

FOXCONN IN RACINE COUNTY

Racine County is poised for a once-in-a-generation opportunity to establish the foundation for unparalleled economic development, job growth and enhanced quality of life that will make it one of the Midwest's top places to live, work and play.

WHO IS FOXCONN, AND WHAT ARE THEY PROPOSING TO MANUFACTURE IN RACINE COUNTY?

Foxconn Technology Group is the global leader in manufacturing services for the computer, communication and consumer electronics (3C) industry. Foxconn generated total annual revenue of \$135 billion in 2016 and was ranked No. 27 on the 2017 Fortune magazine Global 500. The company has facilities in Asia, Europe, and Latin America. The company is seeking to construct an advanced display manufacturing campus comprised of multiple buildings to produce liquid crystal display (LCD) panels for a variety of industries. It would be the first LCD panel glass fabrication plant in the United States.

HOW DOES THIS PROJECT COMPARE TO OTHER PROJECTS IN WISCONSIN?

It is by far the largest project in the state, and will, in fact, be one of the largest manufacturing campuses in the world.

HOW WILL FOXCONN'S NEW LOCATION IMPACT RACINE COUNTY?

A report prepared by EY Quantitative Economics and Statistics (QUEST) found **one-time benefits** from capital expenditures, including:

- Significant **capital investment** to construct and equip the facility, including for onsite Racine County construction that will support more than **10,000 construction and related jobs**.
- Over the four-year period, direct employees at construction contractors will earn an estimated **\$2.41 billion in direct labor income** for work performed in Racine County.
- In total, capital investments are anticipated to generate **\$9 million in local tax revenues** for Racine County.

There will also be **ongoing operating impacts**, including:

- **Employment of thousands of workers** once fully operational.
- A multiplier effect in terms of employment. It is estimated that every 10 direct jobs will create an additional 6 jobs that will be supported elsewhere in the County.
- **Billions of dollars in additional Racine County GDP**
- **Tens of millions of dollars in annual tax revenues** from facility operations through indirect and induced economic activity and taxes paid by project employees.

Data Source: Ernst & Young

BEYOND THE PLANNED INVESTMENT BY FOXCONN AT THE SITE, WHAT ARE THE EXPECTED BENEFITS TO THE COMMUNITY?

There will also be many other ongoing positive impacts to the community. For example, a recent study found there will be a **multiplier effect** in employment, with **every 10 direct jobs creating an additional 6 jobs** supported elsewhere in the county. Additionally, the facility operations will support increased local tax revenues annually through indirect and induced economic activity and taxes paid by project employees. It's important to consider the **"ripple effect"** of these jobs. These workers and their families need places to live, eat, shop and play - there will be great opportunity for business growth and additional employee recruitment and retention throughout the County.

In addition to direct impact from Foxconn and the "ripple effect" resulting, there are many supplier companies that will want to establish new operations in close proximity to Foxconn. Racine County leadership and municipal leaders are working diligently to make sure there is ample business park land available to welcome these supplier companies.

WHERE WILL THE FOXCONN FACILITY BE LOCATED?

Foxconn has selected a location in the Village of Mount Pleasant east of Interstate I-94 between KR and Braun Road. Racine County, the Village of Mount Pleasant and RCEDC are working with Foxconn to assemble land for the primary manufacturing campus and land nearby that can accommodate Foxconn's future expansion and supplier companies.

WHAT PUBLIC IMPROVEMENTS ARE REQUIRED TO SERVE THE SITE BEING ASSEMBLED IN RACINE COUNTY?

A development of this size will need access to significant public infrastructure, including water and sanitary sewer services, roadway improvements, electric and natural gas services and the addition of fiber optic lines to the site.

WHAT IS BEING DONE TO MITIGATE RISK BY THE VILLAGE AND THE COUNTY IF THE PROJECT DOES NOT HAPPEN AS EXPECTED?

The Village and County have created a Development Agreement that is structured to mitigate the Village and County risk associated with the project.

COMPANIES ALREADY FIND IT DIFFICULT TO FIND EMPLOYEES. HOW WILL FOXCONN FILL THOUSANDS OF EXPECTED POSITIONS? WHAT SUPPORT IS BEING PROVIDED TO HELP EXISTING BUSINESSES KEEP AND LOCATE EMPLOYEES?

Racine County and Southeast Wisconsin have enjoyed the success of recruiting new employers to the area and supporting existing companies with their expansion projects. These successes have resulted in a growing challenge to find workers. Racine County leadership has listened and has agreed to develop a new workforce recruitment program.

Racine County is an awesome place to live and work, so it is time that we begin to celebrate ourselves and invite new residents to fall in love with Racine County. Starting in the fourth quarter of 2017, Racine County launched a new talent recruitment effort to meet the workforce needs of our existing Racine County employers and the needs of Foxconn.

FOXCONN IS RECEIVING SIGNIFICANT INCENTIVE ASSISTANCE. WHAT RESOURCES ARE AVAILABLE TO HELP EXISTING BUSINESSES EXPAND?

Racine County's existing businesses are important to the sustainability and success of the community. RCEDC helps existing Racine County businesses access technical and financial resources to grow their business. Companies planning to create jobs and invest in new equipment, a building expansion, building purchase or new building construction can access low-interest financing through RCEDC and may be eligible for incentives to facilitate growth. For more information on available programs, see RCEDC.org or contact Laura Million (262-898-7530, lmillion@rcedc.org).

HOW CAN EXISTING BUSINESSES BECOME SUPPLIERS TO FOXCONN?

The Milwaukee 7, Southeast Wisconsin's regional economic development organization, continues to assist Foxconn in a number of areas, including supply chain sourcing as the company compiles potential suppliers for its new manufacturing plant. If you are interested in being a potential vendor, visit <http://tinyurl.com/M7Foxconn> to complete a supply chain form and create a profile on the Wisconsin Supply Chain Marketplace.

WHAT DO THE STATE ENVIRONMENTAL EXEMPTIONS MEAN FOR RACINE COUNTY?

Foxconn must comply with state and federal air, water quality, solid and hazardous waste standards, though the state legislation did include some exemptions designed to enable the DNR to proceed in a timely, streamlined fashion. Additionally, the legislation ensures any impacts to wetlands are appropriately mitigated. If you have additional questions related to the environmental aspects of the State Legislation, please contact the Wisconsin Department of Natural Resources.