

Wisconsin Valley Facts & Figures

Overview

- With 13,000 jobs and a capital investment of \$10 billion, Foxconn's investment in Wisconsin is by far the state's largest economic development project and is the largest corporate attraction project in US history as measured by jobs. (Source: *Milwaukee 7 research*)
- The project also will be the largest greenfield investment by a foreign-based company in U.S. history as measured by jobs. (Source: *Milwaukee 7 research*)
- With a floor area of 20 million square feet, the Foxconn campus will be large enough to hold 11 Lambeau Fields. It will become one of the largest manufacturing campuses in the world – eclipsing the New Century Global Center in Chengdu, China (18.9 million square feet), the Tesla Gigafactory in Sparks, Nevada (10 to 15 million square feet); and the Boeing facility in Everett, Washington (4.3 million square feet). (Source: *WEDC research*)
- Foxconn's investment will create the first liquid crystal display (LCD) manufacturing facility in North America and the only one globally that is not located in Asia. (Source: *Milwaukee 7 research*)

Employment

- Once the Foxconn complex is fully operational, it will employ 13,000 workers. That means if Foxconn were a municipality, its population would be larger than 96% of the cities, towns and villages in the state. (Source: *Wisconsin Population and Housing Estimates, Wisconsin Department of Administration*)
- The jobs will have an average salary of \$53,875, plus benefits.
- The number of Foxconn employees will equal the entire populations of each of these communities: Glendale, Fort Atkinson, Stoughton, Waunakee, Hudson and Chippewa Falls. (Source: *Wisconsin Population and Housing Estimates, Wisconsin Department of Administration*)

Size of facility

- The entire Foxconn complex will be located on at least 1,000 acres of land – or about 1.56 square miles. That's the same geographic size as Sauk City (Sauk County); Junction City (Portage County); the Town of Madison (Dane County); Cambridge (Dane County); Minong (Washburn County); Winneconne (Winnebago County); Weyauwega (Winnebago County); Belleville; (Dane and Green counties); Crivitz (Marathon County); and Shorewood (Milwaukee County). (Source: *WI Demographic Services Center 2016 Final Population Estimates, Wisconsin Department of Administration*)

- At 20 million square feet, the campus will also will be:
 - Three times the size of the Pentagon (6.6 million square feet)
 - Nearly four times the size of the Chrysler Headquarters and Tech Center in Detroit (5.3 million square feet)
 - Nearly five times the size of the Boeing plant in Everett, Washington (4.3 million square feet)
 - Bigger than the world's largest airport, the Dubai International Airport (12.8 million square feet)

Economic impact of Foxconn in Wisconsin (Source: Ernst & Young estimates)

Construction phase impact

- The project will require an estimated \$10 billion of capital investment to construct and equip the facility. Of this, an estimated \$5.7 billion will be for construction and equipment sourced from Wisconsin businesses.
- The project will support 10,000 construction jobs in each of the next four years as well as 6,000 indirect and induced jobs.
- The capital investment will generate \$348 million in state and local tax revenues.

Ongoing economic impact

- In addition to the 13,000 jobs directly created by Foxconn, the project is expected to create at least another 22,000 indirect and induced jobs throughout the state.
- Foxconn is to make \$4.26 billion in supplier purchases annually, about one-third of which will be sourced from within Wisconsin.
- The project is expected to have at least a \$7 billion annual economic impact on the state.
- The project will generate an estimated \$181 million in state and local tax revenues annually, including \$60 million in local property taxes.

Wisconn Valley FAQs

Who is Foxconn and what kind of jobs are they bringing to Wisconsin?

- Foxconn is locating in Wisconsin and will create 13,000 new jobs and invest \$10 billion.
- Foxconn specializes in design, manufacturing, and assembly of global computer and high-tech consumer-electronics products. The company is well known as the assembler of iPhones.
- Foxconn has chosen Wisconsin to build a new high-tech manufacturing and technology campus to build Liquid Crystal Displays (LCD). This will be the first LCD facility of any kind in North America and will manufacture LCD screens that will be used in everything from self-driving cars to aircraft systems and in the fields of education, entertainment, healthcare, safety and surveillance.
- The campus will employ thousands of engineers and skilled workers.
- The average wage will be \$53,875 per year, plus benefits.

Where will this be located?

- Foxconn is evaluating multiple sites in southeast Wisconsin to build the plant.
- Businesses all over Wisconsin will benefit from the supply chain needs of Foxconn.

When will this happen?

- Hiring, permitting, planning, and construction are set to begin immediately.
- Foxconn plans to be operational in 2020.

What will the legislation look like?

- A special session of the legislature will be called to pass an incentive package necessary for Foxconn to locate in Wisconsin over several other states.
- The tax credit incentives are tied to actual performance. No credits will be given if Foxconn fails to invest capital or create jobs.
- Foxconn will be eligible to earn incentives based on their actual Job Creation and Capital Investment.
- Similar to the construction of the Milwaukee Bucks arena, Foxconn will be eligible for a sales tax holiday for the purchase of construction materials.
- The incentives are projected to cost between \$200 million and \$250 million a year. Once the company is fully staffed, Foxconn's payroll will be an estimated \$700 million a year.
- The maximum amount of incentives Foxconn will be eligible to earn is \$3 billion over 15 years:
 - Up to \$1.5 billion in state income tax credits for job creation
 - Up to \$1.35 billion in state income tax credits for capital investment
 - Up to \$150 million for the sales and use tax exemption (sales tax holiday)

How is this transformational?

- Foxconn is bringing the future of manufacturing to the U.S. and Wisconsin will be the leader. The technology of the future will be discovered and built in Wisconsin.
- This project will have an impact not just on southeastern Wisconsin but on the entire state. Foxconn will have significant supply-chain needs that will create new opportunities and open new markets to companies in numerous industries throughout the state.

Will Foxconn follow through? What if they don't come or don't hire as many people as promised? What if they leave?

- There will be a Memorandum of Understanding that will outline the terms of the incentives based on expected job creation and capital investment.
- WEDC will underwrite the transaction using the legislative action as guidelines. The agreement will be subject to approval by the WEDC Board of Directors and the satisfactory negotiation of a contract between WEDC and Foxconn.
- Because the incentives are tied to actual performance, Foxconn can only earn the maximum amount of incentives if they fulfill the proposal to create 13,000 new jobs at an average salary of \$53,000 and spend \$10 billion in Wisconsin.
- The contract with Foxconn will contain clawbacks that will require the company to pay back tax credits if the jobs and investment are not kept in Wisconsin.

How does this incentive compare to others around the U.S.?

- This is by far the largest economic development investment in the history of Wisconsin. This also is the largest corporate attraction project in U.S history as measured by jobs and the largest greenfield project - as measured by jobs - involving a foreign-based company in U.S history.
- This more than a single facility or company. This is a once-in-a-century investment that will create a new high-tech manufacturing and technology ecosystem in the United States, with Wisconsin serving as the leader.
- Other job creating investments of this magnitude have received similar incentives from other states. Boeing, Alcoa, GM, Tesla and Ford have all received incentives between \$1 billion and \$8 billion from Washington, New York, Nevada and Michigan for fewer jobs.

Local Improvements

- The Tax Incremental Financing District tools available to the municipality where this is located will be expanded to ensure there is capital available for local infrastructure.

It's already hard to find employees in Wisconsin. Won't this make our worker shortage worse?

- Wisconsin is ready. Foxconn chose Wisconsin because we have a strong workforce, a top ten business climate, and world class educational institutions.
- Talent is attracted to opportunity, and Wisconsin will be able to keep our skilled workforce here and attract top talent from around the country.
- Given the size of the company's investment and the nature of the jobs, Foxconn will attract employee interest from the Midwest, the United States and around the world.
- Opportunities such as this are the reason the administration has made workforce development a top priority. Investments in workforce readiness and entitlement reform will make sure everyone who is able to work can get the skills they need to enter the workforce.
- Investments in education, workforce readiness, and entitlement reform will make sure everyone who is able to work can get the skills they need to enter the workforce. The state also plans an aggressive talent retention and marketing effort to ensure Wisconsin businesses are able to take advantage of the opportunities Wisconsin offers.
- Education at every level from K-12, to Tech Schools, to Higher Education, will need to prepare students for the next generation of high-tech manufacturing jobs that Foxconn and its supply chain are bringing to Wisconsin.