

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
AGRICULTURE AND RENEWABLE ENERGY DEVELOPMENT (AG) COMMITTEE**

MINUTES

November 19, 2015

Christianson & Associates, PLLP, Willmar

Present: Arvind Auluck-Wilson, Rollie Boll, Ian Graue, Larry Konsterlie, Bruce Reuss and Dan Tepfer

Excused: Dustin Kotrba and Connie Schmoll

Guests: Peter Lindstrom, Clean Energy Resource Teams, University of Minnesota; Mark Thompson, Kandiyohi County Auditor/Treasurer; Phil Cleary, Christianson & Associates (attending for Dustin Kotrba) and Larry Kleindl, Kandiyohi County Administrator

Absent: John Duevel, Jon Folkedahl, Kevin Halvorson, Dan Lippert, Keith Poier and Donnell Williamson

Staff: Steve Renquist, Executive Director

Secretarial: Diane Beck, Legal & Administrative Assistants, Inc.

Chairperson Ian Graue, called the meeting to order at approximately 7:35 a.m. and announced a quorum was not present followed by self-introductions.

AGENDA— Arvind Auluck-Wilson and Chair Graue added items to the agenda.

MINUTES—Due to the lack of a quorum, the September 17, 2015 minutes were received for information only.

Property Assessed Clean Energy Initiative (PACE). Chair Graue introduced guest speaker, Peter Lindstrom, Clean Energy Resource Teams (CERTs), University of Minnesota (U of M). Lindstrom provided an overview of CERTs, which is a statewide program to connect individuals and their communities to the resources they need to identify and implement community-based clean energy projects. Among the CERTs funders are: the Southwest Regional Development Commission, Great Flames Institute, U of M Extension, Minnesota Department of Commerce, U.S. Department of Energy and USDA Rural Development ES-REDA. Lindstrom shared information on the PACE program, a low-cost, long-term financing program with no upfront costs for energy efficient and renewable energy upgrades to buildings of commercial property owners and explained the project process: 1) local government established PACE program; 2) owner completes an energy audit to find savings opportunities; 3) PACE administrator approves financing; 4) owner completes improvements; owners use energy savings to repay assessment (up to 20 years) and also shared the basic qualifications. Once the approval process is complete, a project could be completed in 6-10 months. The Saint Paul Port Authority distributes the funds. To qualify for the PACE Program, counties are encouraged to enter into a joint powers agreement with the Saint Paul Port Authority. There is no risk for counties or local government to enter the program other than a commitment for counties to have an assessment of the property. Small

business, nonprofits and religious organizations also qualify for the PACE program. Chair Graue provided Larry Kleindl a draft copy of joint powers agreement. Kleindl commented it will be presented to the Kandiyohi County Board of Commissioners.

REPORTS

Ag Investment Subcommittee. Dan Tepfer briefly reviewed the draft Ag Investment Planning Subcommittee minutes of November 5, 2015 and mentioned the Ag Investment Planning Subcommittee approved conducting a survey of potential investors.

BRE Survey Subcommittee. Rollie Boll highlighted the Ag BRE Survey Planning minutes of September 9, 2015, and shared the survey is in the planning stages.

NEW BUSINESS

Chair Graue commented landfills are filling up at a rapid rate and shared concerns of Styrofoam products (petroleum-based) in landfills, which do not break down and promoted the use of plant-based products. The committee concurred Kandiyohi County would be the first point of contact. This issue will be discussed at a future committee meeting.

Auluck-Wilson shared information on EcoEngineers of Des Moines, Iowa. The company purchases biogas (methane gas) and ships it via pipeline to California. They are interested in a possible biogas project at the Willmar Wastewater Treatment Facility and would like to give a presentation at the December 17 Ag Committee meeting. Auluck-Wilson suggested inviting the Kandiyohi County Board and EDC Boards to the meeting. A new meeting location may be necessary.

Larry Konsterlie mentioned he is a delegate for the Minnesota Soybean Pre-resolution meetings scheduled for December 2-3, 2015, in Mankato. Committee members are to submit resolution questions/suggestions to Konsterlie. Konsterlie shared the Kandiyohi County Soybean Growers' Annual meeting will be held January 11, 2016, and the Minnesota State Ag Expo will be held January 27-28, 2016, at the Verizon Wireless Center, Mankato.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 9:00 a.m.

NEXT MEETING—The next regular meeting is **7:30 a.m., Thursday, December 17, 2015**, at Christianson & Associates, PLLP, Willmar.



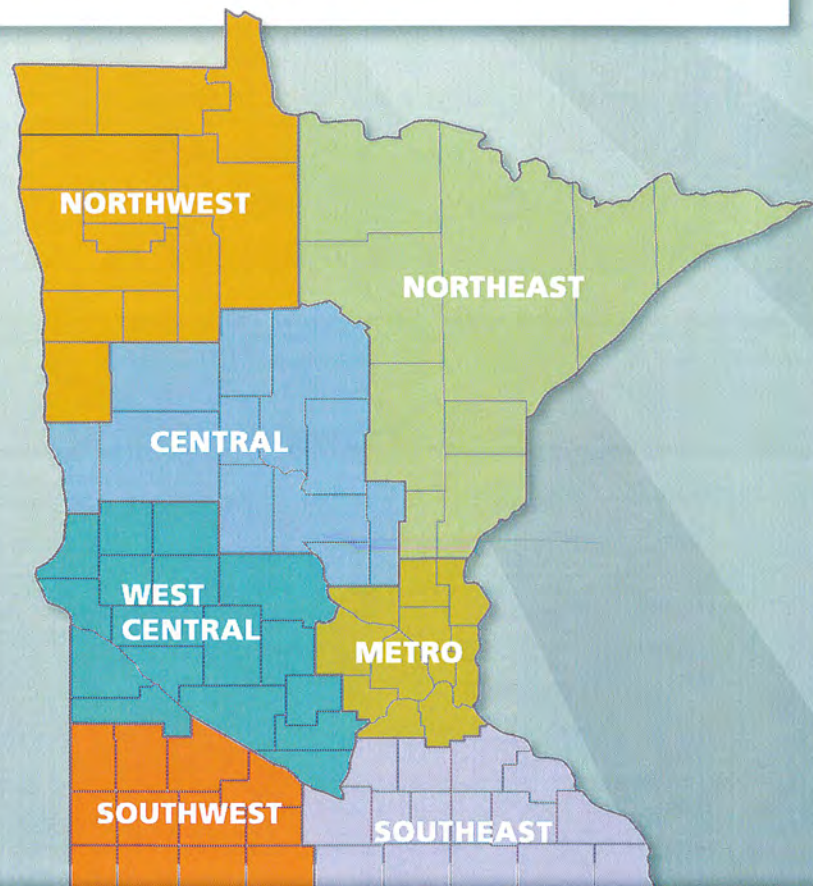
CERTs: Minnesotans Building a Clean Energy Future

The Clean Energy Resource Teams—or CERTs—are a statewide partnership with a shared mission to connect individuals and their communities to the resources they need to identify and implement community-based clean energy projects.

We empower communities and their members to adopt energy conservation, energy efficiency, and renewable energy technologies and practices for their homes, businesses, and local institutions.

What does CERTs do?

- Works to advance projects identified as priorities by our regional teams
- Offers tools for energy efficiency implementation through campaigns
- Helps people learn about and implement solar, wind, and biomass projects
- Shares successes and lessons learned on our MN Energy Stories Blog
- Connects individuals and organizations to clean energy financing tools and incentives
- Provides limited financial assistance to projects through Seed Grants
- Supports local government clean energy work through the Minnesota GreenStep Cities program and beyond



CERTs Partners



Regional Sustainable
Development Partnerships
UNIVERSITY OF MINNESOTA
EXTENSION



**GREAT PLAINS
INSTITUTE**





People, Communities & Clean Energy Work

How We Work:

Our approach is one of pragmatism and cooperation. We work via seven regional teams that span Minnesota. These teams are made up of a diverse mix of people: individuals, small business owners, farmers, local utility representatives, members of environmental groups, educators, and local government representatives.

Each team is guided by a local Steering Committee that sets regional priorities, identifies emerging energy issues and opportunities, and directs grant funding.

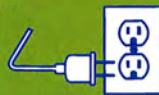
Get Involved:

LEARN



Learn through our website, blog, case studies, and videos

CONNECT



Connect with others at our events across Minnesota

ACT



Act to complete clean energy projects in your community

Major Outcomes

- Helped Minnesotans save over 109 billion BTUs of energy and avoid \$1.7 million in energy costs since 2010
- Awarded over \$930,000 in seed grants to more than 230 energy projects since 2006
- Impacted 121,000 people through grants, events, and programs since 2009

CERTs Funders

- CIP R&D, via MN Department of Commerce
- U.S. Department of Energy, via Midwest Renewable Energy Association
- McKnight, Carolyn & Wells Fargo Foundations
- University of Minnesota Extension
- USDA Rural Development EA-REDA

Get Connected

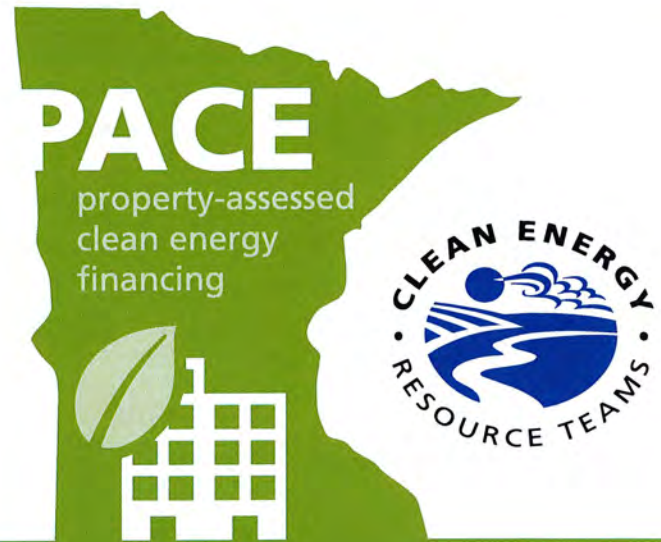
WWW.CLEANENERGYRESOURCETEAMS.ORG



What is Property Assessed Clean Energy (PACE)?

PACE is a new way to finance energy efficiency and renewable energy upgrades to the buildings of commercial property owners.

Energy-saving measures pursued by the owners receive project financing and are repaid as a separate item on their property tax assessment for a set period. PACE eliminates the burden of upfront costs by providing low-cost, long-term financing.



Why PACE, and how does it work?

PACE financing helps overcome several barriers to making energy improvements:

- Eliminates high up-front costs
- Reduces dependence on credit
- Allows for comprehensive retrofits
- Allows programs to recoup their costs

Property Assessed Clean Energy (PACE) financing allows property owners to finance energy-related improvements to their buildings with affordable, long-term capital.

PACE PROJECT PROCESS



HOW THE MONEY FLOWS



[Learn more on reverse](#)

Can I use PACE to finance building improvements?

Minnesota state law allows local units of government to enter into joint powers agreements to create PACE programs. Under this innovative arrangement, commercial, industrial, nonprofit and multi-housing property owners can take on voluntary special assessments to finance energy efficiency, renewable energy, or electric vehicle infrastructure improvements to their properties.

PACE allows companies the opportunity to maintain a positive cash flow while investing in energy upgrades at no cost to taxpayers. PACE financing can also make it easier for building owners to transfer financed improvement repayment to the next owner upon sale, as the repayment resides with the property tax assessment.

Basic qualifications for PACE financing:

- Property owners must be current on mortgage and property taxes
- No federal or state liens against the property
- Must not be in bankruptcy proceeding
- Lender acknowledgement or "consent" from current mortgage lender
- Term of financing may not exceed weighted average useful life of improvements
- Improvements may not exceed 20% of assessed property value

What programs exist in Minnesota?

There are currently two commercial PACE programs available to Minnesota cities and counties that want to help finance building energy improvements in their jurisdictions.

Rural Minnesota Energy Board

Available to entities in the Rural Minnesota Energy Board's counties. The program is administered by the Southwest Regional Development Commission. Learn more at <http://mncerts.org/pace#rmeb>.



Saint Paul Port Authority

Available to entities in any city or county in Minnesota. Interested local governments can work with the Saint Paul Port Authority to authorize the program. Learn more at <http://mncerts.org/pace#sppa>.



Ready To Get Started?



Dig a little deeper: Visit the CERTs website resource page on PACE, which includes program details, a map of all participating cities and counties, and interviews with business owners who have completed projects at <http://mncerts.org/pace>.

Go further: Contact Pete Lindstrom with the Clean Energy Resource Teams at plindstr@umn.edu or 612-625-9634.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
AG-PRODUCERS' SURVEY PLANNING Subcommittee

MINUTES

September 9, 2015
EDC Office, Willmar

Present: Rollie Boll, Ian Graue, Dan Lippert and Kim Lippert
Staff: Connie Schmoll, Business Development Specialist
Excused: Kim Larson

Connie Schmoll called the meeting to order at 4:05 p.m. A discussion of leadership for the group prevailed. Jim Molenaar provided a great deal of leadership and support for the 2005 survey, but is not available at this time. In addition, for the 2005 survey, the EDC hired Kim Larson to provide leadership and hours of work to implement the project. Schmoll reviewed the options for assistance provided by Neil Linscheid of the University of Minnesota Extension BRE program.

U of M will provide research services at \$7,000 cost if U of M survey tool is used. Using a different tool will require extra labor time for U of M staff and therefor, extra costs. They would help to create a survey tool if needed. The overall goal could be to uncover the things that can be done to assist ag producers. Linscheid said it may serve the planning committee to compare the three tools; 1) U of M, 2) Synchronist and 3) Ag Survey from 2005.

Linscheid stated that he felt focus groups could help with the planning. He suggested a discussion before, after or both with area producers, feedlot managers, technologists, accountants, equipment manufacturers, ag sales, healthcare, etc.—anyone related or impacted by agriculture. They need to be part of a conversation. U of M staff could help facilitate this.

Subcommittee members felt the focus groups would be extremely helpful and perhaps that should be done before deciding on the survey tool to use.

In an effort to select a draft goal statement for conducting a survey, committee members shared the reasons the process may be needed as follows:

1. Student transition opportunities—to know what we need to do to keep students in our area and involved in the ag industry;
2. For planning and development—to support the economic ecosystem;

3. There is a great deal of polarizing in our nation, in Kandiyohi County, we still have co-existing in agriculture production methods—we need to maintain this;
4. To discover the barriers that could affect the continued success for our ag producers;
5. Start a dialogue;
6. Between 2005 and 2015 there has been a great deal of change, especially in technology—the technology part needs assessment and would be all new;
7. Compare the past survey to a new one to see trends and assist and support new operators; and
8. To assist in reporting the good things happening in Kandiyohi County and to work to maintain them.

Subcommittee members stated it is important to use the reasons to pull together a main goal. Because of lack time to do so, this task will be moved to the next meeting. The next meeting will be scheduled when fall harvest is complete.

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
AGRICULTURE INVESTMENT PLANNING SUBCOMMITTEE
MINUTES
November 5, 2015
Noon, EDC Office, Willmar, MN

Present: Arvind Auluck-Wilson, Kevin Halvorson, Larry Konsterlie, Bruce Reuss and Dan Tepfer

Excused: Ken Behm, John Christianson, Bob Haines, Jamil Farhat and Marc Knisely

Staff: Connie Schmoll, Business Development Specialist

Secretarial: Diane Beck, Legal & Administrative Assistants, Inc. (LAA)

Chair Dan Tepfer called the meeting to order at approximately 12:10 p.m.

MINUTES—

IT WAS MOVED BY Larry Konsterlie, SECONDED BY Kevin Halvorson, to approve the minutes of the September 16, 2015, meeting as emailed. MOTION CARRIED.

Approve agenda. The agenda was approved with the additional item from Connie Schmoll to discuss a request from a potential member to change the time of the Ag Investment Planning Subcommittee meeting.

Welcome guests and new planning committee members. Chair Tepfer discussed bringing new members into the group and schedule of meetings. Arvind Auluck-Wilson mentioned the pending sale of the Kandi Mall and the investment groups involved and feels it would be beneficial if investors would be interested in sectors other than retail. The EDC Ag Investment Planning Subcommittee is a framework to identify projects and will be an advantage to investors, if there are investment projects available. Schmoll mentioned a recent presenter as one of several potential opportunities. Chair Tepfer stated is it important to keep in mind that this planning group is not the investment group and that once an investment group is established, this subcommittee may no longer be needed.

Change time of future meeting. To accommodate the schedule of a potential new member, Chair Tepfer suggested holding a future Ag Investment Planning Subcommittee meeting at another time. Schmoll stated it would be an evening meeting, possibly 5:00-5:30 p.m. Bruce Reuss stated a champion is needed for the subcommittee and attendance is the driving factor in a successful group. Schmoll will contact the potential new member to inquire if he is interested in becoming a planning committee member and champion or mainly interested as an investor. The

subcommittee concurred to hold a late afternoon/early meeting on January 7, 2016 contingent on the potential member's commitment.

Process presentation by Bruce Behm. Schmoll shared an overview of the September 2015 presentation by Bruce Behm. He felt if there was a building of 50,000 sq. ft. or larger and investment financing available, people and projects would be more willing to come to the Willmar area. He is an active investor and serves on boards of the businesses they fund. Behm offered to put together an outline for the Ag Investment Planning Subcommittee. Reuss shared information from Ag Ventures' approach in which investors invest in a specific business versus the group approach such as by the Willmar Investment Group in which investors contribute to a pot of money available for business investments. Reuss suggested conducting a poll of potential investors and asking of their interest in becoming an investor and their preference of the two options. The Ag Investment Planning Subcommittee concurred to have Reuss prepare a draft and send to members for review within one to two weeks. This will also be discussed at the Ag Investment Planning Subcommittee meeting on December 3, 2014. Schmoll will contact Behm to ask for his assistance on an outline and his assessment of the community.

Further Community Assessment. At this time, the Ag Investment Planning Subcommittee will not pursue further action on a community assessment.

Other investors. Rather than discuss other investors at this time, Schmoll asked if a goal should be established for a minimum number of investors being required to continue. Committee members discussed; however, no action was taken.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 1:10 p.m.

NEXT MEETING—The next regular meeting is **12 noon to 1 p.m., Thursday, December 3, 2015** at the EDC Office, 222 20th Street SE, Willmar.