



GRANT APPLICATION

Under the State of Wisconsin's Transportation Facilities
Economic Assistance and Development Program (TEA)

Wisconsin Department of Transportation

DT1283 1/2005

1. APPLICANT(S)

Community Name

City of Milwaukee, Dept. of City Development

Street Address/PO Box

809 N Broadway

City, State, ZIP Code

Milwaukee, WI 53202

Area Code - Telephone Number

414-286-5845

FAX Number

414-286-0395

Community Contact Person

Ms. Kein Burton

Title

Redevelopment Manager

E-mail Address of Contact Person

kein.burton@milwaukee.gov

Business Name

United Milwaukee Scrap LLC

Business Street Address/PO Box

3232 W Ford Du Lac Ave

City, State, ZIP Code

Milwaukee, WI 53210

Area Code - Telephone Number

414-444-8059

FAX Number

414-444-8097

Business Contact Person

David Arnstein

Title

Director Business Development

E-mail Address of Contact Person

darnstein@umslwi.com

2. CERTIFICATION

To the best of my knowledge and belief, the information submitted is true and correct and the document has been duly authorized for submittal by the governing agency.

X

(City/Village/Town Officer Authorized to Sign Application)

(Date)

(Title)

Please submit your application in quadruplicate in stapled format (not spiral bound, no binders).

PART I: SCREENING INFORMATION

3. ELIGIBILITY CRITERIA (Check only those that apply.):

- ☒ A. The new business development will definitely occur within 3 years if the transportation improvement is completed.
- ☒ B. The new business development is not primarily retail, an eating or drinking establishment, a recreation or entertainment facility, or hotel/motel.
- ☒ C. The new business development does not primarily involve transfer of business from other parts of the state.
- ☒ D. Applicant(s) will comply with all federal and state laws and local ordinances as they relate to the development and use of the transportation facility development.
- ☒ E. Community acknowledges its willingness to sign a Job Guarantee with WisDOT. The actual Guarantee can be signed later. A copy of a Job Guarantee with the language we currently use is attached. The Community may elect to adopt a like guarantee with the business(es).
- ☐ F. (If applicable) The road improvement will be under local government jurisdiction, will be open to the public, and all municipalities concur in the project where more than one jurisdiction is involved.
- ☐ G. (If applicable) The rail improvement will either be under the jurisdiction of a public authority, or businesses or persons other than the TEA application business(es) may use the improvement.

4. ELIGIBILITY DOCUMENTATION

From the community(ies): A written statement on letterhead signed by a company official detailing why it is not able to fund 100% of the proposed transportation improvement and what alternate sources of funding have been explored.

Note: General Obligation (G.O.) borrowing capacity and remaining G.O. capacity should be given, as should details on any Tax Incremental Financing involved.

☒ **From the business(es):** A written statement on company letterhead signed by a company official indicating that it is electing to expand in Wisconsin partially because the TEA eligible improvements are promised and that it either:

- (a) Explored expansion alternatives in other states, detailing their alternatives; or,
- ☒ (b) Will not expand in Wisconsin at all without the proposed transportation improvements.

PART II: EVALUATION DATA - FROM THE COMMUNITY

5. DESCRIPTION OF THE TRANSPORTATION IMPROVEMENT
6. JUSTIFICATION FOR THE PROPOSED TRANSPORTATION IMPROVEMENT
7. A COST ESTIMATE OF THE TRANSPORTATION IMPROVEMENT (please attach), including amount of materials and unit prices. Eligible cost items are: design engineering, environmental testing and remediation, real estate (purchase price of that portion under the right-of-way only), relocation of residence and business (if applicable), construction, reconstruction (if applicable), utility relocation (if applicable), and construction engineering & contingencies (15%).
Note: Connecting railroad costs should also be included on rail spur projects.
8. A PROPOSED TYPICAL CROSS-SECTION for a road transportation improvement AND/OR a TRACK LAYOUT DRAWING for a rail transportation improvement (please attach).
9. An 8 1/2" x 11" SITE PLAN, preferably color coded, plotting: planned business expansion; proposed transportation improvements; and, area network of roads and rail lines, out to the closest major highway.
10. COST OF RELATED TEA INELIGIBLE INFRASTRUCTURE (i.e., sanitary sewer, water, electric, gas extensions to the new plant).
11. FUNDING SOURCES: Include amount requested from TEA, the matching funds, and in-kind services:

SOURCE	AMOUNT	FORM (Cash, Land, Services)

12. SCHEDULE FOR TRANSPORTATION IMPROVEMENT AND BUSINESS DEVELOPMENT
(i.e., commence month/year and complete month/year for both)

PART III: EVALUATION DATA - FROM THE BUSINESS(ES)

13. DESCRIPTION OF THE BUSINESS IMPROVEMENT:

		<u>ESTIMATED COST</u>
A. Land (Acreage or sq. ft.)	-	-
B. Building(s) (Type & sq. ft.)	-	-
C. Machinery & equipment (Type)	-	-
D. Other capital costs	<u>Track Expansion costs</u>	<u>\$ 571,000</u>
E. Total Capital Investment	<u>(See Attached)</u>	<u>\$ 571,000</u>

14. A MAP, SITE PLAN, OR SCHEMATIC of the proposed business expansion identifying expansion phases (if appropriate); the nearby transportation improvement requested; and, truck, auto, and rail (if appropriate) access points to the new plant. See attached map.

15. AN OPERATIONAL EXPLANATION of WHY the proposed TRANSPORTATION IMPROVEMENTS are NEEDED by the business. To remain competitive and retain/grow employment at facility, United must be able to ship via rail due to cost advantages per ton, and expansion of customer base to more geographic areas.

16. The EXPECTED DAILY INITIAL and PROJECTED VOLUME of AUTOS and TRUCK/TRAILERS entering and exiting the new facility. N/A

17. NUMBER OF JOBS AND AVERAGE WAGE, not including fringe benefits, for each type of job created or retained by this business development.

Major Standard Industrial Classification Code (SIC) = 423990 (or NAICS code)

JOB CATEGORY	NUMBER OF JOBS	AVERAGE WAGE
<u>General + Administrative / Corporate</u>	<u>27</u>	<u>\$ 27.69</u>
<u>Supervisors</u>	<u>12</u>	<u>\$ 25.59</u>
<u>Drivers</u>	<u>25</u>	<u>\$ 13.76</u>
<u>Equipment operators</u>	<u>43</u>	<u>\$ 12.35</u>
<u>General Labor</u>	<u>23</u>	<u>\$ 9.14</u>

18. OF THE JOBS LISTED IN #17, how many are due to: (Total should equal the number of jobs reported in #17.)

NEW FACILITY	EXPANSION	ANOTHER STATE	RETENTION
—	6	—	130

19. BACKGROUND information ON the COMPANY(IES) AND the nature of its BUSINESS. (A company brochure might be appropriate here.) *United Milwaukee Scrap was formed in 2003, merging several long-time Milwaukee companies. United is a processor of both Ferrous and Non-ferrous metals, serving retail, dealer, and industrial customers.*
20. What is the PRINCIPAL GEOGRAPHIC MARKET AREA for the GOODS or SERVICES produced by the business(es)? *United purchases metal from all over the United States, primarily in Wisconsin and the contiguous states. United supplies metal to domestic consumers, as well as export consumers around the world.*
21. Who (what firms) are the MAJOR COMPETITORS of the business(es)? WHERE are they LOCATED (city and state)? Please list ALL Wisconsin competitors and their locations.
*Miller Compressing (Milwaukee, WI) Alter Recycling (Madison, WI)
 Sadel Zeeb + metal (Fond du Lac, WI) Lock Lorman (Watertown, WI)*
22. FINANCIAL INFORMATION necessary TO ASSESS FINANCIAL SOUNDNESS of the new business development and the likelihood of continued operations/employment:

☒ For an existing business:

- (1) THREE YEARS OF at least compilation-quality PROFIT AND LOSS STATEMENTS AND BALANCE SHEETS. (There are three levels of rigor for accounting reports. They are, in descending order of reliability: audit, review, and compilation quality. Although audit quality reports are clearly more definitive in determining financial soundness, an applicant may submit reviews or compilations if audited reports are not available. Submission of these reports may, however, limit our ability to determine the financial soundness of the businesses associated with the application.)
- ✓ (2) Evidence of the availability of financing to complete the proposed business development;
- ✓ (3) IF SOLE PROPRIETORSHIPS OR FAMILY-OWNED BUSINESSES are involved, PERSONAL FINANCIAL STATEMENTS are required.

☒ IF the project involves A BUSINESS STARTUP, OR a business that has been marginally PROFITABLE OR has shown declining sales or profitability:

- (1) A business plan;
- (2) Resumes of key management personnel;
- (3) A minimum of three years of financial pro formas prepared or compiled by an independent CPA with all assumptions stated;
- (4) Basis for sales forecasts; and
- (5) Projection of monthly cash flow for the first year of operations.

23. DATA FOR calculating PROJECT BENEFIT/COST RATIO (rail projects only):

- A. Typical loadings in tons/carload and the annual volume of materials railed to and from the new plant.

- Load 100 ton / car load
- Annually process 48,000 ton via rail

- B. Typical loadings in pounds/truckload and the annual volume of raw materials that would have to be trucked to and from the new plant (assume the ridiculous here) if the rail spur is not built.

- Load 20 ton / truck load
- Would need to truck 70,000 ton via truck

- C. Estimated annual railroad and truck freight rates for the volume in A and B above.

A. \$15 / ton

B. \$21 / ton

- D. Additional costs, not reflected in freight rates for: transloading, cross-docking, storage, loss and damage, etc., if the rail spur is not built (again, assume the ridiculous here)

Transloading = \$150,000

Trucks (5) = \$750,000

Fuel (5) = \$200,000

Cranes (1) = \$500,000

Loaders (1) = \$750,000

Inventory = \$100,000

Total Additional = \$1,450,000

Milwaukee United Scrap Track Expansion Opinion of Probable Cost



Item Description	Unit	Quantity	Unit Cost (\$)	Total Cost (\$)
Site Work				
Clearing & Grubbing	Acre	1	\$2,000.00	\$2,000.00
Erosion Control	LS	1	\$10,000.00	\$10,000.00
Railroad Flagging Personnel	Day	3	\$800.00	\$2,400.00
Mass Grading (LS)	LS	1	\$50,000.00	\$50,000.00
SUBTOTAL				\$64,400.00
Drainage Structures				
18" - RCP Culvert	Each	1	\$10,000.00	\$10,000.00
SUBTOTAL				\$10,000.00
Track Roadbed Preparation				
Sub-Ballast Construction	Cu. Yard	1100	\$30.00	\$33,000.00
SUBTOTAL				\$33,000.00
Track Construction				
115# Track Construction	TF	995	\$130.00	\$129,350.00
Approved Railroad Derrail	Each	1	\$10,000.00	\$10,000.00
Hayes Bumping Post	Each	1	\$5,000.00	\$5,000.00
Rail Scale	Each	1	\$50,000.00	\$50,000.00
SUBTOTAL				\$194,350.00
Canadian Pacific Railroad Costs				
No. 11-132# Mainline Turnout	Each	1	\$187,000.00	\$187,000.00
132# Track Construction	TF	50	\$150.00	\$7,500.00
SUBTOTAL				\$194,500.00
Construction Costs Subtotal				\$496,250.00
Additional Costs and Contingencies				
Engineering Design, Geotechnical and Construction Services	Percent	15%		\$74,437.50
TOTAL PROJECT COSTS				\$570,687.50
Exclusions:				
- Bond/Insurance/Taxes				
- Environmental Fees				
- Utility Relocations				
** Note this estimate is for budgeting puposes only				
** Actual construction costs will vary based market demand and material increases.				