

The Allen County Board of Commissioners met in regular session at 8:30 a.m. with Chairperson Jim Talkington, Commissioner Jerry Daniels, Commissioner Thomas R Williams, and Sherrie L. Riebel, Allen County Clerk.

Bob Johnson, Iola Register, Heather Bosler, Humboldt Union representative, Paul Zirjack, citizen and Larry Walden, citizen, was present to observe the meeting.

Bob Johnson requested the commission to take out the brush at the Humboldt River Bridge and discussed G & W's starting on the store. Paul Zirjack stated he didn't think Allen County should kiss butt forever for getting G & W.

Commissioner Williams reported G & W's issue is with the weather in their area has delayed them. Kyle Dubose, Southern Builder contractor for G & W, stated the survey crew will be here tomorrow. Discussion followed on whether to charge them the \$1,000 daily delay fee. Commissioner Williams stated they have left an email to that effect. Chairman Talkington expressed his thoughts on G & W not notifying within 9 days from when they were to start. Discussion followed.

Mitchell Garner, Allen County Public Works Director, reported his shop foreman left and field mechanic left. He would like to hire another full time person permanently, District 5 truck driver hauling rock. That position has been vacant since before Bill King left and cut backs were done years ago. The position was on the books, but not filled due to costs. Commissioners asked if he had budget for it this year. Commissioner Williams requested justification of hours and how they will be utilized and what the position would cover. Discussion followed. Mitch will get the information and bring back to the commission next week.

Heather asked about the Humboldt River Bridge brush pile. Mitch stated he thought they were going to wait until about August when the water goes down. He said he knows it is there, but they don't have the equipment to remove it. It will have to be hired out. Discussion followed.

Commissioners discussed the proposal Bill Maness, Economic Development Director, made last week. Chairman Talkington stated Dennis Arnold, Director of SEK Regional Planning Commission, will be here at 10:00 a.m. Commissioner Daniels stated it is important to be able to help new and existing business within Allen County. It is important for persons to understand it is only a process and the board is not just handing out monies. Commissioner Williams stated he would like to have a committee of business men that know the area and what business would work in Allen County. Discussion followed on suggestion of names; Joe Works, Chuck Apt, and such. Bob Johnson asked if the commission envisioned a grant, loan or matching system. Commissioners stated the board would be the one to make the recommendation to the commission of types needed. Chairman Talkington stated they already exist though SEKRPC but not as readily known. Commissioners asked about time frame and such. Chairman Talkington stated he didn't think it is the county's place to use county monies for businesses. Discussion followed on different ideas and thoughts. Commissioner Williams stated he didn't want county monies to build more government. We should be able to help families stay in the area.

Commissioner Daniels updated the Alan on G & W building. Alan is working on a demand letter to have in holding for now.

Alan Weber, Allen County Counselor, Rorik Peterson, EDP Renewables Associate Director of Development, Stevee Kennard, EDP Renewables Development Project Manager, Chad Gardner, EDP Renewables Senior Property Tax Manager, and Danielle Thurber, EDP Renewables Senior Tax Analyst joined the meeting. They wanted to discuss the project in the east part of the county and taxes should they come to Allen County. Rorik stated they would probably be applying for a project sometime this year. He wanted to see what the commission's thoughts

were for taxing. The project is fairly likely to happen, but will be trying to find a buyer for the electricity. Rorik explained the process and how it works.

Chairman Talkington asked about permits. Rorik stated permits have been applied for through the state and federal parts, not local levels, but expect to do so late spring or early summer. Rorik reported on the process.

Chad stated they are exempt for only 10 years as a new law in 2017. So they will be on the tax rolls in 10 years. The 7 year straight line then valued at a county level, which the state will set down guidelines for county appraisers. Danielle stated they will have it effect both the business and the county; wanting budget assurance for Allen County. Rorik stated the difference of property taxes and Payment in lieu of Taxes (PILOT). Taxes in 11 years will be drastically increased in Allen County due to the towers coming on the tax rolls. Discussion followed on legislation and new laws. Rorik stated they would anticipate paying PILOT taxes for the first 10 years. The towers are built as a 30 year life and sold electricity for 10 to 20 contracts. They will be selling the power at a project for 30 years planed. The question to EPA was what guarantees they will stay after the 10 years, Rorik stated the costs are upfront costs, then they make monies after, so they figure it will continue. There will be workers to stay and work in the community; 12 to 20 employees and depends on the warranty of the wind farms. Danielle stated it usually takes about 9 months to put up a wind farm.

Commissioner Daniels asked about concrete and whether they use local concrete. Rorik stated they hire a general contractor and usually they would contract with local contractors for the different aspects of the project. Commissioners encouraged using local, as it would help the community accept their new neighbors.

Commissioner Williams asked about PILOT monies that other communities have used to better their communities. Commissioner Daniels stated he has heard road and fences are left in better conditions than what they were in to begin with. Rorik stated yes they have had to widen county roads and intersections. Currently 39 operating projects, one in Maine is unincorporated, but they have TIF with them which could be used to purchase snow mobiles, fire trucks, and conservation for prairie chickens or pay at the pumps locations in Cloud County. Alternately the decision on spending goes though the commission for the spending of the monies.

Stevee stated a lot of the employees they hire are from around the community or at least in the region. These employees live in the community and send their children to the local schools and purchase from local vendors.

Rorik stated ideally they would start construction in March with road construction, turban in June, working last in August, complete and in operation by the end of October. He stated they had contracts for 22 acres in Allen County which are south of US Highway #54 and east of US Highway #59 east, mostly in the Mildred area. They have been monitoring since the middle of 2015. Discussion followed on turban technology.

Paul asked how far away to hook into a power line? Rorik stated about 2 ½ miles away Kansas City Power and Light (KCPL) from the substation half way and interconnection substation close to the lines. KCPL owns the transmission line so they are only the owner only not the purchaser at this time. The wind farm would create about 200 megawatts for Allen County.

Alan discussed a PILOT agreement and asked about what that would be for Allen County. Chad discussed how it would be figured by Department of Revenue for assessment towers. Alan explained why he would like to see how that would break down. A rough estimate would be \$2,500 per megawatt around \$500,000 and in year 11 would cost \$3,100 per megawatt (Waverly - \$600,000) Allen County's would be 4 times higher than Waverly due to a new law starting in year 11. Danielle discussed the changes in utility costs since 2000 when wind energy started.

Rorik stated a question on who the PILOT would go to and the commission stated they felt it should be the commission as they are the top of the county and could dispense as they see needed to USD's and other entities.

Rorik stated there would be a form stating timing which would need to be addressed, tax year 11 sufficiently larger than Waverly because the exemption would be off so the PILOT for Allen County would be less than Waverly. He stated he would like to be able to have it so the counties could get something in the first 10 years before taxation kicks in. Rorik stated they would like to be paying \$1,000 megawatt which would be approximately \$200,000 per year for 10 years then 2.4 million in year 11. Chad stated they feel the 20% of the cost of the project to be taxed in year 11. Chad will figure a payment schedule to email for review.

Dennis Arnold, Southeast Kansas Regional Planning Commission (SEKRPC) Director, discussed what the SEKRPC does. He also serves as vice chairman of the Prosperity Foundation. He reported he has met with Bill Maness, Economic Development Director. He presented information on SEJRPC Revolving Loan Program creating jobs for Southeast Kansas. He explained workings of the Regional Loan Fund and anyone who needs \$100,000 and presented information on what they do. They can get a low interest fund loan with flat rate interest. Dennis stated businesses and banks are aware of the program. The applicant would go through a process applying and the process is through a committee and SEKRPC has in house bookkeeper and staff; it keeps it from coming back to the commission. Dennis explained the Prosperity Foundation grants up to \$60,000 dollars; they use the same paperwork as SEKRPC; these monies come from tax credits. It is the same loan process as well. Downtown tax credit for towns less than 5,000 for fixing up downtown buildings. Both are non-profit agencies, interests goes back into the fund to be reused, that is why it is called a revolving loan.

Dennis has a revolving loan fund though e-community which Humboldt has; network Kansas has the same type of thing. Micro loan set up by state and had to have a low income to startup businesses. Discussion followed on different types of loans and consequences.

Commissioner Daniels expressed he wasn't interested in getting into a loan program, he is more for a grant program which the commission would appoint a committee to review and recommend to the commission for an actual grant. Commissioner Williams stated he would like to see monies go toward the community to better the community; non-profits, businesses, and such.

Heather asked if they were talking about Economic Development. Commissioners stated yes, there could be a time when the monies go to the betterment of the county; example if you give to help a park; you're not going to charge a child to play at a park.

Commissioner Williams motioned to appoint an Economic Development Board of 7 persons throughout the county, with the first commitment to be within 3 months come back with a series of plans, and blue prints on how they would handle requests from businesses, nonprofit and individuals; to start the board would be Chuck Apt. He would like to see Chuck come back with names of persons representing from all over the county that he recommends to serve on the Economic Development Board. Commissioner Daniels added to have amounts and make it more of a grant than loan and to have a validated process for requests. Commissioner Williams wants to make it a county thing not a Thrive thing. Commissioner Daniels seconded, discussion followed. Motion passed 3-0-0.

Commissioner Williams moved to help ACARF \$1,000 for this year. Chairman Talkington seconded, motion passed 3-0-0.

Commissioners approved the following documents:

- a) Clerks Vouchers -\$215,694.55
- b) Payroll Changes
- c) Clerks Journal Entry #25-26

- d) Abatements: PP Value 180, \$41.80, Year 2016
PP Value 180, \$41.02, Year 2015
PP Value 199, \$47.02, Year 2014
PP Value 199, \$46.48, Year 2013
PP Value 166, \$37.28, Year 2012
PP Value 199, \$43.10, Year 2011
PP Value 221, \$47.24, Year 2010
PP Value 227, \$48.38, Year 2009
PP Value 248, \$50.04, Year 2008

With no further business to come before the board, the meeting was adjourned until May 16, 2017 at 8:30 a.m. in the Commission room of the courthouse.

Jim Talkington, Chairperson

Thomas R. Williams, Commissioner

Sherrie L. Riebel, Allen County Clerk

Jerry Daniels, Commissioner