Economic Resilience in Redwood County

Gene Metz, Farmer & Nobles County Commissioner
Background

- 1973 SDSU graduate with an Agriculture Economics degree
- Began farming in 1973, currently specializes in corn, soybeans, and hog production.
- Lifelong resident of Nobles County and in 7th year as Nobles County Commissioner
<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Security on the Ridge?</td>
<td>-</td>
</tr>
<tr>
<td>Minnesota's Wind Farms</td>
<td>-</td>
</tr>
<tr>
<td>Condition of Local &amp; Agricultural Economies</td>
<td>-</td>
</tr>
<tr>
<td>Impact by the Numbers</td>
<td>-</td>
</tr>
<tr>
<td>Economic Benefits &amp; Drawbacks for Communities, Agriculture, and Counties</td>
<td>-</td>
</tr>
<tr>
<td>Ways to Maximize Benefits &amp; Minimize Drawbacks for Communities, Agriculture, and Counties</td>
<td>-</td>
</tr>
<tr>
<td>Wind Development &amp; Property Values</td>
<td>-</td>
</tr>
<tr>
<td>Wind Development &amp; Property Sales</td>
<td>-</td>
</tr>
</tbody>
</table>
Economic Security on the Ridge?

Primary industries in Nobles County
- Row crop & animal ag
- Meatpacking & related
- Animal bio-health vaccine production
- Mobile home manufacturing

Future industries
- All of the above
- Renewable energy support

Land use purposes
- Continued emphasis on agriculture
- Renewable energy sites (wind, solar, biofuels)
- Farmland → recreational uses
Minnesota's Wind Farms

- High concentration of wind farms along Buffalo Ridge in SW Minnesota
- Unique topography enhances the sustained wind speeds
- Borders South Dakota & Iowa, often more business-friendly because of tax law and business permitting and rules
Condition of Agricultural Economy

1. Grain & livestock industries spending time below break-even cost of production
2. Consolidation of farms
3. Dependent on migrant workforce
4. Aging ownership base
5. Impact of health care costs
6. Increasing dependency on off-farm income
Impacts of Wind Development on Rural Economies
Wind development is a source of revenue for counties that doesn't come from the pocketbooks of citizens, allowing counties to reinvest as they see fit.

30% of Minnesota's counties receive this revenue.

- **$7.4B** Capital investments in Minnesota from wind energy
- **$10M** Annual lease payments to landowners in Minnesota
- **$12M** Annual Production Tax revenue received by 26 Minnesota counties

*Compiled by the Clean Grid Alliance*
Economic Benefits for Communities

1. “Main Street” dollars during construction
2. High salary jobs during operation
3. Potential for lower electric rates
4. Community fund
**Agricultural Benefits**

1. Value added dollars to existing property
2. Guaranteed yearly income without any investment
3. Ability to use service roads for farming operations
4. Potential for increased yields
5. Farmland preservation and reinvestment
## Agricultural Benefits

**Question:** Since 2008, about how much money have you spent on...*

<table>
<thead>
<tr>
<th></th>
<th>Average of all responses</th>
<th>Average of those with turbines on their property</th>
</tr>
</thead>
<tbody>
<tr>
<td>...improvements to your home?</td>
<td>$26,897</td>
<td>$41,970</td>
</tr>
<tr>
<td>...improvements to your outbuildings?</td>
<td>$36,251</td>
<td>$71,780</td>
</tr>
<tr>
<td>...improvements to your field drainage and irrigation?</td>
<td>$25,321</td>
<td>$57,863</td>
</tr>
<tr>
<td>...purchasing new or used farm equipment?</td>
<td>$125,027</td>
<td>$279,539</td>
</tr>
</tbody>
</table>

*Field work conducted and data gathered by the University of Michigan's Ford Policy School*
Economic Benefits for Counties

1. Steady source of income from “Production Tax” without the need for capital investment

2. Project in operation doesn’t ask for:
   - Tax abatements
   - Water source
   - Electric
   - Waste disposal

3. Typical County uses for Production Tax dollars:
   - Levy buydown
   - Road improvements
   - Building projects
   - Broadband
   - Tax forfeited property cleanup
Economic Drawbacks for Communities

1. Sourcing capable workforce during construction and operational jobs
2. Wind doesn’t blow all the time
3. Running out of transmission capacity
4. Disposal of “spent” wind turbine parts
Ways to Maximize Benefits for Communities

1. “Main Street” dollars during construction
   - Short-term: Build awareness of local businesses, services and attractions with temporary workers

2. High salary jobs during operation
   - Long-term: Make the community a good place to live and work for the next 20+ years (schools, medical services, entertainment/culture)

3. Potential for lower electric rates
   - Develop methods to bring power produced here onto our local grid

4. Community fund
   - Energize the communities to find suitable projects and spend wisely
Ways to Minimize Drawbacks for Communities

1. Sourcing capable workforce during construction and operational jobs
   - Invest in local community & technical colleges to “grow our own”

2. Wind doesn’t blow all the time
   - Continue development of companion “green” energy sources as well as storage

3. Running out of transmission capacity
   - Begin studies of next level of transmission systems
   - Develop methods to tap into existing grid for our own local use

4. Disposal of “spent” wind turbine parts
   - Find ways to reuse usable smaller machines as projects are repowered
   - Find environmentally friendly ways to dispose of non-usable parts
A wind farm lease is an agreement between a developer and a property owner that grants the developer the necessary rights to develop turbines at an agreed-upon location.

In return, the property will receive monthly rental payments from the developer for a set period of time.
Wind Development and Property Values

Impact on property values?

No evidence of an effect on home prices in proximity to wind turbines*

* According to a 2013 study by the Lawrence Berkeley National Laboratory using data of more than 50,000 homes in 27 counties, located in 9 different states and affirmed by similar studies from the University of Rhode Island and University of Connecticut
## Wind Development and Property Sales

### All Qualified Sales from 1/1/2015-12/31/2016*

<table>
<thead>
<tr>
<th>Distance from wind turbine</th>
<th>Sales %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median</td>
<td>88.61%</td>
</tr>
</tbody>
</table>

### # of turbines within 1 mile | Sales %

<table>
<thead>
<tr>
<th># of turbines within 1 mile</th>
<th>Sales %</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 turbines</td>
<td>91.52%</td>
</tr>
<tr>
<td>1-10 turbines within 1 mile</td>
<td>110.06%</td>
</tr>
<tr>
<td>11-18 turbines within 1 mile</td>
<td>88.61%</td>
</tr>
<tr>
<td>No turbine within 1 mile</td>
<td>91.52%</td>
</tr>
</tbody>
</table>

* Data provided by the Jackson County Assessor

<table>
<thead>
<tr>
<th>Location from site</th>
<th>Sales %</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>91.52%</td>
</tr>
<tr>
<td>North</td>
<td>110.97%</td>
</tr>
<tr>
<td>South</td>
<td>88.61%</td>
</tr>
<tr>
<td>East</td>
<td>N/A</td>
</tr>
<tr>
<td>West</td>
<td>88.61%</td>
</tr>
<tr>
<td>Northwest</td>
<td>88.61%</td>
</tr>
<tr>
<td>Northeast</td>
<td>81.87%</td>
</tr>
<tr>
<td>Southwest</td>
<td>88.61%</td>
</tr>
<tr>
<td>Southeast</td>
<td>88.61%</td>
</tr>
</tbody>
</table>
Thank you!

Questions?