

WISCONSIN LEGISLATURE

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

Sen. Howard Marklein and Rep. Todd Novak Testimony before the Senate Committee on Government Operations on Senate Bill 787

February 1, 2024

Thank you Chairman Stroebel and committee members for hearing Senate Bill (SB) 787, which will allow CHS to build a brand-new soy bean processing facility in the City of Evansville, WI by enacting specific changes to Wisconsin's Tax Incremental Financing (TIF) laws.

SB 787, as amended by Senate Substitute Amendment (SSA) 1, allows CHS, a Minnesota-based agribusiness company, to build a brand-new, \$700 million soybean processing facility in the City of Evansville, WI by modifying the 12% Tax Incremental District (TID) cap set in statute and providing for various other TIF law modifications.

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.

To support the CHS project, Evansville has created a TIF district (TID 10) to reimburse a portion of the infrastructure costs. This will make the Evansville site cost competitive and the project economically viable for the region.

Under current law, the 12% TID 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 the CHS project will cause Evansville to exceed its 12% cap by 2026.

To alleviate this concern, SB 787, as amended, specifies that TID 10 accounts for exactly 4% of the 12% cap. 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. Without this change, Evansville would be precluded from using TIF for any other economic development project in the future.

The new soy bean processing 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.

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.

SSA 1 to SB 787 also applies the TIF/TID changes in 2023 Wisconsin Act 12 regarding the standard for determining the "valuation factor" and the levy limit increase for a local unit of government upon the termination of the TID to TID 10 specifically. Under current law, the changes in Act 12 are effective for any TIDs created after December 31, 2024. Under SSA 1 to SB 787, these changes apply early to TID 10 in Evansville.

SSA 1 to SB 787 also prohibits Evansville from exercising the one year housing stock improvement extension on TID 10.

SB 787 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.

Thank you again to the committee for hearing SB 787 and your timely action on the bill.



To: Senate Committee on Government Operations

From: Senator Mark Spreitzer

Re: Testimony on Senate Bill 787

Date: February 1, 2024

Chair Stroebel and committee members:

Thank you for hearing Senate Bill 787, 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. SB 787 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 SB 787 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. SB 787 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, and I deeply appreciate Senator Stroebel's personal involvement in moving this bill forward.

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



To: Senate Committee on Government Operations

From: Representative Clinton Anderson

Re: Testimony on Senate Bill 787

Date: February 1, 2024

Chair Stroebel and members of the Senate Committee on Government Operations,

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.

SB 787 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. SB 787 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



Testimony on Senate Bill 787 before the Senate COMMITTEE ON Government Operations

February 1, 2024

City of Evansville, WI

Good morning, Chairman Stroebel and members of the committee. My name is Jason Sergeant, and I serve as the City Administrator for the City of Evansville. Evansville is 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 Stroebel and members of the committee for the opportunity to testify today on Senate Bill 787. 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 Sen. Marklein and Rep. Novak for authoring this legislation, as well other lawmakers that 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 SB 787, 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 TID-specific tax incremental financing flexibility to Evansville via SB 787. This important piece of legislation will provide the city with the needed 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 provide 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 as 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 out 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 SB 787.

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 out 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. SB 787can 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 SB 787, 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 Senate Bill 787 before the

COMMITTEE ON Government Operations

February 1, 2024

CHS Inc.

Chairman Stroebel, 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 Board 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 SB 787, 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 Senate Bill 787 to exempt tax increment district 10 from the 12 percent cap.

Thank you for your time and consideration.



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 infractivative for any arrest involvement **

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

CHS Oilseed Processing Proposed Facility Overview



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.



bushels of soybeans processed



Creates soy-based products

Including soybean meal, hulls & soybean oil Creates 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 farmerowned 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.





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

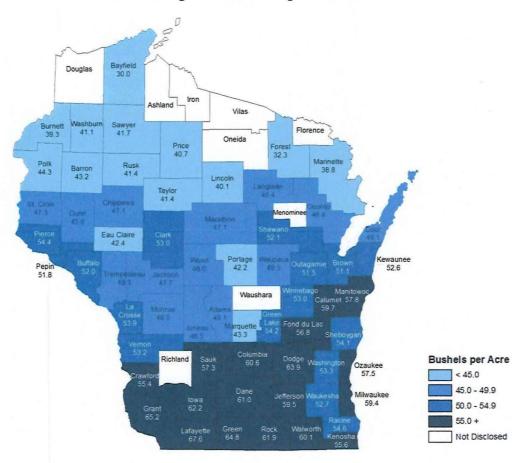
In 2022, Rock County led all Wisconsin counties in total soybean production, with 5.95 million bushels according to the USDA's National Agricultural Statistics Service. Dodge (5.36 million), Dane (5.26 million), Grant (5.24 million) and Lafayette (4.43 million) rounded out the top five counties with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



Soybeans for Beans, Area Planted, Harvested, Yield, and Production – Wisconsin by County: 2021-2022

County by district	Area planted		Area harvested		Yield		Production	
	2021	2022	2021	2022	2021	2022	2021	2022
	(acres)	(acres)	(acres)	(acres)	(bushels per acre)	(bushels per acre)	(bushels)	(bushels)
Northwest	Ī							
Barron	54,600	54,500	53,700	54,200	52.0	43.2	2,792,000	2,341,000
Bayfield	1,200	1,400	1,150	1,300	41.6	30.0	47,800	39,000
Burnett	9,700	8,900	9,610	8,840	38.2	39.3	367,000	347,000
Chippewa	60,100	57,000	59,200	56,800	52.2	47.1	3,090,000	2,675,000
Polk	36,800	39,000	36,400	38,900	51.4	44.3	1,871,000	1,723,000
Rusk	13,800	16,200	13,600	16,100	46.5	41.4	632,000	667,000
Sawyer	3,300	2,800	3,250	2,780	45.5	41.7	148,000	116,000
Washburn	8,800	7,200	8,700	7,160	46.9	41.1	408,000	294,000
North Central								
Clark	42,000	46,100	41,500	46,000	50.9	53.0	2,112,000	2,440,000
Lincoln	5,700	6,100	5,620	6,080	41.8	40.1	235,000	244,000
Marathon	56,800	58,600	56,000	58,400	49.8	47.1	2,789,000	2,750,000
Price	700	900	690	900	40.9	40.7	28,200	36,600
Taylor	23,800	27,800	23,500	27,500	52.9	41.4	1,243,000	1,139,000
Northeast								
Forest		400		400		32.3		12,900
Langlade	6,600	4,200	6,500	4,180	50.2	46.4	326,000	194,000
Marinette	8,900	9,400	8,790	9,370	48.8	38.8	429,000	364,000
Oconto	25,000	28,700	24,600	28,600	49.9	46.4	1,228,000	1,327,000
Shawano	30,100	29,900	29,600	29,700	53.0	52.1	1,569,000	1,548,000
West Central Buffalo	32,800	31,100	22.400	30,900	54.4	F0.0	4 656 000	4 007 000
Dunn	64,500	66,600	32,400 63,500	66,400	51.1 54.2	52.0 45.6	1,656,000	1,607,000
Eau Claire	26,000	31,300	·	31,200	53.2		3,442,000	3,028,000
Jackson	32,200	31,900	25,700 31,800	31,200	51.9	42.4 47.7	1,367,000	1,322,000
La Crosse	17,100	18,800	16,800	18,700	54.5	53.9	1,650,000 916,000	1,517,000 1,008,000
Monroe	28,200	29,900	27,900	29,700	46.9	49.0	1,309,000	1,455,000
Pepin	18,300	18,900	18,000	18,800	55.6	51.8	1,001,000	974,000
Pierce	46,000	49,400	45,300	49,200	55.8	54.4	2,528,000	2,676,000
St. Croix	60,800	61,000	59,900	60,800	52.2		3,127,000	2,876,000
Trempealeau	43,300	44,900	42,800	44,800	51.4	47.3 49.3	2,200,000	2,208,000
Central								
Adams	12,900	14,300	12,700	14,200	52.6	49.1	668,000	697,000
Green Lake	18,600	19,400	18,300	19,300	56.2	54.2	1,028,000	1,046,000
Juneau	27,400	29,800	27,000	29,600	47.7	46.5	1,288,000	1,376,000
Marquette	15,500	18,600	15,300	18,500	48.6	43.3	744,000	801,000
Portage	17,700	20,500	17,500	20,400	51.5	42.2	901,000	860,000
Waupaca	27,300	29,700	26,900	29,500	51.5	49.5	1,385,000	1,461,000
Waushara	19,400	20,700	19,100	25,500	52.5	70.0	1,002,000	7,401,000
Wood	21,900	23,200	21,600	23,000	50.7	48.0	1,095,000	1,104,000
East Central								
Brown	21,500	20,700	21,200	20,600	49.9	51.1	1,058,000	1,053,000
Calumet	24,000	26,700	23,600	26,600	55.8	59.7	1,317,000	1,588,000
Door	13,600	16,700	13,400	16,600	50.8	49.1	681,000	815,000
Fond du Lac	58,300	53,900	57,400	53,600	59.2	56.8	3,398,000	3,044,000
Kewaunee	12,400	13,400	12,300	13,300	55.8	52.6	686,000	700,000
Manitowoc	24,700	28,500	24,300	28,400	59.3	57.8	1,441,000	1,642,000
Outagamie	52,600	51,400	51,800	51,100	51.6	51.5	2,673,000	2,632,000
Sheboygan	32,200	33,200	31,700	33,000	53.7	54.1	1,702,000	1,785,000
Winnebago	39,100	38,500	38,500	38,400	53.4	53.0	2,056,000	2,035,000
See footnote(s) at end of table.					·			continued

Soybeans for Beans, Area Planted, Harvested, Yield, and Production – Wisconsin by County: 2021-2022 (continued)

County	Area planted		Area harvested		Yield		Production	
by district	2021	2022	2021	2022	2021	2022	2021	2022
	(acres)	(acres)	(acres)	(acres)	(bushels per acre)	(bushels per acre)	(bushels)	(bushels)
Southwest					·			
Crawford	22,400	22,200	22,100	22,100	54.8	55.4	1,211,000	1,224,000
Grant	76,200	80,600	75,100	80,400	62.9	65.2	4,724,000	5,242,000
lowa	45,100	48,500	44,600	48,200	61.3	62.2	2,734,000	2,998,000
Lafayette	66,000	65,800	65,200	65,500	63.5	67.6	4,140,000	4,428,000
Richland	16,000	-	15,800	-	48.3	-	763,000	· · · -
Sauk	39,000	40,300	38,500	40,200	54.6	57.3	2,102,000	2,303,000
Vernon	32,200	33,700	31,800	33,600	53.9	53.2	1,714,000	1,788,000
South Central								
Columbia	53,300	53,600	52,700	53,300	60.9	60.6	3.209.000	3,230,000
Dane	86,700	86,600	85,500	86,200	62.9	61.0	5,381,000	5,258,000
Dodge	80,500	84,300	79,200	83,900	62.9	63.9	4.982.000	5,361,000
Green	64,100	66,700	63,100	66,400	60.0	64.8	3,786,000	4,303,000
Jefferson	55,000	52,000	54,100	51,700	58.0	59.5	3,138,000	3,076,000
Rock	95,100	96,400	93,600	96,100	56.9	61.9	5,326,000	5,953,000
Southeast								
Kenosha	23,500	22,700	23,100	22,600	52.6	55.6	1,215,000	1,257,000
Milwaukee	2,000	2,200	1,970	2,190	52.3	59.4	103,000	130,000
Ozaukee	11,200	13,000	11,000	12,900	56.9	57.5	626,000	742,000
Racine	34,300	32,800	33,800	32,600	53.0	54.6	1,791,000	1,780,000
Walworth	57,800	57,800	56,900	57,600	53.4	60.1	3,038,000	3,462,000
Washington	21,800	21,800	21,500	21,700	53.9	53.3	1,159,000	1,157,000
Waukesha	18,900	16,800	18,700	16,700	52.5	52.7	982,000	880,000
Other counties	2,700	40,800	2,620	40,500	35.1	48.4	92,000	1,960,500
Wisconsin	2,100,000	2,160,000	2,070,000	2,150,000	55.0	54.0	113,850,000	116,100,000

⁻ Data does not meet publication standards but is published in "Other counties", or represents zero.



ROCK COUNTY, WISCONSIN

County Administrator 51 South Main Street Janesville, WI 53545 (608)757-5510 Fax (608)757-5511

January 31, 2024

The Honorable Duey Stroebel Room 18 South State Capitol P.O. Box 7882 Madison, WI 53707-7882

RE: Support for Senate Bill 787

Dear Senator Stroebel:

The County of Rock strongly supports Senate Bill 787 (and its Substitute Amendment 1), which is scheduled for a public hearing at the Committee on Government Operations on February 1, 2024. Per your direct communications with the City of Evansville, you are aware of the unintended fiscal dilemma facing the city as it positions itself to facilitate this important, once-in-a-generation, value-added agribusiness development opportunity.

Despite being a leading Great Lakes soybean producer, the State of Wisconsin is considered a soybean processing desert. Consequently, the absence of this key value chain input has created systemic pricing deficiencies and market access challenges for Wisconsin's soybean growers. Fortunately, this situation is poised to change because several factors—including a strong partnership between the City and CHS—have aligned to create an unprecedented economic opportunity. This opportunity translates into an estimated annual economic impact of more than \$825 million to the local, regional, and statewide economies.

The Rock County Board of Supervisors has unanimously passed a resolution supporting the Evansville soybean oilseed processing and refinery project (see the attached document). As such, the County joins a growing list of statewide organizations and businesses that are advocating for the proposed Evansville TID #10 statutory relief contained in Senate Bill 787.

Your favorable consideration of this legislative request is greatly appreciated. Thank you.

Sincerely.

Josh Smith

Rock County Administrator

Attachment: Resolution Supporting the Evansville Soybean Oilseed Processing and Refinery Project

Cc: Wisconsin Senate Committee on Government Operation

RESOLUTION

ROCK COUNTY BOARD OF SUPERVISORS

Supervisor RJ Sutterlin INITIATED BY



1/11/2024 DATE DRAFTED

Supporting the Evansville Soybean Oilseed Processing and Refinery Project

WHEREAS, the State of Wisconsin and Rock County have deep and strong agricultural roots, particularly with respect to soybean production; and

WHEREAS, research from the Wisconsin Soybean Association, with additional documentation provided by other related agricultural interests, has classified the Badger State as a soybean crushing desert; and

WHEREAS, the absence of a large-scale, commercial and modern soybean oilseed processing facility in Wisconsin creates systemic pricing differentials and market access challenges for Wisconsin's soybean growers; and

WHEREAS, the City of Evansville, which has been affectionately referenced as the Soybean Capital of Wisconsin, has been strategically positioning itself for this type of agribusiness investment; and

WHEREAS, this positioning has created an opportunity to partner with CHS Inc., a leading global agribusiness and the largest farmer-owned cooperative in the United States; and

WHEREAS, this partnership is focused on siting a soybean oilseed processing and refinery facility on the City's eastside, which will leverage the road network and the Class I railroad that services the Evansville area and the greater Rock County region; and

WHEREAS, this proposed facility will have the design capability and capacity to process more than 70 million bushels of soybeans annually; and

WHEREAS, this development is forecasted to generate more than \$825 Million in annual, value-added economic impacts to the local, regional and statewide economy; and

WHEREAS, the City and the Joint Review Board have approved the creation of Tax Increment District (TID) #10 to facilitate the use of Tax Increment Financing (TIF), which is Wisconsin's most commonly used economic development tool for fostering growth and investment activities; and

WHEREAS, but not for TID #10, the proposed soybean processing and refinery project is not economically feasible, due to the extraordinary onsite infrastructure and utility requirements to both the City and CHS; and

WHEREAS, the application and use of a TID is subject to state statutes, and there is an equalized taxable property value calculation that creates a 12-percent limitation; and

WHEREAS, within three years after this proposed facility is scheduled to begin construction, the new value created in TID #10 is projected to exceed this 12-percent cap; thereby, resulting in a TIF-out status and preventing the City to access and use its TIF tools for other emerging development and investment opportunities; and

WHEREAS, when and where a TIF-ed out status surfaces, communities have approached and received specific exemptions or relief from the Wisconsin Legislature; and

WHEREAS, the specific legislative relief for TID #10 is contained in Assembly Bill 834 and Senate Bill 787, which has local and regional bipartisan support; and

WHEREAS, despite this support, there are no guarantees with respect to the timing and the outcomes of legislative processes.

NOW, THEREFORE, BE IT RESOLVED, the Rock County Board of Supervisors duly assembled this _____ day of _____, 2024 does hereby formally pledge its strong support for the proposed soybean oilseed processing and refinery project in the City of Evansville; and it respectfully requests the Wisconsin Legislature to approve the requested relief for TID #10; and it also respectfully requests the Governor to sign this important piece of legislation into state law.

BE IT FURTHER RESOLVED, County Administration, and/or its designed staff, is hereby authorized and encouraged to convey this support position and to strategically collaborate, when and where appropriate with elected and appointed officials, organizational partners and stakeholders at the local, regional and statewide level to advance the requested legislative relief for the Evansville TID #10.

FISCAL NOTE:

No fiscal impact in and by itself.

Sherry Oja Finance Director

LEGAL NOTE:

The County Board is authorized to take this action pursuant to §§ 59.01 & 59.51, Wis. Stats.

Richard Greenlee Corporation Counsel

ADMINISTRATIVE NOTE:

This is an important agricultural and economic development project for the City of Evansville, the County, the State, and the region. I recommend approval.

Josh Smith County Administrator

Committee Action

Planning & Development Committee

The Planning and Development Committee recommended this resolution for approval by a unanimous voice vote.