

WisDems: The Foxconn effect: Mount Pleasant bond rating downgraded

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Today, *The Daily Reporter* [reported](#) that Moody's Credit Agency has downgraded Mount Pleasant's credit rating. The reasoning? Foxconn.

From the [report](#):

*Mount Pleasant's millions in borrowing to support the construction of Foxconn Technology Group's \$10 billion factory there have led to a one-notch downgrade in the village's credit rating **over fears that the massive factory may not produce the economic benefits officials had promised.***

And [here](#) is Moody's analysis.

*The downgrade to Aa3 largely reflects current and anticipated growth in the village's direct debt burden and likely growth **in its overlapping debt burden tied to borrowing in support of the Foxconn development. The rating also incorporates additional risks associated with the project including the uncertainty of enforceability of guarantee provisions in the event of a breach of development obligations.***

The experts agree: the Foxconn deal is on shaky ground and that is bad news for taxpayers.