

Tecumseh razing plan becomes clearer

By Mark Sherry

It appears the City of New Holstein is still on schedule to have the former Tecumseh Products Company facility razed starting sometime around April, according to information presented at the Wednesday, Dec. 16 meeting of the New Holstein Common Council.

That information included a detailed plan on how the demolition will be financed, presented by Phil Cosson of Ehlers, Inc.

The bidding process is expected to take place in late January or early February with funds being available in late Feb-

ruary or March, after which demolition could begin.

Cosson said city officials are currently using the figure of \$2.3 million in costs associated with the demolition, a figure which already has been lowered from original projections. A more definite number will be available after bids are received.

Cosson told aldermen a key part of paying those costs is the \$910,660 Community Development Block Grant Close funds which the city was notified it would be receiving. Those funds will allow the city to pay down a large part of the demolition debt quickly, thus saving interest costs

over time.

Several other financial avenues are likely to be used as well to pay off the remainder of the debt.

Cosson said the Environmental Remediation Tax Increment District which was created about a year ago will be one of those tools. He said an ER TID was used for the razing of the former Brillion Iron Works factory. Recent changes to state law allow the base value of the TID to start at \$0 rather than losing tax increment.

Another assumption Cosson said he

*Turn to **TECUMSEH**/page 15A*

Tecumseh

continued from page 1A

made in planning the funding for razing Tecumseh is that there will be some development on the site once it is prepared. The site is currently valued at a little over \$1 million, he said, and his planning assumes development of \$2.5 million which he said is relatively conservative. “\$2.5 million is very achievable,” Cosson said.

In addition, the city is applying for and hoping to receive \$250,000 via an Idle Sites Grant which also would help pay down the debt. TID #4 revenue also may be able to be used beginning in 2030 which will contribute an estimated \$25,000 per year toward the debt payment. If the site can generate \$5 million in development instead of \$2.5 million, the city would never have to tap into TID

#4 dollars, Cosson said.

All those funding sources would still leave the need for a \$1.3 million government bond sale, with all debt scheduled to be retired in 2040.

“The risk of this deal is significantly reduced compared to what we talked about earlier,” Cosson said. “I think it’s now become a deal which has become manageable for the city.”

He added, “I like getting rid of debt right away, and a big chunk of debt—almost \$1 million—goes away right away.”

“I think it really looks good,” Alderman Terry Thiessen said of the proposal.

Cosson said he will be back in front of the council in January. The council is likely to be asked to authorize the bond sale in February for a March sale.