

Microsoft agrees to buy \$50m Foxconn parcel in Wisconsin

April 19 2023, by Todd Richmond



The Microsoft company logo is displayed at their offices in Sydney, Australia, on Wednesday, Feb. 3, 2021. Local leaders have approved plans for a massive Microsoft data center in a southeast Wisconsin village, Tuesday, April 18, 2023, where the world's largest electronics manufacturer has a huge campus. Credit: AP Photo/Rick Rycroft, File

Microsoft has agreed to buy a \$50 million parcel of land in southeastern

Wisconsin meant for Foxconn after the world's largest electronics manufacturer failed to fulfill grandiose promises to build a massive facility that would employ thousands of workers.

Microsoft plans to build a \$1 billion data center on the 315-acre (127-hectare) parcel in Mount Pleasant, a village of about 27,000 people in Racine County, about 30 miles (50 kilometers) south of Milwaukee. It's unclear how many people the center might employ. Paul Englis, Microsoft's director of global community research and engagement, told the Racine County Board of Supervisors on Tuesday that such centers typically employ 300 to 400 people.

The village already is home to a Foxconn Technology Group manufacturing facility. The Taiwan-based company is best known for making Apple iPhones. The company announced plans in 2017 to build a \$10 billion facility in Mount Pleasant that would employ 13,000 people.

Wisconsin's governor at the time, Republican Scott Walker, and then-President Donald Trump praised the decision, with Trump boasting the plant would be the "eighth wonder of the world."

The state agreed to provide Foxconn with nearly \$3 billion in tax breaks. The company never delivered on its promises and Democratic Gov. Tony Evers scaled back the tax breaks to \$80 million contingent on the number of jobs created and investments. The company qualified for just \$8.6 million in tax credits last year after creating 768 eligible jobs and making a \$77.4 million capital investment by the end of 2021.

According to a fact sheet describing the Microsoft project compiled by southeastern Wisconsin economic development groups, the parcel of land is part of a tax-increment financing district that includes the Foxconn campus. Property taxes collected in such districts can be used to subsidize development.

Foxconn spent \$60 million to help Mount Pleasant officials buy the property to create the district, said Mia Tripi, a spokesperson for the village and Racine County.

Foxconn would receive the proceeds from the land sale to Microsoft as partial reimbursement of what Foxconn spent to acquire land for the district in 2017, according to the fact sheet. Microsoft would be eligible to recoup 42% of property taxes paid on new construction, up to \$5 million annually.

Microsoft must begin the first phase of construction by July 2026 and begin the second phase by July 2033.

The tech sector has been contracting after pandemic-era expansions brought on a boom in demand for workplace software. Microsoft, based in Redmond, Washington, hasn't been immune to the trend, announcing in January that [it planned to cut 10,000 workers](#) and consolidate leased office locations. Company officials said then that the layoffs amounted to less than 5% of their total employee base.

Correction note: This story has been corrected to show that Paul Englis spoke to the Racine County Board of Supervisors on Tuesday—not Thursday.

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