

Make it Electric



Energy information to help you manage your operation

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Building successful communities

Otter Tail Power Company's economic development consultants help businesses survive and thrive

Ask Julie Rader about economic development assistance, and she'll tell you about freedom. Freedom to do something for herself. Freedom to offer a valuable service and make a difference in her rural community. And, of course, Freedom Fitness Center, a small business she started with help from Otter Tail Power Company.

Rader and her husband Lowell took an empty implement dealership across the street from their home in Washburn, North Dakota, and remodeled it into an energy-efficient building that now houses four businesses and a total of six employees.

Otter Tail Power Company was with them every step of the way.

"Washburn needed something like this and, with Otter Tail Power Company's help, we were able to make it happen," said Rader. "Everyone I've dealt with there has been very helpful and knowledgeable. They did everything they promised to do, and Don Frye was my source of expertise throughout the process."

Since opening its doors in September 2005 Freedom Fitness Center has signed up 214 members for its circuit hydraulics training programs, and the facility has about 170 active members. That's many more than the 35 Rader figured it would take to make the business viable.

"If you're starting a business," said Rader, "you'd be amiss if you didn't give these guys a shot."

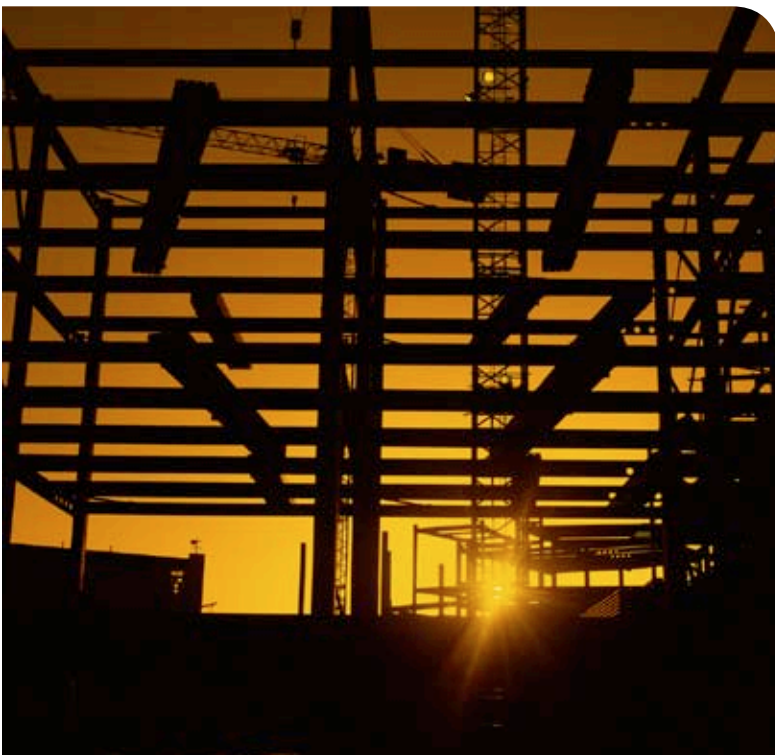
Whatever it takes to create jobs

"These guys" are Don Frye and Terry Stallman, Otter Tail Power Company's consultants who provide free economic development expertise and services. Frye serves businesses and communities in North Dakota, Stallman covers Minnesota, and both are responsible for portions of South Dakota.

Whether it's helping entrepreneurs start businesses, assisting local companies that are in trouble or expanding, or aiding communities that are trying to recruit new companies, Frye and Stallman provide professional guidance on the steps they need to take. More than that, they bring economic development organizations and agencies to the table, help put

A look inside:

Economic development
Rebates



together financing and business plans, ensure companies have the proper permits and are meeting local ordinances, and do whatever else it might take to create jobs.

“It’s a big-picture thing,” said Frye, who has been an economic developer for more than 30 years. “We call it economic development, but it’s really community development. We get involved in a lot of things that impact a community’s ability to be successful. And if our communities survive, Otter Tail Power Company survives.”

Frye and Stallman have been helping communities not only to survive but also to thrive. Frye has been on the job for 17 years, Stallman for 16. At any given time, Frye is working on 30 to 35 projects, Stallman, 60 to 70. Between them they’ve helped create or save nearly 19,000 jobs.

Projects range from mom-and-pop operations involving a few thousand dollars and potential for only one or two jobs to ethanol plants to companies with hundreds of employees and multimillion-dollar annual payrolls.

With Otter Tail Power Company’s help, communities and businesses take advantage of programs that range from JOBZ, Minnesota’s initiative that provides local and state tax exemptions, to U.S. Department of Agriculture grants for making buildings energy efficient to Otter Tail Power Company’s own utility grant program for new or expanding businesses. The consultants also help develop loan pools that combine Otter Tail Power Company money with other conventional and state financing.

Frye and Stallman downplay their roles, saying they just happen to have the experience that smaller communities and businesses can’t afford. “I’m always impressed with the quality of people in our rural communities, the skills and knowledge they bring to the table,” said Frye. “They just need someone to either provide expertise or reassure them that they’re going the right direction.”

It’s all about impact

The size of a project is irrelevant; sometimes a small project can have a huge impact in a rural community. Freedom Fitness Center is a case in point.

Before opening Freedom Fitness Center, Rader was driving 45 miles one-way to Bismarck to an exercise facility. She was succeeding in meeting her body-shaping goals, but the daily drive was a hassle. Her trainers suggested she start her own business in Washburn.



Rader already had the building, but it had no insulation and inefficient heating and cooling systems. She called her local Otter Tail Power Company representative, who put her in touch with our Marketing Department and with Frye.

“We were looking for more efficient heating and cooling and maybe ways to subsidize our renovation,” Rader said. “We figured that, because we were taking an old building that was falling apart and turning it into a viable business, there might be ways to get some funds to help.”

Otter Tail Power Company worked up a plan for a dual-fuel heating and cooling system and directed Rader to our Energy Control Program, which provides a reduced rate because electricity is used only

during off-peak hours. Frye helped write an application to the USDA for a grant that covered 25 percent of the energy-upgrade costs.

In addition to Freedom Fitness Center, Rader’s building houses two more businesses, Therapeutic Massage and Living Image Photography, and she rents out parts of the former shop area for storage. The businesses not only provide jobs, they also contribute to Washburn’s overall appeal.

“This project took a building that wasn’t being used and turned it into an economic contributor for the community,” said Frye. “More important, it’s supplying needed services and contributing to quality-of-life issues that will help the community recruit other businesses.”

From financing to facilitating

When AbbeyMoor Medical Inc. needed a state-of-the-art building in Parkers Prairie, Minnesota, Stallman helped create a loan pool involving a variety of businesses

and organizations to finance the new building. The medical device manufacturer, which employs 21, is completing medical trials for a prosthetic stent and applying for Food & Drug Administration approval for distribution in the United States.

“We worked with a consortium of different companies to come up with the financing, and Otter Tail Power Company was one of the participants,” said Randy Hansen, AbbeyMoor CFO. “Terry also was part of the team that gave us advice along the way.”

For the Spirit Lake Community Development Corporation (SLCDC), Frye had to go deeper. The SLCDC was working with the Spirit Lake Dakota Sioux Tribe, Fort Totten, North Dakota, to launch Golden Eagle Wireless, a cellular telephone refurbishing company. Frye helped with due diligence issues, researched potential markets, lined up meetings with members of North Dakota’s Congressional delegation and state and federal agencies, and developed a financing package.

“For us, it’s all about creating jobs on the reservation,” said Jerry Cavanaugh, SLCDC director and acting Golden Eagle CEO. “There were a lot of components to the project, and working with Don helped out greatly.”

The Tribe and Rivas Technologies, Lincoln, Nebraska, own Golden Eagle. The company employs 37 people at \$7 to \$8.50 an hour on a reservation where unemployment is high. Golden Eagle refurbishes approximately 75,000 phones a month for national clients that sell prepaid cellular phones, and it is pursuing contracts that could boost that number to 200,000. In addition, the company is exploring opportunities with the federal government, where its Native American ownership provides an advantage in the bidding process.

Call on experts who enjoy their jobs

Those are the kinds of results that keep Frye and Stallman traveling 50,000 to 60,000 miles a year, crisscrossing the Otter Tail Power Company service area, building companies and communities.

Stallman sums it simply: “I’ve got a great job, man,” he said. “I get to go out and help these businesses and communities that don’t have many business deals coming to town. There’s a lot of reward in that.”

Adds Frye, “Good developers don’t do it for the pay, that’s not what drives them. It’s very energizing when you walk away from a project and can say you had a hand in making something better.”

Entrepreneurs who are contemplating starting businesses or business owners who are thinking about expanding or relocating may contact Otter Tail Power Company for economic development expertise and marketing and industrial services. See our contact list on the back page.

2006 rebates

These rebates are available to all qualified Otter Tail Power Company customers in 2006:

Electric water heating

Receive a \$150 rebate for installing an 80-gallon electric water heater, a \$200 rebate for a 105-gallon to 120-gallon unit, or a \$75 rebate on each unit for installing two or more 50-gallon water heaters at the same time. All water heaters must be served on one of our controlled-service rates to qualify for these rebates.

Businesses that install 12 kilowatts or more of controlled-service water heating and a minimum of 120 gallons of storage capacity may qualify for a rebate of \$20 a kilowatt installed.

Thermal-storage technologies

A rebate of \$20 a kilowatt is available for thermal-storage technologies installed on the deferred-load or time-of-use rates.

Thermal-storage space-heating applications include central furnaces, room units, underfloor cable or panel systems, or electric boilers installed to serve underfloor heating systems that are capable of storing adequate heat to warm the space during the maximum control period allowed by the rate. They must be new installations of a minimum of 10 kilowatts.

A maximum of 500 kilowatts is eligible for a rebate. Installations must remain on the rate for at least a year.

Commercial cooking

In North Dakota and South Dakota rebates of \$10 a kilowatt are available for both customers and equipment distributors/retailers for qualified electric cooking equipment.

In Minnesota rebates of \$50 a kilowatt are available on CIP-eligible electric griddles, range tops with convection ovens, combination convection/microwave ovens, quick-cook ovens, food warmers, induction cooktops, vacuum steamers, and solid-state fryers. Other electric cooking equipment may qualify for a rebate of \$10 a kilowatt for both customers and equipment distributors/retailers.

Minnesota’s CIP

Additional Conservation Improvement Program rebates are available in Minnesota on qualified air-source and geothermal heat pumps, commercial refrigeration, lighting, and motors. Grants are available for other energy-efficient applications.

If you’re planning to upgrade your operation, check out these money- and energy-saving opportunities that Otter Tail Power Company has available for your business.

“We call it economic development, but it’s really community development. If our communities survive, Otter Tail Power Company survives.”

– Don Frye, Economic Development Consultant

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Read about Otter Tail Power Company's
2006 rebates inside.

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Make It Electric provides
information for industrial and
commercial customers interested
in energy efficiency, increased
productivity, and new technologies.
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