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## ***Abilene, Texas — The Smart Place for Wind Industry Expansion***

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Executive Summary  
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## Executive Summary

Abilene is located in central Texas and the heart of big wind country, 180 miles west of Dallas, and 230 miles northwest of Austin. With a population of 117,000 people, it is the largest city in central Texas for more than 120 miles in any direction. Businesses that value proximity to existing wind farms or future wind power development sites may find Abilene the natural choice.

**Figure 1: Abilene's Location**

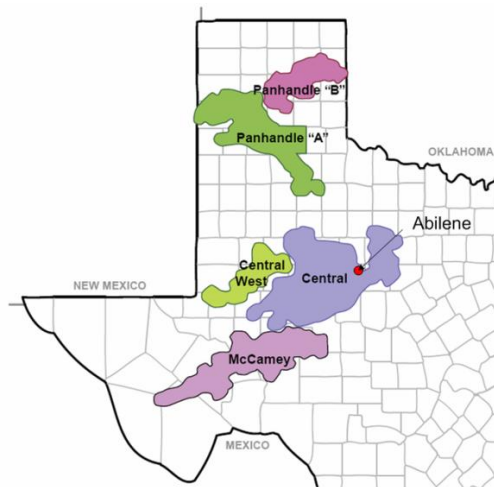


Texas generally and Abilene specifically are favorable for wind industry expansion for five reasons.

**Vast Suitable Wind Conditions:** The most recent wind resource study ranked Texas the state with the greatest capturable wind power at 223,000 megawatts (MW). With less than 7,000 MW installed today, there is plenty of room for expansion. Winds in large parts of the state are rated at power classes 3-5+. And Abilene is the population center most centrally located to areas in the state targeted for wind development because of their favorable winds, transmission line access, and accessibility (see Figure 2).



**Figure 2: Five Areas in Texas Targeted for Wind Development**



**Inexpensive Land, Labor, and Facilities:** Land in Texas is plentiful and inexpensive. Lease rates in Abilene are below the national average and lower than comparable cities in the region. Wage rates are approximately 82% of average Texas wage rates and 70% of wage rates nationwide. This keeps the development, installation, and operating costs low.

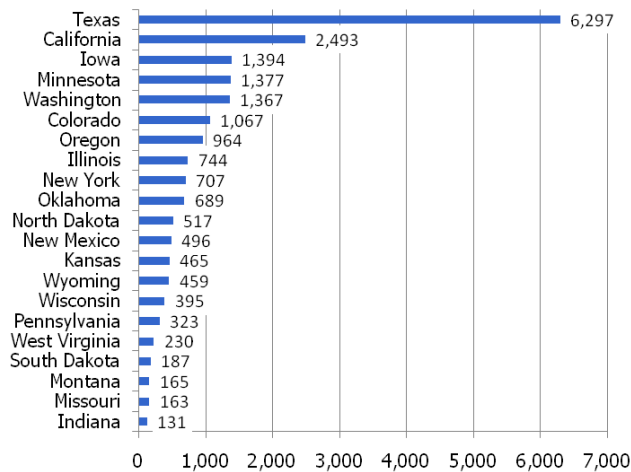
**Transmission Line Access:** Transmission infrastructure in windy areas is one of the leading problems for wind generators everywhere. But Texas has already approved a \$4.93 billion investment in 2,376 miles of transmission lines to support 18,456MW of wind generation from the areas shown in Figure 2. Vendor selection is currently underway.

**Favorable Regulatory Environment:** Texas has one of the most favorable regulatory environments in the US. There are very limited restrictions on the siting and decommissioning of wind farms. The state will provide environmental permit assistance for companies experiencing unnecessary delays. The courts have a history of siding pro-wind over communities, neighbors, and environmental groups. State and local tax abatements are available along with numerous other economic development programs. Regulatory agencies like the Public Utility Commission of Texas and the Electric Reliability Council of Texas (ERCOT) are both actively working to support wind power generation. And possibly most favorably, the Texas legislature is mandating that all power retailers in Texas purchase Texas produced renewable energy in proportion to the energy they deliver annually above and beyond consumer demanded renewable energy.



**Significant Industry Investment in the Region:** Texas is a hub of activity for the wind industry. Currently, Texas alone claims about 30% of the installed US wind generation capacity and 44% of the national annual growth during the first three quarters in 2008. This capacity is 2.5 times greater than the next largest state, California.

**Installed Wind Power By State  
September 30, 2008**



Note: Excludes states with less than 100MW installed

There are six wind companies operating in Abilene and many more state wide. And recently, the US Department of Energy awarded grants for the development of a Large Wind Turbine Research Center to a Texas based company.

These five reasons explain why Texas has the largest installed wind farm capacity in the US and why its lead keeps accelerating. We expect that these factors will enable Texas to continue its dominance of this industry for years to come. And Abilene, Texas looks even better when we assess what the community has to offer both a prospective company and its employees. Abilene offers the following six advantages for businesses:

**Favorable Local Business Climate:** Abilene has a diversified economic base. Its largest employers are in industries as diverse as Defense, Health Care, Education, and Government. Texas has no income tax, and generates all its money through a 6.25%-8.25% sales tax and property taxes which are 2.3195% in Abilene (which may sound high until you consider property values are low). Also, many businesses can secure state and local tax abatements.



**Economic Development Incentive Programs:** Abilene offers numerous economic development incentive programs. The most recent companies to come to Abilene received incentives of \$25,333 to \$13,652 per job created.

**Skilled Workforce:** Abilene's workforce is well apportioned to the skills needed in the wind industry. It has a typical mix of high school and college graduates working white and blue collar jobs. Three universities, a Junior college, and two technical colleges provide an educated pool from which to draw new graduates already living in the area. In January 2009 the unemployment rate was a healthy 4.1% in Abilene, 2.3% lower than state average which is itself below the national average. At this level, there are sufficient workers to fill new positions, while maintaining a healthy regional economy. Union penetration in Texas is low with only about 2% of workers unionized, with many of those being government workers. And as we previously mentioned, wage rates are only roughly 70% of the national average.

**High Quality of Life:** The quality of life in Abilene should make it easy to recruit and retain workers. Forbes magazine, in its 2008 edition of the annual study of the best places for business and careers ranked Abilene 58<sup>th</sup> out of 200 mid sized cities. This ranking was the second highest in Texas (College Station at 49<sup>th</sup> placed higher). Abilene does so well because it has a sunny temperate climate and the lowest commute times of the six cities studied. It also has noteworthy financial and social strengths.

Among the city's financial strengths, the cost of living is 78% of the U.S. average and the lowest of the six cities studied in Texas. Homes in particular are very affordable and thus the city has high housing ownership levels. Abilene's population is more recession resistant since the median home price is only two times the median income and the lowest ratio of the six cities studied.

The public schools in Abilene are all rated academically acceptable or better by the Texas Education Agency in 2008 performance ratings and one of the school districts in town had all rated schools rated Exemplary, the highest possible rating. These schools maintain a teacher-to-pupil ratio of more than one to fourteen in both primary and secondary schools.

There are numerous religious institutions, recreational, and cultural facilities in the city. The population has access to quality medical care at two hospitals. And Abilene has below average crime for Texas.



**Sufficient Transportation Infrastructure:** The road, rail, and air transportation infrastructure in Abilene is sufficient for most wind businesses. FedEx and UPS offer small package delivery service and their ground delivery service can reach the entire US in 4 days. There are 22 trucking companies that serve the area, all offering overnight delivery services. And due to the relatively smaller population, delays due to rush hour traffic are minimal. Abilene is served by the Union Pacific Railroad, which operates tracks from Chicago to Texas and the West Coast. The Abilene Regional Airport (ABI) facilities are excellent and currently at only 25% capacity. The airport has 3 runways one of which is a category 1 instrument runway with HIRL lighting.

**Bargains in Commercial Real Estate:** Abilene has ample commercial real estate options to accommodate new companies. This includes ready to lease space on I-20 at the Windstar Industrial Center for only \$2.25 / square foot, a speculative shell building at the 5 Points Business Park, and available acreage for build to suit.

Abilene, Texas offers substantial opportunities for new development or expanding operations in the wind industry. It is the smart place for wind industry expansion.





**The full 55-page report is available for prospective WindStar Industrial tenants.  
For information or to schedule a tour of the facility, contact Paul Johnson & Associates  
at (325) 698-5661.**

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