United Cooperative

Agribusiness Development Project Overview - Waupun Industrial Park

May 31, 2022
United Cooperative

- Headquartered in Beaver Dam, WI and is a full-service cooperative offering feed, grain, agronomy and energy services to patrons throughout much of Wisconsin, northern Illinois, and upper-Michigan, eastern Iowa, southeast Minnesota.

- Proposed development calls for construction of a three-phase development that includes expansion of feed production and grain handling operations, and the addition of a soybean processing facility to be located on 65 acres of city-owned land in the Waupun Industrial Park.
Proposed Development Site
Three-Phase Development

- **Phase One Feed Production:** Construct a commercial building and related structures and fixtures for the operation as a feed mill for the storage, processing and distribution of animal feed, and related agricultural products. Construction to commence in 2022 with project completion by December 31, 2024.

- **Phase Two Grain Storage and Handling.** Construct facilities for receiving, drying, storage and sale of grain. Construction to commence in 2022 with project completion by December 31, 2024.

- **Phase Three Soybean Processing.** Construct a soybean processing facility (7.5M bushels processed annually) and related structures and fixtures for the cleaning, crushing, and processing of soybeans for the sale of soybean oil and soybean meal. Anticipated construction to commence in 2023 with project completion by December 31, 2025.
Site Selection Criteria

- United completed a site feasibility study

- (WSOR) rail service and highway access to US 151 from STH 26

- Close proximity to a large percentage of dairy farms and soybean production in Wisconsin

- Height variance obtained via public hearing (completed in December of 2021)
Economic Impact

- Projected development costs of $100M
- Guaranteed Tax Valuation of $33.5M over life of TID
- Land Sale $20K/acre - total purchase price of $1.3M
- Estimated to generate $13M over life of TID
- Beneficiaries: local farmers, bankers, equipment and machinery manufacturers and implement dealers; other value-added agriculture processors; businesses in construction and logistics service sectors
- Job Creation: 50 full-time skilled operations and management positions ($22/hour; estimated annual payroll $3M when fully operational)
Transportation Impact

- Rail: 4 to 5 train cars per day
- Truck: estimated 60 trucks per day (peak 200 during harvest)
- Predominant route: US 151 North and south bound with exits at STH 26
- WI-DOT Investigative Review requires upgrades to turn lanes but no other infrastructure changes to STH26 based on traffic projections; Future changes require cost share between parties to address upgrades if needed
Environmental & Safety

- **Air Quality:** WI-DNR and City of Waupun Ordinance standards; no hexane permitted for soy processing facility.

- **Ground Water:** Subject to Storm Water Plan, Spill Prevention Control and Countermeasures Plan and Facility Response Plan.

- **Odor:** Majority of processes familiar to City of Waupun with other businesses preforming similar operations within the City’s Central Business District. DA includes process to respond to and mitigate complaints if they arise.

- **Noise:** Performance standards as outlined in City ordinance.

- **Decommissioning of Facility:** Requires Developer to decommission facility if they cease operation.
Financial Obligations

- Creation of new Tax Increment District

- City Installed Infrastructure
  - Estimated cost: $3.1M
  - Total project costs: $9.4M
  - Possible EDA Grant ($2.4M)
Incentives

- Occupancy & timely completion of Phases 1 and 2 (12/31/24) and Phase 3 (12/31/25) incentive: Tiered allocation for each phase where timely occupancy is obtained, calculated on percentage of valuation of the total project capped at $1.3M.

- Additional Pay-go incentive: 80% of available increment after annual City Debt Service is satisfied, capped at $2.5M.

- Payment in Lieu of Taxes (PILOT): in any year where increment generated from the project is insufficient to cover City Debt Service, Developer will make PILOT payment to City to cover debt service payment and no pay-go incentive will be paid in that given year.
Next Steps

- Information portal on City website
- Final Developer Agreement available on or before June 7, 2022
- Final project review at Council meeting June 14, 2022 with Action
- Site plan review, permitting, etc. if approved
- TID Creation