

TID 5 PROJECT INVESTMENT UPDATE

The **full project investment will be funded by Foxconn** through TIF-related payments and **will not** impact local taxpayers. Projections are based on conservative scenarios that are based only on Foxconn's guaranteed investment in Area I and do not rely on the likelihood of additional development within the TID boundaries.

SOURCE

\$10 billion

IN PRIVATE INVESTMENT

Foxconn's \$10 billion private investment in Area I will generate about \$29 million/year in new tax revenue that will more than pay for all public improvements and development costs. **Foxconn is providing financial guarantees to support a minimum valuation for the project in Area I of \$1.4 billion.**

PROJECT INVESTMENT

\$60 million

DEPOSITED BY FOXCONN DECEMBER 2017

\$147 million

FUNDED BY FOXCONN THROUGH SPECIAL ASSESSMENTS

+ \$602 million

FUNDED BY FOXCONN THROUGH AREA I TIF-RELATED TAX PAYMENTS

\$809 million

USES



LAND ACQUISITION
\$182 million



FINANCING EXPENSES
\$207 million



WATER & WASTEWATER
\$163 million



CONDITIONAL GRANTS
\$100 million



ROADS
\$12 million



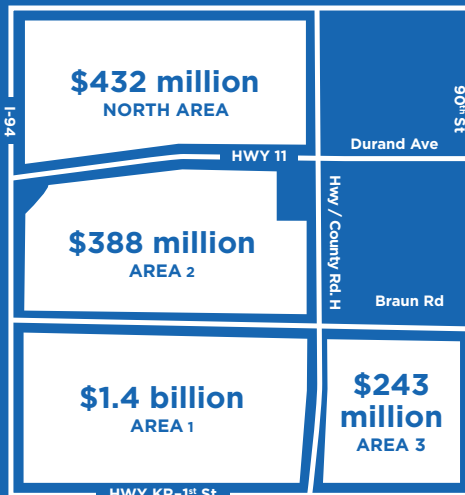
PUBLIC SAFETY COSTS
\$140 million



OTHER
\$5 million

POTENTIAL ADDITIONAL DEVELOPMENT VALUE

The project is designed to ensure that the TID is fully funded solely through Foxconn's payments in Area I. It does not rely on the additional development within the district that is likely to occur. The development of Areas II, III, and the North Area over the course of 20 years could yield an additional \$22 million in annual tax increment collections.



WHAT'S DIFFERENT

To-date, the total project investment has been approximately **\$256 million**, and the updated TID estimated investment is \$809 million, a reduction of \$103 million from the year ending 2018 estimate.

\$103 million

*TOTAL DECREASE IN PROJECT ESTIMATE

SEWER

Based on Foxconn's current plans for development within TID 5, a portion of the originally planned sewer system work will not need to be completed for 10 or more years. This reduces project costs in the initial infrastructure buildout by \$22 million. At the time the additional sewer work is needed, it will be paid for by tax increment generated by Foxconn.

LAND ACQUISITION

Final costs for land acquisition were approximately \$24 million less than the prior estimate as certain parcels not necessary for completion of the project were not acquired. The Village has completed acquisition of all lands needed for the current and future Foxconn related projects and all related infrastructure. All land acquired for private development purposes was paid for with the \$60 million Foxconn cash deposit, and with financing issued by Racine County that is being repaid with special assessments levied on Foxconn property.

INTEREST EXPENSES

As a result of a continued low interest rate environment, financing obtained by the Village and County has been at interest rates far lower than were originally projected in 2017. Combined with a reduction in the amount of financing needed for sewer improvements and land acquisition, estimated total long-term interest expense has been reduced by \$47 million.

PUBLIC SAFETY

The Village has reduced its estimated expenditures for public safety over the life of TID 5 by \$10 million to reflect a slower ramping up of additional police and fire protection services. The Village continues to evaluate the need and timing for additional public safety services to ensure that these expenditures coincide with Foxconn's development plans.