

## Business Subsidy Summary – Epitome Energy, LLC

**\$250,000**

### Specific Purpose:

This business subsidy is to provide Epitome Energy with funds to acquire matching dollars from the MN Department of Agriculture. This \$250,000 will be matched dollar for dollar by the Dept. of Ag to be used for the expressed purpose of:

1. Environmental Regulatory Requirements

- Phase 1 Environmental Site Assessment
- Environmental Assessment Worksheet (EAW)

2. Air Permitting

- Pre-Construction environmental permitting
- PSD air emissions permitting
- Air emission inventory calculations
- Air dispersion modeling
- Air permit application compliance plan
- BACT analysis
- Additional impact analysis

3. General Project Management

- Legal Requirements and Consultation Services
- Professional Accounting Services
- Specific Project Governance, Coordination and Recordkeeping

How this values Crookston directly is moving Epitome Energy forward with this assessment and permitting work concurrently with their equity drive. It is anticipated the process of assessment and permitting will likely take the majority of one year duration. Achieving an earlier start on assessment and permitting will lead to much more timely facility development and construction, perhaps even by a calendar year. As construction costs continue to increase annually this could result in several millions of dollars in overall savings on the project. A decrease in the lead time for facility development also results in a more rapid development of the community benefits such as contractors, subcontractors, suppliers, professional services and other support companies and personnel into Crookston. The basic sector jobs intended to be created would obviously also be faster.

Additionally the Phase 1 Environmental Site Assessment, the EAW, and the Management of the air permitting are vital for the company and the community to fully understand necessary environmental impacts and allow for necessary approvals from the Minnesota Pollution Control Agency. The data obtained will be useful for the Epitome Energy soybean crush and bio diesel facility, the Soybean Innovation and Research campus and other businesses that will co-exist in the one hundred plus acre parcel.

**Scope of Work:**

All funds provided via this business subsidy will be dispersed by Epitome Energy to those partnering professional organizations that have demonstrated proven track records of success in this field and scope of work. Specifically, those partners include: Sunde Engineering, WENCK Associates and IMPC.

CHEDA will receive regularly updated reports of progress regarding this business subsidy and copies of all submitted applications and compilations of correspondence, worksheets and reports of record.

**General Terms and Conditions:**

1. A business subsidy agreement detailing items contained herein will be executed between CHEDA and Epitome Energy prior to the public hearing date of August 27, 2019 at 7:00 a.m. to be conducted at the Valley Technology Park located at 510 County Road 71 in Crookston, MN.
2. The \$250,000 will be used specifically for items identified on previous page. Any deviation to these specific items must be agreed to in writing and contained within the business subsidy agreement.
3. The \$250,000 is provided to Epitome Energy as a no interest loan for 24 months.
4. This \$250,000 loan will be forgiven in its entirety assuming the following:
  - Successful completion of the EAW
  - Successfully obtaining necessary permits required for facility construction and operation
  - The land identified as the site of the project will be sold to Epitome Energy for \$4,000 per acre with payment received by the community within five (5) years to be contained within the land option agreement that is forthcoming.
  - Construction of project commences for soybean crush and bio diesel facility