



Chelan County Tri-Commission Meeting

March 29, 2022

Alcoa – Malaga, Washington



- **Alcoa's Wenatchee Works Aluminum Smelter has been idle since 2015**
- **Permanent closure announced on December 13, 2021**

“Our analysis does not support the long-term operation of the Wenatchee smelter, so we are now focused on preparing this site for a new future,” *said Alcoa President and CEO Roy Harvey.* “We appreciate the support that Alcoa has received from our community stakeholders over these many years, and we look forward to continued work with them to develop a robust redevelopment and reuse plan for the site.”
- **What does a robust redevelopment and reuse plan for the site look like?**

- **Goal is to sell the entire site in a single transaction.**
 - **Approximately 2,800 acres**
- **Good understanding of site cleanup issues. They can be remediated.**
- **Property likely to be sold to a private entity.**

Recent Alcoa Transactions

- **Rockdale Smelter in Texas**
 - **31,000 acres**
 - **Sales Price: \$240 Million**
 - **Buyer: Real Estate Investment Entity**
- **Fredrick County Maryland (Closed 2010)**
 - **2,100 acres**
 - **Sales Price: \$100 Million**
 - **Buyer: Joint venture between Quantum Loophole & TPG Real Estate Partners (TREP)**
 - **Purpose: Master planned hyperscale data center development**
 - **Had water & power entitlements**
 - **Close to Northern Virginia (Data Center Alley)**

- **Regional Port has received several inquiries from private companies:**
 - **Los Angeles**
 - **New York**
 - **Connecticut**
- **Conversations quickly turn to Chelan County PUD**
 - **Power Availability**
 - **Rates**

Should We Explore an Alternate Model?

- **Chelan County citizens are not fully aware that the redevelopment of the Alcoa Property is a private sector driven process.**
- **If Chelan County citizens had the opportunity for input, what would they say?**

Wenatchee Alcoa Property

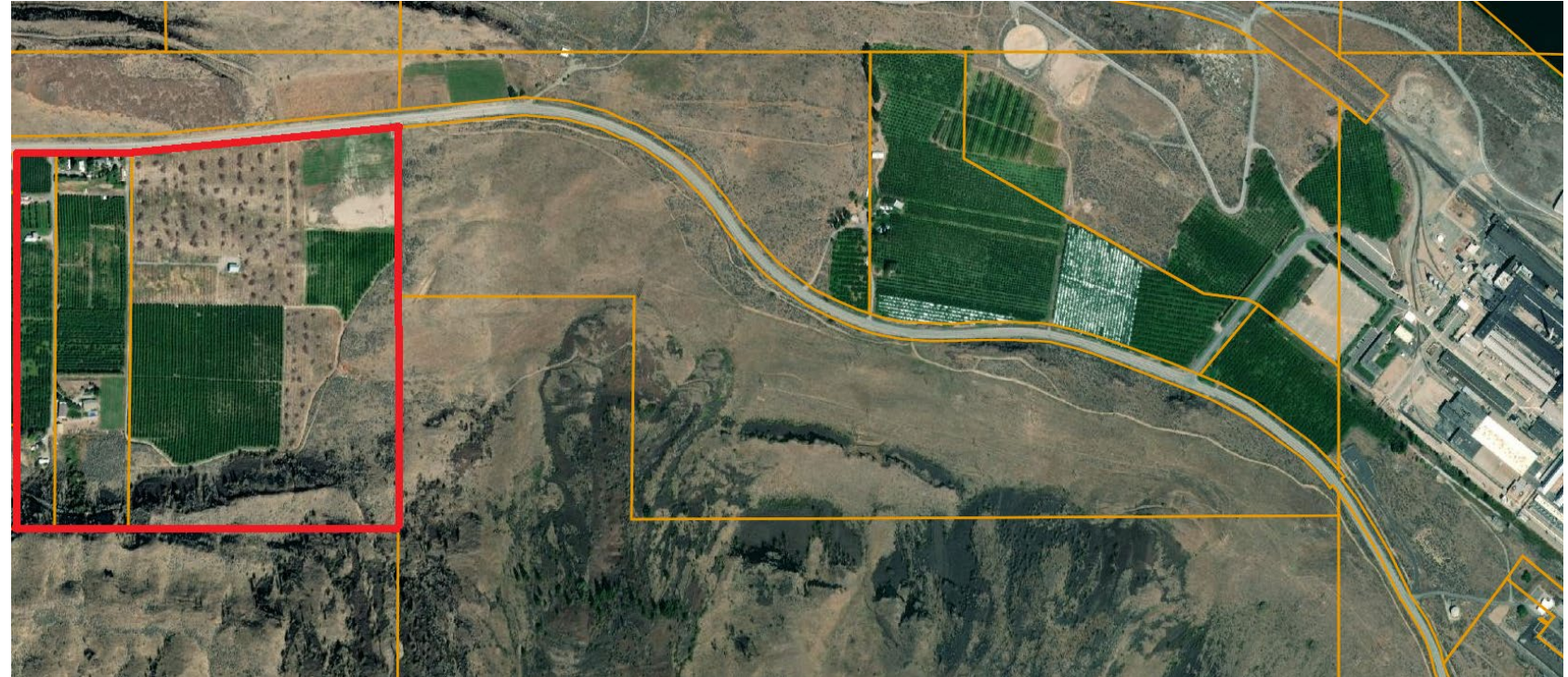
Visioning Concepts

- 1. Pursue the clean-up of properties that are currently contaminated to enable those properties to be repurposed for job creating economic development opportunities in the future.**
- 2. Industrially zoned land in Chelan County is limited. Set aside much of the property in an industrial land bank to support long term economic development opportunities. Overtime, attract new private sector businesses that will diversify our economy, create family wage jobs, and add to the tax base. Companies that are community minded, financially stable, and use our infrastructure resources wisely.**

What Works: Malaga – Industrial Site

102.5 Acres

**Strong Demand
for Large
Industrial Zoned
Parcels**



Taken Off the Tax Rolls: Temporary Hold

Alcoa Wenatchee Works Assessment Value History				
<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total Assessed Value</u>	<u>Assessment Based on 2021 Rates</u>
2015	\$ 50,480,020.00	\$ 8,540,084.00	\$ 59,020,104.00	\$ 489,059.77
2016	\$ 50,357,334.00	\$ 9,072,531.00	\$ 59,429,865.00	\$ 492,455.18
2017	\$ 28,658,491.00	\$ 3,207,236.00	\$ 31,865,727.00	\$ 264,049.77
2018	\$ 24,650,485.00	\$ 3,077,997.00	\$ 27,728,482.00	\$ 229,767.22
2019	\$ 21,598,976.00	\$ 7,307,666.00	\$ 28,906,642.00	\$ 239,529.83
2020	\$ 19,114,685.00	\$ 7,153,509.00	\$ 26,268,194.00	\$ 217,666.80
2021	\$ 13,446,319.00	\$ 7,044,724.00	\$ 20,491,043.00	\$ 169,795.44
2022	N/A	N/A	\$ -	\$ -
Note: Total 2021 Assessed Value in Chelan County = \$16,157,112,432				

- 3. Jobs per kilowatt hour matter. Create as many good paying jobs as possible per kilowatt hour. Discourage economic development opportunities that are power intensive with few jobs and few public benefits.**

- 4. Not all of the Alcoa property is best suited for economic development purposes. For these other properties, community-oriented uses should be considered such as:**
 - Workforce housing**
 - Bike paths**
 - Public access to Columbia River**
 - Protect & enhance resource lands**

- 5. The current Alcoa property has water rights and a wastewater treatment plant that benefits a single user. These assets should serve a broader community good, if possible.**

Do Chelan County citizens want to have a greater say in the future of the Alcoa property? If yes, what is the path forward?

Planning Efforts Underway:

- Malaga UGA**
- Water & Sewer Utility Extension Planning**
- Tax Increment Financing Tool**

Summary

- **Alcoa Wenatchee Works & property likely to be sold to private company**
- **Alcoa does want a robust redevelopment & reuse plan**
- **Wenatchee/Chelan County is not Texas or Maryland**
 - **Should an alternative model be explored?**