



Tony Evers

Office of the Governor | State of Wisconsin

July 8, 2019

Mark Hogan
Wisconsin Economic Development Corporation
201 W. Washington Avenue Madison, WI 53703

Dear Secretary Hogan,

My Administration is committed to supporting Foxconn's success in Wisconsin to bring manufacturing jobs to an area of the state that has struggled for many years. As part of my pledge of transparency to you, the Wisconsin Economic Development Corporation Board, and all Wisconsin residents, I want to communicate directly with you regarding Foxconn's proposed project in Racine County.

Recently, many WEDC Board Members visited Foxconn's development site in Mt. Pleasant and saw the status of the project firsthand. Last month, I too toured the site and surrounding area and gained valuable insights into investments already made by Foxconn, the Village of Mt. Pleasant and Racine County, as well as the major commitments by the state, especially the Wisconsin Department of Transportation.

In the coming months, we may be asked to evaluate either proposed changes to the State of Wisconsin's 2017 agreement with Foxconn or terms for a new contract. As you know, in March 2019, Foxconn notified the State of Wisconsin and the WEDC of its desire to revisit its agreement with the state. The incentives offered to Foxconn under the original agreement were based on, and tied to, construction of a Generation 10.5 TFT-LCD Manufacturing Facility. Formal evaluation and incentives approved for the Foxconn project were based on that specific type of manufacturing facility and the supply chain connected to that project. Foxconn no longer intends to build and operate such a facility on the Mt. Pleasant site and will instead construct a different facility.

Foxconn's present plans offer details through the end of 2020 and reflect a substantially smaller footprint, less capital investment, and fewer manufacturing workers than its original plans. The unprecedented incentive package offered to Foxconn under the original contract was justified by the project's promise of new manufacturing jobs in Racine County and the massive scale of a Generation 10.5 Facility. Because the project has evolved substantially from what was originally proposed, evaluated, and contracted for, it is necessary to review the revised aspects of the project and evaluate how changes can most fairly benefit both the company and our state.

Proposed modifications to the Foxconn agreement or terms for a new agreement should be thoroughly and thoughtfully reviewed and assessed by the WEDC and my Administration. It is my goal and expectation that we will work in unison to ensure the collective interests of Wisconsin taxpayers and Foxconn are met.



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On a personal level, thank you for your service to our state over the last four years. As you prepare for your departure from the WEDC this fall, you can be proud of the agency's work and the committed team you built. I look forward to our work together in your remaining weeks at the WEDC and appreciate the professionalism and dedication with which you have approached this role.

Sincerely,

A handwritten signature in black ink that reads 'Tony Evers'.

Gov. Tony Evers

cc: Wisconsin Economic Development Corporation Board