

LOCAL DEVELOPMENT AGREEMENT

On the heels of the approval of the State of Wisconsin's agreement with Foxconn, the world's largest electronics manufacturer, the Village of Mount Pleasant and Racine County have successfully crafted a Development Agreement that outlines the responsibilities of the Company, Racine County and the Village of Mount Pleasant, along with key guarantees and protections for local taxpayers.

Highlights of the Development Agreement's enhancements from the Memorandum of Understanding, benefiting local taxpayers include:

LAND:

Foxconn will provide **all** funds needed for land acquisitions through an upfront cash investment of \$60 million and Special Assessments when needed to cover acquisition costs above that amount. As a result, the Village and County will no longer need to immediately borrow money to acquire land in Areas II and III.

JOBS:

The agreement requires Foxconn to create 13,000 full-time jobs in Wisconsin, with the majority in Racine County.

FOXCONN GUARANTY:

As outlined in the MOU, Foxconn is providing a guaranty to cover the annual revenue equivalent to an incremental valuation of \$1.4 billion, should the actual valuation fall short during the 30-year life of the TID. In addition to the valuation guaranty, Foxconn is providing a guaranty to cover the Village and County's initial debt exposure, through a combination of (1) its \$60 million upfront cash investment ("Developer Advance"); (2) the continuing first lien mortgage to the Village and County on area parcels owned by Foxconn ("Developer Advance Mortgage"); and (3) a "Developer Affiliate Guaranty" for any remaining gap, beginning with a \$135 million guaranty at the time of the initial bond issuance in 2018.

ROAD IMPROVEMENTS:

The Wisconsin Department of Transportation (WisDOT) is funding and managing all roadway improvements in the project area. The Village will contribute \$11.5 million toward the improvements, but all risk will be borne by WisDOT.

WORKFORCE DEVELOPMENT:

The County will allocate funds to enhance and sustain economic development efforts, programs and opportunities that benefit new and existing businesses, including those designed to encourage talent recruitment for existing and new employers in the County and those that promote advanced manufacturing and trade apprenticeship programs:

- \$2.75 million in 2018 (\$2 million of which will be reimbursed by the state)
- \$1 million in 2019, 2020 and 2021 (subject to County Board appropriation)

KEY DATES:

- **December 1, 2017:** Final site plan for Area I to be submitted to municipalities.
- **December 29, 2017:** Deadline for Village to exercise all options on option parcels, with occupancy by May 15, 2018.
- **August 1, 2018:** Deadline for Village to acquire all additional parcels in project area.
- **January 1, 2019:** Latest date Foxconn will begin the anticipated seven-year construction of its \$10 billion facility.
- **January 1, 2023:** Start date of minimum guaranteed value of Area I to be at least \$1.4 billion, to be maintained until December 31, 2047.