028	2027			0	\$ 48,700	0	\$ 48,700
	15	2028-2029	2028			0	\$ 48,700	0	\$ 48,700

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

DATE 8-27-2013

Applicant Name: **Miami Wind LLC**

Form 50-298

The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Complete tax years of qualifying time period	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	Water	
	1	2014	2013-2014	2013	\$ -	\$ -	\$ -	0%	0%	0%	0%	0%
	2	2015	2014-2015	2014	\$ 12,740	\$ 112,000	\$ -	0%	0%	0%	0%	0%
	3	2016	2015-2016	2015	\$ 168,000	\$ 1,120,000	\$ -	100%	0%	100%	0%	0%
	4	2017	2016-2017	2016	\$ 168,000	\$ 1,120,000	\$ -	100%	0%	100%	0%	0%
	5	2018	2017-2018	2017	\$ 168,000	\$ 1,120,000	\$ -	100%	0%	100%	0%	0%
	6	2019	2018-2019	2018	\$ 168,000	\$ 1,120,000	\$ 7,937	100%	0%	100%	0%	0%
	7	2020	2019-2020	2019	\$ 168,000	\$ 1,120,000	\$ 6,181	100%	0%	100%	0%	0%
	8	2021	2020-2021	2020	\$ 168,000	\$ 1,120,000	\$ 163,180	100%	0%	100%	0%	0%
	9	2022	2021-2022	2021	\$ 168,000	\$ 1,120,000	\$ 159,039	100%	0%	100%	0%	0%
	10	2023	2022-2023	2022	\$ 168,000	\$ 1,120,000	\$ 155,073	100%	0%	100%	0%	0%
	11	2024	2023-2024	2023	\$ 168,000	\$ 1,120,000	\$ 146,092	100%	0%	100%	0%	0%
	12	2025	2024-2025	2024	\$ 168,000	\$ 1,120,000	\$ 135,622	100%	0%	100%	0%	0%
	13	2026	2025-2026	2025	\$ 168,000	\$ 1,120,000	\$ 134,987	0%	0%	0%	0%	0%
	14	2027	2026-2027	2026	\$ 168,000	\$ 1,120,000	\$ 136,038	0%	0%	0%	0%	0%
	15	2028	2027-2028	2027	\$ 168,000	\$ 1,120,000	\$ 191,880	0%	0%	0%	0%	0%
		2029	2028-2029	2028	\$ 168,000	\$ 1,120,000	\$ 285,262	0%	0%	0%	0%	0%

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE 7/26/2013

# Attachment 2

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**Summary of the District's Financial Impact  
of Chapter 313 Agreement  
with Miami Wind I, LLC**

**Prepared by**

**Randy McDowell, RTSBA**

**&**

**Neal Brown**

**School Finance Consultants**

# Miami ISD Financial Impact of Chapter 313 Agreement

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## **Summary of Miami ISD Financial Impact of the Limited Appraised Value Application from Miami Wind I, LLC**

### **Introduction**

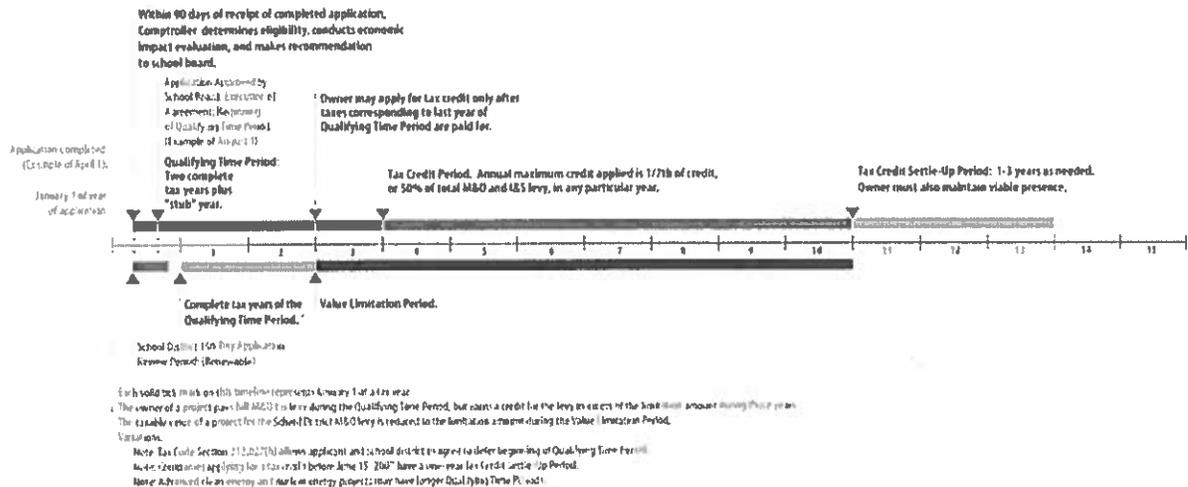
Miami Wind I, LLC applied for a property value limitation from Miami Independent School District under Chapter 313 of the Tax Code. The application was submitted on July 30, 2013 and subsequently approved for consideration by the Miami ISD Board of Trustees. Miami Wind I, LLC ("Miami Wind"), is requesting 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 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.

# Miami 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. Miami 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 Miami ISD

## Miami 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 Miami 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 Miami 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 Miami ISD.

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

Tax Year	Additional Value From Miami Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	5,772,892	n/a	0	5,772,892
Jan. 1, 2015	266,936,306	n/a	0	266,936,306
Jan. 1, 2016	250,920,128	(10,000,000)	240,920,128	10,000,000
Jan. 1, 2017	235,864,920	(10,000,000)	225,864,920	10,000,000
Jan. 1, 2018	221,713,025	(10,000,000)	211,713,025	10,000,000
Jan. 1, 2019	208,410,243	(10,000,000)	198,410,243	10,000,000
Jan. 1, 2020	195,905,629	(10,000,000)	185,905,629	10,000,000
Jan. 1, 2021	184,151,291	(10,000,000)	174,151,291	10,000,000
Jan. 1, 2022	173,102,214	(10,000,000)	163,102,214	10,000,000
Jan. 1, 2023	162,716,081	(10,000,000)	152,716,081	10,000,000
Jan. 1, 2024	152,953,116	n/a	0	152,953,116
Jan. 1, 2025	143,775,929	n/a	0	143,775,929
Jan. 1, 2026	135,149,373	n/a	0	135,149,373

# Miami ISD Financial Impact of Chapter 313 Agreement

## Miami Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Miami Wind is \$18.146 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.

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

- The District has not held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.04 for the life of this agreement.
- The district currently has outstanding bonded indebtedness that are scheduled to payoff in 2014 and currently has a \$.021 I&S rate. Since the bonds are scheduled to payoff prior to 2014-2015, they are not reflected in this study. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

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

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	1.040	0.000	60,038	0	n/a	0	0
2015-2016	1.040	0.000	2,776,138	0	n/a	0	0
2016-2017	1.040	0.000	2,609,569	2,505,569	n/a	(94,441)	2,411,129
2017-2018	1.040	0.000	2,452,995	2,348,995	52,000	(100,212)	2,300,783
2018-2019	1.040	0.000	2,305,815	2,201,815	52,000	(93,770)	2,160,046
2019-2020	1.040	0.000	2,167,467	2,063,467	52,000	(87,812)	2,027,655
2020-2021	1.040	0.000	2,037,419	1,933,419	52,000	(82,036)	1,903,383
2021-2022	1.040	0.000	1,915,173	1,811,173	52,000	(76,901)	1,786,272
2022-2023	1.040	0.000	1,800,263	1,696,263	52,000	(71,963)	1,676,300
2023-2024	1.040	0.000	1,692,247	1,588,247	52,000	(67,392)	1,572,856
2024-2025	1.040	0.000	1,590,712	0	1,590,712	0	1,590,712
2025-2026	1.040	0.000	1,495,270	0	717,425	0	717,425
2026-2027	1.040	0.000	1,405,553	0	0	0	0
<b>Totals</b>			<b>24,308,660</b>	<b>16,148,949</b>	<b>2,672,137</b>	<b>(674,526)</b>	<b>18,146,560</b>

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

- The current state funding formulas (in effect for 2013-2014 fiscal year) were used for state aid and recapture calculation purposes
  - Level 2 of Tier II yield - \$61.86 per weighted student in average daily attendance (WADA) per penny of tax effort
- The district's tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2012.
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- An annual taxable value increase of 2.0% was used to project the district's taxable value, except as it related to the requested LAVA. The district's 2012 taxable value was used as a baseline for all projections
- The district's enrollment is projected to increase slightly; therefore, the projected ADA and WADA for school year 2012-2013 was increased 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.

# Miami 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 Miami Wind (Table III), the addition of Miami Wind's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Miami Wind's taxable values with a Chapter 313 Agreement (Table V).

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

Fiscal Year	Total Taxable Value	M&O Taxes			Tier I	Revenue	Total
		Compressed Rate	State Revenue	Recapture Amount	Total Revenue	Above Comp Rate	District Revenue
2014-2015	895,124,509	8,951,245	908,494	7,184,301	2,675,439	351,658	3,027,097
2015-2016	913,026,999	9,130,270	913,037	7,354,491	2,688,816	358,676	3,047,492
2016-2017	931,287,539	9,312,875	917,602	7,528,217	2,702,260	365,834	3,068,094
2017-2018	949,913,290	9,499,133	242,416	7,705,552	2,035,997	373,135	2,409,132
2018-2019	968,911,556	9,689,116	246,857	7,886,566	2,049,406	380,583	2,429,989
2019-2020	988,289,787	9,882,898	246,385	8,071,336	2,057,947	388,179	2,446,126
2020-2021	1,008,055,583	10,080,556	245,112	8,259,936	2,065,732	395,927	2,461,659
2021-2022	1,028,216,694	10,282,167	255,333	8,452,444	2,085,055	403,830	2,488,886
2022-2023	1,048,781,028	10,487,810	259,828	8,648,939	2,098,700	411,891	2,510,591
2023-2024	1,069,756,649	10,697,566	259,413	8,849,501	2,107,479	420,114	2,527,592
2024-2025	1,091,151,782	10,911,518	263,943	9,054,212	2,121,249	428,501	2,549,750
2025-2026	1,112,974,817	11,129,748	268,492	9,263,156	2,135,084	437,055	2,572,140
2026-2027	1,135,234,314	11,352,343	273,029	9,476,418	2,148,955	445,781	2,594,736

## Miami ISD Financial Impact of Chapter 313 Agreement

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

Fiscal Year	Revenue						
	Total Taxable Value	M&O Taxes		Recapture Amount	Tier I	Above	Total
		Compressed Rate	State Revenue		Total Revenue	Comp Rate	District Revenue
2014-2015	900,897,401	9,008,974	897,099	7,230,634	2,675,439	353,921	3,029,360
2015-2016	1,179,963,305	11,799,633	408,569	9,519,386	2,688,816	463,315	3,152,131
2016-2017	1,182,207,667	11,822,077	949,267	10,069,084	2,702,260	464,195	3,166,455
2017-2018	1,185,778,210	11,857,782	285,290	10,094,058	2,049,014	465,594	2,514,609
2018-2019	1,190,624,581	11,906,246	287,101	10,131,818	2,061,529	467,494	2,529,023
2019-2020	1,196,700,030	11,967,000	284,225	10,181,897	2,069,329	469,876	2,539,204
2020-2021	1,203,961,212	12,039,612	280,480	10,243,860	2,076,232	472,722	2,548,954
2021-2022	1,212,367,985	12,123,680	288,667	10,317,308	2,095,038	476,017	2,571,056
2022-2023	1,221,883,242	12,218,832	291,113	10,401,868	2,108,078	479,747	2,587,825
2023-2024	1,232,472,730	12,324,727	288,826	10,497,196	2,116,358	483,899	2,600,256
2024-2025	1,244,104,898	12,441,049	291,547	10,602,975	2,129,621	488,458	2,618,079
2025-2026	1,256,750,746	12,567,507	294,398	10,718,913	2,142,992	493,416	2,636,408
2026-2027	1,270,383,687	12,703,837	297,339	10,844,743	2,156,433	498,760	2,655,192

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

Fiscal Year	Revenue							Payment for District Losses	Total District Revenue
	Total Taxable Value	M&O Taxes		Recapture Amount	Tier I	Above	Total		
		Comp Rate	State Revenue		Total Revenue	Comp Rate	District Revenue		
2014-2015	900,897,401	9,008,974	897,099	7,230,634	2,675,439	353,921	0	3,029,360	
2015-2016	1,179,963,305	11,799,633	408,569	9,519,386	2,688,816	463,315	0	3,152,131	
2016-2017	941,287,539	9,412,875	1,306,507	8,017,122	2,702,260	369,754	94,441	3,166,455	
2017-2018	959,913,290	9,599,133	244,134	7,805,925	2,037,341	377,055	100,212	2,514,609	
2018-2019	978,911,556	9,789,116	248,570	7,986,935	2,050,751	384,503	93,770	2,529,023	
2019-2020	998,289,787	9,982,898	248,095	8,171,699	2,059,294	392,099	87,812	2,539,204	
2020-2021	1,018,055,583	10,180,556	246,809	8,360,294	2,067,071	399,847	82,036	2,548,954	
2021-2022	1,038,216,694	10,382,167	257,034	8,552,797	2,086,404	407,750	76,901	2,571,056	
2022-2023	1,058,781,028	10,587,810	261,527	8,749,286	2,100,051	415,811	71,963	2,587,825	
2023-2024	1,079,756,649	10,797,566	261,107	8,949,843	2,108,831	424,034	67,392	2,600,256	
2024-2025	1,244,104,898	12,441,049	260,625	10,343,006	2,358,668	488,458	0	2,847,126	
2025-2026	1,256,750,746	12,567,507	294,398	10,718,913	2,142,992	493,416	0	2,636,408	
2026-2027	1,270,383,687	12,703,837	297,339	10,844,743	2,156,433	498,760	0	2,655,192	

## Miami ISD Financial Impact of Chapter 313 Agreement

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### 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.

## Miami ISD Financial Impact of Chapter 313 Agreement

### Payments in Lieu of Taxes

Assuming that the District and Miami Wind I, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Miami ISD by Miami Wind, the projected amount of these payments over the life of the agreement is \$255,820 of the \$18.146 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	Miami ISD Share \$100/ADA	Miami Wind's Share
2014-2015	0	19,095	(19,095)
2015-2016	0	19,190	(19,190)
2016-2017	2,411,129	19,286	2,391,842
2017-2018	2,300,783	19,383	2,281,400
2018-2019	2,160,046	19,480	2,140,566
2019-2020	2,027,655	19,577	2,008,078
2020-2021	1,903,383	19,675	1,883,707
2021-2022	1,786,272	19,773	1,766,499
2022-2023	1,676,300	19,872	1,656,428
2023-2024	1,572,856	19,972	1,552,884
2024-2025	1,590,712	20,072	1,570,641
2025-2026	717,425	20,172	697,253
2026-2027	0	20,273	(20,273)
<b>Totals</b>	<b>18,146,560</b>	<b>255,820</b>	<b>17,890,740</b>

# Miami ISD Financial Impact of Chapter 313 Agreement

## Impact of Projected Student Growth On District Facilities

**TABLE VII – Campus Capacity and Available Growth**

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Miami School	EE-12	22	396	207	189
<b>Total</b>		<b>22</b>	<b>396</b>	<b>207</b>	<b>189</b>

The building capacities are based on 18 students per classroom for all grade levels. Miami ISD is a early education through 12<sup>th</sup> grade district.

Miami Wind I, 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 eight full-time employees are expected. It is not known whether these would be new employees to the Miami 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 eight positions equates to 4 new students.

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

# Miami 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 Miami Wind I, LLC, would be beneficial to both Miami Wind and Miami ISD under the current school finance system.

Miami Wind I, LLC would benefit from reduced property taxes during years three through ten of the LAVA. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Miami Wind is projected to benefit from a 82% tax savings over the first twelve year period of this agreement. Miami 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.

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

November 5, 2013

Mr. Robert Wood  
Director, Economic Development and Analysis  
Texas Comptroller of Public Accounts  
Lyndon B. Johnson State Office Building  
111 East 17th Street  
Austin, Texas 78774

Dear Mr. Wood:

The Texas Education Agency (TEA) has analyzed the revenue gains that would be realized by the proposed Miami Wind Project, LLC project for the Miami Independent School District (MISD). 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 Miami Wind Project, LLC project on MISD are correct.

Please feel free to contact me 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 about this issue.

Sincerely,



Al McKenzie, Manager  
Foundation School Program Support

AM/rk

November 5, 2013

Mr. Robert Wood  
Director, Economic Development and Analysis  
Texas Comptroller of Public Accounts  
Lyndon B. Johnson State Office Building  
111 East 17th Street  
Austin, Texas 78774

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Miami Wind Project, LLC project on the number and size of school facilities in Miami Independent School District (MISD). Based on the analysis prepared by Randy McDowell and Neal Brown for the school district and a conversation with the MISD superintendent, Donna Gill, the TEA has found that the Miami Wind Project, LLC project would not have a significant impact on the number or size of school facilities in MISD.

Please feel free to contact me 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 about this issue.

Sincerely,



Al McKenzie, Manager  
Foundation School Program Support

AM/rk

# **Attachment 3**

## Roberts County

### Population

- Total county population in 2010 for Roberts County: 871 , down 0.6 percent from 2009. State population increased 1.8 percent in the same time period.
- Roberts County was the state's 248th largest county in population in 2010 and the 220 th fastest growing county from 2009 to 2010.
- Roberts County's population in 2009 was 90.4 percent Anglo (above the state average of 46.7 percent), 0.3 percent African-American (below the state average of 11.3 percent) and 8.4 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Roberts County:

Miami: 582

### Economy and Income

#### *Employment*

- September 2011 total employment in Roberts County: 554 , up 3.1 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 Roberts County unemployment rate: 3.9 percent, unchanged from 3.9 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*

- Roberts County's ranking in per capita personal income in 2009: 119th with an average per capita income of \$33,218, down 16.5 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 Roberts County averaged \$16.55 million annually from 2007 to 2010. County total agricultural values in 2010 were up 17.5 percent from 2009. Major agriculture related commodities in Roberts County during 2010 included:
  - Hunting                      • Sorghum                      • Wheat                      • Corn                      • Other Beef
- 2011 oil and gas production in Roberts County: 308,826.0 barrels of oil and 31.3 million Mcf of gas. In September 2011, there were 224 producing oil wells and 944 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 Roberts County during the fourth quarter 2010: \$388,814.00, down 6.5 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Miami: \$302,834.00, down 23.9 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 Roberts County through the fourth quarter of 2010: \$1.43 million, down 37.2 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Miami: \$1.29 million, down 42.3 percent from the same period in 2009.

##### *Annual (2010)*

- Taxable sales in Roberts County during 2010: \$1.43 million, down 37.2 percent from 2009.
- Roberts County sent an estimated \$89,167.31 (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:

Miami: \$1.29 million, down 42.3 percent from 2009.

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

(The release date for sales tax allocations to cities for the sales activity month of September 2011 is currently scheduled for November 9, 2011.)

**Monthly**

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Roberts County based on the sales activity month of August 2011: \$12,023.65, up 76.5 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:
 

<b>Miami:</b>	\$12,023.65, up 76.5 percent from August 2010.
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**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 Roberts County based on sales activity months from September 2010 through August 2011: \$101,024.57, up 28.1 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:
 

<b>Miami:</b>	\$101,024.57, up 28.1 percent from fiscal 2010.
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**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 Roberts County based on sales activity months through August 2011: \$64,508.00, up 31.5 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:
 

<b>Miami:</b>	\$64,508.00, up 31.5 percent from the same period in 2010.
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**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 Roberts County based on sales activity in the 12 months ending in August 2011: \$101,024.57, up 28.1 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:
 

<b>Miami:</b>	\$101,024.57, up 28.1 percent from the previous 12-month period.
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■ **City Calendar Year-To-Date (RJ 2011)**

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

<b>Miami:</b>	\$84,286.55, up 33.3 percent from the same period in 2010.
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**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 Roberts County based on sales activity months in 2010: \$85,564.51, down 23.3 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:
 

<b>Miami:</b>	\$85,564.51, down 23.3 percent from 2009.
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**Property Tax**

- As of January 2009, property values in Roberts County: \$911.22 million, down 4.0 percent from January 2008 values. The property tax base per person in Roberts County is \$1,037,831, above the statewide average of \$85,809. About 75.0 percent of the property tax base is derived from oil, gas and minerals.

**State Expenditures**

- Roberts County's ranking in state expenditures by county in fiscal year 2010: 250th. State expenditures in the county for FY2010: \$2.70 million, up 0.1 percent from FY2009.
- In Roberts County, 1 state agencies provide a total of 2 jobs and \$6,888.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
  - AgriLife Extension Service

## **Higher Education**

- Community colleges in Roberts County fall 2010 enrollment:
  - None.
  
- Roberts County is in the service area of the following:
  - Frank Phillips College with a fall 2010 enrollment of 1,208 . Counties in the service area include:
    - Dallam County
    - Hansford County
    - Hartley County
    - Hemphill County
    - Hutchinson County
    - Lipscomb County
    - Ochiltree County
    - Roberts County
    - Sherman County
  
- Institutions of higher education in Roberts County fall 2010 enrollment:
  - None.

## **School Districts**

- Roberts County had 1 school districts with 1 schools and 176 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.)
  - Miami ISD had 176 students in the 2009-10 school year. The average teacher salary was \$44,600. The percentage of students meeting the 2010 TAKS passing standard for all tests was 91 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 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 Gray County based on the sales activity month of August 2011: \$406,432.96, up 17.8 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:
 

Pampa:	\$401,336.30, up 17.9 percent from August 2010.
McLean:	\$4,406.47, up 14.7 percent from August 2010.
Lefors:	\$690.19, up 1.4 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 Gray County based on sales activity months from September 2010 through August 2011: \$4.92 million, up 12.4 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:
 

Pampa:	\$4.86 million, up 12.4 percent from fiscal 2010.
McLean:	\$50,250.41, up 11.2 percent from fiscal 2010.
Lefors:	\$11,543.72, up 2.0 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 Gray County based on sales activity months through August 2011: \$3.23 million, up 10.9 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:
 

Pampa:	\$3.19 million, up 10.8 percent from the same period in 2010.
McLean:	\$32,988.68, up 16.0 percent from the same period in 2010.
Lefors:	\$7,430.98, up 4.6 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 Gray County based on sales activity in the 12 months ending in August 2011: \$4.92 million, up 12.4 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:
 

Pampa:	\$4.86 million, up 12.4 percent from the previous 12-month period.
McLean:	\$50,250.41, up 11.2 percent from the previous 12-month period.
Lefors:	\$11,543.72, up 2.0 percent from the previous 12-month period.

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

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

Pampa:	\$4.06 million, up 11.8 percent from the same period in 2010.
McLean:	\$41,564.70, up 11.6 percent from the same period in 2010.
Lefors:	\$9,537.17, up 1.4 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 fall 2010 enrollment:
  - None.
- Gray County is in the service area of the following:
  - Clarendon College with a fall 2010 enrollment of 1,583 . 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 fall 2010 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.