

Gronik Campaign: Urges WEDC to release Foxconn contract details before vote, collect public feedback

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Defaulted loans by Kestrel Aircraft serve as a cautionary tale as WEDC negotiates most massive taxpayer-backed corporate incentive deal in U.S. History

MILWAUKEE – Just days after announcing an “unspecified problem” with the contract to bring Foxconn to Wisconsin, [a problem described by one lawmaker as a “nuclear bomb” that would have left taxpayers completely unprotected](#), the state is threatening legal action against aviation company Kestrel Aircraft for defaulting on its loan payments. To date, Kestrel Aircraft still owes the state more than \$3.4 million.

“The inability of Gov. Scott Walker and his administration to negotiate good economic development deals on behalf of Wisconsin is costing taxpayers mightily,” said gubernatorial candidate Andy Gronik on Monday. “Gov. Walker’s political ambitions led to a \$3 million mistake five years ago, the Wisconsin Economic Development Corporation (WEDC) should release the full details of the Foxconn contract to make sure the Governor isn’t making a \$3 billion mistake this time around.”

[According to reporting by the Wisconsin State Journal](#), Gov. Scott Walker announced a \$20 million award for Kestrel Aircraft, an aviation start-up, which promised to create over 650 jobs and invest more than \$50 million in the state. To date, Kestrel Aircraft has defaulted on loan repayments and only created 25 jobs. As the state now plans to take legal action against the company, it serves as a cautionary tale of how putting politics ahead of sound economic development can leave taxpayers on the hook for significant sums down the road.

“We already know that even under the rosier projections taxpayers won’t begin to be repaid from Foxconn for 25 years. If Scott Walker and WEDC make a \$3 billion

mistake with Foxconn, it will be even longer before the taxpayers are made whole. That's just a bad deal for the taxpayers and will serve as an anchor around the neck of our state for years to come." said Gronik. "There simply needs to be more transparency around this deal. WEDC needs to release the full details of the Foxconn contract before a vote and hold a public session for feedback from Wisconsinites. Economic development is too crucial for families in every corner of the state to treat it as a political tool. If we're going to do deals of this magnitude let's make sure we do them correctly."

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