

# MICROSOFT DATA CENTER CAMPUS

Microsoft Corporation plans to invest \$1 billion to develop a 315-acre data center campus in Tax Incremental District No. 5 in the Village of Mount Pleasant. Attracted to the region by inherent assets of Racine County and Wisconsin and by the infrastructure improvements made in TID 5, this data center campus will be a major addition to the local and state economy. Microsoft's purchase and development of the land is subject to local approvals by the Village of Mount Pleasant and Racine County, including three initial agreements being considered in March/April 2023.

## DEVELOPMENT AGREEMENT

Microsoft Corporation is entering into a Development Agreement with the Village of Mount Pleasant and Racine County related to this development. If approved:

- Microsoft will construct a data center campus at a cost of more than \$1 billion on the land it purchases in TID 5. Construction is anticipated to commence:
  - Phase 1: not later than July 1, 2026
  - Phase 2: not later than July 1, 2033
- Microsoft will be eligible to earn back some of its investment as it builds buildings:
  - Payments are contingent on the Village having received sufficient Tax Incremental Revenue to have first paid all other TID obligations.
  - Microsoft may recoup 42 percent of the annual incremental property taxes it pays on the improvements it builds, not to exceed \$5 million per year for the duration of the agreement and the district.
- The Village and County have the option to repurchase the land being sold to Microsoft, at Microsoft's original per-acre price, if Microsoft fails to commence constructing buildings by the stated deadlines.

## PURCHASE & SALE AGREEMENT

An Agreement for Microsoft Corporation to purchase and the Village to sell approximately 315 acres within TID 5 for \$50,085,000 by July 31, 2023.

## TIMELINE

- **March 30 | 5:30 PM**  
Village Board
- **April 11 | 6:30 PM**  
Racine County Board - First Reading
- **April 18 | 6:30 PM**  
Racine County Board - Second Reading

Microsoft is interested in acquiring and developing all of the land lying south of Braun Road, north of C.T.H. KR, east of the Canadian Pacific Rail right-of-way and west of 90th Street in TID 5.

## IMPLEMENTATION AGREEMENT

An Agreement between the Village of Mount Pleasant, Racine County and Foxconn to enable the Microsoft project in TID 5.

- The Agreement does not lessen any of Foxconn's obligations under its development agreement. The Agreement does not provide Foxconn any new benefits.
- Just as existing municipal debt agreements pledge all TID 5 tax increment to pay down existing debt, the Agreement allocates new increment to be generated by Microsoft's land purchase and development to pay down the prorated share of TID costs allocated to that area (12%).
- Foxconn releases all rights to the 315 acres of land in TID 5 that will be sold to Microsoft and consents to a Transmission Line easement on other land over which Foxconn retains acquisition rights.
- Foxconn will receive the proceeds from the Microsoft land sale (net of costs) as partial reimbursement of the funds Foxconn advanced in 2017 to acquire lands in TID 5.

