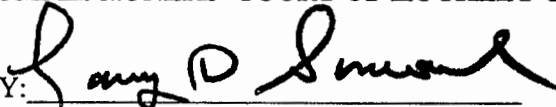


**NOTICE OF MEETING OF THE COMMISSIONERS' COURT OF  
HOCKLEY COUNTY, TEXAS**

Notice is hereby given that a Special Meeting of the above named Commissioners' Court will be held on the 14<sup>TH</sup> day of July, 2014, at 1:30 P.M. in the Commissioners' Courtroom, Hockley County Courthouse, Levelland, Texas, at which time the following subjects will be discussed to-wit:

1. Consider and take necessary action to adopt County Guidelines and criteria for granting tax abatement.
2. Conduct Public Hearing on the Application of Red Raider Wind, LLC to establish a Reinvestment Zone.
3. Consider and take necessary action to approve the Resolution Approving Hockley County Wind Reinvestment Zone #1 for Red Raider Wind, LLC.
4. Consider and take necessary action to enter into a Tax Abatement Agreement with Red Raider Wind, LLC.

**COMMISSIONERS' COURT OF HOCKLEY COUNTY, TEXAS**

BY:   
Hockley County Judge

I, the undersigned County Clerk, do hereby certify that the above Notice of Meeting of the above named Commissioners' Court, is a true and correct copy of said Notice on the bulletin board at the Courthouse, and at the east door of the Courthouse of Hockley County, Texas, as place readily accessible to the general public at all times on the 3<sup>RD</sup> day of July, 2014, and said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Dated this 3<sup>RD</sup> day of July, 2014.



Irene Gumula, County Clerk, and Ex-Officio  
Clerk of Commissioners' Court, Hockley County, Texas

FILED FOR RECORD  
AT \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M.

JUL 03 2014

  
County Clerk, Hockley County, Texas

VOL. 61 PAGE 225

**THE STATE OF TEXAS  
COUNTY OF HOCKLEY**

**IN THE COMMISSIONER'S COURT  
OF HOCKLEY COUNTY, TEXAS**

**SPECIAL MEETING  
JULY 14, 2014**

**Be it remembered that on this the 14<sup>th</sup> day of July A.D. 2014, there came on to be held a Special meeting of the Commissioners' Court, and the Court having convened in Special session at the usual meeting place thereof at the Courthouse in Levelland, Texas, with the following members present to-wit:**

<b>Larry Sprowls</b>	<b>County Judge</b>
<b>Curtis D. Thrash</b>	<b>Commissioner Precinct No. 1</b>
<b>Larry Carter</b>	<b>Commissioner Precinct No. 2</b>
<b>J. L. "Whitey" Barnett</b>	<b>Commissioner Precinct No. 3</b>
<b>Thomas R "Tommy" Clevenger</b>	<b>Commissioner Precinct No. 4</b>

**Irene Gumula, County Clerk, and Ex-Officio Clerk of Commissioners' Court when the following proceedings were had, to-wit:**

**Motion by Commissioner Carter, seconded by Commissioner Barnett, 4 Votes Yes, 0 Votes No, Commissioners' Court adopt County Guidelines and Criteria for granting tax abatement, as per Guidelines and Criteria recorded below.**

GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENT  
FOR COMMERCIAL AND INDUSTRIAL / MANUFACTURING PROJECTS IN DESIGNATED  
REINVESTMENT OR ENTERPRISE ZONES  
IN HOCKLEY COUNTY, TEXAS

SECTION 1. General Purpose

The Affected Jurisdictions located wholly within or partially within the County of Hockley, Texas, and to an ongoing improvement in the quality of life for the citizens residing within the Affected Jurisdictions. The Affected Jurisdictions recognize that these objectives are generally served by enhancement and expansion of the local economy. The Affected Jurisdictions will, on a case-by-case basis, give consideration to providing tax abatement within designated Tax Increment Reinvestment Zones, Reinvestment Zones, and Enterprise Zones as authorized by V.T.C.A., Tax Code, Chapters 311 and 312, and V.T.C.A., Government Code Chapter 2303, as stimulation for economic development within the designated Zones in the Affected Jurisdictions, It is the policy of the Affected Jurisdictions that said consideration will be provided in accordance, with the guidelines and criteria herein set forth in conformity with the Tax Code.

Nothing contained herein shall imply, suggest or be understood to mean that the Affected Jurisdictions are under any obligation to provide tax abatement to any specific applicant (V.T.C.A. Tax Code, Section 312.002(d)). With the above rights reserved, all applicants for tax abatement will be considered on a case-by case basis.

SECTION 11. Definitions:

As used within these guidelines and criteria, the following words or phrases shall have the following meaning:

1. **Abatement of Taxes:** To exempt from ad valorem taxation all or part of the value of certain Improvements placed on land located in a designated Reinvestment Zone for commercial development for a period of time not to exceed five (5) years. To exempt from ad valorem taxation all or part of the value of certain improvements placed on and located in a designated Enterprise Zone for industrial/manufacturing development purposes for a period of time not to exceed ten (10) years.
2. **Affected Jurisdiction:** The County of Hockley, and other participating jurisdictions as provided by Section 312 of Tax Code.
3. **Abatement Agreement:** A contract between a property owner and the Affected Jurisdictions for the abatement of taxes on qualified property located within a designated Reinvestment or Enterprise Zone as authorized by V.T.C.A., Tax Code, Section 312.204(a)
4. **Base Year Value:** The assessed value of property eligible for tax abatement as of January 1 preceding the execution of an Abatement Agreement as herein defined.
5. **Creation of New Value:** Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between the Affected Jurisdictions and the property owner or lessee and lessor, subject to such limitations that the Guidelines and Criteria may require.
6. **Distribution Center Facility:** A building or structure including Tangible Personal Property used or to be used primarily to receive, store, service or distribute goods or materials.
7. **Enterprise Zone:** A Zone designated under Chapter 2303, Government Code.
8. **Expansion of Existing Facilities or Structures:** The addition of buildings, structures machinery or equipment to a Facility.

9. **Existing Facility or Structure:** A Facility as of the date of execution of the Tax Abatement Agreement, located in or on Real Property eligible for tax abatement.
10. **Facility:** The improvements made to Real Property eligible for tax abatement and including the building or structure erected on such Real Property and/or any Tangible Personal Property to be located in or on such property.
11. **Improvements to Real Property or Improvements:** Shall mean the construction, addition to, structural upgrading of, replacement of, or completion of any facility located upon, or to be located upon, Real Property, as herein defined, or any Tangible Personal Property placed in or on said Real Property.
12. **Manufacturing Facility:** A Facility which is or will be used for the primary purpose of the production of goods or materials or the processing or change of goods or materials to a finished product.
13. **Modernization/Renovation of Existing Facilities:** The replacement or upgrading of existing facilities; not including normal repairs such as new roof unless a part of a large scale renovation.
14. **New Facility:** The construction of a Facility that has not previously existed within the affected jurisdiction and will be a totally new business operation, on previously undeveloped real property eligible for tax abatement.
15. **New Permanent Job:** 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 the abatement or Full Time Equivalents.
16. **Other Basic Industry:** A Facility other than a distribution center facility, a research facility, a regional service facility or a manufacturing facility which produces goods or services or which created new or expanded job opportunities and services.
17. **Owner:** The record title owner of Real Property or the legal owner of Tangible Personal Property. In the case of land from an Affected Jurisdiction or buildings leased from a private party or tax exempt property, the lessee shall be deemed the owner of such leased property together with all improvements and Tangible Personal Property located thereon.
18. **Productive Life:** the number of years a Facility is expected to be in service.
19. **Real Property:** Land on which Improvements are to be made or fixtures placed.
20. **Regional Services Facility:** A Facility, the primary purpose of which is to service or repair goods or materials and which creates job opportunities within the Affected Jurisdictions.
21. **Reinvestment Zone:** Real Property designated as Reinvestment Zone under the provisions of V.T.C.A., Tax code, Sections 311.005 or 312.202.
22. **Research Facility:** A Facility used or to be used primarily for research or experimentation to improve or develop new goods and/or services to improve or develop the production process for such goods and/or services.
23. **Tangible Personal Property:** Any Personal Property, not otherwise defined herein and which is necessary for the proper operation of any type of Facility.

**Section III. Intent of Criteria and Guidelines:**

The intent of the criteria and guidelines, as herein set forth, is to establish the minimum standards which an applicant for tax abatement must meet in order to be considered for such status by the Affected Jurisdictions.

**Section IV Criteria and Guidelines for Tax Abatement:**

**Commercial Tax Abatement**

Any type of Facility will be eligible for tax abatement consideration provided such Facility meets the following guidelines and criteria:

1. A business must clearly add to the Hockley County economic base. Compliance with this criterion must show that additional jobs are being provided and the jobs being proposed will not simply displace other similar jobs in the community.
2. Creation of new value: Abatement may only be granted for additional value resulting from any of the following:
  - a) Modernization/renovation of existing facilities of any type as herein defined;
  - b) Construction of a new facility of any type as herein defined;
  - c) Expansion of existing facilities of any type as herein defined.
3. New or existing facilities, of any type herein defined, located in a reinvestment zone or upon Real Property eligible for such status will be eligible for consideration for tax abatement status provided all other criteria or guidelines are satisfied.
4. Improvements to Real Property are eligible for tax abatement status.
5. The following types of property shall be ineligible for tax abatement status and shall be fully taxed:
  - a) Real Property (land);
  - b) Inventories or supplies;
  - c) Tools;
  - d) Furnishings and other forms of movable personal property;
  - e) Vehicles;
  - f) Aircraft;
  - g) Housing
  - h) Boats
  - i) Property owned by the State of Texas or any state agency; and,
  - j) Property owned or leased by a member of the affected Jurisdiction that did not have an active tax abatement in place before they became a member of the governing body or commission.
6. In order for a Facility to qualify for abatement, the following conditions must apply:
  - a. The owner or leaseholder of real property must make eligible improvements to the real property; and,
  - b. In the case of lessees, the leaseholder must have a lease commitment of at least five (5) years.
  - c. Property must be properly zoned for the use stated by the owner in the application.
7. The amount and term of abatement shall be determined on a case-by-case basis; however in no event shall taxes be abated for a term in excess of five (5) years unless the investment exceeds \$50,000,000. The amount of the taxable value of Improvements to be abated and the term of the abatement shall be determined by the Affected Jurisdiction in all cases. The authority of all other taxing units shall be as set forth in V.T.C.A., Tax Code, Section 312.206.
8. No commercial property shall be eligible for tax abatement under these guidelines and criteria unless such property is located in designated Reinvestment Zone in accordance with V.T.C.A., Tax Code Section 311 or 312 and the tax abatement application is filed with the taxing jurisdiction before construction begins.

9. The minimum economic qualification for commercial tax abatement shall be as follows:

- a) \$100,000 investment in items eligible for tax abatement

**Industrial/Manufacturing Tax Abatement**

Any type of Facility will be eligible for tax abatement consideration provided such Facility meets the following guidelines and criteria:

1. To qualify for Tax Abatement, the company must meet **both** of the following criteria:
  - a. The modernization or expansion of an existing facility of any type as herein defined or construction of a new facility of any type as herein defined.
  - b. Producer, manufacturer or distributor of goods and services.
2. In addition to the aforementioned, the taxing jurisdiction will consider abatement only if the company has the potential of generating additional significant economic development opportunities to Hockley County and the affected jurisdictions.
3. The company must meet one of the following criteria:
  - a) The project will add at least \$1,500,000 in real estate assessed valuation or \$2,000,000 of personal property assessed valuation or 10 new permanent jobs if the facility is a **new company to Hockley County**.
  - b) The project will add at least \$1,500,000 in real estate assessed valuation, or \$2,000,000 in personal property assessed valuation, or 10 new permanent jobs if the facility is a modernization or expansion of an **existing company** that has operated in Hockley County for five or more years.
4. New or existing facilities, of any type herein defined, located in an enterprise zone or reinvestment zone or upon Real Property eligible for such status will be eligible for consideration for tax abatement status provided that all other criteria and guidelines are satisfied.
5. Improvements to Real Property are eligible for tax abatement status.
6. The following types of Property shall be ineligible for tax abatement status and shall be fully taxed.
  - a) Real Property;
  - b) Inventories or supplies;
  - c) Tools;
  - d) Furnishings and other forms of moveable personal property;
  - e) Vehicles;
  - f) Aircraft;
  - g) Housing;
  - h) Boats;
  - i) Property owned by the State of Texas or any State agency; and,
  - j) Property owned or leased by a member of the affected Jurisdiction that did not have an active tax abatement in place before they became a member of the governing body or commission.
7. In order for a Facility to qualify for abatement, the following conditions must apply:
  - a) The owner or lessor of real property must make eligible improvements to the real property; and,

- b) In the case of lessees, the leaseholder must have a lease commitment of at least twice the term of the abatement term granted. For example, a property abated for five years must have a lease commitment of ten years.
8. In reinvestment zones, the amount and term of abatement shall be determined on a case-by-case basis; however, in no event shall taxes be abated for term in excess of ten (10) years. The amount of the taxable value of Improvements to be abated and the term of the abatement shall be determined by the County in all cases where the property for which tax abatement is applied for is outside of the City limits of a municipality, but within the county of Hockley, except that a reinvestment zone that is an enterprise zone is designated of the same period as provided by Chapter 2303, Government Code. The authority of all other taxing units shall be as set forth in V.T.C.A., Tax code, Section 312.206.
  9. In enterprise zones, the governing body of each taxing jurisdiction may execute a written agreement with the owner of the property. The agreement may, but is not required to, contain terms that are identical to those contained in the agreement with the municipality, county or both, whichever applies, and the only terms for the agreement that may vary are the portion of the property that is to be exempt from taxation under the agreement and the duration of the agreement.

**Elements Applicable to Both Commercial and Industrial and Manufacturing Tax Abatement**

10. Notwithstanding any of the requirements set forth above, the governing body of an Affected Jurisdiction upon the affirmative vote of three-fourths (3/4) of its members may vary any of the above requirements when variation is demonstrated by the applicant for Tax Abatement that variation is in the best interest of the Affected Jurisdiction to do so, and will enhance the economic development of the Affected Jurisdiction. By way of example only, and not by limitation, the governing body of an Affected Jurisdiction may consider the following or similar terms in determining whether a variance shall be granted:
  - a) That the increase in productivity of the Facility will be substantial and hence directly benefit the economy.
  - b) That the increase of goods or services produced by the Facility will be substantial, and directly benefit the economy.
  - c) That the employment maintained at the Facility will be increased.
  - d) That the waiver of the requirement will contribute, and provide for the retention of existing jobs within the Affected Jurisdiction.
  - e) That the applicant for tax abatement has demonstrated that if tax abatement is granted to his Facility, even though his Facility will not employ additional personnel that, nevertheless, due to the existence of said Facility, new jobs will be created as a direct result of this Facility and other facilities located within the Affected Jurisdiction.
  - f) Any other evidence tending to show a direct economic benefit to the Affected Jurisdiction.
11. Taxability:
  - a) The portion of the value of Improvements to be abated shall be abated in accordance with the terms and provisions of a Tax Abatement Agreement executed between the Affected Jurisdiction and the owner of the Real Property and /or Tangible Personal Property, (which agreement shall be) In accord with the provisions of V.T.C.A., Tax code, Section 312.205.

- b) All ineligible property, if otherwise taxable as herein described, shall be fully taxed.
- 12. The governing body of each Affected Jurisdiction shall have total discretion as to whether tax abatement is to be granted. Such discretion as herein retained shall be exercised on a case-by-case basis. The adoption of these guidelines and criteria by the governing body of an affected Jurisdiction does not.
- 13. The burden to demonstrate that an application for tax abatement should be granted shall be upon the applicant. Each Affected Jurisdiction to which the application has been directed shall have full authority to request any additional information from the applicant that the governing body of such Affected Jurisdiction deems necessary to assist it in considering such application.

**SECTION V. Criteria and Guidelines for Creation of Reinvestment Zone**

- 1. No Property shall be eligible for tax abatement unless such property is located in a reinvestment zone designated as such in accordance with V.T.C.A., Tax Code, Section 311.003 or Section 312.202.
- 2. The governing body of a county, as required by V.T.C.A., Tax code, Section 312.401, shall hold a public hearing on the designation of an area within its jurisdiction as a reinvestment zone. The burden shall be on the owner of the property sought to be included in the zone or applicant for the creation for the reinvestment zone.
- 3. The designation of a reinvestment zone expires five years after the date of the designation and may be renewed for periods not to exceed five years, except that a reinvestment zone that is a state enterprise zone is designated for the same period as a state enterprise zone as provided by Chapter 2303m Government Code. The expiration of the designation does not affect an existing tax abatement agreement made in accordance with V.T.C.A., Tax Code, Section 312.201 through Section 312.209.
- 4. Designation of an area as an enterprise zone under the Texas Enterprise Zone Act, Chapter 2303, Subchapter C, Texas Government Code, constitutes designation of the area as a reinvestment zone under Subchapter B of the Property Redevelopment and Tax Abatement Act without further hearing or other procedural requirements other than those provided by the Texas Enterprise Zone Act, Chapter 2303, Subchapter C, Texas Government Code.

**Section VI. Tax Abatement Agreement:**

- 1. The Tax Abatement Agreement may be executed between the owner and the county. A Tax Abatement Agreement shall:
  - a) Establish and set forth the Base Year assessed value of the property for which tax abatement is sought.
  - b) Provide that the taxes paid on the Base Year assessed value shall not be abated as a result of the execution of said Tax Abatement Agreement.
  - c) Provide that ineligible property as described above shall be fully taxed.
  - d) Provide for the exemption of improvements in each year covered by the agreement, only to the extent the value of such improvements for each such year exceeds the value for the year in which the agreement is executed.



- e) Fully describe and list the kind, number and location of all the improvements to be made in or on the Real Property.
- f) Set forth the estimated value of all improvements to be made in or on the Real Property.
- g) Clearly provide that tax abatement shall be granted only to the extent;
  - 1) The improvements to Real Property increase the value of the Real Property for the year in which the Tax Abatement Agreement is executed; and,
  - 2) That the Tangible Personal Property improvements to Real Property were not located on the Real Property prior to the execution of the Tax Abatement Agreement.
- h) Provide for the portion of the value of the improvements to Real Property or improvements to be abated. This determination is to be made consistent with the provisions of these guidelines and criteria as hereinabove set forth.
- i) Provide for the commencement date and the termination date. In no event shall said dates for Commercial Tax Abatement exceed a period of five (5) years and in no event shall said dates for Industrial/Manufacturing Tax Abatement exceed a period of ten (10) years.
- j) Describe the type and proposed use of the improvements to Real Property or improvements including:
  - 1) The type of facility.
  - 2) Whether the improvements are for a new facility or renovation of a facility.
  - 3) The nature of the construction, proposed timetable of completion, a map or drawings of the improvements above mentioned.
  - 4) The amount of investment and the commitment for the creation of new jobs.
  - 5) A list containing the kind, number and location of all proposed Improvements.
  - 6) Any other information required by the Affected Jurisdiction.
- k) Provide a legal description of the Real Property upon which improvements are to be made.
- l) Provide access to and authorize Inspection of the Real Property or improvements by employees of the Affected Jurisdiction, who have executed a Tax Abatement Agreement with owner to insure Improvements are made according to the specifications and conditions of the Tax Abatement Agreement.
- m) Provide for the limitation of the uses of the Real Property or improvements consistent with the general purpose of encouraging development of redevelopment of the zone during the period covered by the Tax Abatement Agreement.
- n) Provide for contractual obligations in the event of default by owner, violation of the terms or conditions by owner, recapturing property tax revenue in the event the owner defaults or otherwise fails to make improvements as provided in said Tax Abatement Agreement, and any other provision as may be required or authorized by State law.

- o) Contain each term agreed to by the owner of the property.
  - p) Require the owner of the property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the agreement; and
  - q) Provide that the governing body of the municipality may cancel or modify the agreement if the property owner fails to comply with the agreement.
- 2) Not later than the seventh day before the Hockley County Commissioners Court (as required by V.T.C.A., Tax Code, Section 312.2041 or Section 312.402) enters into an agreement for tax abatement under V.T.C.A., Tax Code, Section 312.2041, the governing body or a designated officer or employee thereof shall deliver to the presiding officer of the governing body of each of the taxing units in which the property to subject to the agreement is located, a written notice that the County intends to enter into the agreement. The notice must include a copy of the proposed Tax Abatement Agreement.
- 3) A notice, as above described in Subparagraph 2, is presumed delivered when placed in the mail, postage paid and properly addressed to the appropriate presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the sender is considered to have been delivered to the addressee.
- 4) Failure to deliver the notice does not affect the validity of the agreement.

**Section VII. Application:**

- 1) Any present owner of taxable commercial or industrial property located within a designated Reinvestment Zone or Enterprise Zone of Hockley County may apply for tax abatement by filing an application with Hockley County.
- 2) The application shall include:
  - a) A general description of the improvements to be undertaken.
  - b) A descriptive list of the improvements for which tax abatement is requested.
  - c) A list of the kind, number and location of all proposed improvements of the Real Property Facility or Existing Facility.
  - d) A map indicating the approximate location of improvements on the Real Property Facility or Existing Facility together with the location of any or all Existing Facilities located on the Real Property or Facility
  - e) A list of any and all Tangible Personal Property presently existing on the Real Property or located in an existing facility.
  - f) A legal description of property.
  - g) Address of property.
  - h) A proposed time schedule for undertaking and completing the proposed improvements.
  - i) A general description stating whether the proposed improvements are in connection with:
    - 1) The renovation of a facility; or,
    - 2) Construction of a new facility.
  - j) A statement of the estimated additional value to the Real Property or Facility as a result of the proposed improvements.
  - k) A statement of the assessed value of the Real Property, Facility or Existing Facility for the Base Year.

- l) Information concerning the number of new jobs that will be created or information concerning the number of existing jobs to be retained as a result of the improvements undertaken.
- m) Any other information which the City of Levelland deems appropriate for evaluating the financial capacity of the applicant and compatibility of the proposed improvements with these guidelines and criteria.
- n) Information that is provided to an Affected Jurisdiction in connection with the application or request for tax abatement, and which describes the specific processes or business activity to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the Tax Abatement Agreement is executed. Information in the custody of an Affected Jurisdiction after the agreement is executed is not confidential. (V.T.C.A., Tax Code, Section 312.003).
- o) Hockley County shall determine if the property described in said application is within a designated Enterprise Zone or Reinvestment Zone. If the County determines that the property described is not within a current Enterprise Zone, then they shall so notify the applicant and said application shall then be returned to the applicant.

**Section VII. Recapture**

- 1) In the event that any type of facility is completed and begins producing goods or services, but subsequently discontinues producing goods or services for any reason excepting fire, explosion or other casualty or accident or natural disaster or other event beyond the reasonable control of applicant or owner for a period of 180 days during the term of a tax abatement agreement, then in such event the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to each Affected Jurisdiction by no later than January 31<sup>st</sup> of the following year. Taxes abated in years prior to the year of termination shall be payable to each affected Jurisdiction within sixty (60) days of the date of termination. The burden shall be upon the applicant or owner to prove to the satisfaction of the Affected jurisdiction to whom the application for tax abatement was directed that the discontinuance of producing goods or services was as a result of fire, explosion, or other casualty or accident or natural disaster or other event beyond the control of the applicant or owner. In the event the applicant or owner meets this burden, and the Affected Jurisdiction is satisfied that the discontinuance of the production of goods or services was the result of events beyond the control of the applicant or owner, then such applicant or owner shall have a period of one year in which to resume the production of goods and services. In the event the the applicant or owner fails to resume the production of goods or services within one year, then the Tax Abatement Agreement shall terminate and the Abatement of all taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to each Affected Jurisdiction by no later than January 31<sup>st</sup> of the following year. Taxes abated in years prior to the year of termination shall be payable to each Affected Jurisdiction within Sixty (60) days of the date of termination. The one year time period, hereinabove mentioned, shall commence upon written notification from the Affected Jurisdiction to the applicant or owner.
- 2) In the event that the applicant, owner or lessee has entered into a tax abatement agreement to make improvements to a facility of any type described in Section 1 above, but fails to undertake or complete such improvements or fails to create all or a portion of the number of new jobs provided by the Tax Abatement Agreement; then in such event the Affected Jurisdiction to whom the application for tax abatement was directed shall give the applicant or owner (60) days notice of such failure. The applicant or owner shall demonstrate to the satisfaction of the Affected Jurisdiction, above mentioned, that the applicant or owner has commenced to cure such failure within the sixty (60) days above mentioned. In the event that the applicant or owner fails to

demonstrate that he is taking affirmative action to cure his failure, then in such event the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to each Affected Jurisdiction within sixty (60) days of the date of termination.

- 3) In the event that the Affected Jurisdiction to whom application for tax abatement was directed determines that the applicant or owner is in default of any of the terms or conditions contained in the Tax Abatement Agreement, then in such event the Affected Jurisdiction shall give the applicant or owner sixty (60) days written notice to cure such default. In the event such default is not cured to the satisfaction of the Affected Jurisdiction within the sixty (60) days notice period, then the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to each Affected Jurisdiction by no later than January 31<sup>st</sup> of the following year. Taxes abated in years prior to the year of termination shall be payable to each Affected Jurisdiction within sixty days of the date of termination.
- 4) In the event that the applicant or owner allows ad valorem taxes on property ineligible for tax abatement owed to any Affected Jurisdiction, to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, then in such event the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination under this subparagraph, takes place shall be payable to each Affected Jurisdiction by no later than January 31<sup>st</sup> of the following year. Taxes abated in years prior to the year of termination shall be payable to each Affected Jurisdiction within sixty (60) days of the date of termination.
- 5) In the event that the applicant or owner, who has executed a tax abatement agreement with any Affected Jurisdiction, relocates the business, for which tax abatement has been granted, to a location outside of the designated reinvestment zone, then in such event, the Tax Abatement Agreement shall terminate after sixty (60) days written notice by the Affected Jurisdiction to the Owner Applicant. Taxes abated during the calendar year in which termination, under this subparagraph takes place shall be payable to each Affected Jurisdiction by no later than January 31<sup>st</sup> of the following year. Taxes abated in years prior to the year of termination shall be payable to each Affected Jurisdiction within sixty (60) days of the date of termination.
- 6) The date of termination as that term is used in this Subsection VIII shall, in every instance, be the 60<sup>th</sup> day after the day the Affected Jurisdiction sends notice of default in the mail to the address shown in the Tax Abatement Agreement to the Applicant or owner. Should the default be cured by the Owner or Applicant within the sixty (60) day notice period, the Owner Applicant shall be responsible for so advising the Affected Jurisdiction and obtaining a release from the notice of default from the Affected Jurisdiction, failing in which, the abatement remains terminated and the abated taxes must be paid.
- 7) In every case of termination set forth in Subparagraphs 1, 2, 3, 4, and 5 above, the Affected Jurisdiction to which the application for tax abatement was directed shall determine whether default has occurred by Owner (Applicant) in the terms and conditions of the Tax Abatement Agreement and shall so notify all other Affected Jurisdictions.

- 8) In the event that a tax abatement agreement is terminated for any reason whatsoever, and taxes are not paid within the time period herein specifies, then in such event, the provisions of V.T.C.A., Tax Code, Section 33.01 will apply.

**SECTION IX. Miscellaneous:**

- 1) Any notice required to be given by these criteria or guidelines shall be given in the following manner:
  - a) To the Owner or Applicant: written notice shall be sent to the address appearing on the Tax Abatement Agreement.
  - b) To an Affected Jurisdiction: written notice shall be sent to the address appearing on the Tax Abatement Agreement.
- 2) The Chief Appraiser of the Hockley County Appraisal District shall annually assess the Real and Personal Property of the owner/lessor in the reinvestment zone or enterprise zone. Each year, the Applicant or Owner receiving tax abatement shall furnish the chief Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the Affected Jurisdictions which levy taxes on the amount of assessment.
- 3) Upon the completion of improvements made to the Facility a designated employee or employees of any affected Jurisdiction having executed a tax abatement agreement with Applicant or Owner shall have access to the Facility to ensure compliance with the Tax Abatement Agreement.
- 4) A Tax Abatement Agreement may be assigned to a new owner, but only after written consent has been obtained from all Affected Jurisdictions which have executed such an agreement with the applicant or Owner.
- 5) These guidelines and criteria are effective upon the date of their adoption by an Affected Jurisdiction and shall remain in force for two years. At the end of the two year period, these guidelines and criteria may be re-adopted, modified, amended or re-written as the conditions may warrant.
- 6) Each Affected Jurisdiction shall determine whether or not said Affected Jurisdiction elects to become eligible to participate in tax abatement. In the event the Affected Jurisdiction elects by resolution to become eligible to participate in tax abatement, then such Affected Jurisdiction shall adopt these guidelines and criteria by separate resolution forwarding a copy of both resolutions to all other Affected Jurisdictions.
- 7) In the event of a conflict between these guidelines and criteria and V.T.C.A., Tax Code, Chapter 311 or 312, then in such event the Tax Code shall prevail, and these guidelines and criteria interpreted accordingly.
- 8) The guidelines and criteria, once adopted by an Affected Jurisdiction, may be amended or repealed by a vote of three-fourths of the members of the governing body of an Affected Jurisdiction during the two-year term in which these guidelines and criteria are effective.

Commissioners' Court conducted a Public Hearing on the Application of Red Raider Wind, LLC to establish a Reinvestment Zone, as per Sign in Sheet for Public Hearing, recorded below.

**SIGN IN SHEET FOR  
NOTICE OF MEETING OF THE COMMISSIONERS' COURT OF  
HOCKLEY COUNTY, TEXAS  
FOR SPECIAL MEETING HELD 7-14-2014 AT 1:30 P.M.**

---

Christie Grigg

Brandon Grigg

Mark Atkum

Stephen Henry

Andy Rose

John Riggs

Motion by Commissioner Carter, seconded by Commissioner Clevenger,  
4 Votes Yes, 0 Votes No, that Commissioners' Court approve the Resolution Approving Hockley  
County Wind Reinvestment Zone #1 for Red Raider Wind, LLC, as per Resolution recorded  
below.



RESOLUTION \_\_\_\_\_

RESOLUTION OF THE HOCKLEY COUNTY COMMISSIONERS COURT ADOPTING A POLICY OF GUIDELINES AND CRITERIA FOR TAX ABATEMENTS IN ACCORDANCE WITH THE PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT.

WHEREAS, the County of Hockley, Texas, is committed to economic development of the community and the enhancement and expansion of the local economy, including but not limited to the creation of new and expanded employment opportunities and the continued revitalization of the community; and

WHEREAS, the County Commissioners Court has determined that the participation by Hockley County in a program of tax abatement as authorized by the Property Redevelopment and Tax Abatement Act, and in accordance with the attached Guidelines and Criteria for Tax Abatement, is a method by which its goals may be achieved; and,

WHEREAS, the Property Redevelopment and Tax Abatement Act requires that Tax Abatement Guidelines and Criteria be readopted every two years; and,

WHEREAS, the County last readopted the Tax Abatement Program guidelines in 2009; and,

WHEREAS, it is again time to reconsider the Tax Abatement Program Guidelines;

NOW THEREFORE: BE IT RESOLVED BY THE HOCKLEY COUNTY COMMISSIONERS COURT;

THAT the County of Hockley hereby adopts the attached GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENT.

Passed and Approved this 14<sup>th</sup> day of July, 2014

RESOLUTION OF THE COMMISSIONERS COURT OF HOCKLEY COUNTY, TEXAS DESIGNATING  
HOCKLEY COUNTY WIND REINVESTMENT ZONE #1

**A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR  
A COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN HOCKLEY COUNTY, TEXAS,  
ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN EFFECTIVE  
DATE.**

Whereas, the Commissioners Court of Hockley County, Texas, desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code §312.001, et seq.), and the Guidelines and Criteria of the Commissioners Court of Hockley County for Granting a Tax Abatement in Reinvestment Zone created in Hockley County, Texas (the "Guidelines"); and

Whereas, on July 14, 2014, a hearing before the Commissioners Court of Hockley County, Texas, was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Hockley County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

Whereas, the Commissioners Court of Hockley County, Texas, at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and

Whereas, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

BE IT RESOLVED BY THE COMMISSIONERS COURT OF HOCKLEY COUNTY, TEXAS:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Commissioners Court of Hockley County, Texas, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- a. That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as

required by law and mailed to the respective presiding officers of the governing bodies and all taxing units overlapping the territory inside the proposed reinvestment zone; and

b. That the boundaries of the reinvestment zone should be the area described in the attached Exhibit "A" and depicted in the map attached hereto as Exhibit "B", which are incorporated herein by reference for all purposes. In the event of discrepancy between the descriptions of Exhibit "A" and map in Exhibit "B", the map shall control; and

c. That the creation of the reinvestment zone will result in benefits to Hockley County, Texas, and to the land included in the zone and that the improvements sought are feasible and practical; and

d. The reinvestment zone meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention of expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Hockley County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Hockley County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Hockley County Commissioners Court hereby creates Hockley County Wind Reinvestment Zone #1, a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to a Hockley County Wind Reinvestment Zone #1.

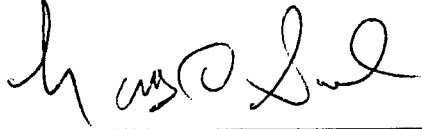
SECTION 4. That Hockley County Wind Reinvestment Zone #1 shall take effect on July 14, 2014, and shall remain designated as a commercial-industrial reinvestment zone for renewable and wind generated power generation for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

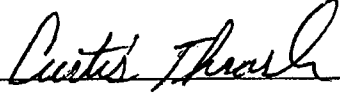
SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Hockley County Commissioners Court at which this Resolution was adopted was posted at a place conveniently and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such

reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officers of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

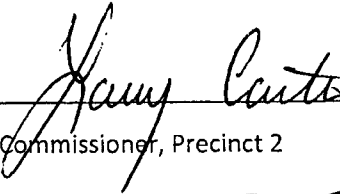
PASSED, APPROVED AND ADOPTED on this the 14th day of July, 2014.



County Judge



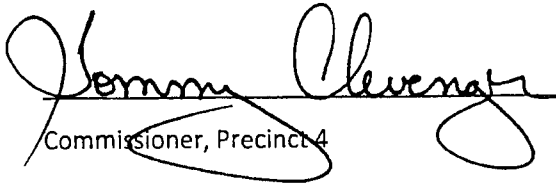
Commissioner, Precinct 1



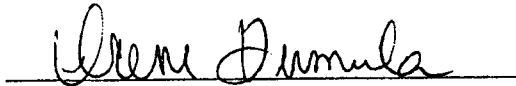
Commissioner, Precinct 2



Commissioner, Precinct 3



Commissioner, Precinct 4



County Clerk

(County Seal)



Exhibit "A" to  
Hockley County Wind Reinvestment Zone #1

Abstracts 59, 60, 61, 63, 64, 65, 66, 67, 68, 79, 80, 93, 94, 95, 96, 97, 98, 101, 102, 106, 115, 116, 121, 124, 125 in the R M Thomson Survey

Abstract 244 in the C & M RR CO Survey

Abstract 358 in the T S Fairris Survey

All of the above legal descriptions are in Hockley County, being roughly 4.5 miles East of Shallowater, 4 miles North East of Smyer and situated adjacent to the Hockley/Lubbock County line

Motion by Commissioner Thrash, seconded by Commissioner Barnett,  
4 Votes, Yes, 0 Votes No, that Commissioners' Court tabled entering into a Tax Abatement  
Agreement with Red Raider Wind, LLC.

There being no further business to come before the Court, the Judge declared  
Court adjourned, subject to call.

The foregoing Minutes of a Commissioners' Court meeting held on the 14<sup>th</sup>  
day of July, A. D. 2014, was examined by me and approved.

Curtis Thacker  
Commissioner, Precinct No. 1

Randy Carter  
Commissioner, Precinct No. 2

J. L. Barnett  
Commissioner, Precinct No. 3

Tommy Oliver  
Commissioner Precinct No. 4

Wayne Paul  
County Judge

Irene Gumula  
IRENE GUMULA, County Clerk, and  
Ex-Officio Clerk of Commissioners' Court  
Hockley County, Texas