



VANDEWALLE & ASSOCIATES INC.

To: Common Council, City of Wisconsin Rapids
Plan Commission, City of Wisconsin Rapids
Recovery and Reuse Project Steering Committee

From: Scott Harrington, AICP, Principal
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Date: December 27, 2021

Re: Recovery and Reuse Plan Progress Report

Earlier this year, the City of Wisconsin Rapids requested proposals for a Recovery and Reuse Plan and Implementation Strategy in response to the idling of the Verso Papermill. This work will entail analyzing future economic opportunities for Wisconsin Rapids and the greater Central Wisconsin region given its heritage in timber processing, and reuse alternatives for the extensive mill site. The City has engaged with a consultant team lead by Vandewalle & Associates in this effort, and project work officially kicked off this fall. This memo summarizes progress to-date and lists focus areas for work into the New Year.

The overall project is comprised of two main parts, including a Recovery and Reuse Plan, and an Implementation Strategy. Development of the Recovery and Reuse Plan is the project focus until early Summer 2022 and will result in a visioning and plan deliverable. Three main tasks will support this effort including (1) market assessment, (2) visioning, and (3) site area redevelopment research. At this time, the consultant team is primarily engaged in market and industry data collection, mapping of the mill site and assets, and stakeholder outreach. In addition, we will continue monitoring the impacts of the recently announced BillerudKorsnäs acquisition of Verso.

Visioning and Stakeholder Outreach

The project team has held or scheduled initial outreach meetings with various stakeholders including existing ownership interests, potential purchasers, industry representatives, state legislators, and economic development groups. Outreach will continue into the coming months, including an anticipated focus group session with local and regional economic development professionals. In addition, city staff and the consultant team will organize a public visioning session and Council work session as requested in the City's request for proposals. Initial contacts to-date include the following:

- Project Steering Committee
- Verso, Inc.
- Sononco
- Consolidated Water and Power Company
- Timber Cooperative
- In courage Foundation
- Representative Scott Krug
- Senator Patrick Testin

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BillerudKorsnäs Acquisition

In late December, it was announced that Verso had reached a deal with Swedish company BillerudKorsnäs to acquire Verso's sites and assets including the Wisconsin Rapids mill site. Project team members attended a press conference on Monday December 20, 2021, regarding this news. The press conference was conducted by BillerudKorsnäs representatives Christoph Michalski, President & CEO, and Ivar Vatne, CFO.

The deal includes an offering of \$825 million, or \$27 per Verso share. It appears the company's main interest is in the acquisition of Verso's Escanaba and Quinnesec mills in Michigan's Upper Peninsula.

BillerudKorsnäs plans to convert the two primary Escanaba machines to paperboard operations within the next two years. They expect the Quinnesec mill to handle displaced load of coated papers and to continue current operations indefinitely. BillerudKorsnäs representatives acknowledged the Wisconsin Rapids site during the press conference, including the continued operation of the conversion facility; however, it was noted more than once that they have no intention to fire up the mill and will be evaluating options for disposition of most of the property including Consolidated Water and Power Company. They also noted that sale proceeds of the Rapids mill were not one of the primary financial factors driving the merger. They estimate the book value of the mill and CWPCO to be \$100 million. The acquisition is expected to be completed in the second quarter of 2022.

Next Steps

We look forward to continued outreach, data collection and site area redevelopment research into January and February, including the following:

- Economic Development professionals focus group
- Industry symposium including representatives from paper products and timber industries
- Public visioning session
- Council work session