







- Adopt Guidelines and Criteria which are good for two years
- Pass Resolution declaring itself to be eligible to participate in abatements

- Establish Reinvestment Zone only after: (a) seven days advance notice published in local newspaper; (b) delivery of notice to presiding officer of governing bodies of taxing units within proposed reinvestment zone

Airbase Prohibition

- Not available if a turbine is within 25 nautical miles (28.77 linear miles) of airbase boundary
- Section 312.0021 "may not receive an exemption from taxation of any portion...if...a wind-powered energy device is installed or constructed on the same parcel of real property at a location that is within 25 nautical miles of the boundaries of a military aviation facility

County Reinvestment Zone

(b) The commissioners court may not designate an area as a reinvestment zone until it holds a public hearing on the designation and finds that the designation would contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the property to be included in the zone and would contribute to the economic development of the county.

Reinvestment Zone cannot be amended

TX AG Opinion – Morales 1996 (DM 39209)

Section 312.204(b)

■ The agreements made with the owners of property in a reinvestment zone must contain identical terms for the portion of the value of the property that is to be exempt and the duration of the exemption.

The Abatement Agreement

312.205 Requirements

- contain a list of the kind, number and location of all proposed improvements;
- provide access to and authorize inspection to ensure that the improvements are made according to the agreement;
- limit the uses of the property consistent with encouraging development within the reinvestment zone;

- provide for recapture of tax revenue lost if the owner fails to make the improvements;
- contain each term agreed to by the owner;
- require an annual certification by the owner to the governing body that owner is in compliance; and

- provide that the governing body may cancel or modify the agreement if the owner fails to comply with the agreement.

HAC's Recommendations

Put controversial Terms in the Guidelines and Criteria

Threshold Investment

Provided Company constructs improvements in the County with a minimum appraisal value of at least Fifty Million and No/100 Dollars (\$50,000,000.00), there shall be granted and allowed hereunder to Company by the County Authorities a property tax abatement on the Improvements constructed, expanded, or acquired hereunder on the Property at a rate of sixty percent (60%) for the first five (5) years and forty percent (40%) for the second five (5) years, commencing on January 1 of the next tax year after the date that the County Judge receives the Certificate.

Viable Presence

Company agrees that the Improvements described herein, once constructed, shall remain in place and operational until at least twenty (20) years after the date the Certificate for such Improvements is provided by Company; provided that nothing herein prevents Company from replacing Improvements within the Reinvestment Zone prior to that date.

Reimbursement of Attorney's fees, Publication fees, Consultant fees

. . . and has agreed to pay the publication fees by the newspaper for publication of the public notices and has agreed to reimburse County for the attorneys' fees and expenses incurred by County in the negotiation and implementation of this Agreement.

Open Access to Transmission and Substation, Interconnection Facilities

Assuring Open Access to Transmission Infrastructure

- (a) The Parties acknowledge that this Agreement is meant to enhance the development of wind generated electricity projects in the County. Company further acknowledges that the County hosts certain critical transmission infrastructure ("Public Infrastructure"), including substation(s) and transmission lines which have been planned and approved by the Texas Public Utilities Commission and funded by the ratepayers of Texas. The existence of this infrastructure creates the potential for future transmission line development ("Competing Lines") in support of additional wind and other electricity generating facilities in the County by other project sponsors/owners ("Competing Line Owners").
- (b) Company agrees to reasonably accommodate the planning, construction and operation of such Competing Lines, including the interconnection of such lines to substations. Company also agrees to cooperate reasonably with Competing Line Owners to facilitate access to Public Infrastructure. Such cooperation may include: i) attempting to agree with a Competing Line Owner on mutually satisfactory arrangements for the siting and operation of a Competing Line, including exchanging respective lease or easement rights to avoid line crossings; and ii) allowing a Competing Line to cross Company's leased area, provided Competing Line Owner and Company execute a crossing agreement reasonably acceptable to both parties.
- (c) Company agrees not to seek unreasonable compensation, limit Competing Line Owner transmission line or generating facility capacity, perverse termination clauses or insurance requirements.
- (d) In the spirit of maintaining a fair, competitive and robust environment in the County for electricity generating projects in the County, the County agrees that any future abatement agreement between the County and Competing Wind Energy Developers will contain provisions substantially similar to this Section.

Price Prejudice – Spending Money Locally

Owner agrees that it and its contractors, if any, will use reasonable commercial efforts to use the County area businesses in the construction, operation and maintenance of the Project; provided, however that Owner shall not be required to use goods and services provided by County residents that are not (i) of similar quality to those provided by nonresidents or (ii) made available on terms, conditions and price comparable to those offered by nonresidents. Comparable price shall be defined as less than or equal to 105% of the nonresident price for equivalent quality, conditions and terms. The County understands that the Project will be located in more than one county. Owner may use goods and services from other nearby counties, and such use will not be construed as a violation of this Agreement.

Charitable Contribution

Following the commencement of construction, as additional consideration for the abatement agreement, Company agrees to make an annual contribution to the County charitable organization(s) designated by the County Authorities in an aggregate amount of Twenty-five Thousand and No/100 Dollars (\$25,000.00) with such contribution being due and payable on or before January 31 of each calendar year during the term of this agreement. If more than one charitable organization is designated by the County Authorities, the designation shall specify the amount of the contribution to be made to each organization, not to exceed \$25,000.00 in the annual aggregate. All such designations by the County Authorities shall identify that each respective contribution is being made by Company.

Local Hiring – Job Creation

Job Creation. Company agrees to create at least two (2) permanent full time jobs at the Project and make reasonable efforts to employ persons who are residents of the County in such jobs; provided, however, that Company shall not be required to employ County residents who are not (i) equally or more qualified than nonresident applicants; (ii) available for employment on terms and/or salaries comparable to those required by nonresident applicants or (iii) able to become qualified with 72 hours of training. In the event a County resident could become qualified with a maximum of 72 hours of training, Company shall provide for such training. Each of the persons employed in such jobs shall perform a portion of their work in the County.

Local Coordinator

Company or its construction contractor, if any, shall designate a coordinator of local services who will act as a liaison between any individuals, businesses and contractors residing or doing business in County who are interested in obtaining information about providing goods or services related to the construction of the Project. Additionally, Company or its construction contractor, if any, shall advertise in local newspapers in County for local contractors to perform work on the construction of the Project.

Protection of Roads

During construction of the Improvements, Company shall use commercially reasonable efforts to minimize the disruption to all public and County roads caused by the construction of the Improvements and shall repair any damages caused to County roads by the construction. The repairs shall be completed by Company in accordance with the published standards and specifications for road maintenance for other County roads. Upon the completion of the construction, Company shall leave such public and County roads in as close to the condition as they were prior to construction as is practicable, excepting normal wear and tear.

County v. County



Tax Abatements

Tax Savings

- up to 10 year duration
 - most common Yrs 1 – 5 60%
 - 6 – 10 40%
- Other Examples:
 - PILOT – \$2,500/MW/year
 - 70/30
 - 80/70/50/30

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A photograph of a water tower in the foreground, with a line of wind turbines in the background under a cloudy sky. The water tower is a tall, lattice-structured tower with a tank on top. The wind turbines are small in the distance.
