

MYTH OR FACT?

Setting the record straight and addressing misconceptions and misinformation included in a recent Reply All podcast.

MYTH: THERE IS NO SIGN OF THE FACTORY

FACT: The project is proceeding **ahead of schedule**. Foxconn has already expended **\$100+ million in construction contracts** for site work, and has **nearly completed** the first **120,000 square foot building** on the campus, as well as the **3 million square foot pad** that will serve as the base for the next phase of construction, beginning in Spring 2019 — all before any work was even required to begin.

MYTH: THE VILLAGE DIDN'T SAY 'FOXCONN' UNTIL THE DEAL WAS DONE AND SIGNED

FACT: Though negotiations were obviously handled in closed session, the **Village referenced Foxconn as early as August 2017**, when it hired a project manager and specifically referenced Foxconn as one of the reasons for the hire. Details of the Village's then proposed development and financing plan were made available on October 4, the same day as the announcement of the site selection and was widely reported in the local media. In the weeks that followed, the **Village and County hosted information sessions across Racine County**, as well as **numerous formal public hearings** throughout October and November before the plan was ultimately voted on and approved.

MYTH: THE VILLAGE "GAVE" LAND TO FOXCONN

FACT: For Area 1, the Village levied a **special assessment on the company for every dollar of land** that has been transferred, to be paid back by Foxconn over 10 years (on top of the base TID payment). [For the land outside Area 1, Foxconn paid \\$60 million for it, while the Village owns it and has not transferred it.](#)

MYTH: THE STATE IS PROVIDING FOXCONN \$3 BILLION REGARDLESS OF WHAT IT BUILDS

FACT: The state tax incentives are not guaranteed, but are [pay-as-you-grow](#) (see chart). **Foxconn only receives tax credits if it reaches and maintains required employment, wage and investment numbers** – as certified by an independent entity. If they achieve less, then the incentive is less.

MYTH: THERE ARE EXEMPTIONS FOR FOXCONN'S WATER USAGE

FACT: Foxconn will be treated the same as any other industrial wastewater user. **There are no exemptions to any local, state or federal environmental requirements related to wastewater discharges.**

MYTH: THE VILLAGE TOOK FOXCONN'S COMMITMENTS ON FAITH

FACT: Though we fully anticipate that Foxconn's investment in Racine County, will not only meet, but exceed our expectations and projections, **our primary commitment is to the taxpayers of Mount Pleasant and Racine County**. That is precisely why the **Village developed a thoughtful, conservative plan that ensures key protections**, should the project not move forward as planned. These protections include:

- **Foxconn Guaranty:** Foxconn has provided a financial guaranty to cover the annual revenue equivalent to an incremental valuation of \$1.4 billion, regardless of what is built.
- **State Pledge:** 40% of debt issued Racine County and Mount Pleasant is backed by the State of Wisconsin.
- **Area I Special Assessment:** The Village's investment in Area I is secured by a special assessment on Foxconn that requires the company to pay for every dollar spent on the acquisition of land in Area 1 over the next 10 years.
- **Area II and III \$60 Million & Special Assessments:** The Village has already received \$60 million from Foxconn to be used for purchase of land in Areas II and III – land which the village owns and has not transferred. Any additional costs will also be paid by Foxconn through a special assessment.
- **State Grants:** Racine County and Mount Pleasant received \$15 million in grants from the State of Wisconsin.
- **Conservative Planning:** The TIF estimates are extremely conservative. For example, the TIF assumes no growth outside of the main manufacturing facility — that's nearly 2,700 acres of anticipated developed land we aren't projecting increment for.

MYTH: THERE IS NO PLAN FOR FOXCONN'S WASTEWATER

FACT: Foxconn's wastewater would be managed and overseen by the **Racine Wastewater Utility**. The Utility has a rigorous [Wastewater Treatment Program](#) that includes oversight by DNR and EPA. Companies are required to pretreat any water that they return. If it doesn't meet the standards, they can't return it.