



APPROVED

Agenda Item: Loan Modification Request from Twin State Environmental

Submitted by: Andy Conlon, Economic Development Manager

Staff Recommended Action:

1. Approve request for modification to security as described herein;
 2. Hold a public hearing on this request at the JDA meeting on May 4, 2026;
 3. Authorize JDA officials to execute necessary documents.
-

Committee Recommended Action: Wolf moved to approve the request, second by Crary. Motion passed unanimously.

JDA Action: Motion by Osowski, second by Berg to approve agenda item. Motion passed unanimously.

Twin State Environmental, LLC is an Iowa-based, family-owned company that aims to construct a facility just north of Grand Forks where it will deploy its Raptor Cleaning System; a robotics system cleans railcar oil tanks while recovering residual materials that can then be reintroduced to the market for commodities. The company received approval for a \$269,231 PACE loan in March 2026 to buy down the interest on a commercial loan from Quad City Bank & Trust that will help fund the project.

As originally approved, the PACE loan was to be secured by a series of corporate guarantees from the following entities: OAT Investments Iowa, Inc., CCT Investments Iowa, Inc., Tigger Investments Iowa, Inc., and Twin State Inc. Each of these entities hold a 25% ownership stake in Twin State Environmental, LLC. Twin State Environmental, LLC and Quad City Bank & Trust have since reached out to staff and provided the attached letter requesting a modification of that security arrangement to mirror that of the private lender, which includes only a corporate guarantee from Twin State, Inc. All other loan terms are proposed to remain unchanged.

As noted in the letter, Quad City Bank & Trust is “extremely comfortable” with the direct loan to Twin State Environmental, LLC secured by a corporate guarantee from Twin State, Inc. as both entities maintain strong financial positions, carry no long-term debt, and have proven track records. Staff’s review of financial statements for both entities provided as part of the company’s original application support this view. With this in mind staff is recommending approval.

ANALYSIS AND FINDINGS OF FACT:

- The request complies with Growth Fund policies and procedures for PACE/FlexPACE loans,

which state that: "Security typically mirrors that of the private lender with the Growth Fund generally in a subordinate position."

- Staff review of provided financial documents appear to support Quad City Bank & Trust's assessment of the guarantors' strong financial positions and adequate security.
- Confidential financial documents are available to Growth Fund Committee and JDA members upon request.

SUPPORTING MATERIAL:

- Request Letter from Quad City Bank & Trust
- Staff report from March 2, 2026 JDA meeting



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April 14, 2026

To: City of Grand Forks, North Dakota Growth Fund Committee and Jobs Development Authority

RE: Twin State Environmental, LLC's Guarantor Request

As suggested by Andrew Conlon, Economic Development Manager for the City of Grand Forks, in an email dated April 8, 2026, please accept this letter as a formal request regarding the Guarantor Structure for the proposed credit facility to Twin State Environmental, LLC (TSE). At this time, Quad City Bank & Trust is recommending a direct loan to Twin State Environmental, LLC with a Corporate Guarantee from Twin State, Inc. only.

As indicated in a prior letter dated January 23, 2026, where Quad City Bank & Trust acknowledge support of this project, it was noted the long-term and successful relationship that the Bank has maintained with Twin State, Inc. along with the Tinsman family for over 15 years. This has been supported by robust financial performance and continued, sustainable growth.

Twin State Environmental, LLC has experienced exceptional success as reflected in the financial information provided to date. TSE maintains a diverse client base across the country and is not limited to generating revenue in one geographical area, but rather is active across the domestic United States as well as having an International sales component. The proposed tank cleaning facility for Grand Forks is not a new concept, but rather a proven business. This would be TSE's third location that has illustrated verifiable results. Additionally, TSE from a financial perspective maintains no long-term debt, generated over \$10MM in Net Income in 2025 and boasts a strong overall equity position exceeding \$15MM.

Referencing the Audited Financial Statements of Twin State, Inc., Net Income continues to reflect strong earnings surpassing \$15MM each of the three previous years. Additionally, referring to the Audit, Twin State, Inc carries no long-term debt, maintains exceptionally low leverage, has a strong liquidity, preserves a diverse asset pool (including over \$23MM in stocks, bonds, and mutual funds), and has grown their equity position to over \$150MM. This is all anchored by a Management Team with decades of proven experience that spans multiple generations.

Member FDIC

2118 Middle Road
Bettendorf, IA 52722
Phone: 563.344.0600
Fax: 563.344.0619

4500 North Brady
Davenport, IA 52806
Phone: 563.388.4780
Fax: 563.388.4790

1700 Division Street
Davenport, IA 52804
Phone: 563.323.5960
Fax: 563.323.5895

5515 Utica Ridge Road
Davenport, IA 52807
Phone: 563.459.0100
Fax: 563.468.4490

3551 7th Street
Moline, IL 61265
Phone: 309.736.3580
Fax: 309.743.7705



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With a direct loan to Twin State Environmental, LLC supported by a Corporate Guarantee from Twin State, Inc., Quad City Bank & Trust is incredibly comfortable with this credit structure and would recommend approval. The proposed short-term and rapidly amortizing loan also provides a mitigating risk factor when combined with the aspects listed above. It is the stance of Quad City Bank & Trust that additional guarantees from OAT Investments Iowa, Inc., CCT Investments Iowa, Inc., and Tigger Investments Iowa, Inc., provides no necessary enhancements to the structure of this request and would not be required by the Bank.

Overall, Quad City Bank & Trust looks forward to supporting this project and Twin State Environmental, LLC. If there are any questions, please contact me at (309-743-7719) or nkessler@qcibt.com. I look forward to hearing back soon.

Sincerely,

A handwritten signature in blue ink, appearing to read 'N. Kessler', is written over a light blue horizontal line.

Nathan D. Kessler
Vice President
Commercial Banking

CC: Scott Tinsman III, Twin State Environmental, LLC

Member FDIC

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4500 North Brady
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1700 Division Street
Davenport, IA 52804
Phone: 563.323.5960
Fax: 563.323.5895

5515 Utica Ridge Road
Davenport, IA 52807
Phone: 563.459.0100
Fax: 563.468.4490

3551 7th Street
Moline, IL 61265
Phone: 309.736.3580
Fax: 309.743.7705



Grand Forks Growth Fund, a Jobs Development Authority
Staff Report
Growth Fund Committee – February 17, 2026
JDA – March 2, 2026

APPROVED

Agenda Item: PACE Loan Request from Twin State Environmental

Prepared by: Anna Henningsgard, Planner

Submitted by: Andy Conlon, Economic Development Manager

Staff Recommended Action:

1. Approve request for PACE loan of \$269,231 to buy down the interest rate on commercial loan;
 2. Hold a public hearing on this request at the JDA meeting on March 2, 2026;
 3. Authorize JDA officials to execute necessary documents.
-

Committee Recommended Action: CONCUR

JDA Action: Motion by Bochenski, second by Fridolfs to approve the request.
Motion passed 7-1, with Osowski dissenting.

Twin State Environmental (Twin State) is an Iowa-based, family-owned company established in 1958. The business primarily operates in the agricultural fertilizer sector, including fertilizer manufacturing facilities, retail fertilizer sales, and grain storage and marketing. In addition to its traditional operations, the company has developed the Raptor Cleaning System, which utilizes a robotics system to clean railcar oil tanks. This system improves safety and operational efficiency while reducing waste by recovering residual oil from the tanks, which are then reintroduced into the market for commodities including ethanol, vegetable oil, crude oil, and asphalt.

Twin State has chosen an approx. 5-acre site just north of Grand Forks as one of two North Dakota sites where they aim to deploy this technology. The project includes a 20-year lease of the land upon which the company intends to construct a 5,700 square foot facility with supporting rail access and utility infrastructure to accommodate incoming and outgoing railcars, along with installation of the robotic cleaning equipment necessary for operations.

The \$4.6 million project will be funded in part by a Quad City Bank & Trust loan on which the JDA is requested to provide a PACE loan to buy down the interest rate.

Job/Compensation Information: The company expects this project will create 6 new FTE's with an average hourly compensation of \$28.00 in wages and benefits.

Sources:

Owner Equity	\$ 809,770
Quad City Bank & Trust Loan	<u>\$ 3,800,000</u>
TOTAL:	\$ 4,609,770

Uses:

Acquisition/Land	\$ 99,770
Machinery/Equipment	\$ 1,000,000
New Building Construction	<u>\$ 3,510,000</u>
TOTAL:	\$ 4,609,770

PACE Interest Subsidy Loan:	BND Grant	\$ 500,000
	JDA Loan	\$ 269,231

Terms: Payment and interest accrual will be deferred for 60 months; thereafter it will be repaid in a balloon payment. Interest rate is 1.75%.

Security: Subordinate corporate guaranties from Twin State Environmental, LLC, Twin State Inc., OAT Investments Iowa, Inc., CCT Investments Iowa, Inc., Tigger Investments Iowa, Inc.

ANALYSIS AND FINDINGS OF FACT:

- As proposed, the JDA loan would be subordinate to a Quad City Bank & Trust loan of \$3,800,000 putting total loan-to-value at approximately 88.27%.
- The request complies with Growth Fund policies and procedures.
- Confidential financial documents are available to Growth Fund Committee and JDA members upon request.

SUPPORTING MATERIAL:

- Business Financing Application

Program Overview

Completed by john@tsenv.com on 1/20/2026 2:04 PM

Case Id: 30566

Name: Twin State Environmental - 2025

Address: 1335 23rd Ave NE, Grand Forks, ND 58203

Program Overview

Please provide the following information.



City of Grand Forks
PACE/Flex PACE
Interest Buy Down
Program Application

Grand Forks Region EDC
120 N. 4th Street
Grand Forks, ND 58203
(701) 746-2724
kevinh@grandforks.org

Program Overview

PACE Loan

Through the Participating in Assisting Community Expansion (PACE) program, the Grand Forks Growth Fund may provide a no-interest, deferred loan up to \$269,000 to leverage a Bank of North Dakota grant up to \$500,000 to collectively reduce the interest paid on a loan used to acquire land or equipment or for working capital. Projects considered for PACE are those that result in the creation of new jobs. Applicants must be primary sector certified through the North Dakota Department of Commerce.

Flex PACE

For companies that do not fit the traditional definition for the PACE program, FlexPACE may be an option. The Grand Forks Growth Fund may provide a loan up to \$107,000 to leverage Bank of North Dakota support up to \$200,000. The FlexPACE program is used for a variety of project types including childcare centers and quality of life investments.

A. Contact Information

Completed by john@tsenv.com on 1/20/2026 2:59 PM

Case Id: 30566

Name: Twin State Environmental - 2025

Address: 1335 23rd Ave NE, Grand Forks, ND 58203

A. Contact Information

Please provide the following information.

A.1. Business Name

Twin State Environmental

A.2. Federal Tax Identification Number

A.3. Primary Contact Name

John Walters

A.4. Title

Director

A.5. Phone

A.6. Email

A.7. Date Business Established

May 3, 2018

A.8. Legal Structure

Limited Liability Company

A.9. Business Address

3539 E. Kimberly Rd Davenport, IA 52807

A.10. Company Description

Raptor® Cleaning Systems is the cutting-edge cleaning system of Twin State Environmental. With years invested in designing innovative systems, Raptor® Cleaning leads all competition in providing the safest, most cost effective and fastest railcar cleaning and heel removal products available in the market. Raptor® Tank Cleaning system's innovative robotic design and durability eliminates Human Confined Space entry, decreases down-time, and supports environmentally friendly protocols.

A.11. What loan type are you applying for?

PACE

B. Project Information

Completed by john@tsenv.com on 1/20/2026 3:13 PM

Case Id: 30566

Name: Twin State Environmental - 2025

Address: 1335 23rd Ave NE, Grand Forks, ND 58203

B. Project Information

Please provide the following information.

B.1. Project Description

The purpose is to develop and operate a Railcar cleaning facility. The Raptor® Tank Cleaning System removes a broad range of materials and is built for most railcar environments including, hazardous, corrosive, food grade, flammable, and explosive. After cleaning, the railcars are placed back into circulation for continued use. <https://www.raptortank.com/>

B.2. Project Address

1335 23rd Ave NE Grand Forks, ND 58203

B.3. Current Number of Employees

0

B.4. Projected Number of Employees (within 24 months)

6

B.5. Current Average Hourly Wage Plus Benefits

\$26.00

B.6. Projected Average Hourly Wage Plus Benefits

\$28.00

B.7. Describe the benefits that will be offered.

Medical, Dental, Vision, 401K, clothing stipend

LENDER INFORMATION

B.8. Primary Lender

Quad City Bank & Trust

B.9. Lender Contact Person

Nathan D. Kessler

B.10. Lender Phone

(309) 743-7719

B.11. Lender Email

NKessler@qcbt.com

C. Sources & Uses

Completed by john@tsenv.com on 1/21/2026 3:05 PM

Case Id: 30566

Name: Twin State Environmental - 2025

Address: 1335 23rd Ave NE, Grand Forks, ND 58203

C. Sources & Uses

Please provide the following information.

C.1. Sources

	Lender/Source Name	Rate	Months Amortized	Term Months	Amount
Equity	Twin State Environmental	0.00%			\$809,770.00
Source A	Quad City Bank & Trust	6.75%	60	60	\$3,800,000.00
Source B		0.00%			\$0.00
Source C		0.00%			\$0.00
Source D		0.00%			\$0.00
Source E		0.00%			\$0.00
Source F		0.00%			\$0.00
	Debt Financing Total				\$4,609,770.00

C.2. Uses

Use of Funds	Equity	Source A	Source B	Source C	Source D	Source E	Source F	Total Uses
Working Capital	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Inventory	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Machinery/Equipment	\$0.00	\$1,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00
Building Fit-Up	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Acquistion/Land	\$99,770.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,770.00
New Bldg.Construction	\$770,000.00	\$2,740,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,510,000.00
Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Sources	\$869,770.00	\$3,740,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,609,770.00

NOTE: Include a detailed explanation of uses of funds, including specific equipment (if applicable), on a separate page.

C.3. PACE Buydown Information

Lending Entity	Term Months	Amortization	Rate	Amount
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Printed By: Anna Henningsgard on 2/3/2026

5 of 17

		Months		
Bank of North Dakota (Rate: 0% - Months Amortized: 0)				\$0.00
Grand Forks Growth Fund (Rate: 1% - Months Amortized: 12)				\$0.00
Bank of North Dakota				\$500,000.00
Grand Forks Growth Fund	60	60	1.75	\$269,231.00

D. Valuation & Security

Completed by kevinh@grandforks.org on 1/26/2026 4:41 PM

Case Id: 30566

Name: Twin State Environmental - 2025

Address: 1335 23rd Ave NE, Grand Forks, ND 58203

D. Valuation & Security

Please provide the following information.

D.1. How will the loan be secured?

- Mortgage
- UCC Equipment Lien
- Corporate Guaranty
- Personal Guaranty
- Other

VALUE OF COLLATERAL

D.2. Value

\$4,609,770.00

D.3. Proposed Growth Fund Security Position

2nd

D.4. Address of Secured Property

1335 23rd Ave NE Grand Forks, ND 58203

D.5. Private Debt Secured by Property (include existing & proposed private debt) - Select "Add a Row" to complete the table

Creditor	Amount
Quad City Bank & Trust	\$3,800,000.00
Total Private Debt Secured by Property	\$3,800,000.00

D.6. Proposed Growth Fund PACE/FlexPACE Loan

\$269,231.00

D.7. Total Proposed Debt Secured by Property

\$4,069,231.00

D.8. Proposed Growth Fund Loan-to-Value

88.27%

EQUITY

D.9. Describe equity sources and how they will be obtained and appraised.

Printed By: Anna Henningsgard on 2/3/2026

Cash on hand

Personal Investment injected into project

GUARANTY

D.10. List all guarantors in the table below. Select "Add a Row" to complete the table below.

Name	Amount
Twin State Environmental	\$4,069,231.00
Twin State Inc.	\$4,069,231.00
OAT Investments Iowa, Inc	\$4,069,231.00
CCT Investments Iowa, Inc.	\$4,069,231.00
Tigger Investments Iowa, Inc.	\$4,069,231.00

E. Additional Company Information

Case Id: 30566

Name: Twin State Environmental - 2025

Address: 1335 23rd Ave NE, Grand Forks, ND 58203

Completed by kevinh@grandforks.org on 1/26/2026 4:40 PM

E. Additional Company Information

Please provide the following information.

E.1. Company Ownership

Name	% Ownership	Address	Phone
OAT Investments Iowa, Inc.	25.00%	3541 East Kimberly Rd, Davenport, IA 52807	563-359-3624
CCT Investments Iowa, Inc.	25.00%	3541 East Kimberly Rd, Davenport, IA 52807	563-359-3624
Tigger Investments Iowa, Inc.	25.00%	3541 East Kimberly Rd, Davenport, IA 52807	563-359-3624
Twin State, Inc.	25.00%	3541 East Kimberly Rd, Davenport, IA 52807	563-359-3624

E.2. Company Management

Name	Title	Address	Phone
Scott Tinsman III	Founder & CTO	3541 East Kimberly Rd, Davenport, IA 52807	563-359-3624

E.3. Key Advisors

	Name	Firm/Company	Email	Phone
Attorney	Terry Giebelstein	Lane & Waterman, LLP	tgiebelstein@l-wlaw.com	563-324-3246
Accountant	Alana Carroll	Deloitte	alanacarroll@deloitte.com	563-445-9065
Insurance Agent	Tom Bracke	USI Insurance	thomas.bracke@usi.com	309-737-4902

NOTE: All persons for whom contact information has been provided may be contacted as part of the Grand Forks Growth Fund's review and evaluation of this application.

F. Required Documents

Completed by kevinh@grandforks.org on 2/2/2026 10:46 AM

Case Id: 30566

Name: Twin State Environmental - 2025

Address: 1335 23rd Ave NE, Grand Forks, ND 58203

F. Required Documents

Please provide the following information.

Documentation

Business Plan / Business Opportunity Summary *Required

Cleaning Facility Financials Model ND.xlsx

Commitment Letter from your bank relating to financing project *Required

TSE Commitment Letter.pdf

Twin State Environmental - Corporate Guarantee.pdf

Commitment Letter from your bank relating to working capital line of credit *Required

TSE Working Capital Letter.pdf

Federal Tax Returns for previous 3 years for all entities on application *Required

Federal Tax Return - TY24.pdf

Federal Tax Return - TY23.pdf

Federal Tax Return - TY22.pdf

Interim Financial Statements (Balance sheet & income statement) *Required

12 - TSE Fin Stmts.pdf

TS Fin Stmt - CY25.pdf

Key Person Insurance *Required

TSE Key Person Insurance.pdf

Key Person Insurance Statement.pdf

Personal Financial Statement (for all guarantors) *Required

12 - TSE Fin Stmt.pdf

Pro Forma *Required

Cleaning Facility Financials Model ND.xlsx

G. Company Disclosures

Completed by john@tsenv.com on 1/22/2026 3:15 PM

Case Id: 30566

Name: Twin State Environmental - 2025

Address: 1335 23rd Ave NE, Grand Forks, ND 58203

G. Company Disclosures

Please provide the following information.

G.1. Will the loan be secured by equipment/business assets?

Yes

If yes, provide detailed descriptions of said equipment/assets.

Cash in Bank Account

G.2. Has the company or any of its principals ever been involved in bankruptcy or insolvency proceedings?

No

G.3. Is the company or any of its principals involved in any pending lawsuits?

No

G.4. Does the company buy from, sell to, or use the services of any company in which someone in the company has a significant financial interest?

No

G.5. Are any of the company's existing loans delinquent?

No

G.6. Are there any judgments against the company or any of its principals?

No

Submit

Completed by john@tsenv.com on 1/26/2026 11:00 AM

Case Id: 30566

Name: Twin State Environmental - 2025

Address: 1335 23rd Ave NE, Grand Forks, ND 58203

Submit

Please provide the following information.

The undersigned specifically acknowledge(s) that: (1) verification or re-verification of any information contained in the application may be made at any time by the Grand Forks Growth Fund, a Jobs Development Authority (Growth Fund), its agents, successors, and assigns; either directly or through a credit reporting agency from any source named in this application and the original copy of this application will be retained by the Growth Fund, even if the request is not approved; (2) the Growth Fund, its agents, successors, and assigns will rely on the information provided in this application and I/We, the undersigned, have a continuing obligation to amend and/or supplement the information provided in this application if any of the materials facts which I/We have represented herein should change prior to closing; and (3) in the event my/our payments indicated in this application become delinquent, the Growth Fund, its agents and assigns may, in addition to all their other rights and remedies, report my/our name(s) and account information to a credit reporting agency.

I/We, the undersigned, understand and acknowledge that this application is considered public record and the information contained herein may be discussed at public meetings. Conditions limiting public disclosure of certain proprietary and/or confidential information are outlined and governed by North Dakota Century Code Sections 44-04-17 through 44-04-20

I/We, the undersigned, authorize the Growth Fund, its agents, successors, or assigns, to make all inquiries it deems necessary to verify the accuracy of the information contained herein and to determine the credit worthiness of the undersigned.

I/We, the undersigned, authorize all lenders named herein, and their agents, successors, and assigns, to release information relevant to this application to the Grand Forks Growth Fund and the Grand Forks Region EDC. I/We further authorize the Grand Forks Growth Fund and Grand Forks Region EDC, and their agents, successors, and assigns, to release information regarding this application to those lenders named herein.

I/We, the undersigned, certify that the information provided in this application is true and correct as of this date and that I/We am/are duly authorized to submit this application and understand the conditions set forth herein.

Signature

John Walters - Twin State Environmental

Electronically signed by john@tsenv.com on 1/26/2026 10:59 AM

Date

01/26/2026

Equal Opportunity Lender. The Grand Forks Growth Fund, a Jobs Development Authority, does not discriminate against credit applicants on the basis of race, color, religion, national origin, sex, gender, sexual orientation, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Checklist

No data saved

Case Id: 30566

Name: Twin State Environmental - 2025

Address: 1335 23rd Ave NE, Grand Forks, ND 58203

Checklist

Please review and confirm the following items.

Application Review	Date Completed	Notes
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Threshold Review Complete

Threshold Approval Email Sent

Status Updated

Approved Applications	Date Completed	Notes
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Environmental Review Completed

Agreement Full Executed

Purchase Order Received

Monitoring	Date Completed	Notes
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Risk Assessment Completed

Monitoring Completed

Monitoring Follow-up (if applicable)

Admin Documents

No data saved

Case Id: 30566

Name: Twin State Environmental - 2025

Address: 1335 23rd Ave NE, Grand Forks, ND 58203

Admin Documents

Please provide the following information.

Documentation

ACH Transfer Confirmation

**No files uploaded

Approved Staff Report/Minutes

**No files uploaded

Corporate Guaranty

**No files uploaded

Key Person Insurance

TSE Key Person Insurance.pdf

Key Person Insurance Statement.pdf

Ledger Entry

**No files uploaded

Loan Agreement

**No files uploaded

Mortgage

**No files uploaded

Personal Guaranty

**No files uploaded

Promissory Note *Required

**No files uploaded

Security Agreement *Required

***No files uploaded*

Signed Term Sheet *Required

***No files uploaded*

UCC Filing

***No files uploaded*