



\*\*\* All present are expected to conduct themselves in accordance with our City's Core Values \*\*\*

# OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

## \*\*\*Revised\*\*\* ADDENDUM

Meeting of: **COMMITTEE OF THE WHOLE**  
 Bill Nagle, Romey Wagner (c), David Nutting, Tom Neal, Gary Gisselman, Keene Winters, Lisa Rasmussen, Karen Kellbach, Dave Oberbeck, Sherry Abitz, Robert Mielke and Mayor

Members: Tipple, ex-officio

Date/Time: **Tuesday, May 26, 2015 at approximately 8:00 PM**  
**(immediately following Common Council)**

Location: **City Hall 407 Grant Street - Council Chambers**

1) Update and discussion regarding joint discussions relating to the Village of Brokaw

**CLOSED SESSION** pursuant to Section 19.85(1)(e) of the Wisconsin Statutes for the purpose of deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session; including discussion and possible action on the potential land acquisition and relocation of Wausau Chemical Corp. \*\*\*and discussion and possible action authorizing city staff to initiate Amendment #4 to Tax Increment District #5 Project Plan\*\*\*

2001 North River Drive (3.34 Acres) PIN#291-2907-252-0987  
180 East Wausau Avenue (1.0 Acres) PIN#291-2907-243-0956  
2001 North 2nd Street (0.6 Acres) PIN#291-2907-252-0571  
North 2nd Street (.58 Acres) PIN#291-2907-252-0986

3) **RECONVENE** into open session to take action on closed session items, if necessary.

4) Adjourn

Romey Wagner  
City Council President

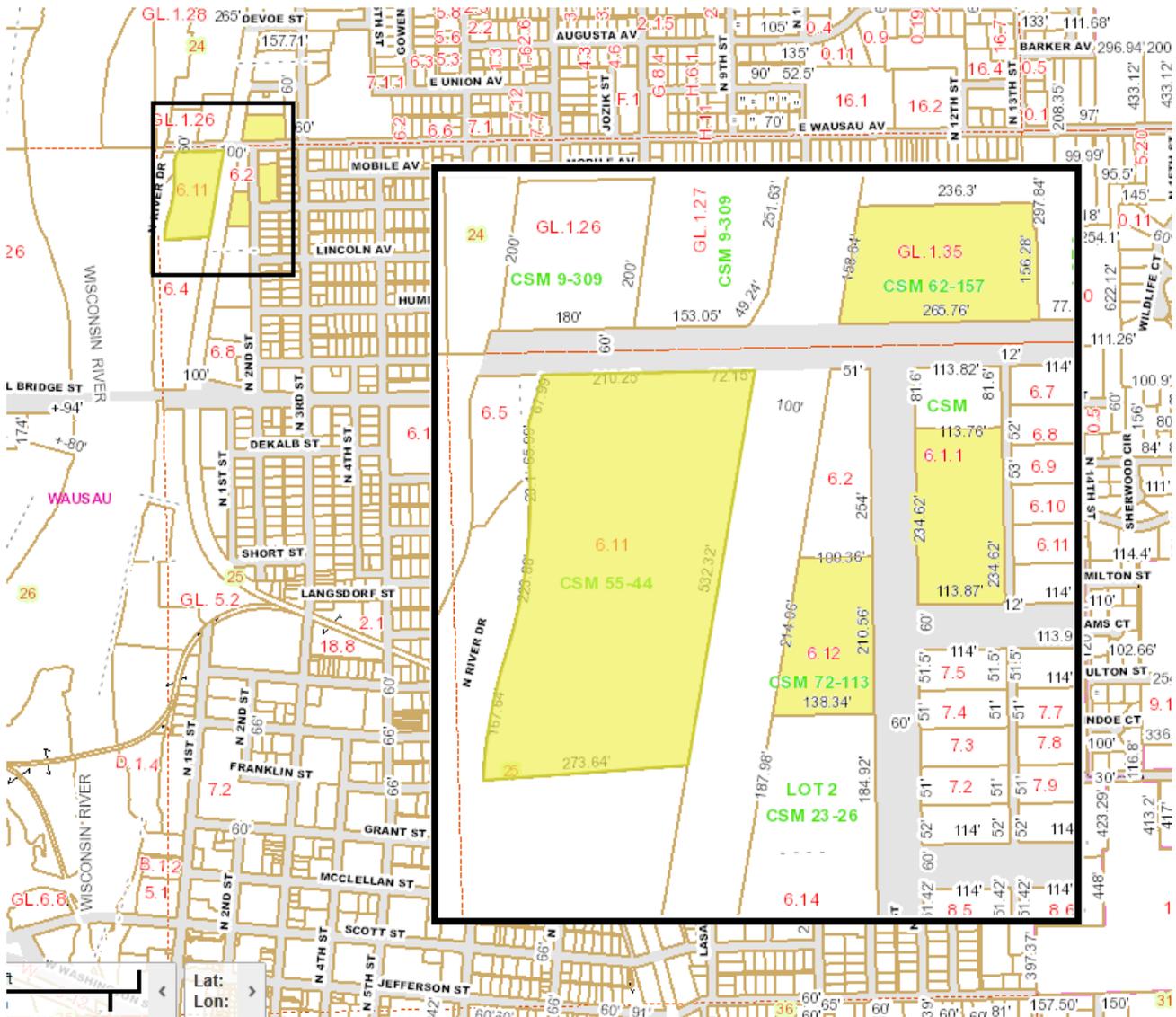
**This notice was posted at City Hall and faxed to the Wausau Daily Herald on 05/22/15 at 3:00 pm**

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For information or to request this service, contact the Clerk's Office at 715-261-6620, Wausau City Hall, Wausau, WI 54403

# Wausau Chemical Corporation

## Project Overview

May 21st, 2015



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## **Wausau Chemical**

Wausau Chemical Corporation (WCC) serves the dairy, agriculture, laundry, manufacturing and other industries. WCC manufactures numerous formulations and handles a significant volume of hazardous and flammable materials. WCC has been in its current location since 1962 and employs 31 people, 24 of which work in the Wausau location.

## **Project Introduction**

In the spring of 2014 the city of Wausau approached WCC to see if there would be an interest in moving out to the industrial park. At that time, WCC committed to investigating the feasibility of this move. The general framework of the deal is WCC, with assistance from the city, would build a new facility in the industrial park. Upon completion the existing WCC properties would be donated to the city.

## **Existing Facilities**

### **Main (291-2907-252-0987)**

2001 North River Drive (3.34 Acres)

Purchase price \$625,000

Improvements \$960,000

Taxes \$13,772.24

Assessed Value \$568,700

Appraised Value \$530,000

Building foot print is approx. 33,680 sq. ft.

Office Mez is 3,000 sq. ft. Total office space is 6,850.

Plant Mez is 2,040 sq. ft.

Total 38,720 sq. ft.

### **Warehouse (291-2907-243-0956)**

180 East Wausau Avenue (1.0 Acres)

Purchase price \$375,000

Improvements \$35,000

Taxes \$8,460.34

Assessed Value \$350,500

Appraised Value \$320,000

Building foot print is approx. 14,200 sq. ft.

Total 14,200 sq. ft.

### **Office/Warehouse (291-2907-252-0571)**

2001 North 2<sup>nd</sup> Street (.6 acres)

Purchase price \$88,000

Improvements \$5,000

Taxes \$5,612.07

Assessed Value \$233,500

Appraised Value \$130,000

Building foot print is approx. 17,144 sq. ft.

Office at Grade 3,772.

Office at warehouse level. 6,854. sq. ft.

Total 20,916 sq. ft.

### **Land (291-2907-252-0986)**

North 2<sup>nd</sup> Street (.58 acres)

Purchase price included in building above

Improvements \$0

Taxes \$1,078.45

Assessed Value \$44,300

Appraised Value \$40,000

### **Totals**

Purchase Price \$1,088,000

Improvements \$1,000,000

Taxes \$28,923.10

Assessed Value \$1,197,000

Appraised Value \$1,020,000

Acreage (5.52 Acres)

Building existing foot print (65,024)

Plant Mez area (2,040 sq ft)

Office Area (17,476)

Total sq. ft. (73,836)

### **Existing Investment**

The 2006 Appraisal for the main facility which was used as the basis for purchase in 2007 was 625,000. Facility located at 180 East Wausau Ave was purchased for \$375,000.

Tamzen building and outlying lot was purchased for \$88,000. There has been close to \$1,000,000 of investment into the facilities since 2007. The existing investment in the facilities totals **2,088,000**.

## Project Approach

Three local construction planning companies were engaged in the process of determining the building requirements and total costs. These costs are strictly for the building itself and do not included process piping, plant equipment or office furnishings.

Company	Building footprint	Building usable sq. ft.	Office sq. ft.	Estimated Cost
Ghidorzi	74,052	84,137	15,645	9,138,568
Samuels		80,656	15,948	7,670,993
Keller	66,095	77,755	apprx 12,000	7,310,000
WCC Current	65,024	73,836	17,476	2,088,000

## Project Costs

Per the request of the owner, the Keller bid has no contingency built in and assumes 6” of roof insulation instead of a standard 12”. The Ghidorzi and Samuels bids have known missing elements. Ghidorzi bid is higher as the exterior is concrete block and a flat roof system is used where others are primarily sheet metal exteriors. Given all the information the assumption is the building cost is \$7.8 million. The \$7.8 million total will therefore encompass a \$490,000 contingency (6.3%) on the Keller estimate and a \$129,007 (1.7%) contingency on the Samuels estimate.

A parcel about 10.25 acres is required for the building and has been selected in the industrial park.

## WCC Incremental Costs

Assuming an assessed value of \$6.24 million (using 80% of construction cost), the property tax obligation for Wausau Chemical would be \$149,482. This is an increase of \$120,559 per year.

The increased insurance premium is about \$5,000 per year.

As part of the project WCC will require financing. For each \$1,000,000 of capital at 4% amortized over 20 years the payment required is \$6,060 per month or \$72,720 per year.

## Considerations

The following elements are important in the consideration of the Wausau Chemical project.

- 1.) Wausau Chemical is not moving for its own purposes, but rather upon the request of the city. Wausau Chemical believes the move will benefit both the company and the city of Wausau in the long term.
- 2.) Given the estimated project costs, Wausau Chemical would not be able to move without assistance from the city. Given the cost involved, there is not a realistic scenario where Wausau Chemical would facilitate a future move of its own accord.
- 3.) Wausau Chemical is in the business of handling hazardous material. For the safety of the community and residential neighborhoods nearby, this manufacturing facility would be better placed in an industrial park.
- 4.) Using funds from the TIF 5 district before it closes on July 8<sup>th</sup> will not negatively impact any other project or program in the city of Wausau.
- 5.) The TIF 5 district has the funds available to support this project.
- 6.) Building a new plant in the industrial park will create significant incremental tax revenue in perpetuity for the city.
- 7.) The riverfront property has much higher value and can be better used in completion of a commercial or residential river front corridor.
- 8.) Better utilizing the river front property will raise the assessed value of the properties far beyond the current \$1,197,000.
- 9.) The increased traffic from the river front will offer future opportunity for new businesses and help support existing ones.
- 10.) It is likely the city will be able to get a federal grant for up to \$1,000,000 in the effort to cleanup and improve the brownfield site.

## Observations

With the closing of the TIF 5 district this project is realistically a one-time opportunity for the city of Wausau and Wausau Chemical. This project enables the city of Wausau to enjoy a two-for-one benefit as the increased tax revenue in TIF 5 will be accompanied by increased tax revenue in the river front development area. Another benefit the city will enjoy is access to federal grant money for brown field clean up to assist in the river front development. Clearly, Wausau Chemical will benefit from being located in the industrial park with easier access to the highway and having operations under one roof.