

**RESOLUTION OF THE COMMISSIONERS COURT OF CONCHO
COUNTY, TEXAS ESTABLISHING A TAX ABATEMENT PROGRAM
AND ADOPTING TAX ABATEMENT GUIDELINES AND CRITERIA**

WHEREAS, the Concho County Commissioners Court has authority pursuant to Chapter 312, Texas Tax Code, to adopt a tax abatement policy and to establish a program for the receipt and evaluation of tax abatement agreements with eligible entities for the purpose of economic development and business and commercial activity in Concho County, Texas; and

WHEREAS, tax abatement provides a valuable economic tool for use by Concho County and others interested in the economic development, support, creation of jobs, and expansion of the tax base of Concho County; and

WHEREAS, in its discretion and judgment, the Commissioners Court finds that a tax abatement program is in the public interest and will contribute to the economic development of the County; and

WHEREAS, pursuant to Tex. Tax Code § 312.002, Concho County may not enter into a tax abatement agreement unless the Commissioners Court establishes guidelines and criteria governing tax abatement agreements and, by resolution, elects to become eligible to participate in a tax abatement program; and

WHEREAS, the Commissioners Court has authority pursuant to Tex. Loc. Gov't Code § 381.004 to develop and administer a program in order to stimulate business and commercial activity in the County for (1) local economic development; (2) for small or disadvantaged business development; (3) to stimulate, encourage, and develop business and commercial activity in the County; and (4) for other purposes as provided by law; and

WHEREAS, the Commissioners Court may develop and administer a program pursuant to Tex. Loc. Gov't Code § 381.004 to stimulate business and commercial activity by entering into a tax abatement agreement with an owner or lessee of a property interest subject to ad valorem taxation, the terms of such agreement being governed by the provisions of Tex. Tax Code §§ 312.204, 312.205, & 312.211; and

WHEREAS, the Commissioners Court finds that tax abatement within certain guidelines and criteria will attract and/or retain desirable commercial enterprises in Concho County with the result that existing jobs will remain in the County, new jobs will be created in the County, and new tax revenues will permit the maintenance and expansion of essential County services while alleviating or eliminating any need for increased tax rates;

THEREFORE, BE IT NOW RESOLVED that the Concho County Commissioners Court hereby elects to become eligible to participate in a tax abatement program and hereby adopts Tax Abatement Guidelines and Criteria in order to stimulate business and commercial activity in Concho County, Texas; and

IT IS ACCORDINGLY ORDERED that the Concho County Commissioners Court hereby establishes a program to stimulate business and commercial activity in Concho County, Texas, and adopts the terms, conditions, and requirements for such program as set forth in the attached Tax Abatement Guidelines and Criteria for Concho County adopted contemporaneously with this Resolution.

IN FURTHERANCE HEREOF, THE COMMISSIONERS COURT RESOLVES, ORDERS, FINDS, AND DECLARES THAT:

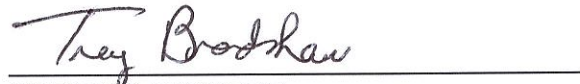
1. All statements made in the caption and preliminary recitals of this instrument, and all attached documents, are incorporated by reference.
2. The Commissioners Court hereby establishes, adopts, and approves the **Tax Abatement Guidelines and Criteria for Concho County, Texas ("Guidelines")**, attached as **Exhibit A**, in order to stimulate economic development and business and commercial activity in Concho County, Texas.
3. All prior enacted tax abatement guidelines and criteria of the County are hereby repealed, rescinded, and replaced by the Guidelines attached hereto as **Exhibit A**.
4. Pursuant to the authority described in this order, the Commissioners Court: (a) elects for Concho County to become eligible to participate in tax abatement; and (b) declares Concho County's intent to participate in tax abatement agreements, from time to time through the exercise of the lawful authority, discretion, and best business judgment of the Commissioners Court in order to stimulate economic development and business and commercial activity in Concho County, Texas.
5. This order shall take effect immediately from and after its passage.
6. This Resolution was ordered, adopted, and approved after the conduct of a public hearing at a meeting held in compliance with Chapter 551, Texas Government Code (the Texas Open Meetings Act), and Chapter 312, Texas Tax Code, with notice of said hearing and meeting given in accordance with law.
7. This Resolution was ordered, adopted and approved by a recorded, public vote with the participation of at least three-fourths of the members of the Commissioners Court, as required by Section 312.002 of the Texas Tax Code.

ADOPTED AND EFFECTIVE ON THIS THE 26TH DAY OF NOVEMBER, 2024.


CONCHO COUNTY COMMISSIONERS COURT




DAVID DILLARD
CONCHO COUNTY JUDGE



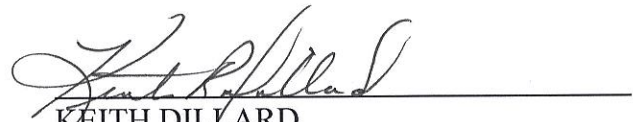
TREY BRADSHAW
COMMISSIONER, PRECINCT 1



ERIC GULLY
COMMISSIONER, PRECINCT 2



GARY GIERISCH
COMMISSIONER, PRECINCT 3



KEITH DILLARD
COMMISSIONER, PRECINCT 4

ATTEST: 

AMBER HALL
CONCHO COUNTY CLERK



**CONCHO COUNTY
STATE OF TEXAS**

**INDUSTRIAL/COMMERCIAL
TAX ABATEMENT GUIDELINES AND CRITERIA**

The purpose of this document is to establish guidelines and criteria in support of a uniform policy of tax abatement for owners or lessees of eligible industrial and commercial facilities willing to execute tax abatement agreements designed to provide long term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping, and improving property. These guidelines and criteria are intended to amend and supersede any previously adopted guidelines and criteria while continuing the underlying tax abatement program in Concho County.

In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have a total positive **net** economic benefit to Concho County of at least \$1,000,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll, estimated direct tax revenue/cost, permanent capital improvement, community investment, other consequential economic impact, or any combination thereof. The creation of new jobs, including the number and type of jobs created, will also factor into the decision to grant an abatement, but the number/type of jobs created or absence thereof will not prejudice the discretion of the Concho County Commissioners Court in deciding whether to enter into any given agreement; and
2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Concho County to another.

In addition to the criteria set forth above, the Concho County Commissioners Court reserves the right to negotiate the terms of a tax abatement agreement in order to compete favorably with other communities.

Only that increase in the fair market value of the property directly resulting from the development, redevelopment, and improvement specified in the contract will be eligible for abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the applicant located within the jurisdiction creating the reinvestment zone.

All abatement agreements will be for a term as set forth in the agreement, which may include covenants or requirements longer than the period of abatement, but in no case will any agreement provide abatement for a period longer than allowed by law.

It is a goal of Concho County to grant tax abatements on equivalent terms and conditions as other taxing units having jurisdiction of the property; however, nothing herein shall limit the discretion of the Concho County Commissioners Court to consider, adopt, modify, or decline any application for tax abatement, or to negotiate terms with any proposed abatee which may vary from abatement terms granted by such other taxing units.

These guidelines and criteria are effective as of November 26, 2024 and shall at all times be kept current with regard to the needs of Concho County and reflective of the official views of the County Commissioners Court and shall be reviewed every two (2) years. These guidelines and criteria amend and supersede any prior guidelines and criteria adopted within the two (2) years prior to the instant adoption.

The adoption of these guidelines and criteria by the Concho County Commissioners Court does not:

1. Limit the discretion of the governing body to decide whether or not to enter into a specific tax abatement agreement;
2. Limit the discretion of the governing body to delegate to its officials and employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement;
3. Create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement.

I. Definitions

- A. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain property in a Reinvestment Zone or Enterprise Zone designated by Concho County or a municipality or school district within Concho County for economic development purposes.
- B. **“Agreement”** unless otherwise indicated, means a Tax Abatement Agreement executed between a property owner or lessee and Concho County as authorized by Tex. Tax Code, Chapter 312.
- C. **“Base Year Value”** means the assessed value of eligible property as of January 1 preceding the execution of an Agreement.
- D. **“Eligible Facility”** means Improvements meeting the definition provided in Chapter 312 of the Texas Tax Code and consisting of new, expanded, or modernized buildings and structures, including fixed machinery and equipment as well as eligible Tangible Personal Property which is permanently or semi-permanently integrated on or in Improvements, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Concho County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Concho County, such as, but not limited to, restaurants and retail sales establishments. Eligible facilities may include, but shall not be limited to energy generation, storage, and transmission systems, hotels and office buildings, and manufacturing facilities and service centers making goods for distribution through or providing services for regional, statewide, or national markets.
- E. **“Existing Facility”** means a Facility in existence as of the date of execution of an Agreement located in or on Real Property otherwise eligible for Abatement.
- F. **“Expansion”** means the addition of building structures, machinery, or equipment to a Facility.
- G. **“Facility”** means Improvements made to Real Property, including buildings, structures, machinery, and equipment erected on such Real Property, and including eligible Tangible Personal Property located on or in such Real Property or Improvements thereon.
- H. **“Improvements”** means the construction, addition to, structural upgrading of, replacement of, renovation of, or completion of any facility located upon, or to be located upon, Real Property as herein defined, or any eligible Tangible Personal Property placed in or on said Real Property which is fixed to any such structures or machinery or equipment within or on said structures, either permanently or semi-permanently, and integrated into such structures, machinery, equipment, structures, or facilities.

- I. **“Maintenance”** means improvements necessary for continued operation which do not improve productivity or alter the process technology.
- J. **“Modernization”** means a complete or partial demolition of Facilities and/or the complete or partial reconstruction, renovation, or installation of a Facility of similar or expanded industrial or commercial capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment, or any combination thereof.
- K. **“New Facility”** means the construction of a Facility on previously undeveloped Real Property which is placed into service by means other than or in conjunction with Expansion or Modernization.
- L. **“New Permanent Job”** means a new employment position created by a business that has provided employment to an employee of at least 1,820 hours annually and intended to be an employment position that exists during the life of an Abatement.
- M. **“Owner”** means the record title owner of Real Property or the legal owner of Tangible Personal Property. In the case of land leased from Concho County or buildings leased from a private party or tax exempt property, and absent agreement or designation to the contrary, the lessee shall be deemed the Owner of such leased property together with all Improvements and Tangible Personal Property located thereon.
- N. **“Productive Life”** means the number of years a Facility is expected to be in service.
- O. **“Reinvestment Zone”** means any Real Property designated as a Reinvestment Zone under the provisions of Chapter 312, Tex. Tax Code, or any other provision of applicable law.
- P. **“Tangible Personal Property”** means any Personal Property not otherwise defined or expressly excluded herein and which is necessary for or integral to the proper operation of any type of Facility.

II. Abatement Authorized

- A. Eligible facilities. Upon application, eligible facilities shall be considered for tax abatement as hereinafter provided. Nothing in this section requires an application to be granted.
- B. Creation of new values. Abatement may only be granted for the additional value of eligible property improvements made subsequent to the execution of and specified in an abatement agreement between Concho County and an Owner, subject to such limitations as Concho County may require.
- C. New and existing facilities. Abatement may be granted for the additional value of eligible property improvement(s) made subsequent to and specified in an abatement agreement between Concho County and the property Owner, subject to such limitations as Concho County may require.
- D. Eligible property. Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements and related fixed improvements, and Tangible Personal Property necessary to the operation and administration of the facility.
- E. Ineligible property. The following types of property shall be fully taxable and ineligible for tax abatement: land/unimproved Real Property, inventories or supplies, tools, furnishings and other forms of movable personal property, vehicles (including ground vehicles, aircraft, and boats), housing, hotel/motel accommodations, deferred maintenance, property to be rented or leased except as provided in Section 2.F, property owned by the State of Texas or any State agency, any property owned or leased by a member of the Concho County Commissioners Court (excepting property already subject to an active Agreement before its Owner becomes a member of the Court), and any property statutorily ineligible for Abatement.
- F. Owned/leased facilities. If a leased facility is granted abatement, the agreement shall be executed with both the Lessor, Lessee, or any other party having an ownership interest in the property proposed for abatement.
- G. Economic qualifications. In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:
 - 1. Must be reasonably expected to have a positive net benefit to Concho County of at least \$1,000,000.00 over the life of the abatement, computed to include without limitation such benefits as new sustaining payroll, estimated direct or indirect tax revenue/cost, permanent capital improvement, community investment, environmental impact, other consequential economic impact, or any combination thereof. The creation of new jobs, including the number and type of jobs created, will also factor into the decision to grant an abatement, but the number/type of jobs created or absence thereof will not prejudice the discretion of the Concho

- County Commissioners Court in deciding whether to enter into any given agreement; and
2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Concho County to another.

Satisfaction of these criteria only makes a planned improvement eligible for abatement, and creates no entitlement to abatement. Nothing herein limits the discretion of the Concho County Commissioners Court to grant or deny any requested abatement.

H. Criteria for tax abatement. The following factors, among others, shall be considered in determining whether to grant a tax abatement:

1. Value of existing Improvements, if any;
2. Type and value of proposed Improvements;
3. Productive life of proposed Improvements and the residual value of proposed Improvements after expiration of any abatement;
4. Number of existing jobs to be retained by proposed Improvements;
5. Number and type of new jobs to be created by proposed Improvements;
6. Amount of local payroll to be created;
7. Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;
8. Amount which the long-term property tax base valuation will be increased during the term of abatement and after abatement, which shall include a definitive commitment that such long-term valuation shall not, in any case, be less than \$1,000,000.00;
9. The costs to be incurred by Concho County to provide facilities or services directly resulting from the new Improvements;
10. The amount of ad valorem taxes to be paid to Concho County during the abatement period considering:
 - a. the existing values;
 - b. the percentage of new value abated;
 - c. the abatement period; and
 - d. the value after expiration of the abatement period.
11. The population growth of Concho County that occurs directly as a result of new Improvements;
12. The types and values of public improvements, if any, to be made by Applicant seeking abatement;
13. Whether the proposed Improvements compete with existing businesses to the detriment of the local economy;
14. The impact on the business opportunities of existing businesses;
15. The attraction of other new businesses to the area;
16. Any short- or long-term environmental impacts and plans for environmental remediation after the end of the productive life of the Improvements;
17. The overall compatibility with any comprehensive plan for the area;
18. Whether the project obtains all necessary permits from any applicable environmental agencies.

Each eligible facility shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

- I. Denial of abatement. Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:
1. There would be substantial adverse effect on the provision of government services or tax base;
 2. The applicant has insufficient financial capacity;
 3. Planned or potential use of the property would constitute a hazard to public health, safety or morals;
 4. Violation of other codes or laws; or
 5. Any other reason deemed appropriate by Concho County.
- J. Taxability. From the execution of the abatement to the end of the agreement period, taxes shall be payable as follows:
1. The value of ineligible property as provided in Section 2(E) shall be fully taxable; and
 2. The base year value of existing property as determined each year shall be fully taxable.

The additional value of new eligible property shall be fully taxable at the end of the abatement period as required by law.

III. Application

- A. Any present or potential owner of taxable property in Concho County may request the creation of a reinvestment zone and tax abatement by filing a written application with the Concho County Judge, including both a print and electronic copy, including separate electronic copies of the map and property description required in Section III.B.4. Physical copies or media containing electronic copies may be submitted to: Concho County Judge, P.O. Box 152, Paint Rock, TX 76866, or 152 N. Roberts, Paint Rock, TX 76866.
- B. Form. The Application is not required to be in any particular form, but shall be submitted in both written and electronic form, and shall include all relevant information enabling Concho County to evaluate the Application according to the criteria set forth in Section 2(G) above, and in addition shall specifically include:
1. A general description of the new improvements to be undertaken;
 2. A descriptive list of the improvements for which an abatement is requested;
 3. A list of the kind, number and location of all proposed improvements of the property;
 4. A map and full legal description of the property; and
 5. A time schedule for undertaking and completing the proposed improvements.

In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the Application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the Applicant, to be attached to the Application.

- C. Fee. The completed Application must be accompanied by the payment of a non-refundable application fee for administrative costs associated with the processing of the tax abatement request. All checks in payment of the administrative fee shall be made payable to Concho County. For abatement applications for improvements with a planned value equal to or in excess of \$1,000,000.00 the fee shall be One Thousand and No/100 Dollars (\$1,000.00). All applications must contain a statement certifying that the Applicant agrees to pay attorney and consulting fees as may be incurred by Concho County in the examination of the application as well as the preparation and negotiation of any tax abatement and road use agreement. Applications should be submitted to the Concho County Judge.
- D. Notice. Concho County shall give notices as provided by the Property Tax Code. Before acting upon the application, Concho County shall, through public hearing, afford the Applicant and the designated representative of any governing body referenced hereinabove opportunity to show cause why the abatement should or should not be granted.

- E. Initial Consideration. Within sixty (60) days of the date of filing of an Application, the Concho County Commissioners Court shall make an initial determination whether to deny the Application or to proceed with further consideration thereof. Denial of an Application on initial consideration shall be made at a regularly scheduled or special meeting of the Court conducted in accordance with the Open Meetings Act by a successful motion finding that, after balancing the criteria set forth herein, the judgment of the Court is that the application should be denied. Otherwise, an Application shall proceed to further consideration by the Court. Nothing in this section hinders or restricts the discretion of the Commissioners Court, on further consideration, to deny an application.
- F. Designation of Reinvestment Zone. If the Concho County Commissioners Court does not deny an Application under Section 3.E, the Court will proceed to further consideration of the Application. If the property proposed for abatement is not located within a previously designated reinvestment zone, prior to further consideration of the Application, the Court will conduct a public hearing on the designation of a proposed reinvestment zone at a time convenient to the Court in its discretion. Concho County shall give notice of the reinvestment zone designation hearing not later than the seventh (7th) day prior to the hearing, including (1) written notice which must be delivered to the presiding officer of the governing body of each taxing unit in which the property to be subject of the agreement is located, and (2) notice to the public which shall be given by publication in a newspaper of general circulation within Concho County. Before acting upon an Application, Concho County shall, through said public hearing, afford the Applicant, the designated representative of any governing body referenced hereinabove, and any member of the public opportunity to show cause why the reinvestment zone should or should not be designated. In order to designate the reinvestment zone, the Court must adopt an order or resolution by majority vote, which order or resolution must describe the zone's boundaries and designate whether the zone is eligible for residential tax abatement, commercial-industrial tax abatement, or tax increment financing. Any such designation expires after five years, but may be renewed for additional periods not to exceed five years by following the procedures of this subsection. Expiration of a reinvestment zone does not affect the validity or term of any duly executed abatement agreement.
- G. Negotiation of Abatement Terms. Subsequent or concomitant to the procedures for designation of a reinvestment zone in Section 3.F, Concho County and the applicant for abatement shall negotiate terms of an abatement agreement. Concho County may be represented in these negotiations by (1) the Concho County Judge; (2) no more than one Commissioner as designated by the Concho County Commissioners Court; (3) the Concho County Treasurer; and/or (4) the attorney representing and advising Concho County with respect to the Application. Terms of an abatement may include, but are not limited to, abatement or exemption from taxes of any percentage of the ordinary future ad valorem tax obligations which would be assessed on the property subject to abatement; limitation or division of, or exclusion from, the designated property subject to abatement; and secondary considerations to be provided by the applicant for abatement. Any abatement agreement so negotiated must be contingent on the applicant making the

specific improvements or repairs to the property designated in the agreement, and only the increase in the value of the property may be exempted. The current value of the real property and any improvements already in existence as of January 1 of the year in which an abatement agreement is executed may not be abated or exempted. Any abatement agreement so negotiated must include the information, terms, and limitations provided in Sections 4 and 5 of these Guidelines and Criteria, Exhibits A and B to these Guidelines and Criteria, and any other provisions required by law. There is no time limit on these negotiations, but if Concho County and the applicant cannot reach agreement on the terms of a proposed abatement, the representatives for Concho County will report such failure to the Concho County Commissioners Court with a recommendation that the Court, at its next available regularly scheduled meeting, deny the application. Such action requires a majority vote of the Court on a motion duly made at said meeting.

- H. Further Consideration and Abatement Approval. After the terms of an abatement agreement are successfully negotiated pursuant to Section 3(G) between representatives of Concho County and the applicant, any such agreement must be presented to the Concho County Commissioners Court for consideration in a public hearing thereon. Concho County shall give notice of the public hearing on approval of the proposed agreement not later than thirty (30) days in accordance with the Open Meetings Act, which notice shall include (1) the property owner's name and the applicant's name in the agreement; (2) the name and location of the reinvestment zone subject to the agreement; (3) a general description of the nature of the improvements or repairs in the agreement; and (4) the estimated cost of the improvements or repairs. Approval of the proposed agreement requires a determination by majority vote that the agreement terms and property meet the requirements of the Texas Tax Code and these guidelines and criteria governing tax abatement agreement, and adoption of a resolution as provided by Section 4(A).
- I. Execution; Notice to Other Taxing Units. After approval of the agreement, written notice and a copy of the proposed agreement shall be provided to other taxing units having jurisdiction over the property subject to abatement at least seven (7) days before the execution of the proposed agreement by the parties. Any such eligible taxing units may enter into a concomitant agreement as described or permitted in the Texas Tax Code.
- J. If a city within Concho County designates a reinvestment zone within its corporate limits and enters into or proposes to enter into an abatement agreement with a present or potential owner of taxable property, such present or potential owner of taxable property may request tax abatement by Concho County by following the same application process described in Section 3.A hereof. No other notice or hearing shall be required except in compliance with the Open Meetings Act, the Texas Tax Code, or other applicable law, unless the Concho County Commissioners Court deems them necessary in a particular case.

IV. Agreement

A. After approval, the Commissioners Court of Concho County shall formally pass a Resolution and execute an agreement with the Owner of the facility as required which shall:

1. Include a list of the kind, number, location of all proposed Improvements to the property;
2. Provide access to and authorize inspection of the property by the taxing unit to insure compliance with the agreement;
3. Limit the use of the property consistent with the taxing unit's developmental goals;
4. Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the agreement;
5. Include each term that was agreed upon with the property owner and require the owner to annually certify compliance with the terms of the agreement to each taxing unit;
6. Allow the taxing unit to cancel or modify the agreement at any time if the property owner fails to comply with the terms of the agreement; and
7. Provide for open access to substations and transmission lines in Concho County by including in the abatement agreement a section in substantial conformity with Exhibit "A".

Such agreement shall normally be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to the Commissioners Court.

B. The Owner of the facility and its Contractors shall also agree to the following:

1. A specified number of permanent full time jobs at facility shall be created, and the Owner and its Contractors shall make reasonable efforts to employ persons who are residents of Concho County in such jobs, provided, however, that there shall be no obligation to employ residents who are not:
 - a. equally or more qualified than nonresident applicants;
 - b. available for employment on terms and/or salaries comparable to those required by nonresident applicants; or
 - c. able to become qualified with 72 hours training provided by Owner.
2. Each person employed in such job shall perform a portion, if not all, of their work in Concho County.
3. Owner shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Concho County businesses in the construction, operation, and maintenance of the improvements and the project; provided, however, that there shall be no requirement to use goods and services provided by Concho County residents that are not:
 - a. of similar quality to those provided by nonresidents; or

- b. made available on terms and conditions (including pricing) 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.
- 4. Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as liaison between any individuals, businesses, and contractors residing or doing business in Concho County who are interested in obtaining information about providing goods or services related to the construction of the project. Additionally, Owner or its construction contractor, if any, shall advertise in local newspapers in Concho County for local contractors to perform work on the construction, maintenance, repair or operation of the project prior to filling the positions. The Abatement Agreement shall provide that Owner will pay Concho County a sum equal to 20% of the gross salary of any position that was filled without compliance with the notice.
- 5. Owner shall agree to maintain a viable presence (as below defined) within the Reinvestment Zone for a period of time, as set by the Concho County Commissioners Court, not to exceed twenty (20) years from the date that the abatement agreement first takes effect. For purposes hereof, "Maintain a Viable Presence" means the operation of the Eligible Facilities, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured and/or reengineered.
- 6. Owner shall have the right to use such County roads as may be designated by the Concho County Commissioners but only upon such terms and conditions as may be required by the County, which at a minimum shall include requirements that: (i) no County road may be used in a manner that does not allow other traffic access over the roadway without the County's prior consent; (ii) Owner shall promptly repair, to the satisfaction of the County, any damage to County roads caused by Owner or Owner's agents, contractors or suppliers during the course of constructing, repairing, maintaining or operating the Improvements; and (iii) all repairs by Owner, including the widening or improvement of County roadways shall have the prior approval of the County.
- 7. Owner shall maintain in full force and effect, starting with the commencement of construction of the Eligible Facilities and continuing throughout the term of the Abatement Agreement the following insurance coverage issued by insurance companies authorized to conduct business in the State of Texas:
 - a. Commercial general liability coverage (including coverage for all equipment and vehicles) with aggregate limits of not less than \$5,000,000.00;
 - b. Worker's compensation coverage for all full-time employees to the extent required by Texas law; and
 - c. Casualty insurance in an amount equal to the full insurable value of the Eligible Facilities.
- 8. The lease, easement, or other agreement between Owner and the owners of the land upon which a wind energy or solar project is to be constructed shall contain minimum standards for the removal of the project improvements and a bond for removal of the project improvements as contained in Schedule I attached hereto.

9. On or about May 1st of each year that the abatement agreement shall be in effect, Owner shall certify to the County Judge of Concho County, and to the governing body of each taxing unit, that Owner is in compliance with each applicable term set forth above.

V. Recapture

- A. In the event that the Owner or its assignee:
1. Allows its ad valorem taxes owed Concho County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
 2. Violates any of the terms and conditions of the abatement agreement and fails to cure during the cure period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.
- B. Should Concho County determine that the Owner or its assignee is in default according to the terms and conditions of its agreement, Concho County shall notify the company or individual in writing at the address stated in the agreement, and if such default is not cured within thirty (30) days from the date of such notice (cure period) then the agreement may be terminated.

VI. Administration

- A. The Chief Appraiser of the Concho County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the Commissioners Court of Concho County of the amount of the assessment. The value of Eligible Facilities without regard to the abatement shall be used to compute the amount of the abated taxes that are required to be recaptured and paid to the County in the event of recapture of such taxes is required by the abatement agreement or applicable law.
- B. Concho County may execute a contract with any other jurisdictions to inspect the facility to determine if the terms and conditions of the abatement agreement are being met. The abatement agreement shall stipulate that employees and/or designated representatives of Concho County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
- C. Upon completion of construction, the designated representative of Concho County shall annually evaluate each facility receiving abatement to insure compliance with the agreement. A formal report shall be made to the Commissioners Court.

VII. Assignment

So long as no default or breach of the abatement agreement exists, the abatement agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the Commissioners Court of Concho County subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with Concho County. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably withheld; however, the County may withhold its consent to a proposed assignment which will not be considered to be unreasonable if: (i) the proposed assignee cannot demonstrate that it reasonably can expect to have, during the term of the abatement agreement, annual revenues sufficient to comply with the Agreement as well as to timely pay its other obligations; (ii) the proposed assignee does not have the capability and reliability to perform the requirements of the abatement agreement; (iii) the proposed assignee has a record of violations or defaults with respect to its operation of other projects; or (iv) the proposed assignee fails to provide information requested by the County; or the proposed assignee is exempt from taxation under applicable law.

VIII. Sunset Provision

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years unless amended by three quarters vote of the Commissioners Court of Concho County, at which time all reinvestment zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on the review, the guidelines and criteria will be modified, renewed, or eliminated.


ADOPTED AND EFFECTIVE THIS 26TH DAY OF NOVEMBER, 2024

CONCHO COUNTY COMMISSIONERS COURT




DAVID DILLARD
CONCHO COUNTY JUDGE





TREY BRADSHAW
COMMISSIONER, PRECINCT 1



ERIC GULLY
COMMISSIONER, PRECINCT 2



GARY GIERISCH
COMMISSIONER, PRECINCT 3



KEITH DILLARD
COMMISSIONER, PRECINCT 4

ATTEST: 

AMBER HALL, CONCHO COUNTY CLERK

EXHIBIT "A"

Each Tax Abatement Agreement executed by Concho County after the date of approval of these Guidelines and Criteria which involves an energy generation, transmission, or storage system shall contain provisions assuring open access to Transmission Infrastructure in substantial conformity with the following:

Assuring Open Access to Transmission Infrastructure

- (a) The Parties acknowledge that this Agreement is meant to enhance the development of wind, solar and other electricity generation, transmission, or storage facilities in Concho County. The Owner 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 generation or storage facilities in the County by other project sponsors/owners ("Competing Line Owners").
- (b) The Owner agrees to reasonably accommodate the planning, construction and operation of such Competing Lines, including the interconnection of such lines to substations. Owner 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 the Owner's leased area, provided Competing Line Owner and Owner execute a crossing agreement reasonably acceptable to both parties.
- (c) The Owner 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 Concho County for electricity generating projects in Concho County, the County agrees that any future abatement agreement between the County and Competing Line Owners will contain provisions substantially similar to this Section.

EXHIBIT "B"

SCHEDULE I

BOND LANGUAGE AND REMOVAL STANDARDS

On or before the tenth (10th) anniversary of the commencement of the Operations Term of the Project, or earlier in the event Owner elects to terminate operations of the Project during the Operations Term, Owner shall provide security to cover the estimated removal costs associated with the Project and other above-ground improvements on the Property in accordance with the removal standards below. The security shall be, at Owner's option, either a surety bond from an issuer reasonably acceptable to the County and any affected Landowner, a corporate guarantee (from a financially responsible entity that is reasonably acceptable to the County and any affected Landowner and whose credit rating is investment grade), a letter of credit issued by a financial institution reasonably acceptable to the County and any affected Landowner, a cash deposit, or other security reasonably acceptable to the County and any affected Landowner (the selected security being herein referred to as the "**Removal Bond**"). The amount of the Removal Bond shall be the estimated cost of (i) removing the Project improvements, as estimated by a construction company selected by the County and reasonably acceptable to the Owner and any affected Landowner, and (ii) restoration of the Property in accordance with the below standards. The amount of the Removal Bond shall be updated every five (5) years after the initial estimate based on a new estimate by a construction company selected in accordance herewith.

Removal Standards. Within twelve (12) months following the expiration of the surface leases for the Project, or within six (6) months of the earlier termination of the Project, Owner shall (i) remove from the Property included within the Project any Project Facilities owned, installed or constructed by Owner thereon, with the exception of any roads, building foundations or utility installations that any affected Landowner asks to be left in place, (ii) fill in and compact all trenches or other borings or excavations made by Owner on the Project Property, (iii) leave the surface of the Property free from debris caused by Owner's activities, and (iv) to reclaim the areas of the Property disturbed or utilized by Owner by leveling, grading or terracing all portions thereof, to the extent caused by Owner, at Owner's own cost and expense if and to the extent requested within six (6) months of the termination of the Project by an affected Landowner or, subject to the Landowner's right to retain and such alterations to the Property, by the County. Notwithstanding anything herein, Owner shall only be required to remove any Project Facilities located beneath the surface of the land (such as, without limitation, footings and foundations) to a depth three feet (3') below the surface of the land. Any roads and any operations and maintenance building on the Project Property may be left in place provided the Landowner of the land upon which they exist provides Owner with a written request that such not be removed.