

State of Wisconsin

SENATE CHAIR
Howard Marklein

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ASSEMBLY CHAIR
Mark Born

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Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: January 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 January 23, 2024.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Friday, February 9, 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

January 23, 2024

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

JAN 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 expansion of A.Y. McDonald Mfg. Co.'s manufacturing capabilities in Kieler, Wisconsin and construction of a new state-of-the-art brass foundry in Dickeyville, Wisconsin. The Enterprise Zone will include both locations which are located in Grant County, Wisconsin.

The EZ designation will enable WEDC to certify A.Y. McDonald Mfg. Co.'s capital investment of over \$340 million and creation of 173 new Full-Time Jobs. The certification provides for the allocation of \$5,850,000 in performance-based tax credits over five years. Enclosed with this letter is the Staff Review which provides additional detail on the project.

Current EZ Designations:

WEDC currently has 19 active Enterprise Zone designations which are expected to result in over \$3.8 billion in capital investment, the retention of over 16,600 jobs, and the creation of over 19,800 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.: A.Y. McDonald Mfg. Co. 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 1/23/2024

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
Brakebush Brothers, Inc.	\$6,500,000	Westfield	10/16/2017	219	885	\$86,000,000	6/30/2022
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
Johnsonville, LLC	\$11,500,000	Sheboygan Falls	3/27/2017	176	1,094	\$49,000,000	12/31/2023
Kimberly-Clark Corporation	\$28,000,000	Neenah	12/12/2018	0	388	\$200,000,000	12/31/2023
Kohl's Corporation	\$62,500,000	Menomonee Falls	7/17/2012	3,000	3,731	\$250,000,000	1/28/2023
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
Moison 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

WEDC Project ID: EZ FY24-53757
 Project Lead: Ela Kakde
 Underwriter: Steve Sabatke
 Date Prepared: 12/11/2023
 AAC Date: 01/17/2024
 Board Date: 01/23/2024

STAFF REVIEW

ENTERPRISE ZONE

A.Y. McDonald Mfg. Co. (A.Y.M., Inc. – Recipient Affiliate)
 Dickeyville, WI and Kieler, WI (Grant County)
 Total Eligible Project Costs: \$340,000,000
 Capital Investment: \$340,000,000
 Requested Award Amount: \$5,850,000
 Recommended Award Amount: \$5,850,000

MANAGEMENT REVIEW:

Division Vice President: Michael Ward Date: 1/10/2024 APPROVE DENY

Senior Vice President, Strategic Investment & Evaluation or CFO:

Shelly Braun Date: 1/10/2024 APPROVE DENY

CEO or Designee: [Signature] Date: 1/10/2024 APPROVE DENY

Awards Admin. Comm (if applicable):

[Signature] Date: 01/17/2024 APPROVE DENY

WEDC Board (if applicable):

[Signature] Date: 01/23/2024 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.

Statutory Requirements – Act 361 Supplemented by: §§ 238.399, 71.07 (3w), 71.28 (3w), and 71.47 (3w), Wis. Stats.	Yes
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"> • Tier 1 wages – 2,080 hours by 150% of federal minimum wage • Tier 2 wages - \$30,000 	x
Designation of Enterprise Zone is based on the following factors. <ul style="list-style-type: none"> • Indicators of the area's economic need, data regarding household income, average wages, the condition of property, housing values, population decline, job losses, 	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"> • 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. • Preference is given based on the greatest economic need. 	
<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"> • One remaining zone must be located in political subdivisions with populations of less than 5,000 	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,</p> <p>(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,</p> <p>(3) expanding in zone by increasing personnel by $\geq 10\%$ 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.</p> <p>(4) making a capital investment of $\geq 10\%$ 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.</p> <p>(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 ≥ 500 employees in EZ,</p> <p>(6) located in zone and is purchasing tangible personal property, goods, or services from Wisconsin vendors</p>	X
<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"> 1. Supplies false or misleading information to obtain tax benefits. 2. Leaves the enterprise zone to conduct substantially the same business outside of the enterprise zone. 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. 	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 $\leq 7\%$ 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 $\leq 7\%$ 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 performed</p>	X

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

<u>Program Guideline Requirements</u>	Yes	No	Explanation
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		
"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		

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

I. PROJECT SUMMARY

A.Y.M., Inc. and A.Y. McDonald Mfg. Co. are seeking \$5,850,000 in Enterprise Zone Tax Credits for job creation and capital investment in Dickeyville and Kieler. A.Y.M., Inc. and A.Y. McDonald Mfg. Co are each wholly owned subsidiaries of the parent company A.Y. McDonald Industries, Inc.

This project uniquely supports economic well-being in Wisconsin as Grant County, at the time of the application, was consistently a distressed county, with wages decreasing the further one drove away

from Madison. The possibility of another foundry development, the growth potential of the business itself represents huge impacts to the rural region of southwest Wisconsin. They provide higher than average wages as manufacturing wages in southwest Wisconsin are still \$14-\$21 with many local firms not offering vision and dental as part of their health care plans. With the introduction of AY McDonald to the small village of Dickeyville, the community has expanded their first industry park with EDA monies, is working with the developer that assisted AY to build more homes and has attracted two more businesses to their area because of this development. Given AY's connections in infrastructure and plastic injection molding, there seems to be a lot of potential for growth in WI with the infrastructure bill and providing more resilience to Wisconsin and the upper Midwest against supply chain impacts in the cases of social, global or climate disturbances.

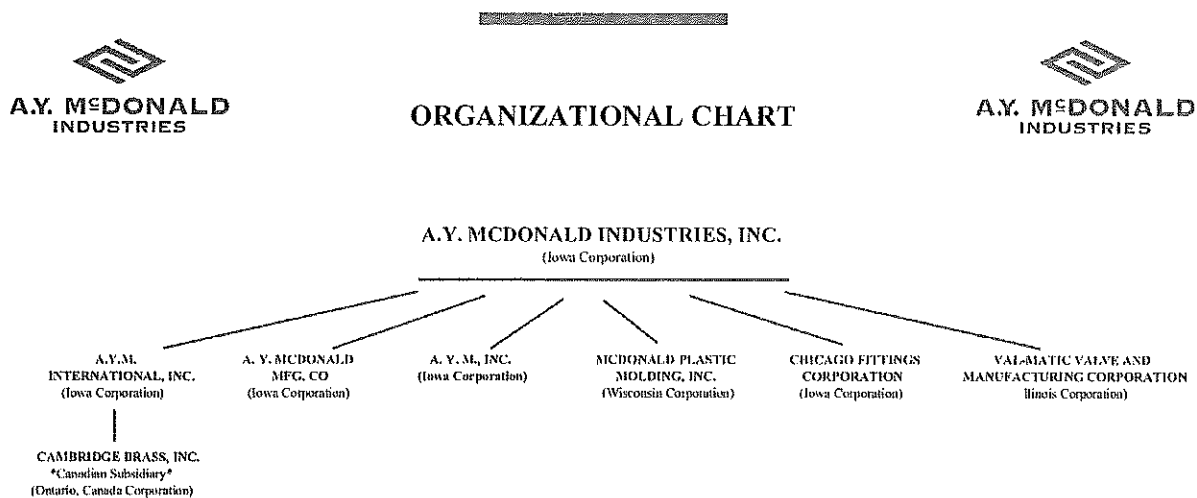
The certification date for this project is January 1, 2023. WEDC staff started working with the company in May 2022.

II. COMPANY DESCRIPTION

A.Y. McDonald Industries, Inc., the parent company, is an Iowa-based C-corporation. The Iowa Secretary of State website shows a filing date of 08/13/1915. Staff has a copy of restated articles of incorporation for A.Y. McDonald Industries, Inc. that were filed with Iowa on 04/16/2010. The company is headquartered at 4800 Chavenelle Rd in Dubuque, Iowa. The company was founded in 1856 by Andrew Young McDonald.

Since 1983, A.Y. McDonald Industries (AYMI) (FEIN: 42-0404280) has been the parent of a family of companies that includes A.Y. McDonald Mfg. Co., A.Y.M., Inc., Cambridge Brass, Inc., Chicago Fittings Corporation, McDonald Plastic Molding, Inc., and Val-Matic Valve and Manufacturing Corporation. Each of these companies independently manufactures and sells their own products, but share a common operating platform, based largely on a deeply rooted, family culture and the passion to exceed the expectations of the customer according to the applicant. The mission of A.Y. McDonald Industries Inc. is to ensure the success of its subsidiaries and their co-workers.

As a fifth-generation family owned and operated company, AYMI includes 12 manufacturing facilities, which are in Iowa (2), Tennessee (1), Wisconsin (6 - Cuba City, Monroe, Darlington, Poynette, Beloit, Kieler), Illinois (2), and Ontario, Canada (1). The five subsidiaries under AYMI, employ more than 1,400 employees. An organizational chart is below:



A description of the other companies underneath the AYMI parent umbrella is as follows:

A.Y. McDonald Mfg. Co. (MFG) (42-1241524): Manufacturer of waterworks, pump, plumbing, and natural gas products. The company was founded in 1856, with the corporate headquarters, brass foundry, and primary manufacturing plant located in Dubuque, Iowa. Additional plant locations are in Albia, Iowa and Elizabethton, Tennessee.

Cambridge Brass, Inc.: Manufacturer of brass fittings for the waterworks industry. Acquired by AYMI in 2006. Located in Cambridge, Ontario, Canada.

Chicago Fittings Corporation (82-3237718): Manufacturer of specialty joining methods for a number of markets, including natural gas and propane. The company was acquired by AYMI in 2017. It is located in Beloit, WI.

McDonald Plastic Molding, Inc. (87-5501415): Plastic molded services. Headquartered in Cuba City and is also located in Monroe, Darlington, and Poynette in Wisconsin. The company was formed in 2021, after AYMI combined two of its companies; S.K. Plastic Molding, Inc. (acquired by AYMI in 2004) and Non-Metallic Components, Inc. (acquired by AYMI in 2018).

Val-Matic Valve & Mfg. Corp: A manufacturer of air valves, check valves, and quarter turn shut-off valves for water/wastewater, power, industrial, fire protection and HVAC applications. Acquired by AYMI in 2020. The Company's corporate headquarters and manufacturing are based in the Chicago suburb of Elmhurst, IL. It also has a facility in Addison, IL.

A.Y.M. International, Inc.: A.Y.M International is the U.S. based parent of the Canadian subsidiary, Cambridge Brass, Inc.

A.Y.M., Inc. (42-1308004): Plants in Albia, Iowa and Elizabethton, Tennessee.

AYMI serves the following market segments: water works, pump, plumbing, natural gas, automotive, consumer, electrical, industrial, water infiltration, military, recreational vehicles, medical, fluid handling, water and wastewater, and building construction. Most AYMI products are sold through distributors with business-to-business transactions. AYMI states that the largest portions of its product sales are manufactured according to specifications of the municipalities it serves. According to the company, these specifications provide a barrier to entry for many of its product sales, helping to ensure the long-term sales velocity of AYMI.

Management and Ownership

Rob McDonald, President/CEO – McDonald joined A.Y. McDonald in 1994. Before assuming his current position in July 2019, he held the position of Senior Vice President for AYMI. He also held various positions in MFG, including President and Vice President of Sales.

Scott Knapp, Vice President/Chief Strategy Officer – Knapp joined MFG in 1999. Before assuming his current position in July 2019, he held the position of Senior Vice President of Marketing at MFG. Prior to assuming that role in 2017, he served in various roles with the company including Vice President of Sales & Marketing.

John Schmidt, CFO/Senior Vice President – Schmidt joined the Company as Chief Financial Officer in 2013. He was elected Corporate Secretary in 2014. Schmidt also currently serves as Chairman of HTLF, a publicly traded, \$20B bank, with locations in Wisconsin.

Chad Huntington, President of A.Y. McDonald Mfg. Co. and Vice President of AYMI: Huntington joined the Company in 1999 and before assuming his current position in August 2019, he held the position of Vice President of Human Resources for A.Y. McDonald Mfg. Co.

A.Y. McDonald Mfg. Co. – Schedule of Ownership	
Name	Percentage
A.Y. McDonald Industries, Inc.	100%
Total	100%

A.Y.M., Inc. – Schedule of Ownership	
Name	Percentage
A.Y. McDonald Industries, Inc.	100%
Total	100%

A.Y. McDonald Mfg. Co. and A.Y.M., Inc. are wholly owned subsidiaries of A.Y. McDonald Industries, Inc. According to the applicant, the three largest owners of the parent company are trusts as shown below.

A.Y. McDonald Industries, Inc. – Schedule of Ownership	
Name	Percentage
Abby McDonald Dancer Irrevocable Trust dated 11-30-70	10.9%
McDonald 2022 South Dakota Trust	6.4%
McDonald 2020 Nevada Trust	6.4%
All Others Less Than 6.4% Each	76.3%
Total	100.00%

All of the individual owners are descendants of the original A.Y. McDonald family. No individual owner owns 20% or more of the parent company. No entity owns 20% or more of the parent company

Background checks on the company showed no issues of concern. All three entities that are involved with the project are registered with the Wisconsin Department of Financial Institutions.

A.Y. McDonald Industries, Inc. is a plaintiff in litigation involving an alleged embezzlement of funds by an individual in management. The case is A.Y. McDonald Industries, Inc. v. Michael B. McDonald and it is currently in the Court of Appeals of Iowa. According to the applicant, the appeal involves an amount of less than \$1.0 million and the outcome of the appeal will not have an impact on the Enterprise Zone project.

III. PROJECT DESCRIPTION

There are two entities which are involved in the proposed Enterprise Zone. They are:

- A.Y.M., Inc. (42-1308004)
- A.Y. McDonald Mfg. Co. (42-1241524)

The project includes job creation and new capital investment that will take place in both Dickeyville and Kieler.

A description of the roles each company will have in the project is as follows:

A.Y.M., Inc. (42-1308004)

- Has existing employees in Kieler.
- Owns the equipment in Kieler.
- Will create the new jobs in Kieler.
- Will incur the new capital investment in Kieler.

A.Y. McDonald Mfg. Co. (42-1241524)

- Owns the inventory in Kieler.
- Will own the new building in Dickeyville.
- Will create the new jobs in Dickeyville.
- Will incur the new capital investment in Dickeyville.

A.Y. McDonald Industries, Inc. owns the building in Kieler at 3636 County H, Kieler, WI 53812. It will not be involved in either job creation or new capital investment in Kieler and Dickeyville.

In May of 2022, AYMI purchased a 100,000 sq. ft. facility located in Kieler which was approximately 60% complete. Work on the land and building was completed in 2023 at a total cost of approximately \$6.6 million. Over the next five years, A.Y.M., Inc. expects to incur additional capital costs for equipment to increase production at this facility. The company projects to employ 25 individuals at this facility within five years. In the short-term, this facility will be used to free up some much-needed manufacturing space in the form of storage for at least three of AYMI's five subsidiaries.

The longer-term vision for the Kieler facility would be to have it function as a manufacturing facility. To that end, AYMI is in the early stages of moving production of its iron frames and covers production to the Kieler location. Moreover, AYMI states it will continue to investigate the movement of other manufacturing functions from its US based companies, as it looks for opportunities to respond to unprecedented demand for its products.

Kieler is an unincorporated census-designated place in the Town of Jamestown in Grant County. It's population as of 2020 was 532.

In addition to the Kieler manufacturing facility, A.Y. McDonald Mfg. Co. has elected to construct a new 300,000 square foot brass foundry in Dickeyville. In the past several years, the demand for its product has caused the company to outgrow its current foundry that has been operating in Dubuque, Iowa, since 1983. Ground was broken for the new facility in August 2023. The project is expected to be completed and fully operational in 2026. Projected capital costs for this project are approximately \$335 million.

The building will be located on a 100-acre parcel at 2650 Old Highway Road in Dickeyville. Dickeyville is a village in Wisconsin in Grant County. The Village has a population of 1,023. The company has described the project as a "new state-of-the-art" foundry that will be the largest project in the company's 167-year history. The company plans to make the new foundry safer, cleaner, cooler, and quieter, and will have its own electrical substation.

A company press release stated the following: "In a time when most companies go where the best incentive packages take them, we made the commitment early on to build our next foundry where our current foundry co-workers live, and that is right here in the tri-state area," said Rob McDonald, CEO of A.Y. McDonald Mfg. Co., in the release. "Our new foundry will be built on a 100-acre parcel in a new industrial park being co-developed by A.Y. McDonald and Jeff Kaiser. This large parcel will serve the growth needs of the company for generations to come."

Officials anticipate that current brass foundry in Dubuque then will be decommissioned and the space “converted to other manufacturing operations.”

AYMI had been evaluating potential sites in Iowa, Wisconsin, and Tennessee. AYMI was in the process of acquiring land in Tennessee to expand its existing factory location and simultaneously evaluating alternative sites for the foundry. Additionally, the company identified five viable sites in proximity to its existing Dubuque, Iowa location.

A.Y. McDonald Industries, Inc. – Project Budget

Budget Code	Project Costs	SOURCES	TOTAL
		A.Y. McDonald Mfg. Co./A.Y.M., Inc.	
0110	Land Costs	\$24,729,000	\$24,729,000
0200	New Construction	\$86,582,000	\$86,582,000
0385	Renovations	\$178,000	\$178,000
0240	Equipment	\$228,511,000	\$228,511,000
	Total	\$340,000,000	\$340,000,000

A breakout of the capital investment to be incurred at the Kieler and Dickeyville locations is as follows:

Kieler: \$2,010,000
 Dickeyville: \$337,990,000
 Total: \$340,000,000

The projected new capital investment will occur over the following schedule:

2023: \$ 26,000,000
 2024: \$157,000,000
2025: \$157,000,000
 Total: \$340,000,000

The Northern Trust Company has confirmed that funding for the project is available through the portfolio of A.Y. McDonald Industries, Inc.

There is a Development Agreement, effective 04/12/2023, between the Village of Dickeyville and A.Y. McDonald Mfg. Co. The Agreement includes the following provisions:

- The project is anticipated to be operational in 2026.
- The project site is to be annexed to the Village and located in a Village Tax Incremental Financing District.
- The Assessed Value Base of the project site is \$50,330.
- MFG would not undertake the project without the availability of tax increment financing to provide a fund to repay MFG from collected tax increment the TIF eligible project costs generated from the project.
- The Village finds that the development is in the vital and best interests of the Village and its residents.
- Starting on 02/15/2024, and on each 02/15 and 09/15 following the execution of the Agreement and ending when its principal amount and related financing costs have been paid or at the expiration of the TIF District, whichever is earlier, the collected tax increment (all real property

taxes generated by the project less the amount of taxes generated by the assessed value base) will be paid to MSG.

- MFG will pay to the Village certain annual fees which are a percentage of the tax increment ranging from 0.5 to 1.5%,
- An exhibit in the Development Agreement projects that the total tax increment is estimated to be approximately \$31,705,000 through 2044.

The Enterprise Zone project will not involve either Chicago Fittings Corporation (82-3237718) or McDonald Plastic Molding, Inc. (87-5501415) which has separate operations at different locations in Wisconsin.

IV. EMPLOYMENT

The project will result in the creation of 173 full-time positions at an average hourly wage of \$24.90. Job creation will take place at both the Dickeyville and Kieler locations. A.Y.M., Inc. will create the new jobs in Kieler. A.Y. McDonald Mfg. Co. will create the new jobs in Dickeyville.

The companies consider at least 1,560 hours per year to be full-time employment and eligible for benefits. Of the 173 positions to be created, around 100 of them could be filled by employees who are working at the plant in Dubuque, IA according to the company.

A.Y.M., Inc. and A.Y. McDonald Mfg. Co. have two locations in Wisconsin including the project locations of 3636 County H, Kieler, WI 53812, and 2650 Old Highway Road, Dickeyville, WI 53808.

WEDC staff reviewed the base payroll provided and determined that A.Y.M., Inc. has three eligible statewide employees and of that statewide amount, three are eligible at the project location with an average hourly rate of \$37.28.

The base payroll review did not show any existing employees for A.Y. McDonald Mfg. Co., so the base will be three for both entities.

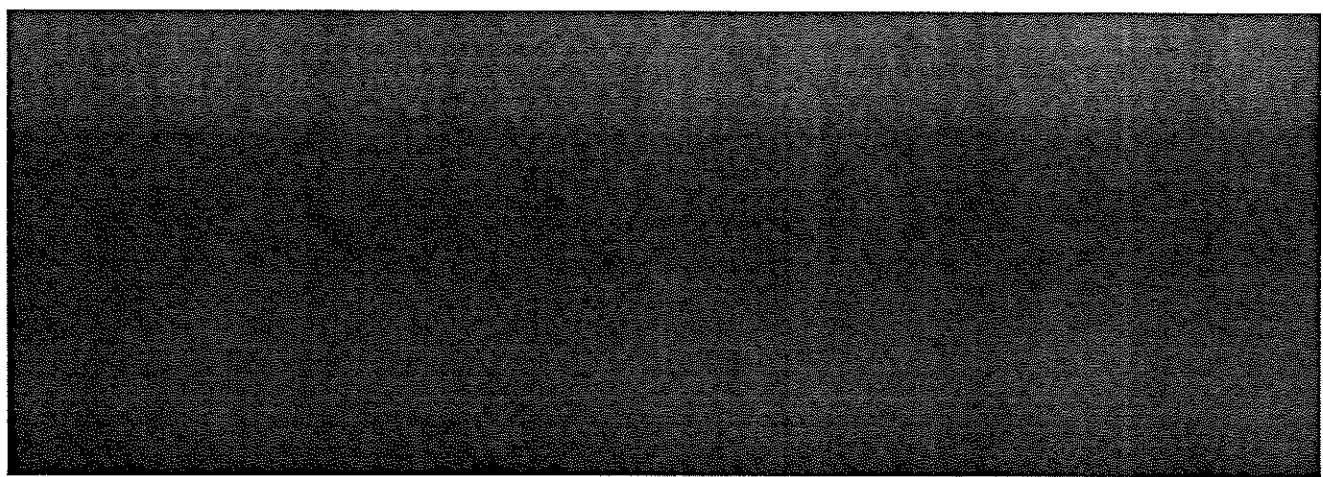
According to the application, A.Y. McDonald Industries, Inc.'s total company employment is 1,482. The company states that it is committed to implementing, maintaining, and continuously improving its hiring and retention practices. The company currently offers referral and retention bonuses to strengthen its team and provides incentives for both recruitment and retention. The company also offers several EAP's (employee assistant programs) to support its co-workers in their professional and personal lives.

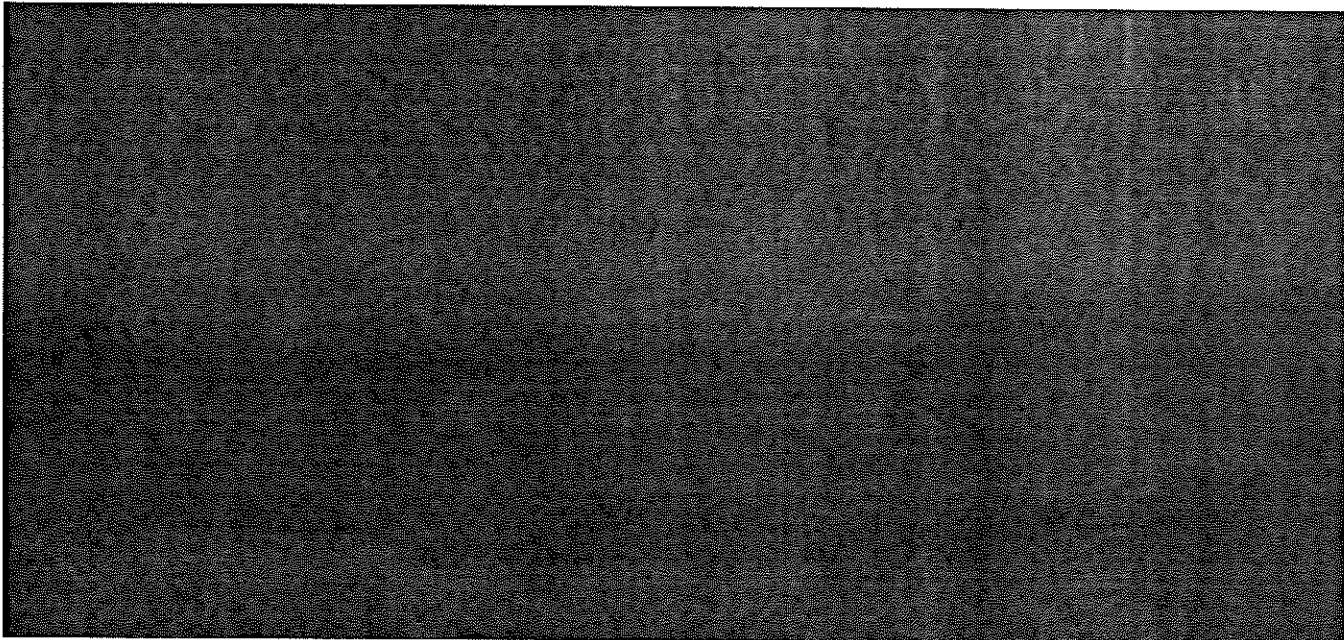
JOB CLASSIFICATION	POSITIONS CREATED					TOTAL JOBS / AVERAGE STARTING WAGE PER HOUR
	Year One	Year Two	Year Three	Year Four	Year Five	
Foundry Manager	0	0	1	0	0	1/\$90.00
Foundry Supervisor	0	0	0	9	0	9/\$31.00
Metal Pouring	0	0	0	18	1	19/\$28.32
Rough Casting Finisher	0	0	0	18	1	19/\$26.38
Automatic Mold Machine Operator	0	0	0	12	1	13/\$29.33
Foundry Production Support	0	0	0	8	2	10/\$18.10
Furnace Tender	0	0	0	17	0	17/\$23.35

Foundry Labor	0	0	0	22	3	25/\$20.53
Coremaker	0	0	0	11	2	13/\$24.73
Maintenance Supervisor	0	0	0	2	0	2/\$33.20
Maintenance	0	0	0	4	1	5/\$21.88
Core Cleaner	0	0	0	3	1	4/\$30.25
Cleaning Associate	0	0	0	4	1	5/\$17.00
Foundry Quality Coordinator	0	0	0	2	1	3/\$24.32
Fork Truck Driver	0	0	0	4	1	5/\$23.00
Plant Manager	1	0	0	0	0	1/\$57.69
Assistant Plant Manager	1	0	0	0	0	1/\$28.85
Shipping/Receiving Supervisor	1	0	0	0	0	1/\$27.50
Material Handler II	2	0	0	0	0	2/\$16.90
Material Handler I	1	0	0	0	0	1/\$14.17
Machinist II - Pitt Setters	3	2	0	0	0	5/\$22.08
Machinist I - Pitt Setters	0	2	0	0	0	2/\$18.80
Machinist II - Rigid Risers	0	3	1	1	1	6/\$22.74
Machinist I - Rigid Risers	0	0	2	0	0	2/\$19.37
Machinist II - Major Line	0	0	0	2	0	2/\$24.85
Total	9	7	4	137	16	173/\$24.90
TOTAL PAYROLL IMPACT FOR JOBS CREATED ANNUALLY						\$8,960,016

A.Y.M., Inc. and A.Y. McDonald Mfg. Co. – Benefit Package	
Type	Percentage (%) Paid by Company
Individual Health Insurance	70%
Family Health Insurance	65%
Other Benefits Provided: Vision insurance, dental insurance, life insurance, long-term disability insurance, voluntary life, 401(K), short-term disability, PTO, several EAP's. The company also offers offer retention bonuses and production incentives.	

V. FINANCIAL INFORMATION





VI. PREVIOUS DEPARTMENT OF COMMERCE/WEDC AWARDS

There has been no prior financial assistance from the Wisconsin Department of Commerce/WEDC for A.Y. McDonald Industries, Inc. and its subsidiaries A.Y. McDonald Mfg. Co., Cambridge Brass, Inc., McDonald Plastic Molding, Inc., Val-Matic Valve and Manufacturing Corporation, A.Y.M. International, Inc., and A.Y.M., Inc. Chicago Fittings Corporation has received two awards as shown below.

Chicago Fittings Corporation

Contract Date	Contract #	Program	Award Amt.	Drawn	Lapsed	Status
06/29/2022	FY22-53139	BTC	\$125,000	\$81,644	\$0	Disbursable
01/06/2015	FY15-22637	JTC	\$175,000	\$175,000	\$0	Closed

Chicago Fittings Corporation was awarded \$125,000 in Business Development Tax Credits for the creation of at least 20 positions and a capital investment of \$6,363,080. The project involved an expansion of its existing facility at 3170 Colley Road in Beloit. The certification date is 01/01/2022. The award is based on job creation (\$75,000) and capital investment (\$50,000). There has been one verification completed to date. A total of \$31,644 in job creation credits and \$50,000 in capital investment credits were released. As of 12/31/2022, a total of nine new full-time positions had been created and \$4,543,732 in eligible capital investment was incurred. Reporting is current.

Chicago Fittings Corporation was awarded \$175,000 in Jobs Tax Credits in 2015 to relocate a new facility in Beloit. The company committed to invest \$2,300,000 and create 25 new FT with an average wage of \$21.69. On 02/03/22, the award was officially closed out. The company fulfilled all contract deliverables.

Non-Metallic Components, Inc., which was acquired by AYMI in 2018, received one award as shown below. Non-Metallic Components is now McDonald Plastic Molding, Inc.

Non-Metallic Components, Inc.

Contract Date	Contract #	Program	Award Amt.	Drawn	Lapsed	Status
12/04/2018	FY19-24399	BTC	\$70,000	\$29,166.67	\$0	Closed

Non-Metallic Components, Inc. was awarded \$70,000 in Business Development Tax Credits for the creation of at least 24 positions and capital investment of \$1,354,000. The project involved an expansion of its existing facility at 1310 South Main St in Cuba City. The certification date was 10/01/2018. The award was based on job creation (\$50,000) and capital investment (\$20,000). Non-Metallic Components, Inc. was verified for a total of \$56,460; \$36,460 in job creation tax credits for the creation of 10 jobs and \$20,000 in capital investment tax credits. The company incurred eligible capital investment totaling \$1,996,828. The contract required the creation of at least 19 new full-time jobs, which is 80% of the 24 committed to in the original agreement.

The company requested to terminate the agreement as of 09/30/2021 with a pro-rata revocation of credits. WEDC sent a revocation notice to the client and the Wisconsin Department of Revenue for the revocation of \$27,293.33 tax credits because the company requested to terminate the agreement early. A DOR representative informed staff that there was nothing to be paid back by the company as the credits were not claimed on any return.

VII. ECONOMIC IMPACT

According to the Lightcast report and ROI analysis, this project will have the following economic impact in the Grant County Commute region 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*
Initial	173	\$11,600,000	\$8,958,414	\$272,195
Direct	11	\$565,520	N/A	N/A
Indirect	2	\$94,317	N/A	N/A
Induced	43	\$1,900,000	N/A	N/A
Total	229	\$14,159,837	\$11,363,034	\$371,206

*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, the average earnings per initial job created is \$66,792. This is below the average earnings in the industry in this region of \$77,184, and above the average earnings in this region as a whole of \$58,940.

Per the ROI Analysis the initial jobs created could have a one-year impact of \$272,195 in state income taxes. Considering the multiplier effect, the total jobs created could have an annual impact of \$371,206 in state income taxes.

The IMPLAN analysis contains two IMPLAN economic activities, which includes:

- New construction
- Plant, equipment, and machinery
- Renovation
- Furniture, fixtures, and equipment
- Site remediation
- Infrastructure
- Other activities

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

Impact Type	Employment	Labor Income	Value Added
Direct	737	\$45,146,168	\$49,914,892
Indirect	113	\$7,940,660	\$12,220,620
Induced	169	\$7,517,841	\$14,835,920
Total	1,019	\$60,604,669	\$76,971,432

Per the IMPLAN report, the capital investment for this project could directly support 737 jobs, \$45,146,168 of labor income and \$49,914,892 in value added products and services upon project completion. Considering the multiplier effect, the project could support 1,019 jobs, \$60,604,669 of labor income and \$76,971,432 in value added products and services in total through the end of the project.

The direct capital investment activities could generate \$679,067 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 \$3,270,239 through the end of the project.

ROI Calculation / Cash Flow Analysis

Return on Investment

Requested Award Amount	\$5,850,000	
	Initial	Total
Total Inflow for Earnings Period	\$590,019	\$804,637
IMPLAN State Tax Result	\$679,067	\$3,270,239
Total Inflow for Contract Period	\$1,269,086	\$4,074,876
Return on Investment (ROI):	-\$4,580,914	-\$1,775,124
Years to break even during project	5	5
Additional years to break even	17	5
Total years to break even	22	10

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

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.

This project involves the construction and equipping of a new 300,000 square foot brass foundry in Dickeyville along with new capital investment at an existing facility in Kieler. Both Kieler and Dickeyville are in Grant County. The project will bring 173 new full-time jobs to a small village and area that are considered by some as "a bedroom community" as it does not have any large scale industrial, manufacturing or shopping facilities and is located approximately ten miles from Dubuque, IA and Platteville, WI where many village residents commute to work.

According to the EZ Program Guidelines, WEDC shall designate at least three Enterprise Zones in political subdivisions of less than 5,000. The Village of Dickeyville has a population of 1,023.

The company underwent site selection for a new foundry with two sites in Iowa, one in Illinois, one in Tennessee and one in Wisconsin. As the search narrowed, the cost of construction and equipment went up substantially, setting estimates on the project to an anticipated \$360 million. The site in Wisconsin and the others in Iowa were the frontrunners. Due to local investment of creating a TID, TEA grant monies for WISDOT, and with Grant County being rural and at the time considered a distressed county, WEDC offered a competitive state incentive to compete with Iowa and helped win the project for the region and state according to the application. The availability and proximity of the Kieler facility was a key driver for the decision to proceed with the construction of the building and the adjacent land.

The proposed project is in Grant County, which borders Iowa and Illinois. This questions whether people who work in Wisconsin, will also live in Wisconsin and how that interaction with the Dubuque headquarters facility will play out. The project location is less than 20 minutes away from the Dubuque headquarters and has four lane access via state highway 151.

According to US Census On the Map Commuter Data, 47% (86) of workers in Kieler, WI live in Iowa and Illinois and commute to Kieler, WI. The US Census Commuter reporting also shows that 22.5% (14) of residents of Kieler, WI commute to Iowa and Illinois for work. The current difference, without the impact of the proposed project, between the number of Kieler, WI residents commuting to Iowa and Illinois for work and the number of Iowa and Illinois residents commuting to Kieler, WI is a net gain of 72 workers to the Wisconsin economy. The proposed project has the potential of bringing 173 jobs to Grant County.

IX. STAFF ANALYSIS

A.Y. McDonald Mfg. Co.'s current foundry was built in 1983 and demand for its products has outgrown its current production capacity. A.Y.M., Inc. and A.Y. McDonald Mfg. Co. are seeking financial

assistance from WEDC to help facilitate the building of an additional foundry in Wisconsin since a majority of its new acquisitions are in the state. A.Y.M., Inc. will also be creating jobs and incurring new capital investment at a facility in nearby Kieler. Construction and other eligible project costs which were originally around \$204 million, have now been finalized at \$340 million due to supply chain disruptions. Given the incentives packages from Iowa and Illinois, the companies are pursuing the award so that it can make their larger scale operations cashflow.

Other local incentives

The Village of Dickeyville created a Tax Incremental Financing District for the project and entered into a Development Agreement with A.Y. McDonald Mfg. Co. which calls for the collected tax increment (all real property taxes generated by the project less the amount of taxes generated by the assessed value base) will be paid to A.Y. McDonald Mfg. Co. starting on 02/15/2024, and on each 02/15 and 09/15 following the execution of the Agreement and ending when its principal amount and related financing costs have been paid or at the expiration of the TIF District, whichever is earlier..

Reasons for recommendation:

- The project will increase employment in the state with the creation of 173 new full-time jobs.
- The project will contribute to the economic growth of the state with new capital investment of approximately \$340,000,000.
- The extent will increase geographic diversity of available tax credits throughout the state as the project is located in a small rural area and community in Grant County in southwestern Wisconsin.
- The applicant is financially sound.

Letters of Support for the project were sent to the company in 2022 and 2023.

The recommendation is for a total of \$5,850,000 over five years in Enterprise Zone tax credits.

The following table shows the recommended Enterprise Zone and 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
A.Y. McDonald	FY24-53757	\$5,850,000	5	173	NA	\$335,599,000	NA	NA
Charter Next Generation	FY23-53458	\$5,600,000	8	341	NA	\$270,050,000	NA	NA
ATI Ladish	FY18-23955	\$10,500,000	10	175	727	\$132,551,295	NA	NA
Saputo Cheese USA Inc.	FY17-23568	\$3,000,000	3.67	92	NA	\$81,000,000	NA	NA
Dolgencorp, LLC	FY16-23059	\$5,500,000	4.34	552	NA	\$69,000,000	NA	NA

Enterprise Zone Tax Credits Project Measurements				
Measurement	Measurement Type	Baseline	Goal	End/Due Date
Job Creation	Explicit	3	173	12/31/2027
Job Retention	Implicit	3	3	12/31/2027
Capital Investment	Explicit	\$0	\$340,000,000	12/31/2027
Leverage	Result	\$0	\$340,000,000	12/31/2027

EZ Calculations (07-1-2023)

Company: **AY McDonald**

Assumptions		
Project Starts:	2023 Certification Date	1/1/2023
Wage growth (%):	1%	
County: Grant County		
County Tier:	Tier II	BaseWage: 30,000

INVESTMENTS

Proj Yr	Year	7%		7%		10%	
		New Jobs	Average Wage	Retained Jobs	Average Wage	Capital Inv.	
1	2023	9	51,783.00			26,000,000	
2	2024	16	52,300.83			157,000,000	
3	2025	20	52,823.84			157,000,000	
4	2026	157	53,352.08				
5	2027	173	53,885.60				
6	2028						
7	2029						
8	2030						
9	2031						
10	2032						
11	2033						
12	2034						

340,000,000

CREDITS

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	2023	13,723	13,723	-	-	2,600,000	2,600,000	-	-	-	-	2,613,723	2,613,723
2	2024	24,977	38,700	-	-	15,700,000	18,300,000	-	-	-	-	15,734,977	18,338,700
3	2025	31,953	70,654	-	-	15,700,000	34,000,000	-	-	-	-	15,731,953	34,070,654
4	2026	256,639	327,293	-	-	-	34,000,000	-	-	-	-	256,639	34,327,293
5	2027	289,255	616,548	-	-	-	34,000,000	-	-	-	-	289,255	34,616,548
6	2028	-	616,548	-	-	-	34,000,000	-	-	-	-	-	34,616,548
7	2029	-	616,548	-	-	-	34,000,000	-	-	-	-	-	34,616,548
8	2030	-	616,548	-	-	-	34,000,000	-	-	-	-	-	34,616,548
9	2031	-	616,548	-	-	-	34,000,000	-	-	-	-	-	34,616,548
10	2032	-	616,548	-	-	-	34,000,000	-	-	-	-	-	34,616,548
11	2033	-	616,548	-	-	-	34,000,000	-	-	-	-	-	34,616,548
12	2034	-	616,548	-	-	-	34,000,000	-	-	-	-	-	34,616,548
		616,548				34,000,000						34,616,548	

Therefore, WEDC recommends the following:

TERMS & CONDITIONS
A.Y.M., Inc. and A.Y. McDonald Mfg. Co.
Opportunity Number EZ FY24-53757

ENTERPRISE ZONE TAX CREDITS

RECIPIENT: A.Y. McDonald Mfg. Co.

RECIPIENT AFFILIATE: A.Y.M., Inc.

EIN FOR TAX/DOR

PURPOSES: 42-1308004 (A.Y.M., Inc.)
42-1241524 (A.Y. McDonald Mfg. Co.)

EIN FOR DWD/IU

PURPOSES: 42-1241524 (A.Y. McDonald Mfg. Co.)
42-1308004 (A.Y.M., Inc.)

ENTERPRISE ZONE DESIGNATION: The Recipient's facilities in Grant County, 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 Five Million Eight Hundred Fifty Thousand Dollars (\$5,850,000) in state income tax credits based on job creation and capital investment beginning on January 1, 2023 (the "Certification Date"). The Enterprise Zone designation and certification for earning tax credits will last for a period of five (5) 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.

Job Creation Tax Credits: Up to Six Hundred Thousand Dollars (\$600,000) in Job Creation tax credits may be earned based on the Recipient's creation of at least One Hundred Seventy-Three (173) 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.

Capital Investment Tax Credits: Up to Five Million Two Hundred Fifty Thousand Dollars (\$5,250,000) 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 Sixty (60) consecutive months commencing on the Certification Date and through December 31, 2027.

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 2022.

"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 three (3) 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 in the State of Wisconsin for services that are performed in the 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					
1/1/2023	12/31/2023	7	9	\$13,000	\$420,000	\$433,000
1/1/2024	12/31/2024	12	16	\$24,000	\$2,415,000	\$2,439,000
1/1/2025	12/31/2025	16	20	\$31,000	\$2,415,000	\$2,446,000
1/1/2026	12/31/2026	125	157	\$250,000		\$250,000
1/1/2027	12/31/2027	138	173	\$282,000		\$282,000
1/1/2028	12/31/2028	0				\$0
1/1/2029	12/31/2029	0				\$0
1/1/2030	12/31/2030	0				\$0
1/1/2031	12/31/2031	0				\$0
1/1/2032	12/31/2032	0				\$0
1/1/2033	12/31/2033	0				\$0
1/1/2034	12/31/2034	0				\$0
Total		138	173	\$600,000	\$5,250,000	\$5,850,000

EXHIBIT B

INITIAL STATE IMPACTS

Cash Flows Based on Projections

INPUTS:

Year	Jobs	Cap Ex	Average Wage	Total Wages	Total Creditable Wage
2023	9	\$ 26,000,000	\$ 51,783	\$ 466,047	\$ 262,467
2024	16	\$ 157,000,000	\$ 52,301	\$ 836,813	\$ 474,893
2025	20	\$ 157,000,000	\$ 52,824	\$ 1,056,477	\$ 604,077
2026	157		\$ 53,352	\$ 8,376,276	\$ 4,824,936
2027	173		\$ 53,886	\$ 9,322,208	\$ 5,408,948
	173	\$ 340,000,000			

CASH OUTFLOWS			CASH INFLOWS to the STATE			NET CASH	
Jobs Credit (7%)	Cap Ex Credit (10%)	Total Outflows	Jobs - Annual Income Tax	Jobs - Construction Income Tax	Total Inflows	Inflow/ (Outflow)	Cumulative
\$ (13,000)	\$ (420,000)	\$ (433,000)	\$ 14,160.44	\$ 51,928.65	\$ 66,089	(366,911)	(366,911)
\$ (24,000)	\$ (2,415,000)	\$ (2,439,000)	\$ 25,174.12	\$ 313,569.17	\$ 338,743	(2,100,257)	(2,467,168)
\$ (31,000)	\$ (2,415,000)	\$ (2,446,000)	\$ 31,467.65	\$ 313,569.17	\$ 345,037	(2,100,963)	(4,568,131)
\$ (250,000)	-	\$ (250,000)	\$ 247,021.08	-	\$ 247,021	(2,979)	(4,571,110)
\$ (282,000)	-	\$ (282,000)	\$ 272,195.21	-	\$ 272,195	(9,805)	(4,580,914)
\$ (600,000)	\$ (5,250,000)	\$ (5,850,000)	\$ 590,019	\$ 679,067	\$ 1,269,086		

TOTAL STATE IMPACTS

Year	Jobs	Cap Ex	Average Wage	Total Wages	Total Creditable Wage
2023	9	\$ 26,000,000	\$ 51,783	\$ 466,047	\$ 262,467
2024	16	\$ 157,000,000	\$ 52,301	\$ 836,813	\$ 474,893
2025	20	\$ 157,000,000	\$ 52,824	\$ 1,056,477	\$ 604,077
2026	157		\$ 53,352	\$ 8,376,276	\$ 4,824,936
2027	173		\$ 53,886	\$ 9,322,208	\$ 5,408,948
	173	\$ 340,000,000			

CASH OUTFLOWS			CASH INFLOWS to the STATE			NET CASH	
Jobs Credit (7%)	Cap Ex Credit (10%)	Total Outflows	Jobs - Annual Income Tax	Jobs - Construction Income Tax	Total Inflows	Inflow/ (Outflow)	Cumulative
\$ (13,000)	\$ (420,000)	\$ (433,000)	\$ 19,311.28	\$ 250,077.10	\$ 269,388	(163,612)	\$ (163,612)
\$ (24,000)	\$ (2,415,000)	\$ (2,439,000)	\$ 34,331.17	\$ 1,510,080.95	\$ 1,544,412	(894,588)	\$ (1,058,199)
\$ (31,000)	\$ (2,415,000)	\$ (2,446,000)	\$ 42,913.96	\$ 1,510,080.95	\$ 1,552,995	(893,005)	\$ (1,951,205)
\$ (250,000)	\$ -	\$ (250,000)	\$ 336,874.62	\$ -	\$ 336,875	86,875	\$ (1,864,330)
\$ (282,000)	\$ -	\$ (282,000)	\$ 371,205.79	\$ -	\$ 371,206	89,206	\$ (1,775,124)
\$ (600,000)	\$ (5,250,000)	\$ (5,850,000)	\$ 804,637	\$ 3,270,239	\$ 4,074,876		

