

MICROSOFT DATACENTER FOOTPRINT EXPANSION

Microsoft Corporation plans to invest billions of dollars to construct new datacenters to meet the evolving computational needs of its global customer base, expanding on Microsoft’s \$1 billion investment announced earlier this year, which is already among the largest single private sector investments in Wisconsin history.

COMPANY INVESTING IN COMMUNITY, IN ADDITION TO DEVELOPMENT

In addition to Microsoft’s ongoing investment in Tax Incremental District (TID) No. 5, the company has advanced partnerships with local organizations to support community priorities. Microsoft has committed:

- \$4,200,000 to restore approximately 1.5 miles of Lamparek Creek;
- \$100,000 for water restoration projects to be undertaken throughout Racine County in cooperation with Root-Pike Win;
- \$200,000 in support for the United Way of Racine County to bolster programming and STEM education efforts; and
- To ongoing collaborations with Gateway Technical College to establish a Microsoft Data Center Academy.

TIMELINE

The agreements that would enable the proposed development will be introduced to the Mount Pleasant Village Board and the Racine County Board:

- **Nov. 13 | 5:00 PM**
Village Committee of the Whole
- **Nov. 14 | 6:00 PM**
Racine County Board

The Village and County will consider a vote on the proposed land purchase and development agreements:

- **Nov. 27 | 6:00 PM**
Village Board
- **Nov. 28 | 6:30 PM**
Racine County Board

Pending approvals, the land transfers would take place by the end of the year.

LAND PURCHASE

Microsoft seeks to acquire an additional 1,030 acres within Mount Pleasant TID No. 5. If approved by the Village and County, approximately 630 of these acres would be purchased from the Village of Mount Pleasant in Areas II and III. The remaining acreage would be purchased from a private landowner. Once complete, Microsoft will own 1,345 acres in Mount Pleasant, making the company the largest landowner in TID No. 5.

MAY 2023 ANNOUNCEMENT

In May 2023, Microsoft entered into agreements to acquire 315 acres of land in Area III. They committed to commencing the first building by 7/1/2026, but actually commenced construction August 2023. They committed to commencing additional building by 7/1/2033, but have already pulled permits to begin footings and foundations for additional buildings.

DEVELOPMENT AGREEMENT

Microsoft wants to continue investing in TID No. 5. It intends to acquire:

- Remaining Area III land; and
- All of Area II land between Wisconn Valley Way and the Mount Pleasant / Sturtevant border (Municipalities retain rights to repurchase if building does not occur by agreed upon dates).

As part of the updated development agreement, associated with the acquisition of additional land in Areas II and III, the company anticipates investing billions of dollars over the next decade in buildings, support structures, systems and equipment.

Microsoft is NOT asking the Village, County or State to:

- Install more infrastructure;
- Incur more debt; or
- Provide additional incentives to Microsoft.

Microsoft will also guarantee a minimum assessed value of \$1.4 billion on its investments in Areas II and III, by 2028. That guarantee is in addition to the existing \$1.4 billion minimum valuation guarantee by Foxconn in Area I.

PROCEEDS OF SALE

Allocation of the proceeds from the sale of the Village-owned Area II and III land to Microsoft will flow as follows:

- \$16 million that would otherwise be due to Foxconn will be retained by the Village to fund the 2023 Make-Up Payment and a portion of the 2024 Area I Special Assessment payment due from Foxconn;
- \$24 million will fully pay for County bonds issued to acquire Area II and III lands;
- Approximately \$12 million will fund the completion of infrastructure along Wisconn Valley Way;
- \$12 million will be paid to the County for obligations the Village owes to the County (as part of the Village/County Cooperation Agreement); and
- Approximately \$35 million will be held in reserve to secure municipal debt (under an amendment to the Village/County Cooperation Agreement).

