

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 \$30 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

\$202 million
FUNDED BY FOXCONN THROUGH SPECIAL ASSESSMENTS

+ **\$650 million**
FUNDED BY FOXCONN THROUGH AREA I TIF-RELATED TAX PAYMENTS

\$912 million

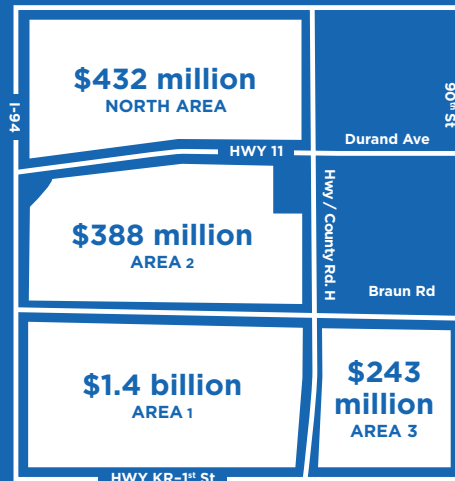
USES

 LAND ACQUISITION \$206 million	 FINANCING EXPENSES \$254 million
 WATER & WASTEWATER \$185 million	 CONDITIONAL GRANTS \$100 million
 ROADS \$12 million	 PUBLIC SAFETY \$150 million
 OTHER \$5 million	

This change does not reflect an increase in anticipated expenses, but the additional availability of Foxconn TID payments for use in public-safety related expenses, if the TID remains open for the full 30 years.

POTENTIAL ADDITIONAL DEVELOPMENT VALUE

The project is designed to ensure that the TID is able to be 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, which would lead to a surplus of \$119 million in the TID fund by 2043.



* If the TID were left open 30 years, the surplus would be \$449 million.

WHAT'S DIFFERENT

To-date, the total project investment has been approximately \$190 million, and the updated TID estimated investment is \$912 million. The total increase in investment will be offset by the increase in Foxconn's special assessment payments, payments from the Village of Caledonia towards sewer improvements, and application of Foxconn tax increments.

\$114 million

*TOTAL INCREASE IN PROJECT ESTIMATE

\$128 million

TOTAL INCREASE IN FOXCONN SPECIAL ASSESSMENTS

*Does not include availability of Foxconn TID payments for use in public-safety related expenses as outlined above

SEWER | WATER

Water and sewer utility projects are being done carefully and with the future in mind. The scope of sewer improvements was adjusted to accommodate the growing needs of Caledonia. Total sewer related expenses have increased by \$12 million, but Caledonia will be paying approximately \$30 million of the sewer debt principal plus associated interest. Additionally, total water related expenses have increased by \$12 million.

LAND ACQUISITION

The majority of the increase is related to land acquisition costs (and associated interest payments). To ensure all property owners were treated fairly and equitably, the Village Board agreed to offer all impacted property owners 140% of the fair market value of their homes and \$50,000 / acre for excess land. The resulting increase in land acquisition costs (and related financing expenses) is completely covered by Foxconn through increased special assessments.

INTEREST EXPENSES

Total interest expenses have increased because of:

1. Increased land acquisition and sewer / water investment;
2. Increased interest rates; and
3. Capitalized interest.

These costs are offset by the increase in Foxconn's special assessments, tax increments, and payments from the Village of Caledonia towards sewer improvements.