



TEDC 2024 CEDA APPLICATION

All Applications Must Be Received by August 16, 2024

The 2024 CEDA nominations will be judged in each of the five categories that have made the most significant contribution to economic development in their community and the State of Texas.

AWARD CATEGORIES

The CEDA will be awarded to one community from each of the following five population categories: (as currently marketed). Mark the population category for which you are applying. In addition to CEDA by population, applicants will be considered for five criteria awards such as: Innovativeness, Transferability, Community Commitment & Leverage, Measured Objectives and Secondary Benefits.

- Population less than 10,000 _____
- Population 10,001 to 20,000 _____
- Population 20,001 to 50,000 _____
- Population 50,001 to 100,000 _____
- Population 100,001 to 250,000 _____
- Population 250,001 and above _____

NOMINATION:

Name of Community: _____

TEDC Member Name: _____ (individual member, not organization)

Telephone #: _____

Email Address: _____

Community Population (as currently marketed): _____

Community/Organization Linked-In Profile: _____

Application Submitted By: _____

Email Address: _____

Media Contacts: [optional]

Organization: _____ Contact Name: _____

Email Address: _____

Organization: _____ Contact Name: _____

Email Address: _____

Project Summary

Company: Elin Energy, LLC / Sirius-PV

Project Name: US Headquarters and solar panel manufacturing facility.

Facility: 225,000 SF manufacturing facility with the capacity to produce 2,000 MW annually.

Jobs: 100 FT jobs in year one with plans to expand to over 400 FT jobs by year seven, with average annual payroll of about \$4.8M.

Project Investment

~\$35M over a ten year period.

Company Background

Elin (Sirius-PV in Europe) is the number one producer of solar panels in Turkiye (Turkey) and Europe. They bring 43 years of experience in the solar industry. Their corporate headquarters are located in Ankara, Turkiye, the country's capital city. They currently have around 1,200 employees globally.

The company has deep ethical values committing to honesty, impartiality, transparency, and reliability in all activities and relationships. This commitment extends to integrating concerns for health, safety, the environment, and respect for all people.

Elin Energy manufactures solar solutions for both commercial and residential applications. They are built around a new bi-facial technology that generates about two times the energy in the same space as a traditional panel.

Their desire to be a part of the US renewables market led them to a search for a US location. After considering many options, it was the warm reception they received from Waller County, a business-friendly environment, and having a spec building ready to go that brought them to Waller County.

Project Background as Part of a Long-term Strategy

As part of extensive research, in 2020 WCEDP implemented a robust US Reshoring and FDI initiative. The program focuses primarily on European companies. It was started in anticipation of the trend in US reshoring in some industries. It was felt that reshoring could also bring an increase in FDI as a result of US companies operating abroad who had relationships with suppliers and vendors as part of the supply chain.

Elin Energy / Sirius-PV met our criteria of an industry leader that had strong policies against forced and child labor, a company with a long history of commitment to renewable energy, and a commitment to strong traditional business ethics.

Waller County is committed to developing renewable energy technologies. When we were approached by Elin Energy for their new manufacturing facility, we knew it would be a great project in support of renewable energy for Texas and the US.

The Project Team

About WCEDP: The Waller County Economic Development Partnership (WCEDP) is a 501 C 6 non-profit corporation that receives revenue from memberships and a service contract with Waller County. It is a public-private partnership leveraging private investment for a public good. Putting together a strong partnership structure, and using partner members, adds significant value to the county and the WCEDP for project support. It is important to leverage the public/private partnership as a way to implement our economic development strategy. This project is a success story for our partnership structure.

This project involved three WCEDP partners:

About Kingham Dalton Wilson, Ltd. (KDW): KDW provided the marketing and client development, design build, and construction services. KDW is headquartered in Houston, Texas and serves both domestic and international clients. KDW's three partners have successfully completed over 1,000 projects.

They are a full-service commercial and industrial construction company. They take pride in being a one-stop-shop for development, design, and construction services. Their innovative design/build services are customized to meet the exact needs, resulting in a seamless project experience—from sourcing and developing land, designing and building your structure, through move-in and post-occupancy maintenance.

About The Welcome Group: The Welcome Group provided the financing for the 225,000 square foot spec facility and the lease structure. They are a conglomerate of companies that own and lease single-tenant office, lab, industrial, and manufacturing facilities in Houston and around Texas.

They are a single-tenant real estate development company specializing in land acquisition, design, construction financing, development, construction, management, and permanent financing.

The Welcome Group has developed more than 200 single-tenant properties. Through their various companies, they currently own 4 million square feet of single-tenant industrial facilities in over 90 locations. Clients include Fortune 500 Companies, locally owned businesses, and a number of international companies.

About Twinwood: Twinwood is a private development project covering 14,000 acres. A component of the overall development is the Uplands at Twinwood, a mixed-use development covering 400 acres. Twinwood is being developed with global companies in mind by offering a live, work, educate, and play experience. The Elin Energy headquarters is the first manufacturing project in the Uplands business park.

Community Investment, Incentives, and Estimated Return

Abatement agreement

We used a value-based incentive structure over a 10-year term with the company receiving 100% abatement in the first two years then trailing down to 50% by year ten. As this is a multi-phase project, investment would be happening at different times.

To reward the multi-phase investment, the incentive term was set to ten years. Elin has projected continuing capital investments throughout the ten-year term. Total estimated capital investment, for both personal and real property is ~\$35M. Part of the ongoing investment is to upgrade equipment. The solar panel industry is a fast-changing industry requiring constant investment to stay up with advances in technology. We wanted to support Elin's effort to keep up with technology to produce high efficiency solar panels by providing a strong, long-term, incentive.

Quantifying the Economic Impact

The varying investment required a new approach to doing the economic impact analysis. The WCEDP uses *Impact Data Source's* model to determine the overall economic impact. Since this project had investments at different times over the ten-year abatement term, the model was customized to separate real property investments and personal property investments. By customizing the model, we now have a new way to analyze projects in a lease situation with equipment investments happening at different times.

The chosen property was under ag valuation and therefore wasn't generating much in property taxes. Given the high growth rate in the area, land values have increased substantially over the recent years. The property now has a current market valuation of \$23M, plus inventory yet to be assessed. With the increase in property value, potential inventory, and substantial investments in equipment, the project has an overall average annual rate of return on incentives of 27.4% with a payback period of 5.4 years while providing \$587,000 in benefits to the company.

We know that the project has a strong return given the simple fact that the land alone is now being taxed at market rate. Ongoing new tax revenue from the land, plus the roll back produces an immediate return to the County.

Quantifying the Present Value

Another way we quantify projects is through assessing the Net Present Value (NPV). Although, technically, Waller County doesn't write checks, and therefore doesn't make a direct investment in the project, we still use an NPV approach to evaluate the value of the return for taxes removed under abatement and the remaining taxes collected to see if it's positive present value. The result of this calculation was an estimated NPV of \$1.2M.

Freeport Tax Exemption

The project is located within Royal ISD. The district offers Freeport Tax Exemption. With potential clients around the US, the freeport exemption is an important incentive to help the company reduce personal property taxes on inventory. With continued projected growth, the savings could be significant and thereby provide savings that could be used on equipment upgrades.

Ancillary Benefits and Reproducibility

Utilities upgrades - Future Projects

In addition to supplying utilities to Elin, CenterPoint Energy has increased capacity in the area. They have recently completed a new substation close to the business park. This was in response to increased demand for manufacturing facilities in Twinwood and along Interstate 10. New manufacturing creates increased power demand and additional electrical utilities are now in place to help future development along the highly-desirable Interstate 10 corridor in the southern Waller County area. This investment by Twinwood and CenterPoint Energy will help to support future projects to the area.

Reinvestment Zone - Future Projects

The Elin Energy project is using only ~16 acres of the available land in the Twinwood industrial park development. To help expedite future projects and attract new investment, Waller County created a reinvestment zone over the whole 400 acres of the business park. This step saves time when improving incentives for future projects. Now, future incentive agreements can be finalized within 30-45 days, after public notices. Because reinvestment zones expire after five years, the reinvestment zone is continually reauthorized to ensure it stays active and ready for the next project.