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TOP STORY

Hidalgo County approves tax incentives for 2 \$200 million projects

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Dec 18, 2015



Parts for electric windmills await construction near McCook. (Photo by Joel Martinez)

EDINBURG – Hidalgo County Commissioners Court approved tax incentives this week to businesses expected to bring millions in property tax revenue as well as high-paying jobs to the area.

South Texas Electric Cooperative and Hidalgo Wind Farms both have \$200 million projects planned in the Edinburg area. South Texas Electric Cooperative is constructing a natural gas power plant, dubbed Red Gate Power Plant, near Farm-to-Market 490 and U.S. 281. The tax abatement approved by the county allows the agency to keep 80 percent of the increased property value revenue for five years.

There are two phases to the wind farm project. The first phase, which will construct 52 wind turbines, received 70 percent tax abatement for 10 years, while the second, which will construct 50 turbines, received 80 percent over 10 years. The project will cover 25,000 acres at the Hidalgo-Starr county border.

“These are both very, very good projects for our county because in both cases, the land that was out there was on the books as an (agriculture) exemption,” said County Judge Ramon Garcia, adding that Edinburg school district, too, will see an increase in property tax revenue.

For the wind farm, Garcia said the county will give \$7 million back to the Hidalgo Wind Farms, but the county will collect \$17 million over the first 25 years of business.

Just last week, General Motors announced an agreement to buy 30 megawatts of energy, which will take 15 turbines to generate, from the Hidalgo Wind Farm. The energy is expected to make up more than half of the Arlington assembly plant's annual power consumption.

According to a news release, the move will help save General Motors \$2.8 million in energy costs annually, and it's the first wind power purchased in the United States by the automaker. In early 2016, the release states, three of the company's Mexico facilities will be partially powered by wind energy.

The wind farm, which spans Hidalgo and Starr counties, involves a \$410 million total investment, \$250 million of which is in Hidalgo. The total taxable value in the first year was placed at \$180 million.

Also, 100 landowners involved in the project will receive royalties, Garcia said.

The turbines have an 80-meter (262-feet) hub height, meaning the distance from the ground to the center of the attached rotor.

In the case of the power plant, \$3.8 million will be abated, and the county expects to collect \$18 million over the first 25 years. Garcia emphasized the power plant will help meet electricity demands in South Texas of the eight members of the cooperative, which includes Magic Valley Electric.

The completed plant will employ 30 people at an average salary of \$70,000 and create 600 construction jobs.

Last year, the U.S. Environmental Protection Agency issued a greenhouse permit for the plant. In a news release, the agency states the Red Gate plant will generate electricity during peak periods of demand, and it will have a capacity of 225 megawatts.

It will consist of 12 reciprocating engines "that can be started and achieve full load in less than 10 minutes and achieve full emissions control in less than 30."

It's expected to be complete in the third quarter of 2016.

"These are projects that could have been located in Willacy or Brooks County – there was competition," said Bobby Villarreal, county executive director. "These were zero producing properties, and now they're going to be producing revenue for us."



EDITORIAL: Wind energy benefits for Hidalgo County and RGV

