

Ector County Independent School District Odessa, Texas

Memorandum

TO: Board of Trustees

FROM: H. T. Sánchez, Ed.D., Superintendent of Schools Interim

SUBJECT: **REQUEST FOR APPROVAL TO ACCEPT THE APPLICATION OF SUMMIT TEXAS CLEAN ENERGY, LLC, INC. FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY AND TO RETAIN MOAK, CASEY & ASSOCIATES TO ASSIST THE DISTRICT IN PROCESSING OF APPLICATION SUBMITTED BY SUMMIT TEXAS CLEAN ENERGY, LLC**

DATE: June 18, 2013

Summitt Texas Clean Energy, LLC (“Summit”) has submitted an application for appraised value limitation on qualified property under Tax Code, Chapter 313. The project that is the subject of this application is the same project that has been presented to the Board for approval in 2011.

Under Summit’s existing Chapter 313 agreement, the “qualifying time period” commenced on December 13, 2011 (the date the Chapter 313 agreement was entered into) and will end on December 31, 2013.

The company has determined that the construction schedule for the Texas Clean Energy Project has been delayed from that contemplated at the time Summit applied for and entered into its Chapter 313 agreement, and it is now projected that construction will commence later this year with very little time left in the “qualifying time period.” In that regard, no construction activities have been conducted at the project site since the Chapter 313 agreement was entered into on December 13, 2011, or before.

Consequently, Summit wanted to move the qualifying time period forward by one year so that the commencement of the qualifying time period would be deferred until January 1, 2013, and, therefore, would become the two full tax years 2013 and 2014. However, the Texas Comptroller has determined that once the qualifying time period has begun on a project, the qualifying time period may not be deferred.

Therefore, in lieu of amending the existing Chapter 313 agreement to defer the qualifying time period, Summit has filed a new application for a Section 313 agreement that provides for a different qualifying time period. Under the new application, the qualifying time period

would be 2014 and 2015.

It is recommended that the Board of Trustees accept the Application of Summit Texas Clean Energy, LLC, Inc. for an Appraised Value Limitation on Qualified Property, and authorize the Superintendent to review the Application for completeness and submit to the Comptroller. It is also recommended that the Board of Trustees approve retaining Moak, Casey & Associates to assist the District in processing of this application.

Respectfully submitted,

H. t. Sánchez, Ed.D.,
Superintendent of Schools Interim

David Harwell,
Chief Financial Officer