

Economic Impact and Property Tax Revenue from the Coles Wind Project

Dr. David G. Loomis
President, Strategic Economic Research, LLC
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Strategic Economic Research, LLC

Dr. David G. Loomis



Professor Emeritus of Economics, Illinois State University
Co-Founder of the Center for Renewable Energy
President of Strategic Economic Research, LLC

- Over 20 years of experience in the renewable energy field & has performed economic analyses at the county, region, state and national levels for utility-scale wind generation
- 30 peer-reviewed publications
- Bachelor's Degree in Mathematics and Economics
- Master's Degree in Economics
- Ph.D. in Economics, Temple University
- 26 years as Professor of Economics at Illinois State University

Property Tax Revenue

Property Tax Methodology



- **Wind Turbines are taxed separately using a distinct Parcel Identification Number (PIN) and do not affect the agricultural taxes paid by the landowner.**

“Wind energy device owners must pay an Illinois registered land surveyor to prepare a plat that includes the metes and bounds description, including any access route, of the area immediately surrounding the wind energy device over which the owner has exclusive control. This platting requirement is not an official subdivision of the land under the Plat Act (765 ILCS 5/1 et seq.). Wind energy device owners must record the plat and deliver a copy to the CCAO within 60 days of completing construction of the device. The CCAO will then issue a separate parcel number for the property on which the wind energy device is located. The separate parcel number is issued so that the tax bill can be sent to the wind energy device owner when the device is situated on leased ground.”

(Wind Energy Device Valuation- <https://tax.illinois.gov/content/dam/soi/en/web/tax/localgovernments/property/documents/windenergydevicevaluation.pdf>)

Property Tax Methodology



- The SER analysis assumes that the fair cash value of the wind farm is the same as set forth in Public Act 095-0644, \$360,000/MW of nameplate capacity or \$119,988/MW of assessed value in assessment year 2007.
- It is adjusted annually for inflation using the Consumer Price Index for All Urban Communities (CPI-U).
- The trending factor for assessment year 2025 is 1.56

(December 2024 CPI-U was 315.605; December 2006 CPI-U was 201.8, so $315.605/201.8=1.56$)

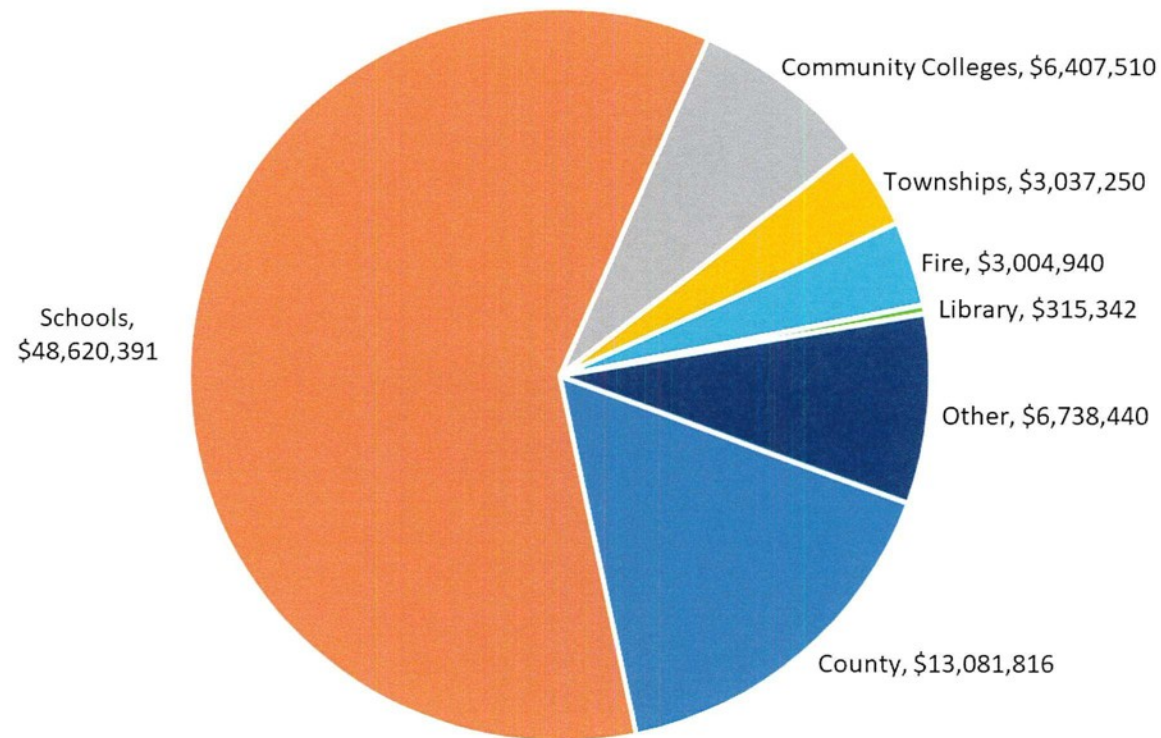
Property Tax Methodology



- The tables assume future inflation is constant at 2.33% annually and the depreciation is 4% annually until it reaches the maximum of 70%.
- All tax rates are assumed to stay constant at their 2024 (2023 tax year) rates. (Taxing Districts can raise tax rates.)
- The analysis assumes that the Project is placed in service on January 1st, 2026 at a fair cash value of \$176 million according to Public Act 095-0644.
- It assumes that the Project is decommissioned in 30 years and pays no more taxes after that date.

Property Tax Methodology

Total Tax Revenue from the Coles Wind Project



Estimated Tax Revenues of the Coles Wind Project



Table 4. – Total Tax Revenue from the Coles Wind Project

Tax Year	Taxable Value of Wind Farm	Total Taxes Paid
2026	\$54,832,689	\$4,017,632
2027	\$51,858,564	\$3,946,793
2028	\$50,992,751	\$3,870,472
2029	\$50,037,796	\$3,788,452
2030	\$48,989,385	\$3,700,508
...		
2055	\$36,640,477	\$2,953,099
TOTAL		\$81,205,690
AVG ANNUAL		\$2,706,856

Estimated Tax Revenues of the Coles Wind Project



Table 7. – Tax Revenue from the Coles Wind Project for School Districts

Tax Year	Arcola CUSD 306	Charleston CUSD 1	Oakland CUSD 5
2024	\$364,622	\$1,721,805	\$319,055
2025	\$358,193	\$1,691,447	\$313,429
2026	\$351,267	\$1,658,738	\$307,368
2027	\$343,823	\$1,623,587	\$300,855
2028	\$335,841	\$1,585,898	\$293,871
...			
2053	\$213,329	\$1,007,376	\$186,669
TOTAL	\$7,369,862	\$34,801,691	\$6,448,838
AVG ANNUAL	\$245,662	\$1,160,056	\$214,961

State-Based School Funding

How Does Coles Wind Affect State Funds?

- Under Evidence-Based Funding, school districts get (1) a base funding minimum and (2) Tier Funding.
- No school district gets less than the amount they received in the previous fiscal year.

School District	Adequacy	Tier	New Money
Arcola CUSD 306	80%	2	\$46,130
Charleston CUSD 1	73%	1	\$880,391
Oakland CUSD 5	89%	2	\$5,958

Economic Impacts of the Coles Wind Project

Economic Impact Methodology



- Uses IMPLAN – leading Economic Development Modeling software
- Landowner Payments – 38% in Coles County; 90% in Illinois
- Direct Impacts – Project Development and Onsite Labor Impacts
- Indirect Impacts – Wind Supply Chain Impacts
- Induced Impacts – Ordinary Household Purchases Due to Earnings

Estimated Benefits of the Coles Wind Project



Table 1. – Total Employment Impact from the Coles Wind Project

	Coles County	State of Illinois
Construction		
Project Development and Onsite Labor Impacts	110	240
Wind Supply Chain Impacts	102	390
Induced Impacts	74	286
<i>New Local Jobs during Construction</i>	286	916
Operations (Annual)		
Onsite Labor Impacts	3.0	6.0
Local Revenue and Supply Chain Impacts	20.4	22.1
Induced Impacts	11.8	28.5
<i>New Local Long-Term Jobs</i>	35.2	56.6

Conclusions



In summary, the Coles Wind Project will support:

- 286 local jobs in Coles County during construction
- 35.2 local long-term jobs in Coles County during the life of the Project
- Over \$48.6 million in total school district revenue over the life of the Project
- Almost \$13 million in property taxes for Coles County over the life of the Project
- Almost \$81.2 million in total property taxes for all taxing districts over the life of the Project