

# **Cambria Needs Economic Development. Is Ethanol Production in the Village of Cambria the Development that We Want?**

Didion Milling Inc. is proposing the expansion of their plant to include ethanol production. They are asking the Village of Cambria to annex land south of Cabbage Rd from the Town of Courtland. They are asking the Village to rezone that land "I-2" industrial. They are asking the Village to set up a Tax Incremental Financing (TIF) plan to cover the costs of road building, wastewater treatment facility improvements that would come to the Village due to their ethanol plant plans.

The Didion plan raises the following issues and questions that must be addressed before the development of ethanol production can move forward.

## **The Environment: Air Quality and Chemical Storage**

Ethanol production emits many potentially cancer causing and hazardous pollutants, including Volatile Organic Compounds (VOCs) and Particulate Matter (PM). Ethanol production also gives off strong odors. What technology is Didion planning to use to take care of these emissions and odors? Diesel emissions from truck traffic also contain hazardous Particulate Matter. What increase in emissions will their be with the increased truck traffic associated with the ethanol plant?

Particulate Matter emissions are linked to asthma and respiratory problems. Elderly people, children, and those already suffering from asthma and respiratory problems are the most vulnerable. **Many people in Cambria already suffer from asthma or complain of respiratory problems.** Should we address this issue before we allow expansion of a plant that may make these problems more serious?

Ethanol production also requires the storage and transportation of potentially harmful chemicals such as sulfuric acid, anhydrous ammonia, and sodium hydroxide. What happens if there is a spill or an explosion? How will Didion prepare for this? How will the Village prepare for this? If Didion ever pulls out of the Village what kind of environmental clean-up would be necessary for the plant area?

## **Property Values and the Real Estate Market**

Keeping in mind emissions and potential hazards associated with an ethanol plant the following questions must be considered.

- What will be the effect on property values?
- Will the new lots in the Highland Development sell with a large industrial ethanol plant in Cambria?
- Will families and individuals come to Cambria to rent or buy apartments and houses?
- Will families and individuals move away?
- If families move away or do not come will there be enough children to keep the school viable?

## **Waste Water Treatment and Water Use**

The existing wastewater treatment facility in Cambria is running at or near capacity. Didion is talking about an increase of 28-40 gallons/minute. What are the costs of expanding the wastewater treatment facility to handle the increase from Didion?

Ethanol production demands a high volume of water year round. Will Didion use Village Water or their own well? How much will they use? What does this mean for Village water and the surrounding water table?

## **Taxes and Tax Incremental Financing (TIF)**

Didion recently won an appeal of the State's assessment of their actual tax. The taxable value of Didion's operations was originally set at \$4.6 million but was decreased to \$3.0 million. As a result the taxes paid to the Village went from \$37,950 to \$24,750. With the ethanol plant Didion is talking about a \$1 million increase in the taxable value of their plant. This would result in about \$24,500 of tax dollars, \$8000 of which would go to the Village. The remaining tax revenue would go to the school, the vo-tech, and the county.

**However**, if a Tax Incremental Financing (TIF) scheme is set up, the entire \$24,500 would go to the Village. **Setting up a TIF is not free money.** Tax income from the increment between the taxable value of Didion's operations before expansion and the actual value after expansion goes to pay the Village's development costs (in this case, road construction, waster water treatment facility improvements, etc.). The standard term of repayment is 23 years. During this time the tax revenue from this incremental value is tied up paying for these development costs and does not go to the school, vo-tech, the county, etc. If the Village borrows money to carry out the development, any increase in taxes levied needed to cover payment on the loan and other financial commitments of the Village will show up on the taxpayer's bill.

### **Truck Traffic and Roads**

What is the current level of truck traffic in Cambria? How would this increase with the ethanol plant? How would this impact residents and the quality of life in the community? What are the potential economic costs of maintaining the roads for this level of traffic?

### **Subsidies**

Ethanol producers stand to receive substantial subsidies from the State and the Federal government. The Wisconsin State subsidy for ethanol producers is 20 cents a gallon up to \$3 million a year. The Federal subsidy is 54 cents a gallon. How will this enrich Didion? Will any of this wealth be transferred to the farmer or the community? Will the subsidies remain in place? If the subsidies are taken away will it be economically viable for Didion to continue operating its ethanol plant?

### **Jobs**

Didion promises jobs in the ethanol plant and in the construction of the plant. How many people who work for Didion now live in the Village? How many people who live in the Village would work at the ethanol plant or be part of a construction crew building the plant? Does Didion have a good track record now for providing high paying jobs for Cambria residents?

## **What Benefits Will an Ethanol Plant Actually Bring to the Village?**

Didion is holding an information meeting at 7pm, November 26<sup>th</sup> at the Community Room. **The Didion plan is on the agenda of the regular Village Board meeting, 6:30pm, Monday, December 2<sup>nd</sup>.** It is possible that the Board may make a decision on the 2<sup>nd</sup>. Contact the Village Board and attend the December 2<sup>nd</sup> meeting if you think any of the above questions should be addressed.