

**ON THE APPLICATION  
FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY  
FINDINGS UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT  
TEXAS TAX CODE, CHAPTER 313 *et seq.***

**BIG STAR SOLAR, LLC**  
Comptroller Application # 1531

**BOARD OF TRUSTEES  
SMITHVILLE INDEPENDENT SCHOOL DISTRICT**

**REGULAR MEETING  
June 21, 2021**

## FINDINGS UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT

### PREAMBLE

**WHEREAS**, at a duly called Special Meeting on the 21st day of June, 2021, the Board of Trustees of the Smithville Independent School District (“Board”) considered the Application and proposed Agreement for a Limitation on Appraised Value on Qualified Property from Big Star Solar, LLC (“Application,” “Agreement,” and “Applicant,” respectively) pursuant to Texas Economic Development Act, Chapter 313 of the Texas Tax Code and 34 Texas Administrative Code Part 1, Chapter 9, Subchapter F;

**WHEREAS**, the Board acknowledges the following facts:

1. On September 21, 2020, the Smithville Independent School District (“District”) received an application for appraised value limitation on qualified property (“Application”) on the form prescribed by the Comptroller from Applicant pursuant to Chapter 313 of the Texas Tax Code - **Exhibit A**;
2. On September 23, 2020, the Board acknowledged receipt of the Application and application fee and acted to consider the Application pursuant to Texas Tax Code Section 313.025(a)(1) – **Exhibit B**;
3. On September 24, 2020, the District submitted the Application to the Texas Comptroller of Public Accounts (“Comptroller”) for review pursuant to Texas Tax Code Section 313.025(b) – **Exhibit C**;
4. In response to requests from the Comptroller, the Applicant and District submitted Amendment One on November 13, 2020, Supplement One on December 2, 2020, Supplement Two on December 9, 2020 and Amendment Two on February 26, 2021 – **Exhibit D**;
5. On December 10, 2020, the Comptroller issued a “completeness” letter acknowledging that the Applicant had submitted a complete application for a limitation on appraised value under the provisions of Tax Code Chapter 313 – **Exhibit E**;
6. On January 13, 2021, the District received an independent financial impact report from its financial advisor showing the estimated economic impact of the proposed tax value limitation – **Exhibit F**;
7. On March 5, 2021, the Comptroller issued a Certification for Limitation on Appraised Value letter including an economic impact evaluation pursuant to Texas Tax Code Section 313.025(b) – **Exhibit G**;

8. The District and Applicant negotiated the specific language of the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (“Agreement”), including appropriate supplemental pay of up to the maximum amount permitted by law per year to be paid for school years 2021-2022 and 2034-2035 and totaling approximately \$2.4 Million Dollars over the life the Agreement and revenue protections pursuant to Chapter 313 of the Texas Tax Code;
9. The Agreement was reviewed and revised by the parties as requested by the Comptroller and subsequently approved via correspondence from the Comptroller dated May 26, 2021.– **Exhibit H**;
10. The Applicant is a corporation in good standing with the State of Texas as noted in its Franchise Tax Account Status – **Exhibit I**.

### **FINDINGS**

**WHEREAS**, after hearing from interested parties and considering the criteria listed in Section 313.025, Texas Tax Code, and 34, Texas Administrative Code §9.1054, the Board makes the following findings:

1. As required by law, the Application and Agreement have been approved by the Comptroller of Public Accounts for acceptance by the parties, at their discretion;
2. There is a strong and positive relationship between the Applicant’s industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plans of the State;
3. Applicant has represented in the Application that it could locate or relocate the Project to another state or another region of this state;
4. The Project will result in revenue gains by the District and that the economic effects on the local and regional tax base are that the tax base will increase as a result of the Project and additional employment;
5. The parties do not anticipate that the Project will have an impact on enrollment from families relocating to the District during the construction phase, but that any impact during the operation phase can be absorbed by current facilities;
6. The projected market value of the qualified investment of the Applicant as determined by the Comptroller is Two Hundred and Seven Million, Six Hundred Twenty-One Thousand, Eight Hundred and Forty-Seven Dollars (\$207,621,847);
7. The proposed limitation on appraised value for the qualified property of the Applicant is Twenty Million Dollars (\$20,000,000);
8. The total projected dollar amount of District maintenance and operation taxes that would be imposed on the qualified property, for all years covered by the Agreement, if the property

does not receive a limitation on appraised value is Fourteen Million, Six Hundred Five Thousand, Three Hundred and Eighty-Three Dollars (\$14,605,383.00) as shown on **Exhibit G**, Attachment A, Table 3;

9. The projected dollar amount of District maintenance and operation 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 is Four Million, Three Hundred Seventy-Six Thousand, Two Hundred and Fifty-Seven Dollars (\$4,376,257.00) as shown on **Exhibit G**, Attachment A, Table 4;
10. 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 if the property receives a tax limitation from the projected taxes if the property does not receive a tax limitation is Ten Million, Two Hundred Twenty-Nine Thousand, One Hundred and Twenty-Six Dollars (\$10,229,126.00) as shown on **Exhibit G**, Attachment A, Table 4;
11. The Applicant is eligible for the limitation on the appraised value of the Applicant's qualified property;
12. Applicant's qualified property is eligible for a limitation on appraised value under Texas Tax Code § 313.024 as a renewable energy electric generation project;
13. The Project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25<sup>th</sup> anniversary of the beginning of the limitation period;
14. The limitation of appraised value is a determining factor in the Applicant's decision to invest capital and construct the Project in this state;
15. Applicant will create one (1) new qualifying job, and Applicant has confirmed that such job will meet all of the requirements of Texas Tax Code § 313.021(3);
16. The Project will be located within the Big Star Solar Reinvestment Zone, which was created by the Commissioners Court of Bastrop County, Texas on October 26, 2020 as evidenced by **Exhibit J**;
17. Upon information and belief, the information in the Application submitted by Applicant is true and correct;
18. The proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), meets all of the requirements set out in Texas Tax Code § 313.027, including adequate and appropriate revenue protection provisions for the District;

19. The proposed Agreement is in the form adopted by the Comptroller as of October 2020, and the Comptroller has verified that the agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 Texas Administrative Code Chapter 9, Subchapter F;
20. Considering the purpose and effect of the law and the terms of the Agreement, granting the Application and entering the Agreement are in the best interest of the District and the State;
21. The Applicant, Big Star Solar, LLC (Tex. Taxpayer ID #32069660697) is an entity subject to Chapter 171, Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts. A copy of the Comptroller's Franchise Tax Account Status is attached as **Exhibit I**;
22. There are no conflicts of interest on the Board of Trustees at the time of its consideration of the Agreement; and
23. The posting of notice and conduct of the meeting at which these Findings under the Texas Economic Development Act complies with the Texas Open Meeting Act, Section 552.001 *et seq.*

**IT IS THEREFORE DETERMINED THAT:**

1. The Findings and the recitals in the Preamble are adopted and approved by the Board of Trustees;
2. The Application of Big Star Solar, LLC (No. 1531) for a limitation on the appraised value for school district maintenance and operations ad valorem tax purposes of qualified property is approved in the best interest of the district and state;
3. The Board Vice-President and Secretary are authorized and designated to sign the Agreement for a limitation on the appraised value for school district maintenance and operations ad valorem taxes on behalf of the District and take any other action necessary to implement the Board's decision; and
4. These Findings and Exhibits shall be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the District.

Dated the 21st day of June, 2021.

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By: Candace Parsons, Vice-President  
Board of Trustees  
Smithville Independent School District

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By: Nancy Towry, Board Secretary  
Board of Trustees  
Smithville Independent School District

## EXHIBIT A

Original Application Form for Appraised Value Limitation on Qualified Property

## EXHIBIT B

Minutes of the Smithville ISD Board of Trustees dated September 21, 2021



## EXHIBIT C

Application Submission to Comptroller

## EXHIBIT D

### Amendments and Supplements to Application

## EXHIBIT E

### Comptroller's "Completeness" Letter

# EXHIBIT F

## Independent Economic Impact Report

## EXHIBIT G

### Comptroller's Certification and Economic Impact Analysis

## EXHIBIT H

### Comptroller's Approval of Agreement

# EXHIBIT I

## Applicant's Taxable Entity Status

## EXHIBIT J

### Reinvestment Zone Creation