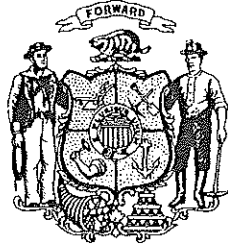


# State of Wisconsin

SENATE CHAIR  
**Howard Marklein**

316 East, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-0703



ASSEMBLY CHAIR  
**Mark Born**

308 East, State Capitol  
P.O. Box 8592  
Madison, WI 53708-8953  
Phone: (608) 266-2540

## Joint Committee on Finance

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Howard Marklein  
Representative Mark Born

Date: April 23, 2024

Re: 14-Day Passive Review Approval – WEDC

Pursuant to s. 238.399(3)(am), Stats., attached is a 14-day passive review request from the Wisconsin Economic Development Corporation, received on April 23, 2024.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Friday, May 10, 2024**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

HM:MB:jm

# WISCONSIN

ECONOMIC DEVELOPMENT

April 23, 2024

Senator Marklein & Representative Born  
Co-Chairs, Joint Committee on Finance  
State Capitol, Madison, WI

APR 23 2024

*J. Finance*

**TRANSMITTED VIA ELECTRONIC MAIL**

Dear Co-Chairs of the Joint Committee on Finance:

The Wisconsin Economic Development Corporation's ("WEDC") Board of Directors has approved the designation of an Enterprise Zone ("EZ") which is subject to passive review by the Joint Committee on Finance pursuant to Wis. Stat. § 238.399(3)(am).

Designation Request:

The WEDC Board of Directors met today to approve the designation of an EZ for the Kikkoman Foods, Inc.'s investment at their existing location in Walworth and development of a new state-of-the-art manufacturing and distribution operation in Jefferson, Wisconsin. The Enterprise Zone will include both locations which are located in the city of Jefferson and Town of Walworth.

The EZ designation will enable WEDC to certify Kikkoman Foods, Inc.'s capital investment of over \$800 million and creation of 83 new Full-Time Jobs. The certification provides for the allocation of \$15,500,000 in performance-based tax credits over eleven and a half years. Enclosed with this letter is the Staff Review which provides additional detail on the project.

Current EZ Designations:

WEDC currently has 15 active Enterprise Zone designations which are expected to result in over \$3.5 billion in capital investment, the retention of over 10,566 jobs, and the creation of over 16,606 new jobs. Enclosed with this letter is a listing of active Enterprise Zones.

Please contact me if you have any additional questions.

Sincerely,



Melissa L. Hughes  
Secretary & CEO

Encl.: Kikkoman Foods, Inc. Enterprise Zone Staff Review  
WEDC List of Active Enterprise Zones

Cc: Joint Committee on Finance Members  
WEDC Board of Directors

**LOOK FORWARD** ➤

Active WEDC Enterprise Zone Designations as of 4/23/2024

Recipient	Amount	Municipality	Contracted	Jobs To Be Created	Jobs To Be Retained	Capital Investment Planned	End Date
Amazon.com Services, Inc.	\$17,800,000	Kenosha	10/30/2013	5,000	--	\$255,220,000	12/31/2024
ATI Ladish LLC	\$10,500,000	Cudahy	2/6/2018	175	727	\$132,551,295	12/31/2027
A.Y. McDonald Mfg. Co.	\$5,850,000	Dickeyville	3/7/2024	173	3	\$340,000,000	12/31/2027
Charter Next Generation, Inc.	\$5,600,000	Milton	9/15/2023	341	593	\$270,050,000	12/31/2030
DRS Power & Control Technologies, Inc.	\$18,500,000	Menomonee Falls	11/30/2018	189	449	\$66,229,000	9/30/2025
Exact Sciences Corporation	\$27,500,000	Madison	2/11/2015	4,080	196	\$376,264,000	12/31/2025
Generac Power Systems Inc	\$19,000,000	Waukesha	7/14/2017	1,100	1,999	\$123,000,000	12/31/2024
Green Bay Packaging Inc - Mill Division	\$60,000,000	Green Bay	6/30/2018	200	1,468	\$500,000,000	12/31/2029
Haribo of America Manufacturing LLC	\$22,500,000	Pleasant Prairie	6/30/2017	385	--	\$239,603,080	12/31/2028
Hewlett Packard Enterprise Company	\$8,000,000	Chippewa Falls	3/3/2021	30	486	\$21,900,000	10/31/2025
Komatsu Mining Corp.	\$59,500,000	Milwaukee	10/30/2018	443	697	\$285,000,000	3/31/2029
Kwik Trip, Inc	\$26,000,000	La Crosse	9/14/2017	662	2,070	\$378,235,867	9/28/2023
Milwaukee Electric Tool Corporation	\$70,500,000	Brookfield	4/11/2016	2,999	785	\$406,400,000	12/31/2027
Molson Coors Beverage Company	\$25,000,000	Milwaukee	12/17/2020	377	540	\$2,820,195	12/31/2027
Northstar Medical Technologies, LLC	\$14,000,000	Beloit	12/22/2010	238	5	\$126,460,360	12/31/2022
U.S. Venture, Inc.	\$20,000,000	Appleton	6/30/2017	214	548	\$56,474,017	3/31/2024

# REVISED STAFF REVIEW

## ENTERPRISE ZONE

Kikkoman Foods, Inc. (Include Recipient and all Recipient Affiliates)  
 Jefferson, WI (Jefferson County)/Town of Walworth (Walworth County)  
 Total Eligible Project Costs: \$800,800,000  
 Capital Investment: \$800,800,000  
 Requested Award Amount: \$15,500,000  
 Recommended Award Amount: \$15,500,000

**MANAGEMENT REVIEW:**

Division Vice President: Michael Ward Date: 4/3/2024  APPROVE  DENY

Senior Vice President, Strategic Investment & Evaluation or CFO:  
[Signature] Date: 4/3/2024  APPROVE  DENY

CEO or Designee: [Signature] Date: 4/3/2024  APPROVE  DENY

Awards Admin. Comm (if applicable):  
[Signature] Date: 4/17/2024  APPROVE  DENY

WEDC Board (if applicable):  
[Signature] Date: 4/23/2024  APPROVE  DENY

**Underwriting Checklist  
 Enterprise Zone CY24**

**NOTE: Any "No" responses must provide an explanation of the extenuating circumstances warranting a deviation from the guideline.**

<b>Statutory Requirements – Act 361</b> <b>Supplemented by: §§ 238.399, 71.07 (3w), 71.28 (3w), and 71.47 (3w), Wis. Stats.</b>	<b>Yes</b>
The Enterprise Zone may exist for up to 12 years and tax credits can be earned over the same period.	x
Must designated as located in a tier I county or municipality or a tier II county or municipality. <ul style="list-style-type: none"> <li>• Tier 1 wages – 2,080 hours by 150% of federal minimum wage</li> <li>• Tier 2 wages - \$30,000</li> </ul>	Tier 2
Designation of Enterprise Zone is based on the following factors. <ul style="list-style-type: none"> <li>• Indicators of the area's economic need, data regarding household income, average wages, the condition of property, housing values, population decline, job losses,</li> </ul>	x

<p>infrastructure and energy support, the rate of business development, and the existing resources available to the area.</p> <ul style="list-style-type: none"> <li>• The effect of designation on other initiatives and programs to promote economic and community development in the area, including job retention, job creation, job training, and creating high-paying jobs.</li> <li>• Preference is given based on the greatest economic need.</li> </ul>	
<p>Subject to passive review by the Joint Committee on Finance, WEDC may designate any number of Enterprise Zones in Wisconsin.</p> <ul style="list-style-type: none"> <li>• One remaining zone must be located in political subdivisions with populations of less than 5,000</li> </ul>	x
<p>Subject to passive review by the Joint Committee on Finance, WEDC may designate any number of Enterprise Zones in Wisconsin</p>	x
<p>To be certified, the business is (highlight the deciding factor(s) below):</p> <p>(1) beginning operations in the zone,  (2) relocating to the zone from outside this state and offers compensation and benefits at least as favorable to those offered to employees outside the zone,  (3) expanding in zone by increasing personnel by <math>\geq 10\%</math> and offers compensation and benefits at least as favorable to those offered to Wisconsin employees outside the zone. Business only gets tax benefits for years in which the business maintains increased level of personnel.  (4) making a capital investment of <math>\geq 10\%</math> previous year's gross revenues and offers compensation and benefits at least as favorable to those offered to Wisconsin employees outside the zone. Business only gets tax benefits for years in which the business maintains capital investment.  (5) retaining jobs in the zone and making a significant capital investment in excess of \$10 million, and unless a rural EZ, is a manufacturer with a significant supply chain in Wisconsin, or employs <math>\geq 500</math> employees in EZ,  (6) located in zone and is purchasing tangible personal property, goods, or services from Wisconsin vendors</p>	(3) and (4)
<p>The corporation shall revoke a certification under sub. (5) if the business does any of the following:</p> <ol style="list-style-type: none"> <li>1. Supplies false or misleading information to obtain tax benefits.</li> <li>2. Leaves the enterprise zone to conduct substantially the same business outside of the enterprise zone.</li> <li>3. Ceases operations in the enterprise zone and does not renew operation of the business or a similar business in the enterprise zone within 12 months.</li> </ol>	x
<p>The Base Year is the taxable year beginning during the calendar year prior to the calendar year in which the enterprise zone in which the Certified Business is located takes effect.</p>	x
<p>Tax credits are for eligible activities that occur after certification date established by WEDC.</p>	x
<p>Job creation credit <math>\leq 7\%</math> of the creditable wage. The statute prescribes a specific calculation of tax credit. Confirm calculation based on the lower number of jobs created in each tax year as compared to the base year in (1) the state and (2) the EZ.</p>	x
<p>Job retention credit <math>\leq 7\%</math> of payroll for wages in the base year in the specified tiers and does not exceed the five-year statutory earnings limit. Total number of qualifying employees must be equal to or greater than the total number in base year.</p>	Not applicable
<p>Employees for which tax credits are awarded meet the Full-Time Employee definition: A "Full-Time Employee" means a regular, non-seasonal full-time position in which the annual pay for the position is more than the amount determined by multiplying 2,080 by 150% of the federal minimum wage, and an individual in the position is offered retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year. "Full-Time Job" does not include initial training before an employment position begins.</p>	x
<p>Tax Credits are not for wages over \$100,000 per year. "Zone Payroll" means the amount of state payroll that is attributable to wages paid to Full-Time Employees for services that are</p>	x

performed in an EZ. Zone Payroll does not include the amount of wages paid to any Full-Time Employees that exceeds \$100,000.	
Capital Investment Tax Credits are for: "Significant Capital Expenditure" which means a capital investment in a WEDC-designated EZ, beyond a Certified Business's normal capital expenditures, that is needed to achieve a specific purpose agreed to by WEDC. "Significant Capital Investment" means a capital investment in excess of \$10 million in a WEDC-designated EZ, beyond a Certified Business's normal capital expenditures, that is needed to achieve a specific purpose agreed to by WEDC.	x
Capital investment credit ≤ 10% of significant capital investment.	x
Training credit ≤ 100% of amount paid by claimant to upgrade or improve the job-related skills of any of the claimant's full-time employees, to train any of the claimant's full-time employees on the use of job-related new technologies, or to provide job-related training to any full-time employee whose employment with the claimant represents the employee's first full-time job.	Not applicable
Supply chain credit ≤ 1% of purchases from Wisconsin vendors (cannot claim credits under supply chain and cap ex for same expenditures). Credits are only given for "Significant" Wisconsin based supply chain according to the program guideline.	Not applicable
All credits awarded should become a permanent part of the working capital structure of businesses claiming the credits.	x

<b><u>Program Guideline Requirements</u></b>	<b>Yes</b>	<b>No</b>	<b>Explanation</b>
WEDC has relied on the indicators outlined in the program guideline to determine whether project is in Tier I or Tier II county or municipality	x		Tier II
"Eligible Training Cost" means (1) the cost of the trainer; (2) the cost of the training materials; (3) the wages of the trainee while in a classroom setting; or (4) the costs of the trainer and the wages of the trainee while in an on-the-job or job shadowing setting. Eligible training costs do not include travel expenses, food or lodging.			Not applicable
Preference has been given to the greatest economic need to the extent possible	x		
Business is an eligible type (as defined in the program guideline) unless extraordinary circumstances exist, including but not limited to a serious threat of a business leaving the state, significant job creation or retention, or significant capital investment, and such extraordinary circumstances are approved by the Board of Directors' Awards Administration Committee.	x		

<b><u>Guidelines</u></b>	<b>Yes</b>	<b>No</b>	<b>Explanation</b>
Business is current on all previous awards	x		
Company payroll has been compared to DWD data.	x		Ok

**I. PROJECT SUMMARY**

Kikkoman Foods, Inc. is seeking \$15,500,000 in Enterprise Zone Tax Credits. Kikkoman Foods, Inc., the world's leading producer of soy sauce, plans a significant investment at its existing location in the Town of Walworth and the development of a new state-of-the-art 195,000 SF food manufacturing and distribution operation in Jefferson. An additional 217,000 SF expanded production and distribution facility is also planned to be added after the initial development. Both phases of the project will be completed over the course of 138 months.

This project uniquely supports economic well-being in Wisconsin as this project will further the growth of a successful Japanese-owned food and beverage manufacturer that is committing to invest over \$813M to expand production in two rural Wisconsin communities. Their presence and continued dedication to the Southern Wisconsin area will serve to further enhance a longstanding relationship our organization, and our communities have had with the company. The project will also place the first end-user in the new Jefferson Food & Beverage Research Park in Jefferson and will likely be an economic anchor that will attract other food and beverage manufacturers to the park and to the area. In addition to the investment in new operations, a significant and concurrent investment will be made at the current facility in Walworth.

The certification date for this project is 10/01/2023.

## **II. COMPANY DESCRIPTION**

Kikkoman Foods, Inc. is a global leader in the sale of traditionally brewed soy sauce and related products and is part of the Kikkoman Group (trade name Kikkoman Corporation) which is headquartered in Japan.

Kikkoman Corporation's forerunner was formed in 1917 as the Noda Shoyu Co. Ltd. through the merger of eight Japanese family-run soy sauce breweries. "Kikkoman" was adapted as a single brand name nationwide. Kikkoman entered the U.S. marketplace in 1957, as Kikkoman International Inc. was established in San Francisco for sales and marketing. In 1972, Kikkoman selected the Town of Walworth as the site of its first U.S. production plant. Kikkoman sought a central location to ensure efficient distribution, with a good water source and a hard-working and loyal workforce. The region also produced soybeans and wheat, two of the sauce's main ingredients. The plant opened in 1973 and began shipping its first "Made in the U.S.A." Kikkoman Soy Sauce.

Kikkoman Foods, Inc. filed Articles of Incorporation with the State of Wisconsin on 03/10/1972. The company is listed as a domestic business with the Wisconsin Department of Financial Institutions.

Kikkoman Corporation is a publicly listed Japanese company with a 300+ year history. It had a total of 60 consolidated subsidiaries and equity-method unconsolidated subsidiaries and affiliates as of March 31, 2023. It has sold soy sauce in North America since 1957 and established manufacturing operations first in Wisconsin (1973), and then California (1998) and Missouri (2022). In 2023, Kikkoman celebrated its 50-year anniversary in the Town of Walworth, Wisconsin. The company's address in the Town of Walworth is N1365 Six Corners Rd, Walworth, WI 53184.

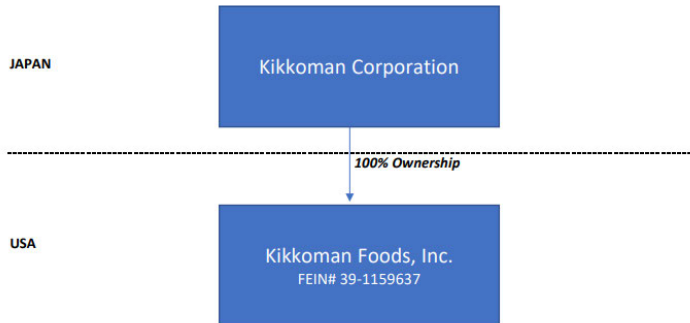
Since 1957, Kikkoman Sales USA, Inc. has expanded from its corporate headquarters in San Francisco to a total of six regional sales offices. Kikkoman soy sauce is produced in 11 factories around the world (eight soy sauce plants outside of Japan). Kikkoman Soy Sauce is currently used in more than 100 countries around the world. Its production facilities, Kikkoman Foods, Inc., in Walworth, Wisconsin, and Folsom, California, produce soy sauce and other Asian-style sauces for distribution throughout North America. Kikkoman's many distribution centers and plants ensure availability of consistently fresh products.

Other business fields under the Kikkoman corporate umbrella include:

- Production and sales of Del Monte processed tomato products, canned fruit and corn products in Japan and the Asia/Oceania region.
- Production and sales of soymilk in Japan and the Asia/Oceania region.

Management and Ownership

Kikkoman Foods, Inc., which represents the production facilities located in the US, is 100% owned by the Kikkoman Corporation and is headquartered in the Town of Walworth. There are no individuals that own 20% or more of Kikkoman Foods, Inc.



Kikkoman Corporation is a publicly listed Japanese company listed on the Tokyo Stock exchange (TSSE) and US: OTC.

**Yuzaburo Mogi, Honorary CEO and Chairman** – Yuzaburo Mogi is Honorary CEO and Chairman of the Board of Directors of Kikkoman Corporation. Mogi joined the company in 1958 and he was appointed to the positions of President and CEO in 1995, and Chairman and CEO in 2004. He has served in his present position since 2011. After graduating from Keio University in 1958, he earned an MBA from Columbia University in 1961.

**Ryohei Tsuji, President & COO, Kikkoman Foods, Inc. (WI. USA)** – Tsuji has served as the President/COO of Kikkoman Foods, Inc. since September 2020. He has worked for Kikkoman since 1984. He earned a Ph.D. in Agriculture in 1992. He serves as the Vice Chair of the Japanese Chamber of Commerce and Industry of Chicago.

Background checks on the company showed no issues of concern. WI CCAP showed a construction lien with no satisfaction listed. The lien is Walworth County Case Number 2020CL000014 Consolidated Electrical Distributors, Inc. vs. Kikkoman Foods, Inc. and was for an amount of \$17,292. According to the company, the lien involved a subcontractor who was not paid by the general contractor which filed for bankruptcy. Kikkoman stated the statute of limitations for the litigation expired on May 17, 2022, and it's no longer an active claim.

**III. PROJECT DESCRIPTION**

To keep up with customer demand for its products, Kikkoman is planning a new state-of-the-art 195,000 SF food manufacturing and distribution operation to produce soy sauce and soy sauce related seasonings. The company has identified the Jefferson Food & Beverage Research Park in Jefferson as the site for its proposed new manufacturing operation. An additional 217,000 SF expanded production and distribution facility is also planned to be added incrementally over the course of eight years following the initial investment. The new facility is expected to be visited by current and prospective customers, vendors, and headquarters management, among others. The new Jefferson plant will be Kikkoman's third location in the U.S. Total eligible capital investment is expected to exceed \$563M.



The new operation will create approximately 62 new jobs, including skilled and semi-skilled positions, such as production workers, line operators, packagers, quality control, maintenance electricians and mechanics, engineers, warehouse workers and supervisors, and administrative office staff.

According to the company, the keys to a successful location being selected are speed-to-operations and cost effectiveness to meet both time and budget requirements, as well as operational needs for labor and utility services. The optimal location is one that can support the labor requirements for attracting and retaining quality skilled workers, meet project budgetary considerations, meet project timeline requirements, and offer a supportive and favorable business climate.

In addition to the Jefferson site, which is projected to begin incurring capital investment in the company’s FY2027, the Town of Walworth HQ and Plant is projected to add headcount and capacity to meet demand in the period before the Jefferson Plant start-up (2023-2026). The company plans to add 21 employees and \$96.3M of investment at the Town of Walworth during this 2023-2026 timeframe. From 2027 onwards, all capacity expansion will take place at Jefferson, but the Walworth plant still projects to spend an additional \$141.2M (2027-2034) to upgrade and maintain the Walworth Plant. Total investment is projected to exceed \$237M.

According to the company press release, the Wisconsin operations has steadily increased its shipment volume. In addition to meeting the increasing demand for soy sauce in the North American market, with this new construction, the company is aiming for a sustainable next-generation production plant that combines flexibility with production efficiency and scalability for multi-production of a variety of products to meet customer needs. Kikkoman states this project will enable it to establish a supply chain with increased stability in North America, its largest overseas market.

According to the press release, Kikkoman will undertake the following initiatives for construction of the new plant.

- Aim for increased efficiency of plant management and improved labor productivity by introducing cutting-edge operating systems which make agile monitoring and remote instruction possible.
- Aim for increased efficiency of its distribution system by collaborating with the Wisconsin plant and effectively using warehouse space via phased implementation of AIoT-based automation technologies at nearby warehouses.
- Aim to reduce CO2 emissions by installing energy-efficient equipment and proactively using renewable energy.

**Kikkoman Foods, Inc. – Total Project Budget**

Budget Code	Project Costs	SOURCES	TOTAL
		Kikkoman	
0110	Land Costs	\$3,000,000	\$3,000,000
0200	Building – New Construction	\$215,083,500	\$215,083,500
0240	Machinery/Equipment	\$567,239,000	\$567,239,000
0415	Infrastructure	\$15,477,500	\$15,477,500
<b>Total</b>		<b>\$800,800,000</b>	<b>\$800,800,000</b>

Infrastructure (costs to be paid for by the company) include underground storm drainage, site hardscaping (paving), landscaping, outdoor lighting, underground utilities – water, sewer, electric, gas lines (from road into facility), and fencing.

The budget for the Jefferson project is shown in the table below.

Project Address:	Jefferson, WI	
FUNDING SOURCE:	100% Self-financed	TOTAL
USE		
Land Costs	3,000,000	3,000,000
Building - New Construction	208,233,500	208,233,500
Mach./Equip. - Purchased	336,561,000	336,561,000
Infrastructure	15,477,500	15,477,500
<b>TOTAL USE OF FUNDS</b>	<b>563,272,000</b>	<b>563,272,000</b>

The budget for the Walworth project is shown in the table below.

Project Address:	Walworth, WI - HQ & Plant	
FUNDING SOURCE:	100% Self-financed	TOTAL
USE		
Building - New Construction	6,850,000	6,850,000
Mach./Equip. - Purchased	230,678,000	230,678,000
<b>TOTAL USE OF FUNDS</b>	<b>237,528,000</b>	<b>237,528,000</b>

**Schedule of Capital Investment**

FY2024: \$ 25,498,000  
 FY2025: \$ 33,017,000  
 FY2026: \$ 37,813,000  
 FY2027: \$331,200,000  
 FY2028: \$ 73,457,000  
 FY2029: \$ 54,375,000  
 FY2030: \$ 32,900,000  
 FY2031: \$ 57,720,000  
 FY2032: \$ 34,820,000  
 FY2033: \$ 40,000,000  
 FY2034: \$ 40,000,000  
 FY2035: \$ 40,000,000  
**Total: \$800,800,000**

**IV. EMPLOYMENT**

Kikkoman Foods, Inc. will create 83 full-time positions at an average hourly wage of \$28.39. Kikkoman Foods, Inc. considers at least 1,500 hours annually to be considered full-time employment and eligible for benefits.

Kikkoman Foods, Inc. has two locations in Wisconsin which will be the new plant in Jefferson and the existing plant in Walworth. 62 of the new jobs will be created at the Jefferson location while 21 will be created at the Walworth location.

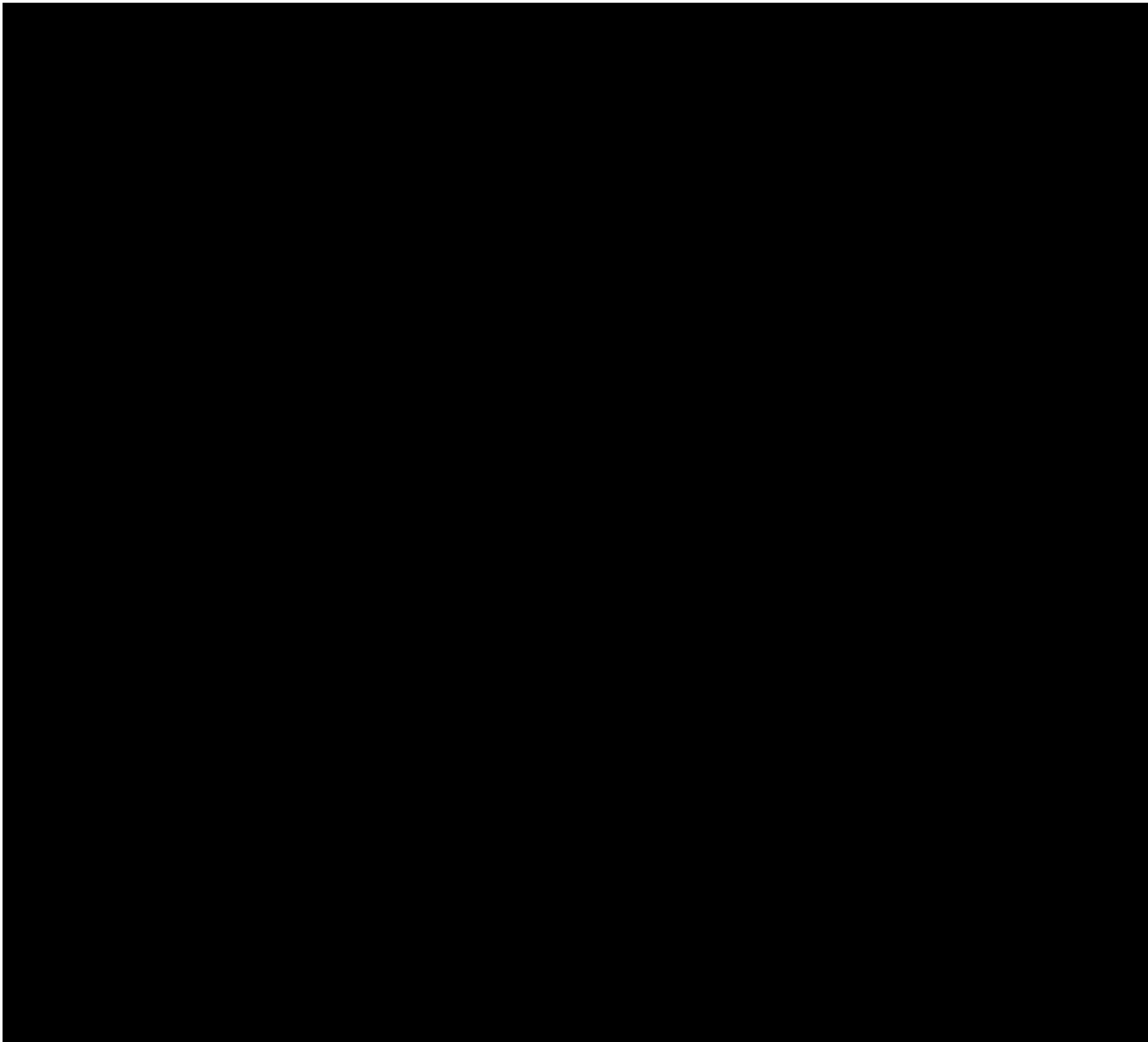
WEDC staff reviewed the base payroll provided and determined that Kikkoman Foods, Inc. has 201 eligible statewide employees and of that statewide amount, 201 are eligible at the project location with an average hourly rate of \$39.35. All the eligible employees listed in the base employment payroll work at the Walworth location.

Based on a 50-year history in Wisconsin, Kikkoman states that it has earned a reputation for consistently offering pay rates above the market average; generous employee benefits; steady scheduled work and a culture that emphasizes the importance of staying with the company for the long term. As a result, Kikkoman states that it has very low turnover and a high rate of long-term employee retention.

JOB CLASSIFICATION	POSITIONS CREATED												TOTAL JOBS / AVERAGE STARTING WAGE PER HOUR
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	
Production Staff	0	0	1	5	1	1	1	0	0	0	0	0	9/\$22.90
Production Supervisor	0	0	0	1	0	0	0	0	0	0	0	0	1/\$37.14
Production Manager	0	0	0	1	0	0	0	0	0	0	0	0	1/\$69.02
Pressing/Refining Staff	0	3	1	5	0	0	0	0	0	1	1	2	13/\$22.90
Pressing/Refining Supervisor	0	0	0	1	0	0	0	0	0	0	0	0	1/\$33.88
Bottling Staff	0	4	2	6	2	0	0	0	2	3	2	1	22/\$22.90
Bottling Supervisor	0	0	0	1	0	0	0	0	0	0	0	0	1/\$33.88
Bottling Manager	0	0	0	0	1	0	0	0	0	0	0	0	1/\$60.00
Warehouse Staff	0	0	2	2	0	0	0	1	0	1	1	2	9/\$21.00
Warehouse Supervisor	0	0	0	1	0	0	0	0	0	0	0	0	1/\$32.00
Engineering/Maintenance Staff	1	2	1	2	0	1	1	1	0	0	0	0	9/\$31.00
Engineering/Maintenance Supervisor	0	0	1	0	0	1	0	0	0	0	0	0	2/\$41.19
Engineering/Maintenance Manager	0	0	0	1	0	0	0	0	0	0	0	0	1/\$75.00
Quality Control (Lab) Staff	0	0	0	1	0	0	1	1	0	0	0	0	3/\$22.85
Quality Control (Lab) Supervisor	0	0	1	0	0	0	1	0	0	0	0	0	2/\$30.00
Admin Assistant	1	0	0	0	0	0	0	1	1	0	0	0	3/\$27.56
Accounting/Finance	0	0	0	0	0	0	0	0	1	0	0	0	1/\$41.00
Office Manager	0	0	0	0	0	1	0	0	0	0	0	0	1/\$55.00
Management	0	0	1	1	0	0	0	0	0	0	0	0	2/\$75.00
<b>Total</b>	<b>2</b>	<b>9</b>	<b>10</b>	<b>28</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>83/\$28.39</b>
<b>TOTAL PAYROLL IMPACT FOR JOBS CREATED ANNUALLY</b>												<b>\$4,901,250</b>	

<b>Kikkoman Foods, Inc. – Benefit Package</b>	
<b>Type</b>	<b>Percentage (%) Paid by Company</b>
Individual Health Insurance	80%
Family Health Insurance	80%
Other Benefits Provided: 401(k) with employer match; Life Insurance, Short Term Disability; Long Term Disability, PTO, Dental	

**V. FINANCIAL INFORMATION**



**VI. PREVIOUS DEPARTMENT OF COMMERCE/WEDC AWARDS**

Kikkoman Foods, Inc. has received no prior financial assistance from WEDC. The company was awarded \$59,824 in Food Processing Plant and Food Warehouse Investment tax credits from the Wisconsin Department of Commerce in 2011.

**VII. ECONOMIC IMPACT**

According to the Lightcast report and ROI analysis, the Jefferson and Walworth projects will have the following economic impact in the Jefferson City Commute and Walworth Commute regions and tax impact in the state for expected job creation:

Impact Type	LIGHTCAST Report		ROI Analysis	
	Jobs(c)	Earning(c)	Taxable Wages	Annual Tax Impact*
<b>Initial</b>	83	\$6,200,000	\$4,900,750	\$93,141
<b>Direct</b>	34	\$2,407,552	Inc.	Inc.
<b>Indirect</b>	15	\$964,264	Inc.	Inc.
<b>Induced</b>	68	\$4,100,000	Inc.	Inc.
<b>Total</b>	200	\$13,671,816	\$11,020,872	\$247,114

\*The annual state tax impact of the initial change in jobs is calculated by taking the average hourly wage of all jobs created by the project is annualized to determine the average annual wage for the project. A Department of Revenue-supplied effective tax rate for that income level is utilized to determine an average annual tax impact per job for the initial impact.

The annual state tax impact of the total change in jobs is calculated by taking the weighted average of the project effective tax rate, weighted by the number of initial jobs, and the Department of Revenue-supplied effective tax rate, weighted by the number of additional jobs that will be created as a result of the project.

Per the Lightcast report for the Jefferson project, the average earnings per initial job created is \$74,518. This is below the average earnings in the industry in this region of \$82,329, and below the average earnings in this region as a whole of \$80,394.

Per the Lightcast report for the Walworth project, the average earnings per initial job created is \$74,558. This is below the average earnings in the industry in this region of \$84,542, and below the average earnings in this region as a whole of \$76,186.

Per the ROI Analysis the initial jobs created could have a one-year impact of \$93,141 in state income taxes. Considering the multiplier effect, the total jobs created could have an annual impact of \$247,114 in state income taxes.

The IMPLAN analysis for the Jefferson project contains two IMPLAN economic activities, which includes:

- New construction
- Plant, equipment, and machinery

According to the IMPLAN report, this project will have the following economic impact in the Jefferson County region for capital investment:

Impact Type	Employment	Labor Income	Value Added
Direct	1,612	\$131,561,461	\$148,450,488
Indirect	406	\$33,161,603	\$50,447,212
Induced	575	\$33,205,009	\$62,060,948
<b>Total</b>	<b>2,593</b>	<b>\$197,928,073</b>	<b>\$260,958,648</b>

Per the IMPLAN report, the capital investment for the Jefferson project could directly support 1,612 jobs, \$131,561,461 of labor income and \$148,450,488 in value added products and services upon project completion. Considering the multiplier effect, the project could support 2,593 jobs, \$197,928,073 of labor income and \$260,958,648 in value added products and services in total through the end of the project.

The direct capital investment activities could generate \$4,154,962 in company payroll, income, property, sales, and corporate taxes for the state upon project completion. Considering the multiplier effect, the total state tax impacts could amount to \$10,171,412 through the end of the project.

The IMPLAN analysis for the Walworth project contains two IMPLAN economic activities, which includes:

- New construction
- Plant, equipment, and machinery

According to the IMPLAN report, this project will have the following economic impact in the Walworth County region for capital investment:

Impact Type	Employment	Labor Income	Value Added
Direct	183	\$16,121,747	\$18,955,640
Indirect	133	\$11,348,024	\$15,296,426
Induced	124	\$7,039,209	\$12,930,292
<b>Total</b>	<b>440</b>	<b>\$34,508,980</b>	<b>\$47,182,358</b>

Per the IMPLAN report, the capital investment for the Walworth project could directly support 183 jobs, \$16,121,747 of labor income and \$18,955,640 in value added products and services upon project completion. Considering the multiplier effect, the project could support 440 jobs, \$34,508,980 of labor income and \$47,182,358 in value added products and services in total through the end of the project.

The direct capital investment activities could generate \$640,991 in company payroll, income, property, sales, and corporate taxes for the state upon project completion. Considering the multiplier effect, the total state tax impacts could amount to \$2,104,142 through the end of the project.

### Return on Investment

Requested Award Amount	\$15,500,000	
	<b>Initial</b>	<b>Total</b>
Total Inflow for Earnings Period	\$1,117,691	\$2,965,373
IMPLAN State Tax Result	\$4,795,953	\$12,275,554
Total Inflow for Contract Period	<b>\$5,913,644</b>	<b>\$15,240,927</b>
<b>Return on Investment (ROI):</b>	<b>-\$9,586,356</b>	<b>-\$259,073</b>
Years to break even during project	12	12
Additional years to break even	64	1
<b>Total years to break even</b>	<b>76</b>	<b>13</b>

Initial tax impact is comprised off the actual jobs created. Total tax impact includes total change in jobs which include initial, direct, indirect, and induced jobs estimated to be created as a result of this project.

For initial and total cashflow analysis see Exhibit B and Exhibit C.

## **VIII. OTHER**

The goal of the Enterprise Zone (EZ) Program is to incent projects involving expansion of existing Wisconsin businesses or relocation of major business operations from other states to Wisconsin. A business may qualify for EZ certification where the business: (1) Begins operation in an EZ; (2) Relocates to an EZ from out of state; (3) Expands operation in an EZ; (4) Retains Jobs in the EZ; or (5) Purchases items or services through a Wisconsin Supply Chain.

For this project, Kikkoman Foods, Inc. is expanding at its existing operations in Walworth and is planning to begin operations in Jefferson with a new a new state-of-the-art 195,000 SF food manufacturing and distribution operation in Jefferson. An additional 217,000 SF expanded production and distribution facility is also planned to be added in Jefferson after the initial investment. The project will result in the creation of 83 new full-time jobs and new capital investment in excess of \$800,000,000 in the company's efforts to keep up with customer demand.

## **IX. STAFF ANALYSIS**

According to a company press release, the Kikkoman Group has stated the number one goal of its long-term vision "Global Vision 2030", launched in 2018, to be "Make Kikkoman Soy Sauce a truly global seasoning". The company's soy sauce business in North America continues to grow, and currently Kikkoman Soy Sauce is first in the home-use soy sauce market in North America. In addition, it is capitalizing on its brand strength to focus on expanding its business for soy sauce-based cooking sauces, including teriyaki.

The Company has identified the site in Jefferson Food & Beverage Research Park in Jefferson as a desired site for its proposed new manufacturing operation. The company indicates that the chosen location is dependent on an accelerated speed-to-operations and cost effectiveness to meet both time and budget requirements, as well as operational needs for labor and utility services. The optimal location is one that can support the labor requirements for attracting and retaining quality skilled workers, meet project budgetary considerations, meet project timeline requirements, and offer a supportive and favorable business climate according to the company.

In June 2023, Gov. Tony Evers declared June 9<sup>th</sup> as Kikkoman Day to "celebrate our partnership, our shared success and the future of Kikkoman", and to mark Kikkoman's 50<sup>th</sup> anniversary in Walworth. Kikkoman announced that it would donate over \$5 million to public universities in Wisconsin. The donations included \$3 million to the University of Wisconsin-Madison's College of Agriculture & Life Sciences and \$2 million to the University of Wisconsin-Milwaukee's School of Freshwater Sciences.

The company's search for North American operations in the early '70s started with 200 proposed plant locations. As the search narrowed, Walworth became the top candidate due to Wisconsin's central location in the country, its close proximity to soybean and wheat-producing regions, and an ample supply of groundwater. Another important factor was Walworth's "hardworking people" according to the company.

A letter of support for this project, dated 01/11/2024, anticipated a financial investment of up to \$15,500,000 in performance-based refundable tax credits for the project, the letter stated that the

investment recognized Kikkoman’s major commitment to and long-term success in Wisconsin and the significant resources dedicated to creating a state-of-the-art facility and bringing that same technology to the existing facility.

Kikkoman states that an exhaustive site selection search across the Midwest was conducted for the new expansion. Kikkoman had a site under contract in Ohio that was shovel ready and required less infrastructure improvements.

**Other local incentives**

A Developer’s Agreement between the City of Jefferson and Kikkoman Foods, Inc. was entered into as of 02/20/2024. The Agreement includes the following provisions:

- The City will create a Tax Increment District (TID) to finance the public road, stormwater infrastructure, and utility infrastructure improvements required to serve the project as well as providing a development incentive to Kikkoman Foods, Inc.
- The City will provide a number of public infrastructure improvements up to a total cost of \$10,000,000 as shown in the table below.

City of Jefferson  
Southwest Food & Beverage Park  
Cost Estimates for 2024 Work  
1/17/2024

Project Element	Estimated Costs				Total
	Street/Site	Sanitary Sewer	Water	Storm Sewer	
Immediate Street/Utility Work (Contractor A)	\$105,256	\$123,642	\$95,491		\$324,390
Water main loop			\$911,040		\$911,040
Internal Street Loop	\$2,896,939			\$386,334	\$3,283,273
New Intersection at BUS 26	\$134,634				\$134,634
Public Sanitary Sewer		\$648,202			\$648,202
Sewer Pumping Station		\$2,000,000			\$2,000,000
Stormwater Management				\$720,000	\$720,000
Electrical Line Relocation	\$1,112,000				\$1,112,000
				2024	\$9,133,537

- The City shall provide a developer incentive to Kikkoman in an amount not to exceed \$5,000,000 in “pay-go TID” benefits through the life of the District.
- The Agreement states that the project would not be undertaken by Kikkoman and would not be economically feasible without the assistance from the City as provided by the Agreement.

**Recommendation**

Staff recommends approval of \$15,500,000 in Enterprise Zone Tax Credits for Kikkoman Foods, Inc.

Support for recommendation:

- The project will benefit two small communities in southern Wisconsin; Jefferson (pop: 7,747) and the Town of Walworth (pop: 1,575).
- The project will result in the creation of 83 new full-time jobs in Jefferson and Walworth over a 138-month period.
- The total projected capital investment in Jefferson and Walworth exceeds \$800 million.



- Kikkoman Foods, Inc. is a global leader in the sale of traditionally brewed soy sauce and related products.
- Kikkoman has been operating in Walworth for the past 50 years.
- Kikkoman states this project will enable it to establish a supply chain with increased stability in North America, its largest overseas market.
- The applicant is financially sound.

The recommendation is for a total of \$15,500,000 over 138 months in Enterprise Zone tax credits.

The following table shows the recommended Enterprise Zone and also lists several Enterprise Zone awards with amounts comparable. The credits are based on the deliverables cited in the table unless otherwise noted.

Recipient	Contract #	Award Amount	Term (Yrs)	Job Creation	Job Retention	Cap Ex	Training	Supply Chain
Kikkoman Foods, Inc.	FY24-53948	\$15,500,000	11.5	83	NA	\$800,800,000	NA	NA
Northstar Medical	FY11-20271	\$14,000,000	12	238	NA	\$126,460,360	NA	NA
Plexus Corp.	FY12-21295	\$15,000,000	7	350	1,000	\$68,000,000	NA	\$58,000,000
Amazon	FY13-21917	\$17,800,000	11.01	5,000	NA	\$255,220,000	NA	NA
InSinkErator	FY14-22194	\$15,500,000	5	165	923	\$65,228,000	NA	\$190,000,000

Enterprise Zone Tax Credits Project Measurements				
Measurement	Measurement Type	Baseline	Goal	End/Due Date
Job Creation	Explicit		201	83
Job Retention	Implicit		201	201
Capital Investment	Explicit		\$0	\$800,800,000
Leverage	Result		\$0	\$800,800,000

Company:		Kikkoman Foods, Inc.										Date:	3/27/2024	
<b>Assumptions</b>														
Project Starts:	2023	Certification Date:	10/1/2023											
Wage growth (%):	1%													
County:	Jefferson County													
County Tier:	Tier II											Base Wage:	30,000	
<b>INVESTMENTS</b>														
Credit Rate:	7%			7%			10%			100%			1%	
Proj Yr	Year	JOB CREATION		JOB RETENTION		CAPEX		TRAINING		SUPPLY CHAIN		Annual Total	Running Total	
		New Jobs	Average Wage	Retained Jobs	Average Wage	Capital Inv.	Training Cost	Investment						
1	10/1/23-3/31/24	2	59,051.00			25,498,000								
2	4/1/24-3/31/25	11	59,641.51			33,017,000								
3	4/1/25-3/31/26	21	60,237.93			37,813,000								
4	4/1/26-3/31/27	49	60,840.30			331,200,000								
5	4/1/27-3/31/28	53	61,448.71			73,457,000								
6	4/1/28-3/31/29	57	62,063.19			54,375,000								
7	4/1/29-3/31/30	61	62,683.83			32,900,000								
8	4/1/30-3/31/31	65	63,310.66			57,720,000								
9	4/1/31-3/31/32	69	63,943.77			34,820,000								
10	4/1/32-3/31/33	74	64,583.21			40,000,000								
11	4/1/33-3/31/34	78	65,229.04			40,000,000								
12	4/1/34-3/31/35	83	65,881.33			40,000,000								
						800,800,000								
<b>CREDITS</b>														
Proj Yr	Year	Job Creation Credits		Job Retention Credits		CapEx Credits		Training Credits		Supply Chain Credits		Annual Total	Running Total	
		Annual	Running	Annual	Running	Annual	Running	Annual	Running	Annual	Running			
1	10/1/23-3/31/24	2,034	2,034	-	-	2,540,800	2,540,800	-	-	-	-	2,551,834	2,551,834	
2	4/1/24-3/31/25	22,824	24,858	-	-	3,301,700	5,851,500	-	-	-	-	3,324,524	5,876,358	
3	4/1/25-3/31/26	44,460	69,307	-	-	3,781,300	9,632,800	-	-	-	-	3,825,750	9,702,107	
4	4/1/26-3/31/27	105,782	175,090	-	-	33,120,000	42,752,800	-	-	-	-	33,225,782	42,927,890	
5	4/1/27-3/31/28	116,875	281,764	-	-	7,345,700	50,098,500	-	-	-	-	7,462,375	50,390,264	
6	4/1/28-3/31/29	127,932	419,896	-	-	5,437,500	55,536,000	-	-	-	-	5,565,432	55,955,696	
7	4/1/29-3/31/30	139,560	559,256	-	-	3,280,000	58,826,000	-	-	-	-	3,429,560	59,385,256	
8	4/1/30-3/31/31	151,564	710,820	-	-	5,772,000	64,598,000	-	-	-	-	5,923,564	65,308,820	
9	4/1/31-3/31/32	163,948	874,768	-	-	3,482,000	68,080,000	-	-	-	-	3,645,948	68,954,768	
10	4/1/32-3/31/33	179,141	1,053,909	-	-	4,000,000	72,080,000	-	-	-	-	4,179,141	73,133,909	
11	4/1/33-3/31/34	192,351	1,246,260	-	-	4,000,000	76,080,000	-	-	-	-	4,192,351	77,326,260	
12	4/1/34-3/31/35	208,471	1,454,730	-	-	4,000,000	80,080,000	-	-	-	-	4,208,471	81,534,730	
		1,454,730				80,080,000						81,534,730		

Therefore, WEDC recommends the following:

**TERMS & CONDITIONS**  
**Kikkoman Foods, Inc.**  
**Opportunity Number EZ FY24-53948**

**ENTERPRISE ZONE TAX CREDITS**

**RECIPIENT:** Kikkoman Foods, Inc.

**ENTERPRISE ZONE DESIGNATION:** The Recipient's facilities in the City of Jefferson and the Town of Walworth, Wisconsin, an enterprise zone designated pursuant to Wis. Stat. § 238.399, which will be considered a Tier II enterprise zone.

**CERTIFICATION:** WEDC will certify the Recipient under the Enterprise Zone Program as eligible to earn up to Fifteen Million Five Hundred Thousand Dollars (\$15,500,000) in state income tax credits based on job creation and capital investment beginning on October 1, 2023 (the "Certification Date"). The Enterprise Zone designation and certification for earning tax credits will last for a period of twelve (12) years commencing on the Certification Date. During this period, the Recipient will be eligible to earn tax credits according to the Tax Credit Disbursement Schedule set forth in Exhibit A.

**EARNING CREDITS:** As a threshold to earning job creation and capital investment tax credits in any year during the term of the certification, the Recipient must create a minimum number of Full-Time Employees as set forth in the column entitled "Minimum Cumulative Job Creation to Qualify" on the Tax Credit Disbursement Schedule set forth in Exhibit A. In the event the Recipient does not satisfy the requirement set forth above for any particular year, then the Enterprise Zone Tax Credits will be carried forward to subsequent years and will be earned in the first year the Recipient satisfies such requirement.

Job Creation Tax Credits: Up to One Million One Hundred Thousand Dollars (\$1,100,000) in Job Creation tax credits may be earned based on the Recipient's creation of at least Eighty-Three (83) new Full-Time Employees in the Enterprise Zone. The Job Creation tax credits may be earned based on the Tax Credit Disbursement Schedule set forth in Exhibit A. Job Creation tax credits will be calculated at a rate of seven percent (7%) of the wages paid to Full-Time Employees created after the Certification Date. Wages considered for the calculation of tax credits are those wages between thirty thousand dollars (\$30,000), and one hundred thousand dollars (\$100,000) for each Full-Time Employee.

The Recipient must maintain the number of Existing Full-Time Employees in the Enterprise Zone over a period of at least One Hundred Thirty-Eight (138) consecutive months commencing on the Certification Date and through March 31, 2035.

The Recipient must maintain the number of New Full-Time Employees hired in the Enterprise Zone over a period of at least One Hundred Thirty-Eight (138) consecutive months commencing on the Certification Date and through March 31, 2035.

Capital Investment Tax Credits: Up to Fourteen Million Four Hundred Thousand Dollars (\$14,400,000) in Significant Capital Investment tax credits may be earned at a rate of ten percent (10%) based on the Recipient's actual Eligible Significant Capital Expenditures paid for real property and personal property. The capital investment tax credits may be earned based on the Tax Credit Disbursement Schedule set forth in Exhibit A. Capital investment tax credits will not be earned for equipment moved into the Enterprise Zone.

The Recipient must maintain the Significant Capital Investment in the Enterprise Zone over a period of One Hundred Thirty-Eight (138) consecutive months commencing on the Certification Date and through March 31, 2035.

**CLAIMING TAX CREDITS:** Enterprise Zone Tax Credits are refundable. Credits earned by the Recipient and verified by WEDC may be claimed on the Recipient's Wisconsin tax return submitted to the Department of Revenue. Tax credits will first be applied to any existing Wisconsin state income tax for which the Recipient is liable in the applicable year. In any year in which tax credits exceed the Recipient's Wisconsin state income tax liability, the balance shall be refunded to the Recipient.

**DEFINITIONS:** For purposes of this document and future documents:

"Base Year": means the year-long period beginning during the calendar year prior to the calendar year in which the Enterprise Zone in which Recipient is located takes effect. For purposes of this project, the Base Year is April 1, 2022 - March 31, 2023.

"Existing Full-Time Employee(s)" means the number of Full-Time Employees existing in the Enterprise Zone in the Base Year. For purposes of this Project, there are Two Hundred One (201) Existing Full-Time Employees.

"Full-Time Employee": means an individual who is employed by the Recipient in the Enterprise Zone in a regular, non-seasonal job for which the annual pay is more than thirty thousand dollars (\$30,000), and an individual in the position is offered the retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year.

"New Full-Time Employee": means a Full-Time Employee hired after the Certification Date.

"Significant Capital Expenditure": means a capital investment in the Enterprise Zone, beyond the Recipient's normal capital expenditures, that is needed to complete the Project. Significant Capital Expenditures include machinery and equipment, land costs, and new building construction costs.

"Significant Capital Investment": means capital investment in excess of ten million dollars (\$10,000,000.00) in the Enterprise Zone, beyond the Recipient's normal capital expenditures, that is needed to achieve the specific purpose of completing the project.

"Zone Payroll": means, in any taxable year, the amount of the Recipient's payroll that is attributable to wages paid to Full-Time Employees based on the Enterprise Zone. Zone Payroll does not include the amount of wages paid to any full-time employee that exceed \$100,000.

**EXHIBIT A  
TAX CREDIT DISBURSEMENT SCHEDULE**

Period (mm/dd/yyyy format)		Minimum Cumulative New Full Time Employees to Qualify	Cumulative New Full Time Employees to Obtain Maximum Job Creation Credits	Maximum Job Creation Credits	Maximum Capital Investment Credits	Maximum Annual Total
Period Start Date	Period End Date					
10/1/2023	3/31/2024	1	2	\$1,530	\$1,000,000	\$1,001,530
4/1/2024	3/31/2025	8	11	\$17,250	\$1,000,000	\$1,017,250
4/1/2025	3/31/2026	16	21	\$33,610	\$1,000,000	\$1,033,610
4/1/2026	3/31/2027	39	49	\$79,990	\$5,700,000	\$5,779,990
4/1/2027	3/31/2028	42	53	\$88,220	\$1,300,000	\$1,388,220
4/1/2028	3/31/2029	45	57	\$96,740	\$798,000	\$894,740
4/1/2029	3/31/2030	48	61	\$105,530	\$483,000	\$588,530
4/1/2030	3/31/2031	52	65	\$114,610	\$847,000	\$961,610
4/1/2031	3/31/2032	55	69	\$123,970	\$511,000	\$634,970
4/1/2032	3/31/2033	59	74	\$135,460	\$587,000	\$722,460
4/1/2033	3/31/2034	62	78	\$145,450	\$587,000	\$732,450
4/1/2034	3/31/2035	66	83	\$157,640	\$587,000	\$744,640
Total		66	83	\$1,100,000	\$14,400,000	\$15,500,000

**EXHIBIT B  
INITIAL STATE IMPACTS**

Year	Jobs	Cap Ex	Average	Total	Total
			Wage	Wages	Creditable Wage
10/1/23-3/31/24	2	\$ 25,498,000	\$ 59,051	\$ 118,102	\$ 72,862
4/1/24-3/31/25	11	\$ 33,017,000	\$ 59,642	\$ 656,057	\$ 407,237
4/1/25-3/31/26	21	\$ 37,813,000	\$ 60,238	\$ 1,264,996	\$ 789,976
4/1/26-3/31/27	49	\$ 331,200,000	\$ 60,840	\$ 2,981,175	\$ 1,872,795
4/1/27-3/31/28	53	\$ 73,457,000	\$ 61,449	\$ 3,256,781	\$ 2,057,921
4/1/28-3/31/29	57	\$ 54,375,000	\$ 62,063	\$ 3,537,602	\$ 2,248,262
4/1/29-3/31/30	61	\$ 32,900,000	\$ 62,684	\$ 3,823,713	\$ 2,443,893
4/1/30-3/31/31	65	\$ 57,720,000	\$ 63,311	\$ 4,115,193	\$ 2,644,893
4/1/31-3/31/32	69	\$ 34,820,000	\$ 63,944	\$ 4,412,120	\$ 2,851,340
4/1/32-3/31/33	74	\$ 40,000,000	\$ 64,583	\$ 4,779,157	\$ 3,105,277
4/1/33-3/31/34	78	\$ 40,000,000	\$ 65,229	\$ 5,087,865	\$ 3,323,505
4/1/34-3/31/35	83	\$ 40,000,000	\$ 65,881	\$ 5,468,151	\$ 3,590,691
	83	\$ 800,800,000			

CASH OUTFLOWS					CASH INFLOWS to the STATE			NET CASH	
Jobs Credit (7%)	Cap Ex Credit (10%)	Training Credit 100%	Supply Chain Credit 1%	Total Outflows	Jobs - Annual Income Tax	Cap Ex Total Tax	Total Inflows	Inflow/ (Outflow)	Cumulative
\$ (1,530)	\$ (1,000,000)	\$ -	\$ -	\$ (1,001,530)	\$ 3,588.09	\$ 152,706.31	\$ 156,294	(845,236)	(845,236)
\$ (17,250)	\$ (1,000,000)	\$ -	\$ -	\$ (1,017,250)	\$ 19,734.52	\$ 197,737.24	\$ 217,472	(799,778)	(1,645,014)
\$ (33,610)	\$ (1,000,000)	\$ -	\$ -	\$ (1,033,610)	\$ 37,674.99	\$ 226,460.25	\$ 264,135	(769,475)	(2,414,489)
\$ (79,990)	\$ (5,700,000)	\$ -	\$ -	\$ (5,779,990)	\$ 87,908.30	\$ 1,983,541.00	\$ 2,071,449	(3,708,541)	(6,123,029)
\$ (88,220)	\$ (1,300,000)	\$ -	\$ -	\$ (1,388,220)	\$ 95,084.49	\$ 439,930.47	\$ 535,015	(853,205)	(6,976,234)
\$ (96,740)	\$ (798,000)	\$ -	\$ -	\$ (894,740)	\$ 102,260.68	\$ 325,649.28	\$ 427,910	(466,830)	(7,443,064)
\$ (105,530)	\$ (483,000)	\$ -	\$ -	\$ (588,530)	\$ 109,436.87	\$ 197,036.53	\$ 306,473	(282,057)	(7,725,121)
\$ (114,610)	\$ (847,000)	\$ -	\$ -	\$ (961,610)	\$ 116,613.06	\$ 345,682.33	\$ 462,295	(499,315)	(8,224,436)
\$ (123,970)	\$ (511,000)	\$ -	\$ -	\$ (634,970)	\$ 123,789.24	\$ 208,535.32	\$ 332,325	(302,645)	(8,527,081)
\$ (135,460)	\$ (587,000)	\$ -	\$ -	\$ (722,460)	\$ 132,759.48	\$ 239,558.09	\$ 372,318	(350,142)	(8,877,223)
\$ (145,450)	\$ (587,000)	\$ -	\$ -	\$ (732,450)	\$ 139,935.67	\$ 239,558.09	\$ 379,494	(352,956)	(9,230,180)
\$ (157,640)	\$ (587,000)	\$ -	\$ -	\$ (744,640)	\$ 148,905.90	\$ 239,558.09	\$ 388,464	(356,176)	(9,586,356)
\$ (1,100,000)	\$ (14,400,000)	\$ -	\$ -	\$ (15,500,000)	\$ 1,117,691	\$ 4,795,953	\$ 5,913,644		

## EXHIBIT C TOTAL STATE IMPACTS

Year	Jobs	Cap Ex	Average Wage	Total Wages	Total Creditable Wage
10/1/23-3/31/24	2	\$ 25,498,000	\$ 59,051	\$ 118,102	\$ 72,862
4/1/24-3/31/25	11	\$ 33,017,000	\$ 59,642	\$ 656,057	\$ 407,237
4/1/25-3/31/26	21	\$ 37,813,000	\$ 60,238	\$ 1,264,996	\$ 789,976
4/1/26-3/31/27	49	\$ 331,200,000	\$ 60,840	\$ 2,981,175	\$ 1,872,795
4/1/27-3/31/28	53	\$ 73,457,000	\$ 61,449	\$ 3,256,781	\$ 2,057,921
4/1/28-3/31/29	57	\$ 54,375,000	\$ 62,063	\$ 3,537,602	\$ 2,248,262
4/1/29-3/31/30	61	\$ 32,900,000	\$ 62,684	\$ 3,823,713	\$ 2,443,893
4/1/30-3/31/31	65	\$ 57,720,000	\$ 63,311	\$ 4,115,193	\$ 2,644,893
4/1/31-3/31/32	69	\$ 34,820,000	\$ 63,944	\$ 4,412,120	\$ 2,851,340
4/1/32-3/31/33	74	\$ 40,000,000	\$ 64,583	\$ 4,779,157	\$ 3,105,277
4/1/33-3/31/34	78	\$ 40,000,000	\$ 65,229	\$ 5,087,865	\$ 3,323,505
4/1/34-3/31/35	83	\$ 40,000,000	\$ 65,881	\$ 5,468,151	\$ 3,590,691
	83	\$ 800,800,000			

CASH OUTFLOWS					CASH INFLOWS to the STATE			NET CASH	
Jobs Credit (7%)	Cap Ex Credit (10%)	Training Credit 100%	Supply Chain Credit 1%	Total Outflows	Jobs - Annual Income Tax	Cap Ex Total Tax	Total Inflows	Inflow/ (Outflow)	Cumulative
\$ (1,530)	\$ (1,000,000)	\$ -	\$ -	\$ (1,001,530)	\$ 9,519.66	\$ 390,861.73	\$ 400,381	(601,149)	\$ (601,149)
\$ (17,250)	\$ (1,000,000)	\$ -	\$ -	\$ (1,017,250)	\$ 52,358.11	\$ 506,121.34	\$ 558,479	(458,771)	\$ (1,059,919)
\$ (33,610)	\$ (1,000,000)	\$ -	\$ -	\$ (1,033,610)	\$ 99,956.40	\$ 579,639.76	\$ 679,596	(354,014)	\$ (1,413,933)
\$ (79,990)	\$ (5,700,000)	\$ -	\$ -	\$ (5,779,990)	\$ 233,231.60	\$ 5,077,002.35	\$ 5,310,234	(469,756)	\$ (1,883,689)
\$ (88,220)	\$ (1,300,000)	\$ -	\$ -	\$ (1,388,220)	\$ 252,270.91	\$ 1,126,030.68	\$ 1,378,302	(9,918)	\$ (1,893,607)
\$ (96,740)	\$ (798,000)	\$ -	\$ -	\$ (894,740)	\$ 271,310.23	\$ 833,520.54	\$ 1,104,831	210,091	\$ (1,683,517)
\$ (105,530)	\$ (483,000)	\$ -	\$ -	\$ (588,530)	\$ 290,349.54	\$ 504,327.83	\$ 794,677	206,147	\$ (1,477,369)
\$ (114,610)	\$ (847,000)	\$ -	\$ -	\$ (961,610)	\$ 309,388.86	\$ 884,796.42	\$ 1,194,185	232,575	\$ (1,244,794)
\$ (123,970)	\$ (511,000)	\$ -	\$ -	\$ (634,970)	\$ 328,428.17	\$ 533,759.73	\$ 862,188	227,218	\$ (1,017,576)
\$ (135,460)	\$ (587,000)	\$ -	\$ -	\$ (722,460)	\$ 352,227.31	\$ 613,164.54	\$ 965,392	242,932	\$ (774,644)
\$ (145,450)	\$ (587,000)	\$ -	\$ -	\$ (732,450)	\$ 371,266.63	\$ 613,164.54	\$ 984,431	251,981	\$ (522,663)
\$ (157,640)	\$ (587,000)	\$ -	\$ -	\$ (744,640)	\$ 395,065.77	\$ 613,164.54	\$ 1,008,230	263,590	\$ (259,073)
\$ (1,100,000)	\$ (14,400,000)	\$ -	\$ -	\$ (15,500,000)	\$ 2,965,373	\$ 12,275,554	\$ 15,240,927		

