



CLINTON ★ STATE REPRESENTATIVE
ANDERSON

To: Assembly Committee on Ways and Means
From: Representative Clinton Anderson
Re: Testimony on Assembly Bill 834
Date: January 11, 2024

Chairman Macco and members of the Assembly Committee on Ways and Means,

Agriculture is a cornerstone of Wisconsin's economy, contributing significantly to our state's financial well-being. The soybean industry, in particular, plays a vital role in sustaining Wisconsin's agricultural strength. However, the absence of a soybean processing facility within the state has compelled Wisconsin farmers to transport their soybeans to out-of-state facilities, leading to increased transportation costs and logistical challenges.

AB 834 addresses this issue by enabling CHS, a reputable agribusiness company, to establish a state-of-the-art soybean processing facility in the City of Evansville. This \$700 million investment is not only a testament to the economic potential of the region but also a boon for local farmers and the broader Wisconsin agricultural community. Rock County is the top soybean-producing county in the state, and the proposed soybean processing facility is strategically positioned to serve as a hub for soybean business from northern Illinois and the surrounding areas, thereby amplifying its impact on the local economy.

To ensure the viability of this transformative project, Evansville is in the process of establishing a Tax Incremental Financing district to assist with infrastructure costs, capped at \$55 million. However, the city is facing a challenge due to the statutory 12% cap on the total value of taxable property in TIF districts. AB 834 provides a solution to this challenge by creating a specific exception to the 12% cap for TID Number 10 in the City of Evansville.

This legislation is not an isolated measure; it follows the established precedent of similar exceptions that have been unanimously passed by the legislature. By supporting this bill, we are not only endorsing a vital economic catalyst for Evansville but also safeguarding the city's ability to undertake future economic development initiatives.

Sincerely,

Clinton Anderson
State Representative
45th Assembly District



To: Assembly Committee on Ways and Means
From: Senator Mark Spreitzer
Re: Testimony on Assembly Bill 834
Date: January 11, 2024

Chair Macco and committee members:

Thank you for hearing Assembly Bill 834, and for the opportunity to provide testimony in favor of this bill. I am proud to be here today with my bipartisan co-authors to support the City of Evansville as it works to bring jobs and economic activity through its partnership with CHS on a new soybean processing facility. AB 834 would grant a one-time exception to state statutes limiting tax incremental financing districts to 12 percent of the total equalized value of taxable property in a city or village. Due to its size and scope, the proposed CHS project alone would exceed this limit, and AB 834 will allow for an exception to the limit for this critical project.

This project represents a bipartisan effort to invest in the future of Evansville and Wisconsin. Rock County is the top producer of soybeans in the state of Wisconsin, and the entire state will benefit from having this processing plant in Evansville.

This \$700 million processing facility will be a leader in the state and the region. In 2022, Wisconsin farmers planted 2.2 million acres of soybeans and harvested 116 million bushels. When it is completed, the proposed CHS plant will be able to process 70 million bushels each year - representing an almost 50% increase for the state of Wisconsin's total soybean processing capacity, which was 160 million bushels in 2022.

This tremendous project represents an important opportunity for the City of Evansville, Rock County, and the entire state of Wisconsin. AB 834 ensures that local stakeholders - who have worked hard to bring this project to our state - are able to see it through. I was glad to partner with Sen. Marklein, Rep. Novak, and Rep. Anderson to bring this bipartisan legislation forward for our state and our local communities.

Thank you again for the opportunity to provide testimony in support of this bill. Please do not hesitate to reach out to my office with any questions.

Sincerely,

Mark Spreitzer
State Senator
15th Senate District

15th SENATE DISTRICT



WISCONSIN LEGISLATURE

P. O. Box 7882 Madison, WI 53707-7882

Sen. Howard Marklein and Rep. Todd Novak Testimony before the Assembly Committee on Ways and Means on Assembly Bill 834

January 11, 2024

Thank you Chairman Macco and committee members for hearing Assembly Bill (AB) 834, which will allow CHS to build a brand-new soy bean processing facility in the City of Evansville, WI. Thank you Rep. Ohnstad for co-sponsoring this bipartisan legislation.

AB 834 allows CHS, a Minnesota-based agribusiness company, to build a brand-new, \$700 million soybean processing facility in the City of Evansville, WI by creating a narrow exception to the 12% TID cap set in statute. The 12% cap requires that the equalized value of the taxable property in the TID plus the value increments of all existing TIDs, does not exceed 12% of the total equalized value in the municipality. It is projected that this project will cause Evansville to exceed the 12% cap by 2026. Once the TID for this project closes, the 12% cap remains for Evansville.

Agriculture contributes \$104.8 billion annually to Wisconsin's economy and soybeans play an integral role in keeping Wisconsin's agriculture economy strong. In fact, Rock County is Wisconsin's top soybean producing county and the majority of soybeans grown in Wisconsin are grown within 100 miles of Evansville. However, despite the number of soybeans grown in Wisconsin, there is currently no soybean processing facility in the state. This means that Wisconsin farmers are shipping their soybeans out of state for processing – oftentimes to Chicago – which leads to increased transportation challenges and higher costs.

The new facility will have a ripple effect on the local economy, increase profit for farmers, and bring in soybean business from northern Illinois. The new facility will create 90 jobs and have the capacity to process 70 million bushels of soybeans each year.

To support the CHS project, Evansville is in the process of creating a Tax Incremental Financing (TIF) district to reimburse a portion of infrastructure costs. This will make the Evansville site cost competitive and the project economically viable for the region.

The City of Evansville has 4 active TIF districts with an incremental value of 4.65% of the City's total equalized value. The incremental value of the CHS project alone will be 14% of Evansville's current equalized value, thus exceeding the 12% valuation threshold. The project would also preclude Evansville from using TIF for any other economic development project in the future.

While the city of Evansville will benefit directly from the soybean processing facility, this once in a generation agriculture project will be an economic catalyst for the greater region and the entire state. However, without this legislation, the city will shoulder the entire burden, and in the process lose its ability to foster additional economic development that will be needed because of this project.

AB 834 is modeled on other exceptions to the 12% cap that have been passed unanimously by the legislature.

Assembly Substitute Amendment 1 to AB 834 clarifies that the exception only applies to the creation of this TID and not any other TIDs created before this TID terminates.

AB 834 is supported by agricultural and economic development groups such as the Wisconsin Farm Bureau Federation, the Wisconsin Soybean Association, and the Wisconsin Economic Development Association.



City of Evansville

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PO Box 529
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January 11, 2024

Testimony on Assembly Bill 834 before the Assembly Committee on Ways and Means

Good morning, Chairman Macco and members of the committee. My name is Jason Sergeant, and I serve as the City Administrator for the City of Evansville. Evansville is located in Rock County and has a rich history, high quality of life, as well as agricultural and manufacturing roots that have been fueled by a strong entrepreneurial spirit.

I would like to thank Chairman Macco and members of the committee for the opportunity to testify today on Assembly Bill 834. This important legislation will provide Evansville with narrow tax incremental financing (TIF) flexibility that is needed to facilitate a once-in-a-generation, nearly three quarters of a billion dollar agribusiness project that will promote significant growth and economic prosperity across the state, regionally, and locally. I would also like to thank Rep. Novak and Sen. Marklein for authoring this legislation as well the Assembly members that have signed on as cosponsors. The City of Evansville appreciates their efforts to drive economic development.

The project I just referenced is a \$700 million, 70-million-bushel oilseed processing facility, which would be developed and operated by CHS Inc., a Minnesota-based global agribusiness and the largest farmer-owned cooperative in the United States. The proposed facility, which will produce soybean meal, soybean hulls, and soybean oil, will create 90-100 jobs, boost the regional economy, spur new businesses, and generate additional tax revenue. As the only soybean crushing facility in Wisconsin, the project will also connect soybean farmers directly to markets and improve agriculture supply chains for livestock feed.

However, but for the use of TIF and specifically the creation of Tax Incremental District (TID) No. 10, which is referenced in AB 834, this project is simply not economically feasible, as the extra ordinary required utility and infrastructure costs are too great for either the city or CHS to shoulder independently. Evansville is committed to the responsible use of TIF financing to strike an economic and practical balance between the public and private investments needed for this major agribusiness project. However, the city believes the success of the project and future economic growth in the region hinges on the Legislature providing narrow, TID-specific tax incremental financing flexibility to Evansville via AB 834. This important piece of legislation will provide the City with some very timely and specific TIF relief to help with facilitating a once-in-a-generation, economic development project that has significant direct and indirect statewide benefits. Moreover, this relief will also afford the City with an appropriate level of TIF flexibility so that it can continue to position and compete for future investment and growth related opportunities.

Pending completion of the proposed CHS facility in 2026, Evansville will exceed the 12-percent TIF limit set in state statute. As you know, the 12-percent limit requires the equalized value of the taxable property in the new TID, plus the value increment of all existing TIDs, not to exceed 12-percent of the total equalized value in the city. Once this 12-percent limitation has been exceeded, a community becomes TIF-ed out and therefore, it no longer has access to its strongest and in some cases, its only tangible economic development tool.

To date the City has four active TIF districts with a combined incremental value of \$31 million which is approximately is 4.65-percent of Evansville's total equalized value and well below the 12-percent statutory limit. However, the proposed CHS soybean crushing facility has an estimated incremental value of \$110 million, meaning the value of the project alone would be 14% of the city's current equalized value, far exceeding the 12% valuation threshold. With that being the case, if the CHS projects is to move forward as planned, Evansville will be prevented from using TIF for any other economic development project within our borders or to encourage redevelopment in the community. Based on these estimates and assuming there are not any construction or operational delays, the City will be TIF-ed by 2026.

It is also important to reiterate that while the City of Evansville will benefit directly from the CHS project, the entire region and state, as well as the agriculture industry in Wisconsin, will also significantly benefit. Unfortunately, only the city will lose its ability to use TIF, our primary local economic development tool. That is of course, unless the Legislature passes AB 834.

As you can appreciate, the City finds itself in a predicament: apply and use its TIF tool to facilitate an important economic development project with statewide implication and become TIF-ed for approximately the next 20 years; or choose not to use TIF and forego the one-time and ongoing economic benefits of the soybean oilseed processing and refinery project. AB 834 can directly mitigate and alleviate this dilemma by exempting TID No. 10 from the 12-percent rule.

In closing, I would respectfully encourage you to support the important and timely legislative relief proposed by AB 834, and ultimately help facilitate an extraordinary economic development project and promote future growth in Evansville and across the state.

Thank you for your consideration.

Testimony on Assembly Bill 834 before the
Assembly COMMITTEE ON Ways and Means

January 11, 2024

CHS Inc.

Chairman Macco, Members of the Committee, my name is Jake Hamlin, State Director of Government Affairs for CHS Inc. Governed by a 17-member farmer board, CHS is a diversified agriculture and energy cooperative based in Inver Grove Heights, Minnesota. As part of our overall global operations, we operate soybean crush, processing, refining and export facilities across the Midwest.

CHS proposes to construct a 70-million bushel per year soybean processing facility in Evansville, Wisconsin. This investment would be the first commercial scale soybean processing facility in Wisconsin, situated in the leading soybean producing county in the state – Rock County. CHS intends to process soybeans to create soybean meal, soybean hulls and soybean oil, and create 90 jobs at the facility. The Wisconsin Soybean Marketing Boards feasibility study illustrates the significant local and statewide value-added agriculture and economic benefit for Wisconsin soybean growers, the City of Evansville, Rock County and the State of Wisconsin.

For more than a year now, CHS, McGough, Rock County, the City of Evansville, the Wisconsin Soybean Association, the Wisconsin Farm Bureau and countless others have been working together through the project steps of community engagement, site assemblage, and various local and state approvals.

Without the use of Tax Increment Financing (TIF) and the creation of Tax Incremental District (TID) No. 10, referenced in AB 834, this project is simply not economically feasible because of the scope, scale and cost of the required utilities and infrastructure.

CHS is grateful for the continued collaboration with the City of Evansville. We respectfully request your support of Assembly Bill 834 to exempt tax increment district 10 from the 12 percent cap.

Thank you for your time and consideration.

Project overview

CHS is considering expanding its overall soy processing capabilities in response to continued growth in demand for soybean oil and meal, including potential construction of a new 70-million-bushel oilseed processing facility. A potential new processing facility would complement the company's existing capabilities. CHS operates soybean crush, processing, refining and export facilities across the Midwest. Adding capacity aligns with overall CHS growth strategy and creates more value for farmer- and cooperative-owners. The company is evaluating several locations, including a site near Evansville, Wis. With appropriate approvals, including from state and local units of government, the project could bring as many as 90 jobs to the region.



Projected view of the CHS oilseed processing facility footprint

Proposed facility highlights

- One of several locations being evaluated, the proposed site location is southeast of Evansville, Wisconsin.
- Facility would be built on approximately 300 acres.
- The proposed oilseed processing facility would have both rail and trucking capabilities.

70+
million

**bushels of
soybeans
processed**



**Creates
soy-based
products**

**Including
soybean meal,
hulls & soybean oil**

**Creates
up to**

90

**potential jobs to
operate the
facility**

Key project targets

CHS is evaluating several locations for a potential oilseed processing facility. For this site to be selected for the proposed project, several approvals and milestones need to be met. A few of these include:

1. Community engagement
2. Site assemblage
3. City of Evansville approvals and infrastructure support
4. State of Wisconsin air permit approval
5. Local and State approval and incentives
6. CHS Board of Directors project approval

Who is CHS?

CHS Inc. creates connections to empower agriculture. As a leading global agribusiness and the largest farmer-owned cooperative in the United States, CHS serves customers in 65 countries and employs nearly 10,000 people worldwide. We provide critical crop inputs, market access and risk management services that help farmers feed the world. Our diversified agronomy, grains, foods and energy businesses recorded revenues of \$47.8 billion in fiscal year 2022. We advance sustainability through our commitment to being stewards of the environment, building economic viability and strengthening community and employee well-being.

Proposed facility highlights

- One of several locations being evaluated, the proposed site location is southeast of Evansville, Wisconsin.
- Facility would be built on approximately 300 acres.
- The proposed oilseed processing facility would have both rail and trucking capabilities.

ECONOMIC CONTRIBUTION OF THE SOYBEAN PROCESSING SECTOR



COMPARING DEVELOPMENT OPTIONS

The soybean processing industry not only connects soybean farmers directly to markets for meal and oil (products used in production of food, animal and livestock feed and biofuels), but also produces benefits at each step in the value chain, constituting a sizable economic force that can make ripple effects in a local economy, impacting revenue, wages, jobs and related new businesses.*

**Soybean Crush Facility:
90 jobs**




projected annual volume**

~70 million
bushels of beans crushed (estimated \$10 to \$14.50/bushel)

~950 million pounds of soybean oil refined  **~1.8 million** tons of soybean meal produced 

The ripple effect - additional steps in the soybean value chain:

Soy product transportation by rail and truck 

New or expanded related local businesses:

livestock and feed milling  semi-trailer and diesel truck mechanics, shops, sales  renewable energy, including biofuels  food security and food production 

storage of soybeans at elevators  inputs for soybean production - seed, fertilizers and crop protection  sales of agricultural land and other real estate developments 

Location - well-positioned to invest in the soybean value chain:

High concentration of soybean acreage within 100-mile radius, Rock County is the #1 soybean producing county in Wisconsin

Proximity to rail lines, major roadways and metropolitan areas 

Wisconsin's second and third Congressional districts contributed a combined \$520 million (avg.) to the soybean value chain from 2019-20 to 2021-22, including more than 1,200 full-time jobs. The location provides a solid

**Industrial Development:
\$12-15 million investment**

The community features a low median age and skilled workforce



Examples include:



Technology start-ups



Software development



Neighborhood commercial development – daycares, convenience stores, dentist offices

**Retail Development:
\$5 million investment**

Families and homeowners dominate the local market



Examples include:



Microbreweries, restaurants, coffee shops, ice cream parlors, grocery stores



Stores selling books, music, furniture, hardware, clothing, craft/quilt items, and household goods

Sources:

*United Soybean Board & National Oilseed Processors Association, "The Economic Impact of U.S. Soybeans and End Products in the U.S. Economy," August 2023.

**Wisconsin Soybean Marketing Board, "Feasibility Study Report: Wisconsin-based Soybean Processing"



Wisconsin Ag News – 2022 Soybean County Estimates

Upper Midwest Region – Wisconsin Field Office · 2811 Agriculture Drive · Madison WI 53718-6777 · (608) 224-4848
fax (855) 271-9802 · www.nass.usda.gov/wi

Cooperating with Wisconsin Department of Agriculture, Trade and Consumer Protection

February 24, 2022 – For Immediate Release

Media Contact: Greg Bussler

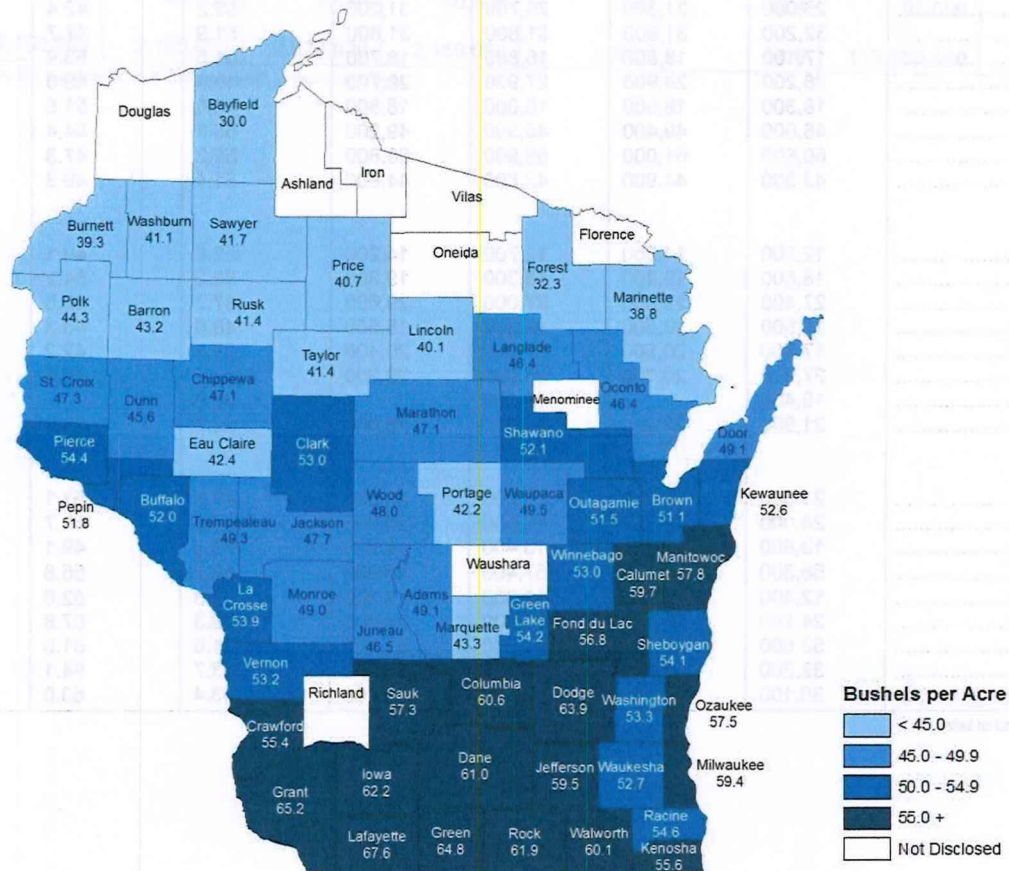
In 2022, Rock County led all Wisconsin counties in total soybean production, with 5.95 million bushels according to the USDA's National Agricultural Statistics Service. Dodge (5.36 million), Dane (5.26 million), Grant (5.24 million) and Lafayette (4.43 million) rounded out the top five counties with the highest production.

Statewide, nine counties averaged at least 60.0 bushels per acre. Lafayette County had the highest yield with an average of 67.6 bushels per acre. Grant (65.2), Green (64.8), Dodge (63.9), and Iowa (62.2) rounded out the top five highest yielding counties. Bayfield County recorded the lowest average yield at 30.0 bushels per acre.

Yields are calculated by dividing a county's production by its area harvested. Only published estimates were considered in rankings of counties.

Soybean Yield – Wisconsin: 2022

State Average: 54.0 Bushels per Acre





ROCK COUNTY, WISCONSIN

County Administrator

51 South Main Street

Janesville, WI 53545

(608)757-5510

Fax (608)757-5511

January 10, 2024

The Honorable John Macco
Room 208 North
State Capitol
P.O. Box 8953
Madison, WI 53708-8953

RE: Support for Assembly Bill 834

Dear Representative Macco:

The purpose of this correspondence is to communicate support for Assembly Bill 834, which is scheduled for a public hearing at the Committee on Ways and Means meeting on January 11, 2024. The Tax Increment District (TID) relief mechanism contained within AB 834 will not only help facilitate a very important statewide, agricultural-related economic development project, but it will also prevent the City of Evansville from becoming hamstrung for future growth and investment opportunities.

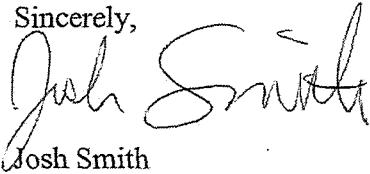
The City of Evansville, along with statewide organizations (namely the Wisconsin Soybean Association and other related interests), has been positioning itself for a modern and commercial scale soybean oilseed processing and refinery facility for nearly 20 years. Historically, the absence of this key value chain input has created systemic pricing deficiencies and market access challenges for Wisconsin's soybean growers. Fortunately, several contemporary factors – including a strong partnership between the City and CHS – have aligned to create a once-in-a-generation opportunity. This opportunity translates into an estimated annual economic impact of more than \$825 Million to the local, regional and statewide economy.

For many communities, Tax Increment Financing (TIF) often represents the primary, and in some cases the only, available economic development tool to facilitate investment and growth opportunities. This is definitely the case with the proposed soybean oilseed processing and refinery plant, as but not for TIF this project would not be economically feasible due to the extraordinary infrastructure and utility costs to both the City and CHS. Unfortunately, the size and scale of this project compromises the statutory TID 12% cap. Therefore, without legislative relief the City will effectively be TIF-ed out. This represents a stiff penalty for a local community that is shouldering the financial weight of a statewide project.

AB 834, which is consistent with select and previously approved TID legislative relief by the Wisconsin Assembly, will enable the City to utilize both today's – as well as tomorrow's – TIF benefits. Moreover, the inability to secure other meaningful sources of state-level economic development programs, particularly given the magnitude of the proposed soybean oilseed processing and refinery project (which is estimated at approximately \$700 Million), provides another compelling reason to support AB 834.

We appreciate your favorable consideration of this important legislative relief request.

Sincerely,

A handwritten signature in black ink that reads "Josh Smith". The signature is written in a cursive style with a large, sweeping "S" for the last name.

Josh Smith
Rock County Administrator

Cc: Committee on Ways and Means



44 East Mifflin Street, Suite 801 | Madison, WI 53703
phone 608.258.4400

www.cooperativenetwork.coop

TO: Senate Committee on Transportation and Local Government
FROM: Jennifer Wickman, Director of Government Affairs
DATE: January 11, 2024
RE: Assembly Bill 834 – Support for changes to Evansville’s TIF district

Cooperative Network is an association of cooperatives representing a dozen different business sectors in Wisconsin and Minnesota. Farm supply cooperatives are a significant portion of our membership that are crucial to Wisconsin’s agriculture and provide important jobs and revenue to Wisconsin’s rural communities.

CHS’s proposed \$700 million soybean crushing and oil processing plant in Evansville represents a significant investment in Wisconsin. It would provide at least 90 new jobs and it would process over 70 million bushels of soybeans into oil and meal. It would also be set in the ideal location as Evansville is the soybean capital of Wisconsin, harvesting 6 million bushels per year.

Finally, it’s important to point out that since CHS is a cooperative it is governed by the farmers and local cooperatives that own it. Also, every cooperative follows the same set of 7 principles, one of which calls for concern for community. CHS explains how it does this on its website, “CHS helps strengthen rural communities and develop the next generation of ag leaders through CHS Community Giving and the CHS Foundation”. Just one example of this is the fact that more than 225 scholarships are awarded to college students enrolled in ag programs at 25 university partners. CHS Foundation university partners are two- and four-year colleges and universities across the CHS trade territory including in Wisconsin and Minnesota.

For all of these reasons, Cooperative Network wholeheartedly supports CHS’s project in Evansville and any TIF changes that will help advance it.