

# Gov. Walker: \$32 million Milwaukee Tool expansion project receives support from WEDC; company to create 350 new jobs

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*Governor joins local and regional officials at groundbreaking for company's new R&D facility*

BROOKFIELD – Governor Scott Walker announced today that the Wisconsin Economic Development Corporation (WEDC) is providing Milwaukee Tool Co. with \$8 million in state tax credits to support the company's plans to build a \$32 million R&D facility in Brookfield – a project expected to create 350 new jobs.

“A little more than two years ago, Milwaukee Tool announced the expansion of their headquarters creating nearly 600 jobs in Brookfield, and now we are here today to announce yet another expansion that will create 350 more jobs,” said Governor Walker, who joined company officials in a ceremonial groundbreaking event at the company's headquarters. “As a global manufacturer, Milwaukee Tool had other options for its latest expansion, but chose Wisconsin because of our dedicated workforce and strong business climate. Thank you to Milwaukee Tool for their continued commitment to creating jobs, contributing to our economy, and growing in our state.”

Milwaukee Tool's newest expansion project will occupy a 3.5-acre site and will be part of the company's expansion of their Global Headquarters Campus. This newest expansion will house the company's advanced manufacturing, engineering, and

global research and development center. The 114,500-square foot, multi-story building starts construction in Q3 and is expected to be completed by Q4 of 2019, bringing their global headquarter space from 390,000 square feet to an approximate 504,500 square feet.

The company plans to create 350 jobs at the facility over the next five years. The jobs will include a wide range of opportunities, but will predominantly focus on engineering roles with an average annual salary of \$75,000.

“When you look at the growth our company has achieved in the last decade, the catalyst for our success has been our people. The drive, determination, and obsession of our employees has enabled us to continue delivering disruptive innovation for the professional trades and our distribution partners,” said Steve Richman, Milwaukee Tool Group President. “We are proud to partner with the State of Wisconsin to grow a world-class work environment that will continue to attract, retain, and recruit the best talent in the world.”

In 2016, WEDC awarded Milwaukee Tool up to \$18 million in performance-based state income tax credits for a 200,000-square-foot expansion of its corporate headquarters in Brookfield expected to create about 600 jobs. To ensure the latest expansion would occur in Wisconsin, WEDC amended its contract with Milwaukee Tool to provide an additional \$8 million in tax credits.

As a result, the company has agreed to create 942 new jobs, retain its existing jobs, and make \$67 million in capital investments through 2022. The actual amount of tax credits the company will receive is contingent upon the number of jobs created and retained, and the amount of capital investment made through 2022.

In addition to the creation of 350 jobs at Milwaukee Tool’s Brookfield headquarters, an economic modeling study estimates the project could indirectly generate 690 additional jobs in the region. Those 1,040 new jobs are expected to generate about \$13 million in state income tax revenue over a five-year period.

The construction phase of the project could directly support an additional 160 jobs and 100 indirect jobs.

The City of Brookfield is also supporting the expansion of the city’s largest employer by providing \$3.5 million in Tax Increment Financing assistance to help offset the project costs.

“We thank Milwaukee Tool for its continued expansion in the City of Brookfield,” said Brookfield Mayor Steven Ponto. “We value Milwaukee Tool as a great corporate citizen and the jobs that are being created are high level, family supporting jobs which benefit our city and the metropolitan area.”

The Milwaukee 7 Regional Economic Development Organization also worked with the company to ensure the expansion took place in the region.

“We’re delighted that Milwaukee Tool has selected southeastern Wisconsin for yet another significant expansion,” said Gale Klappa, co-chair of Milwaukee 7 and chairman and CEO of WEC Energy Group. “The company’s decision to again invest here highlights how attractive the Milwaukee region is to global companies that require skilled knowledge workers. We’re attracting corporate investment at a pace unprecedented in Wisconsin history.”

Milwaukee Tool purchased the 3.5-acre parcel north of Lisbon Road from Wangard, the developer of the Eastgate Business Center. Wangard will be Milwaukee Tool’s lead development and construction management consultant.

### **About Milwaukee Tool**

Milwaukee Tool, founded in 1924, is a global leader in delivering innovative solutions to the professional construction trades that offer increased productivity and unmatched durability. Milwaukee Tool is a Brookfield, Wisconsin-based subsidiary of Techtronic Industries Co. Ltd., and is the only power tool company that has maintained a manufacturing presence within the United States.

The company moved from Milwaukee to Brookfield in 1965, and over the last decade has redeveloped 190,000 square feet of former manufacturing space to accommodate research and development, product development, proto-typing, packaging design, marketing, sales, training facilities, and administrative offices. In 2017, Milwaukee Tool completed construction and took occupancy of a new 200,000 square foot, four story office building on its Brookfield campus. The company has grown employment at its Brookfield campus from just over 300 jobs in 2011 to almost 1,300 this year.

Milwaukee Tool’s global leadership continues to make a big impact on jobs growth within not only Wisconsin, but also the United States. The company recently expanded operations at three Mississippi locations, investing \$33.4MM and creating



660 jobs, and has a vast sales and support footprint across the country. The company currently employs over 3,500 people nationwide.