



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

Today's Presentation

Economic Security on the Ridge?

Minnesota's Wind Farms

Condition of Local & Agricultural Economies

Impact by the Numbers

Economic Benefits & Drawbacks for Communities, Agriculture, and Counties

Ways to Maximize Benefits & Minimize Drawbacks for Communities, Agriculture, and Counties

Wind Development & Property Values

Wind Development & Property Sales

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

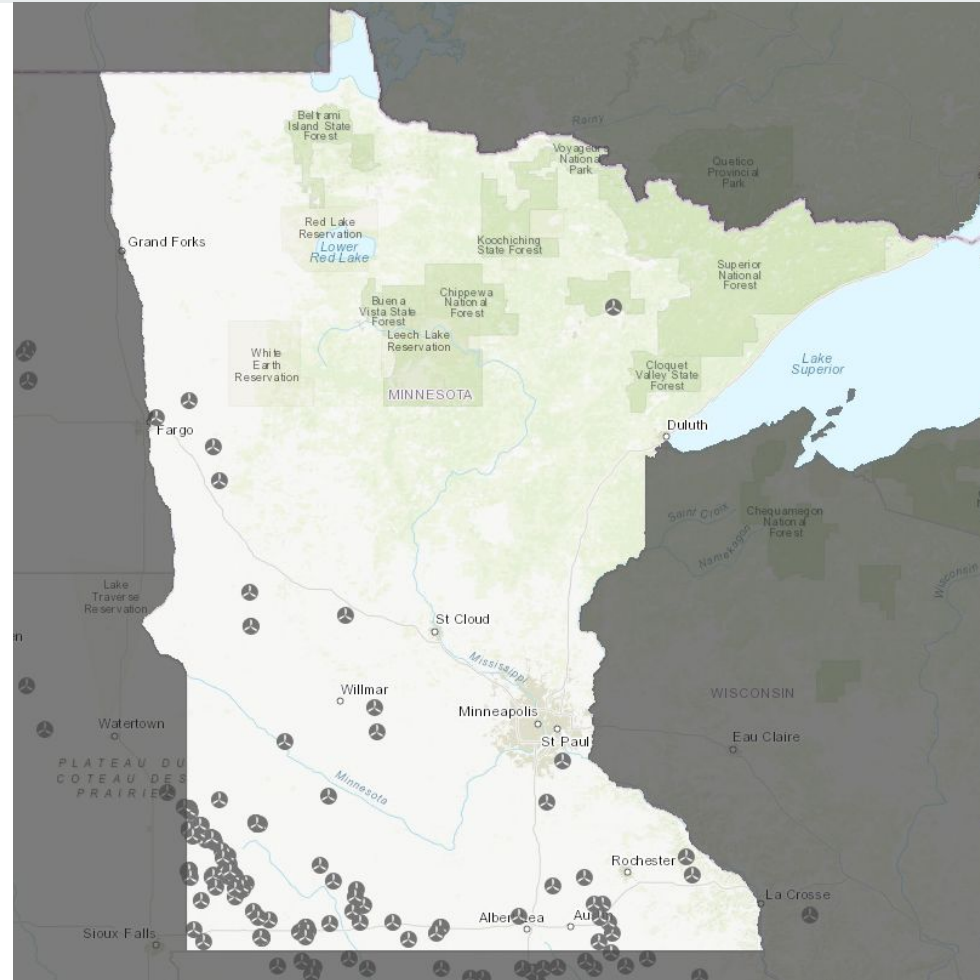
Land use purposes

- 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

4

Aging ownership base

2

Consolidation of farms

5

Impact of health care costs

3

Dependent on migrant workforce

6

Increasing dependency on off-farm income

Impacts of Wind Development on Rural Economies





Impact by the Numbers*

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

More than

\$10M

Annual lease payments to
landowners in Minnesota

More than

\$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

3

Potential for lower electric rates

2

High salary jobs during operation

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

* 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

3

Running out of transmission capacity

2

Wind doesn't blow all the time

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

Wind Development and Land Leases

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*	
Median	88.61%

Distance from wind turbine	Sales %
Turbine $\frac{3}{4}$ to 1 mile from site	88.61%
Turbine $\frac{1}{2}$ to $\frac{3}{4}$ mile from site	88.61%
Turbine up to $\frac{1}{2}$ mile from site	88.61%
No turbine within 1 mile	91.52%

# of turbines within 1 mile	Sales %
0 turbines	91.52%
1-10 turbines within 1 mile	110.06%
11-18 turbines within 1 mile	88.61%
No turbine within 1 mile	91.52%

* Data provided by the Jackson County Assessor

Location from site	Sales %
None	91.52%
North	110.97%
South	88.61%
East	N/A
West	88.61%
Northwest	88.61%
Northeast	81.87%
Southwest	88.61%
Southeast	88.61%



Thank you!

Questions?

