



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

October 31, 2016

Paul Uttley
Superintendent
Vega Independent School District
200 Longhorn Drive
Vega, Texas 79092

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Vega Independent School District and Canadian Breaks, LLC, Application # 1145

Dear Superintendent Uttley:

On August 30, 2016, the Comptroller issued written notice that Canadian Breaks, LLC (the applicant) submitted a completed application (Application #1145) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on July 29, 2016, to the Vega Independent School District (the school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 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 issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

- | | |
|-------------------|---|
| Sec. 313.024(a) | Applicant is subject to tax imposed by Chapter 171. |
| Sec. 313.024(b) | Applicant is proposing to use the property for an eligible project. |
| Sec. 313.024(d) | Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located. |
| Sec. 313.024(d-2) | Not applicable to Application #1145. |

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that 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 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

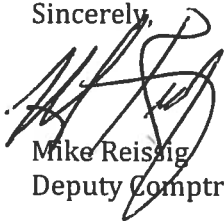
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2016.

Note that any building or improvement existing as of the application review start date of August 30, 2016, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or direct at 512-936-0758.

Sincerely,



Mike Reising
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Canadian Breaks, LLC (the project) applying to Vega Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d) (2).

Table 1 is a summary of investment, employment and tax impact of Canadian Breaks, LLC.

Applicant	Canadian Breaks, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Vega ISD
Estimated 2014-2015 Average Daily Attendance	337
County	Deaf Smith & Oldham
Proposed Total Investment in District	\$83,718,085
Proposed Qualified Investment	\$83,718,085
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2017-2018
Number of new qualifying jobs committed to by applicant *	2
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$908
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$908
Minimum annual wage committed to by applicant for qualified jobs	\$47,236
Minimum weekly wage required for non-qualifying jobs	\$865
Minimum annual wage required for non-qualifying jobs	\$44,994
Investment per Qualifying Job	\$41,859,043
Estimated M&O levy without any limit (15 years)	\$7,380,662
Estimated M&O levy with Limitation (15 years)	\$4,651,661
Estimated gross M&O tax benefit (15 years)	\$2,729,002
<i>* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).</i>	

Table 2 is the estimated statewide economic impact of Canadian Breaks LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	15	17	32	\$825,000	\$1,366,000	\$2,191,000
2017	200	216	416.13	\$11,000,000	\$18,842,000	\$29,842,000
2018	2	25	27	\$94,472	\$3,586,528	\$3,681,000
2019	2	12	14	\$94,472	\$2,418,528	\$2,513,000
2020	2	2	4	\$94,472	\$1,427,528	\$1,522,000
2021	2	(3)	-1	\$94,472	\$758,528	\$853,000
2022	2	(6)	-4	\$94,472	\$327,528	\$422,000
2023	2	(6)	-4	\$94,472	\$53,528	\$148,000
2024	2	(6)	-4	\$94,472	-\$105,472	-\$11,000
2025	2	(5)	-3	\$94,472	-\$160,472	-\$66,000
2026	2	(4)	-2	\$94,472	-\$163,472	-\$69,000
2027	2	(3)	-1	\$94,472	-\$137,472	-\$43,000
2028	2	(2)	0	\$94,472	-\$110,472	-\$16,000
2029	2	(2)	0	\$94,472	-\$62,472	\$32,000
2030	2	(1)	1	\$94,472	-\$12,472	\$82,000
2031	2	(0)	2	\$94,472	\$40,528	\$135,000

Source: CPA REMI, Canadian Breaks LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Vega ISD I&S Tax Levy	Vega ISD M&O Tax Levy	Vega ISD M&O and I&S Tax Levies	Deaf Smith and Oldham County Tax Levy	Hereford Regional Medical Tax Levy	Estimated Total Property Taxes
				0.3640	1.0400		1.0900	0.4367	
2018	\$79,542,181	\$79,542,181		\$289,534	\$827,239	\$1,116,772	\$867,010	\$347,369	\$2,331,151
2019	\$73,179,606	\$73,179,606		\$266,374	\$761,068	\$1,027,442	\$797,658	\$319,583	\$2,144,682
2020	\$67,326,038	\$67,326,038		\$245,067	\$700,191	\$945,258	\$733,854	\$294,020	\$1,973,131
2021	\$61,940,755	\$61,940,755		\$225,464	\$644,184	\$869,648	\$675,154	\$270,501	\$1,815,304
2022	\$56,986,294	\$56,986,294		\$207,430	\$592,657	\$800,088	\$621,151	\$248,865	\$1,670,103
2023	\$52,428,191	\$52,428,191		\$190,839	\$545,253	\$736,092	\$571,467	\$228,959	\$1,536,518
2024	\$48,234,736	\$48,234,736		\$175,574	\$501,641	\$677,216	\$525,759	\$210,646	\$1,413,620
2025	\$44,376,757	\$44,376,757		\$161,531	\$461,518	\$623,050	\$483,707	\$193,798	\$1,300,554
2026	\$40,827,416	\$40,827,416		\$148,612	\$424,605	\$573,217	\$445,019	\$178,297	\$1,196,533
2027	\$37,562,023	\$37,562,023		\$136,726	\$390,645	\$527,371	\$409,426	\$164,037	\$1,100,834
2028	\$34,557,861	\$34,557,861		\$125,791	\$359,402	\$485,192	\$376,681	\$150,918	\$1,012,791
2029	\$31,794,032	\$31,794,032		\$115,730	\$330,658	\$446,388	\$346,555	\$138,848	\$931,791
2030	\$29,251,310	\$29,251,310		\$106,475	\$304,214	\$410,688	\$318,839	\$127,743	\$857,271
2031	\$26,912,005	\$26,912,005		\$97,960	\$279,885	\$377,845	\$293,341	\$117,527	\$788,713
2032	\$24,759,844	\$24,759,844		\$90,126	\$257,502	\$347,628	\$269,882	\$108,129	\$725,639
			Total	\$2,583,232	\$7,380,662	\$9,963,894	\$7,735,502	\$3,099,239	\$20,798,635

Source: CPA, Canadian Breaks LLC

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Deaf Smith County and Oldham County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with Deaf Smith County, Oldham County and Hereford Regional Medical.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought									
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Vega ISD I&S Tax Levy	Vega ISD M&O Tax Levy	Vega ISD M&O and I&S Tax Levies	Deaf Smith and Oldham County Tax Levy	Hereford Regional Medical Tax Levy	Estimated Total Property Taxes
				0.3640	1.0400		1.0900	0.4367	
2018	\$79,542,181	\$30,000,000		\$289,534	\$312,000	\$601,534	\$0	\$86,842	\$688,376
2019	\$73,179,606	\$30,000,000		\$266,374	\$312,000	\$578,374	\$0	\$79,896	\$658,269
2020	\$67,326,038	\$30,000,000		\$245,067	\$312,000	\$557,067	\$0	\$73,505	\$630,572
2021	\$61,940,755	\$30,000,000		\$225,464	\$312,000	\$537,464	\$0	\$67,625	\$605,090
2022	\$56,986,294	\$30,000,000		\$207,430	\$312,000	\$519,430	\$0	\$62,216	\$581,646
2023	\$52,428,191	\$30,000,000		\$190,839	\$312,000	\$502,839	\$0	\$57,240	\$560,078
2024	\$48,234,736	\$30,000,000		\$175,574	\$312,000	\$487,574	\$0	\$52,661	\$540,236
2025	\$44,376,757	\$30,000,000		\$161,531	\$312,000	\$473,531	\$0	\$48,449	\$521,981
2026	\$40,827,416	\$30,000,000		\$148,612	\$312,000	\$460,612	\$0	\$44,574	\$505,186
2027	\$37,562,023	\$30,000,000		\$136,726	\$312,000	\$448,726	\$0	\$41,009	\$489,735
2028	\$34,557,861	\$34,557,861		\$125,791	\$359,402	\$485,192	\$376,681	\$150,918	\$1,012,791
2029	\$31,794,032	\$31,794,032		\$115,730	\$330,658	\$446,388	\$346,555	\$138,848	\$931,791
2030	\$29,251,310	\$29,251,310		\$106,475	\$304,214	\$410,688	\$318,839	\$127,743	\$857,271
2031	\$26,912,005	\$26,912,005		\$97,960	\$279,885	\$377,845	\$293,341	\$117,527	\$788,713
2032	\$24,759,844	\$24,759,844		\$90,126	\$257,502	\$347,628	\$269,882	\$108,129	\$725,639
			Total	\$2,583,232	\$4,651,661	\$7,234,892	\$1,605,298	\$1,257,184	\$10,097,374
			Diff	\$0	\$2,729,002	\$2,729,002	\$6,130,204	\$1,842,056	\$10,701,261

Source: CPA, Canadian Breaks LLC

¹Tax Rate per \$100 Valuation

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.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller's determination that Canadian Breaks, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, 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. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
	2017	\$130	\$130	\$0	\$0
Limitation Period (10 Years)	2018	\$312,000	\$312,130	\$515,239	\$515,239
	2019	\$312,000	\$624,130	\$449,068	\$964,307
	2020	\$312,000	\$936,130	\$388,191	\$1,352,497
	2021	\$312,000	\$1,248,130	\$332,184	\$1,684,681
	2022	\$312,000	\$1,560,130	\$280,657	\$1,965,339
	2023	\$312,000	\$1,872,130	\$233,253	\$2,198,592
	2024	\$312,000	\$2,184,130	\$189,641	\$2,388,233
	2025	\$312,000	\$2,496,130	\$149,518	\$2,537,751
	2026	\$312,000	\$2,808,130	\$112,605	\$2,650,357
	2027	\$312,000	\$3,120,130	\$78,645	\$2,729,002
Maintain Viable Presence (5 Years)	2028	\$359,402	\$3,479,532	\$0	\$2,729,002
	2029	\$330,658	\$3,810,190	\$0	\$2,729,002
	2030	\$304,214	\$4,114,403	\$0	\$2,729,002
	2031	\$279,885	\$4,394,288	\$0	\$2,729,002
	2032	\$257,502	\$4,651,791	\$0	\$2,729,002
Additional Years as Required by 313.026(c)(1) (10 Years)	2033	\$236,911	\$4,888,701	\$0	\$2,729,002
	2034	\$217,966	\$5,106,667	\$0	\$2,729,002
	2035	\$200,537	\$5,307,204	\$0	\$2,729,002
	2036	\$184,502	\$5,491,706	\$0	\$2,729,002
	2037	\$169,751	\$5,661,457	\$0	\$2,729,002
	2038	\$166,504	\$5,827,961	\$0	\$2,729,002
	2039	\$166,504	\$5,994,465	\$0	\$2,729,002
	2040	\$166,504	\$6,160,969	\$0	\$2,729,002
	2041	\$166,504	\$6,327,473	\$0	\$2,729,002
	2042	\$166,504	\$6,493,977	\$0	\$2,729,002

\$6,493,977

is greater than

\$2,729,002

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: Canadian Breaks, LLC

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.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant’s decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the Canadian Breaks LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Canadian Breaks, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Canadian Breaks has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners and Chapter 312 tax abatement agreements with other taxing jurisdictions. None of these contracts obligate Canadian Breaks to construct the project.”
 - B. “The applicant is actively pursuing other projects throughout the US and internationally, and in other Texas Counties that are competing for the limited investment funds. The applicant requires this appraised value limitation in order to move forward with the project at this location.”
 - C. “Without the available tax incentives, the economics of the project become far less attractive and the likelihood of completing the project and selling the electricity at competitive prices becomes unlikely. Property taxes can be the highest operating expense for a wind generation facility as they do not have any associated fuel costs for the production of electricity. With electricity prices already below the national average in Texas, it is necessary to limit the property tax liabilities for the project in order to be able to offer electricity at prices that are marketable to Texas customers.”
 - D. “Without the limitation approval, the applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.”
- May 11, 2016, *Hereford Brand* reported that Jeff Muir of McCory Capital addressed Commissioners on behalf of Canadian Breaks requesting a one-year extension on three separate abatement deadlines. “There are reasons for the request”, Muir said. “There is concern from the FFA about farms and radar. There is no real issue there, just timing. “There have also been delays with securing our interconnection agreement. It is ready to go, it’s just that the legal review process takes longer.” Muir

further said that “noting the project has moved from mid-stage to late stage development, it would take about a year for the project to complete construction with the substation expected to take 15 months.” The extension pushed construction deadlines from June 30, 2016 to June 30, 2017, operations were extended from June 30, 2017 to June 30, 2018 and the project completion deadline was deferred from December 31, 2017 to December 31, 2018.

- May 11, 2016, *Hereford Brand* reported that, “We have nothing to lose by extending the deadlines”, Precinct 2 Commissioner Jerry O’Connor said, and “We have no expenses on the project.”
- May 11, 2016, *Hereford Brand* reported that, Precinct 4 Commissioner Dale Artho received assurance FFA problems were not ongoing.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements or contracts for work to be performed related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other official documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No
8. Has the applicant considered or is the applicant considering other locations not in Texas for the proposed project? Yes No
9. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
10. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No

If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

**Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value**



Canadian Breaks LLC
Chapter 313 Application to Vega ISD

CHECKLIST ITEM #5

Documentation to assist in determining if limitation is a determining factor

Section 8, #2: Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Canadian Breaks has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners and Chapter 312 tax abatement agreements with other taxing jurisdictions. None of these contracts obligate Canadian Breaks to construct the project.

Section 8, #7 & 10: Is the applicant evaluating other locations not in Texas for the proposed project?

Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?

The applicant for this project is an international investor with the ability to invest and develop projects of this type in other states in the US and around the world. The applicant is actively pursuing other projects throughout the US and internationally, and in other Texas Counties that are competing for the limited investment funds. The applicant requires this appraised value limitation in order to move forward with the project at this location.

Without the available tax incentives, the economics of the project become far less attractive and the likelihood of completing the project and selling the electricity at competitive prices becomes unlikely. Property taxes can be the highest operating expense for a wind generation facility as they do not have any associated fuel costs for the production of electricity. With electricity prices already below the national average in Texas, it is necessary to limit the property tax liabilities for the project in order to be able to offer electricity at prices that are marketable to Texas customers. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.

Supporting Information

**Additional information
provided by the Applicant or
located by the Comptroller**



County grants abatement extension

- County grants abatement extension

*By John Carson
BRAND Managing Editor*

Rearranging timetables on a previous agreement, the Deaf Smith County Commissioners Court approved an extension of an alternative energy tax abatement during its regular meeting Monday. Commissioners unanimously approved extending dates of a tax agreement with Canadian Breaks LLC, a wind energy company.

The 200 megawatt (MW) project covers some 20,000 acres in Oldham and Deaf Smith counties with 50 MW generated on 3,000 acres in Deaf Smith. The local portion of the project also includes a substation.

Jeff Muir of McCory Capital addressed commissioners on behalf of Canadian Breaks in requesting a one-year extension on three separate abatement deadlines.

“There are reasons for the request,” Muir said. “There is concern from the FFA about farms and radar. There is no real issue there, just timing.

“There have also been delays with securing our interconnection agreement. It is ready to go, it’s just that the legal review process takes longer.”

Noting the project has moved from “mid-stage to late-stage development,” Muir added it would take about a year for the project to complete construction with the substation expected to take 15 months.

His extension request pushed construction completion deadlines from June 30, 2016 to June 30, 2017, while delaying start of operations from June 30, 2017 to June 30, 2018 and moving the deadline for total project completion from Dec. 31, 2017 to Dec. 31, 2018.

“We have nothing to lose by extending [the deadlines],” Precinct 2 Commissioner Jerry O’Connor said. “We have no expenses on [the project].”

Precinct 4's Dale Artho received assurance FFA problems were not ongoing before the extensions were passed.

Commissioners also opened bids for a county depository. With FirstBank Southwest not offering a bid, the board will officially look at offers from First Financial and Happy State Bank and decide on a bank at its next meeting.

The resignation of county librarian Martha Russell was accepted by commissioners, who also voted to advertise for replacement.

"We should have plenty of time to secure a replacement," County Judge D.J. Wagner said, noting that Russell's resignation does become effective until August.

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