

Holt County Negotiates Incentives with Wind Company

(KTNC) -- Holt County officials are continuing to negotiate possible tax incentives for a wind farm proposed in the county.

Element Power has proposed building a 200-megawatt wind farm that would include 100 turbines and be the largest such installation in the state of Missouri.

Negotiations between the company and the county have been ongoing since last fall. Holt County Commissioners have decided to not create an Enhanced Enterprise Zone the wind company could take advantage of. They are also not interested in forming a Renewable Energy Green Zone. Both would provide 60-percent tax abatement and an additional 50-percent abatement for a period of years, leaving only 20-percent of the construction value on the tax roles. Element Power has offered to make a payment in Lieu of Taxes of one million dollars per year for 20 years.

That's something commissioners, and others in the county, are also not in favor of. County Clerk Kathy Kunkel says county school districts have concerns about assurances that they would receive a certain amount of dollars associated with the payment, and she says the county has concerns about the payment as well.

The Missouri State Tax Commission recognizes three methods for determining the value of a property. Kunkel says Element Power has asked the county to consider an income-based approach, which looks at three years of proven income for a commercial property.

The other two methods are one based on the construction costs of a property and another based on the sales costs of similar properties. The construction cost method would result in a higher tax liability than the company would like, while the income-based approach would result in a lower tax bill. Kunkel says none of the options is likely to result in a fixed payment as the company would like.

Holt County Assessor LaDonna Jones is meeting with company officials to reach an agreement as to how the facility will be taxed.

Element Power has agreed to sell the electricity from the Mill Creek Wind Farm to KCP-and-L. The schedule calls for the wind farm to be built and operational by December 2015.

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