

July Foxconn Construction Briefing

Q: What are you doing to protect Racine County residents from the harmful ozone levels that already exist and the increased levels we can expect when Foxconn starts manufacturing?

A: Foxconn is being held to the exact same local, state and federal air and water requirements as any other business. (More information available [here](#) and [here](#).)

Q: Residents were told earlier this year that Highway 11 construction was going to be delayed, however, it is now under construction. Why has this changed?

A: There are several construction projects on State Highway 11. The portion currently under construction, near the frontage roads, is related to the I-94 North-South Freeway Project.

The project this question references is related to the section of State Highway 11 to the East of County Highway H. According to WisDOT, that project is on schedule to begin in Spring 2020, as was announced in September of 2018.

A third and separate project, focused on State Highway 11 between East Frontage Road and ending just West of County Highway H is planned to begin in August 2019.

Q: Amazon and Uline don't have special electrical substations, but Foxconn does. Is it overkill since they are not building what they initially planned to?

A: The Mount Pleasant Substation will provide electrical service to a large portion of Racine County west of I-94 in addition to its service to the Foxconn campus.

Foxconn is developing an advanced manufacturing campus requiring significant power to operate. In order to supply adequate power to the campus, additional electrical infrastructure is necessary. Uline and Amazon are very different, as those businesses are more accurately described as warehouses.

Q: Areas II and III are under contract but have not been developed. When will that land be conveyed, and what happens if Foxconn doesn't build on it?

A: This is a multi-phase project. Areas II and III have always been intended for development in later phases and by potential suppliers or ancillary developments over time. Under the agreement, Foxconn has the exclusive right to acquire parcels in these areas, for project purpose, for a period of 10 years after the date they were acquired.

Q: Concerned about infrastructure costs. How will all of this be paid for? Foxconn has only committed to 1500 jobs in 2020. Seems to be a problem.

A: The local development agreement ensures that Foxconn's investment will fund all public infrastructure (including water, sewer and roadway improvements) through Mount Pleasant TID 5. The agreement requires Foxconn to make TID payments annually that will more than cover all costs. Starting in 2023, Foxconn's payments will be based on a guaranteed minimum incremental value of \$1.4 billion, equivalent to about \$30 million per year. The local agreement is not tied to job creation numbers.

It should also be noted that these payments are in addition to the payments Foxconn is making for land acquisition, including the \$60 million deposited to the Village in December 2017 and the Special Assessment payments it will begin making this year that are estimated to total \$202 million.

Q: Curious how Foxconn is going to pay back what is already owed? Should be a concern of every taxpayer in Mount Pleasant.

A: There will be no impact on taxpayers.

The local development agreement stipulates that if, for any reason, Foxconn's investment on the campus falls short, the company remains obligated to support a minimum valuation for the project of \$1.4 billion, which will more than pay for all public improvements and development costs for the project. The Village and its taxpayers are further protected because of the State of Wisconsin's Moral Obligation Pledge.

There are three methods through which Foxconn will fund the project:

- \$60 million deposited by Foxconn in December 2017;
- An estimated \$202 million in Special Assessments; and
- An estimated \$650 million in TIF-related payments.

For more information on project funding, [click here](#).

Q: Why are they continuing the KR phase 2 expansion since Foxconn is not going to build what they contracted to?

A: Improvements to County KR have long been intended as part of the County's expansion plans. Infrastructure improvements will support public needs and future developments in addition to Foxconn's advanced manufacturing campus.