



Ector County Independent School District

TO: Board of Trustees

FROM: Deborah Ottmers, Chief Financial Officer

SUBJECT: PUBLIC HEARING ON AMENDMENT NO. 2 TO AGREEMENT
FOR LIMITATION ON APPRAISED VALUE BETWEEN THE
DISTRICT AND NACERO TX 1 LLC, TEXAS COMPTROLLER
APPLICATION NUMBER 1568, PURSUANT TO CHAPTER 313 OF
THE TEXAS TAX CODE

DATE: March 28, 2023

A Public Hearing on Amendment No. 2 to Agreement for Limitation on Appraised Value between the District and Nacero TX 1 LLC, Texas Comptroller Application Number 1568, Pursuant to Chapter 313 of the Texas Tax Code.

Explanation for Amendment No. 2 and Background:

Due to current market factors and economic conditions, Nacero requests that the Agreement be further amended to delay the start of the Limitation Period to January 1, 2027 and Commercial Operations to begin December 30, 2026. This delay creates three gap years following the end of the Qualifying Time Period (i.e., 2024, 2025, and 2026). The intent is that the minimum Qualified Investment amounts in tax years 2021 and 2022 will be made in tax year 2023 to keep the Agreement from terminating due to lack of investment, and the remaining investment will be made in tax years 2025 and 2026. The delayed construction schedule is illustrated in Chris Grammer's revised 1-page summary.
