



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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P.O.Box 13528 • Austin, TX 78711-3528

February 25, 2020

Jeff Byrd  
Superintendent  
Vernon Independent School District  
1713 Wilbarger Street  
Vernon, Texas 76384

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Vernon Independent School District and Western Trail Wind, LLC, Application 1424

Dear Superintendent Byrd:

On December 18, 2019, the Comptroller issued written notice that Western Trail Wind, LLC (applicant) submitted a completed application (Application 1424) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on July 15, 2019, to the Vernon Independent School District (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.

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<sup>1</sup> All Statutory references are to the Texas Tax Code, unless otherwise noted.

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 1424.

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.

### **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's 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, 2020.

Note that any building or improvement existing as of the application review start date of December 18, 2019, 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](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

A handwritten signature in blue ink that reads "Lisa Craven". The signature is written in a cursive style with a large initial "L".

Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Western Trail Wind, LLC (project) applying to Vernon Independent School District (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 Western Trail Wind, LLC.

Applicant	Western Trail Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Wind
School District	Vernon ISD
2018-2019 Average Daily Attendance	1,844
County	Wilbarger
Proposed Total Investment in District	\$169,400,000
Proposed Qualified Investment	\$159,400,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	4*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,072
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$1,072
Minimum annual wage committed to by applicant for qualified jobs	\$55,728
Minimum weekly wage required for non-qualifying jobs	\$728
Minimum annual wage required for non-qualifying jobs	\$37,843
Investment per Qualifying Job	\$42,350,000
Estimated M&O levy without any limit (15 years)	\$15,367,272
Estimated M&O levy with Limitation (15 years)	\$6,552,233
Estimated gross M&O tax benefit (15 years)	\$8,815,039

\* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

**Table 2** is the estimated statewide economic impact of Western Trail Wind, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	21	24	45.469	\$840,000	\$2,291,000	\$3,131,000
2021	180	205	385	\$7,200,000	\$20,272,000	\$27,472,000
2022	4	23	27	\$222,912	\$3,969,088	\$4,192,000
2023	4	19	23	\$222,912	\$3,145,088	\$3,368,000
2024	4	10	14	\$222,912	\$2,155,088	\$2,378,000
2025	4	5	9	\$222,912	\$1,559,088	\$1,782,000
2026	4	3	7	\$222,912	\$1,234,088	\$1,457,000
2027	4	3	7	\$222,912	\$1,096,088	\$1,319,000
2028	4	4	8	\$222,912	\$1,095,088	\$1,318,000
2029	4	6	10	\$222,912	\$1,172,088	\$1,395,000
2030	4	7	11	\$222,912	\$1,290,088	\$1,513,000
2031	4	8	12	\$222,912	\$1,423,088	\$1,646,000
2032	4	8	12	\$222,912	\$1,415,088	\$1,638,000
2033	4	8	12	\$222,912	\$1,458,088	\$1,681,000
2034	4	8	12	\$222,912	\$1,513,088	\$1,736,000
2035	4	8	12	\$222,912	\$1,570,088	\$1,793,000
2036	4	8	12	\$222,912	\$1,612,088	\$1,835,000

Source: CPA REMI, Western Trail Wind, 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*	Vernon ISD I&S Tax Levy	Vernon ISD M&O Tax Levy	Vernon ISD M&O and I&S Tax Levies	Wilbarger County Tax Levy	Wilbarger General Hospital Tax Levy	Vernon College Tax Levy	Estimated Total Property Taxes
				<b>0.0400</b>	<b>0.9700</b>		<b>0.3650</b>	<b>0.1605</b>	<b>0.2324</b>	
2022	\$157,192,000	\$157,192,000		\$62,877	\$1,524,762	\$1,587,639	\$573,751	\$252,240	\$365,262	\$2,778,892
2023	\$147,760,480	\$147,760,480		\$59,104	\$1,433,277	\$1,492,381	\$539,326	\$237,105	\$343,347	\$2,612,159
2024	\$138,894,851	\$138,894,851		\$55,558	\$1,347,280	\$1,402,838	\$506,966	\$222,879	\$322,746	\$2,455,429
2025	\$130,561,160	\$130,561,160		\$52,224	\$1,266,443	\$1,318,668	\$476,548	\$209,506	\$303,381	\$2,308,103
2026	\$122,727,491	\$122,727,491		\$49,091	\$1,190,457	\$1,239,548	\$447,955	\$196,936	\$285,178	\$2,169,617
2027	\$115,363,841	\$115,363,841		\$46,146	\$1,119,029	\$1,165,175	\$421,078	\$185,120	\$268,067	\$2,039,440
2028	\$108,442,011	\$108,442,011		\$43,377	\$1,051,888	\$1,095,264	\$395,813	\$174,013	\$251,983	\$1,917,074
2029	\$101,935,490	\$101,935,490		\$40,774	\$988,774	\$1,029,548	\$372,065	\$163,572	\$236,864	\$1,802,049
2030	\$95,819,361	\$95,819,361		\$38,328	\$929,448	\$967,776	\$349,741	\$153,757	\$222,653	\$1,693,926
2031	\$90,070,199	\$90,070,199		\$36,028	\$873,681	\$909,709	\$328,756	\$144,532	\$209,293	\$1,592,291
2032	\$84,665,987	\$84,665,987		\$33,866	\$821,260	\$855,126	\$309,031	\$135,860	\$196,736	\$1,496,753
2033	\$79,586,028	\$79,586,028		\$31,834	\$771,984	\$803,819	\$290,489	\$127,709	\$184,932	\$1,406,948
2034	\$74,810,866	\$74,810,866		\$29,924	\$725,665	\$755,590	\$273,060	\$120,046	\$173,836	\$1,322,531
2035	\$70,322,214	\$70,322,214		\$28,129	\$682,125	\$710,254	\$256,676	\$112,843	\$163,406	\$1,243,179
2036	\$66,102,881	\$66,102,881		\$26,441	\$641,198	\$667,639	\$241,276	\$106,073	\$153,601	\$1,168,589
			<b>Total</b>	<b>\$633,702</b>	<b>\$15,367,272</b>	<b>\$16,000,974</b>	<b>\$5,782,530</b>	<b>\$2,542,190</b>	<b>\$3,681,285</b>	<b>\$28,006,980</b>

Source: CPA, Western Trail Wind, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Wilbarger 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 the county.

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Vernon ISD I&S Tax Levy	Vernon ISD M&O Tax Levy	Vernon ISD M&O and I&S Tax Levies	Wilbarger County Tax Levy	Wilbarger General Hospital Tax Levy	Vernon College Tax Levy	Estimated Total Property Taxes
2022	\$157,192,000	\$30,000,000		\$62,877	\$291,000	\$353,877	\$258,589	\$252,240	\$365,262	\$1,229,968
2023	\$147,760,480	\$30,000,000		\$59,104	\$291,000	\$350,104	\$243,074	\$237,105	\$343,347	\$1,173,630
2024	\$138,894,851	\$30,000,000		\$55,558	\$291,000	\$346,558	\$228,490	\$222,879	\$322,746	\$1,120,672
2025	\$130,561,160	\$30,000,000		\$52,224	\$291,000	\$343,224	\$214,780	\$209,506	\$303,381	\$1,070,892
2026	\$122,727,491	\$30,000,000		\$49,091	\$291,000	\$340,091	\$201,893	\$196,936	\$285,178	\$1,024,099
2027	\$115,363,841	\$30,000,000		\$46,146	\$291,000	\$337,146	\$189,780	\$185,120	\$268,067	\$980,113
2028	\$108,442,011	\$30,000,000		\$43,377	\$291,000	\$334,377	\$178,393	\$174,013	\$251,983	\$938,766
2029	\$101,935,490	\$30,000,000		\$40,774	\$291,000	\$331,774	\$167,689	\$163,572	\$236,864	\$899,900
2030	\$95,819,361	\$30,000,000		\$38,328	\$291,000	\$329,328	\$157,628	\$153,757	\$222,653	\$863,366
2031	\$90,070,199	\$30,000,000		\$36,028	\$291,000	\$327,028	\$148,170	\$144,532	\$209,293	\$829,024
2032	\$84,665,987	\$84,665,987		\$33,866	\$821,260	\$855,126	\$309,031	\$135,860	\$196,736	\$1,496,753
2033	\$79,586,028	\$79,586,028		\$31,834	\$771,984	\$803,819	\$290,489	\$127,709	\$184,932	\$1,406,948
2034	\$74,810,866	\$74,810,866		\$29,924	\$725,665	\$755,590	\$273,060	\$120,046	\$173,836	\$1,322,531
2035	\$70,322,214	\$70,322,214		\$28,129	\$682,125	\$710,254	\$256,676	\$112,843	\$163,406	\$1,243,179
2036	\$66,102,881	\$66,102,881		\$26,441	\$641,198	\$667,639	\$241,276	\$106,073	\$153,601	\$1,168,589
			<b>Total</b>	<b>\$633,702</b>	<b>\$6,552,233</b>	<b>\$7,185,935</b>	<b>\$3,359,019</b>	<b>\$2,542,190</b>	<b>\$3,681,285</b>	<b>\$16,768,430</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$8,815,039</b>	<b>\$8,815,039</b>	<b>\$2,423,511</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,238,550</b>
Assumes School Value Limitation and Tax Abatements with the County.										

Source: CPA, Western Trail Wind, LLC

\*Tax 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 25<sup>th</sup> Anniversary of Limitation Start**

This represents the Comptroller’s determination that Western Trail Wind, 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)
<b>Limitation Pre-Years</b>	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2022	\$291,000	\$291,000	\$1,233,762	\$1,233,762
	2023	\$291,000	\$582,000	\$1,142,277	\$2,376,039
	2024	\$291,000	\$873,000	\$1,056,280	\$3,432,319
	2025	\$291,000	\$1,164,000	\$975,443	\$4,407,762
	2026	\$291,000	\$1,455,000	\$899,457	\$5,307,219
	2027	\$291,000	\$1,746,000	\$828,029	\$6,135,248
	2028	\$291,000	\$2,037,000	\$760,888	\$6,896,136
	2029	\$291,000	\$2,328,000	\$697,774	\$7,593,910
	2030	\$291,000	\$2,619,000	\$638,448	\$8,232,358
	2031	\$291,000	\$2,910,000	\$582,681	\$8,815,039
<b>Maintain Viable Presence (5 Years)</b>	2032	\$821,260	\$3,731,260	\$0	\$8,815,039
	2033	\$771,984	\$4,503,245	\$0	\$8,815,039
	2034	\$725,665	\$5,228,910	\$0	\$8,815,039
	2035	\$682,125	\$5,911,035	\$0	\$8,815,039
	2036	\$641,198	\$6,552,233	\$0	\$8,815,039
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2037	\$602,726	\$7,154,959	\$0	\$8,815,039
	2038	\$566,563	\$7,721,522	\$0	\$8,815,039
	2039	\$532,569	\$8,254,091	\$0	\$8,815,039
	2040	\$500,615	\$8,754,705	\$0	\$8,815,039
	2041	\$470,578	\$9,225,283	\$0	\$8,815,039
	2042	\$442,343	\$9,667,626	\$0	\$8,815,039
	2043	\$415,802	\$10,083,429	\$0	\$8,815,039
	2044	\$390,854	\$10,474,283	\$0	\$8,815,039
	2045	\$367,403	\$10,841,686	\$0	\$8,815,039
	2046	\$345,359	\$11,187,045	\$0	\$8,815,039

**\$11,187,045**
     
 is greater than
     
 **\$8,815,039**

<b>Analysis Summary</b>	
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

Source: CPA, Western Trail Wind, 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 WESTERN TRAIL WIND, 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:

- Western Trail Wind, LLC is a Delaware limited liability company. Western Trail Wind has one member with 100% ownership, Lincoln Clean Energy, LLC (“LCE”). LCE has successfully developed projects involving over \$1 billion in capital investment in some of the largest electricity markets in the United States, including California, New Jersey, and Texas.
- Per Western Trail Wind, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “This appraised value limitation is critical to the ability of the Project to move forward as currently sited. Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. 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.”
  - A. “The Project has not been known by any other name during its development. The Project applied to ERCOT on November 7, 2018, and it has been assigned GINR number 20INR0142.”
- An April 29, 2019 *Vernon Record* article states that “Another wind mill farm will be coming to Wilbarger County.” “The newly planned farm will be located on the Waggoner Ranch, according to Lincoln’s Charlie Smith, and is being called the Western Trail project.” “Smith asked the commissioners court to designate the area as a reinvestment zone, to allow the company to begin the process of seeking tax abatements and working with the local school district for a Texas tax code Chapter 313 agreement.

**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**

Texas Comptroller of Public Accounts

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 (complete Section 13)
<input type="checkbox"/> Expansion of existing operation on the land (complete Section 13)	<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, contracts or letters of intent 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 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. Is the applicant evaluating other locations not in Texas for the proposed project?  Yes  No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?  Yes  No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?  Yes  No
10. 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

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." 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

## Tab Item 5

### **Documentation to assist in determining if limitation is a determining factor:**

Western Trail Wind, LLC is a Delaware limited liability company. Western Trail Wind has one member with 100% ownership, Lincoln Clean Energy, LLC (“LCE”). LCE has successfully developed projects involving over \$1 billion in capital investment in some of the largest electricity markets in the United States, including California, New Jersey, and Texas.

The Applicant for this Project has entered into several contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project, and each of these contracts may be terminated by Applicant without incurring any significant liability.

The Applicant for this Project has obtained, applied, or will apply for the following state and local permits:

- Wichita County Road Use Agreement
- Wilbarger County Tax Abatement 312
- Wilbarger County General Hospital Tax Abatement 312
- Vernon College Tax Abatement 312

The Project has not been known by any other name during its development. The Project applied to ERCOT on November 7, 2018, and it has been assigned GINR number 20INR0142.

For the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work before the statutorily imposed deadline of December 31, 2018. This work consisted of earth-moving to prepare eight (8) holes for turbine foundations (though foundations were not installed) and installation of 4,000 linear feet of road connecting two sets of two foundation holes. These preconstruction activities were not deemed taxable improvements by the Wilbarger County Central Appraisal District and no tax bill was delivered.

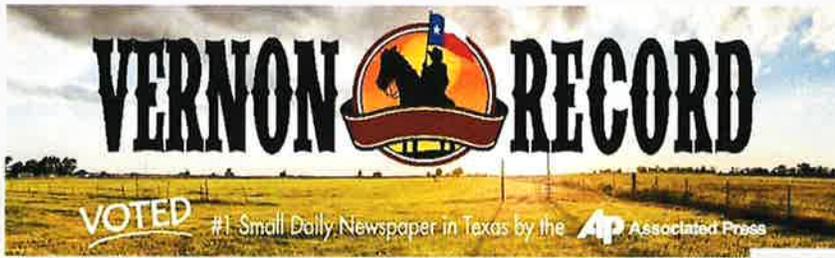
The Applicant’s completion of the minor amount of PTC work qualification work does not, either legally or financially, commit it to constructing the Project in Wilbarger County.

The Applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. This appraised value limitation is critical to the ability of the Project to move forward as currently sited.

Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. 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  
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# Another wind farm is planned for county

By Daniel | April 29, 2019 | 0

Another wind mill farm will be coming to Wilbarger County.

The Wilbarger County Commissioners Court met with representatives of Lincoln Clean Energy on Monday to begin the process for a new wind mill farm, similar to projects Lincoln Clean Energy already has in Wilbarger County. The company previously erected the Electra Farm, which stretches along 287 from Harrold to Oklaunion, and is in the process of erecting the Lockett Farm, south of Vernon.

The newly planned farm will be located on the Waggoner Ranch, according to Lincoln's Charlie Smith, and is being called the Western Trail project.

Smith asked the commissioners court to designate the area as a reinvestment zone, to allow the company to begin the process of seeking tax abatements and working with the local school district for a Texas tax code Chapter 313 agreement.

Smith told the commissioners that it is proposed to generate 250 to 350 megawatt and be around 100 turbines.

"Right now we are in the developmental stage. We have a lease with the Waggoner Ranch for 20,000 acres of land," Smith said.

He said that construction would likely not begin until 2021 and the project would come on line in 2022.

Smith said there had been some negative reaction in the legislature to giving windmill farms special incentives, like the 313 waiver which allows a cash payment in lieu of paying property taxes (PILOT), and he believed the incentive would be done away with — that was prompting the company to act quickly.

"We wanted to start the process here. Get the applications in and hopefully be grandfathered in on the 313. There shouldn't be much activity for a while," he said. "The first step is getting the county to designate a reinvestment zone so we can qualify for tax abatements."

Commissioner John Wright asked how many of the wind mills on the ranch would be in Wilbarger County.

"All of them," Smith answered.

Wright responded that they were asking for a big area of land to be designated as the reinvestment zone – basically all of the Ranch in Wilbarger County.

"We may need to shift the location around. We are still negotiating the turbines' locations," Smith said.

County Judge Greg Tyra said that at one time the whole county was designated a reinvestment zone, but now each wind mill farm likes its own reinvestment zone designation.

Smith agreed, saying the lawyers preferred it

"Any downside?" Wright asked, of making a reinvestment zone.

"I don't see any downside to it," County Attorney Cory Curtis said.

"So its just a formal matter to allow you to apply?" Wright asked.

"Yes," Smith answered.

Wright made a motion for the Western Trail Reinvestment Zone, and it was unanimously approved.

Commissioner Phillip Graf then asked Smith for an update on the current wind farm project that stretches along 433, east of 283.

Smith said a handful of turbines needed to be erected, and then electrical testing would have to be done.

"Probably by early July it will operational," Smith said.

Proclamation issued

The commission approved a resolution with 1st Step Program of Wichita Falls, designating April as sexual assault awareness month in Wilbarger County. Delran Andrews, with 1st Step, read the proclamation with the goal to raise awareness of the issue to raise awareness of the need to ask for consent.

The program's hotline to get help is 1-800-658-2683, and is available 24 hours a day. The program has staff available to assist in Wilbarger County.

Financials reviewed

County Auditor Sid Beebe presented the auditor's statement of financial condition for March,

"Everything looks strong," he reported.

Sales tax returns were up 12 percent, property tax collections were a little above 96 percent of budget, delinquent collections were 24 percent ahead of last year.

Beebe reported that military helicopters had refueled at the airport and bought about 6,000 gallons of fuel – which was very helpful for the airport since sales were down otherwise due to the renovations going on at the airport.

Wright noted that the military crews were appreciative of the hospitality Vernon showed in providing food and drinks during their stopover.

Beebe also present the quarterly investment report, ending March 31. He said there were no big changes. He said yields on CDs were going up, with the best return at 3.3 percent.

He said the county had 2.2 million in excess reserves invested, with about \$2.1 million in CDs, \$66,000 in a money market in Wichita Falls.

Commissioner Wright asked if anything was invested in local banks.

Beebe said yes, but it didn't show on the report, that it was in interest bearing checking at Herring. He added the interest on checking was so good there, and it was readily available that there was no need to invest it in a long-term account

Other action

The commission approved a budget amendment to pay for the emergency notification system. Beebe said that the county switched to HyperReach from Code Red last year.

"They didn't bill us for the first year. We are actually paying for two years," he told the commission.

The budget increase is for \$2,305. It was approved on a motion from Graf.

Previous meeting minutes and the payment of county bills were unanimously approved on a motion from

commissioner Wright.



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