

Facility and Economic Expansion Project

City of Fitchburg Presentation
April 14, 2015

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Background

- Leading manufacturer of premium residential kitchen appliances marketed under the Sub-Zero and Wolf brand names.
- Facilities exist in Madison and Fitchburg, Wisconsin; Phoenix and Goodyear, Arizona; and Richmond, Kentucky.
- Affiliated companies have numerous distribution centers and showrooms throughout the United States.



Company History

- Founded in 1945 by Westye F. Bakke who built the first freestanding freezer in the basement of his Madison, WI home.
- In the 1950's Sub-Zero developed the first built-in refrigerator.
- Continued innovation led to the development of wine storage in the 1990's which was the first investment in Fitchburg.
- Acquired Wolf Gourmet in March 2000 to create the ultimate in cooking instruments.

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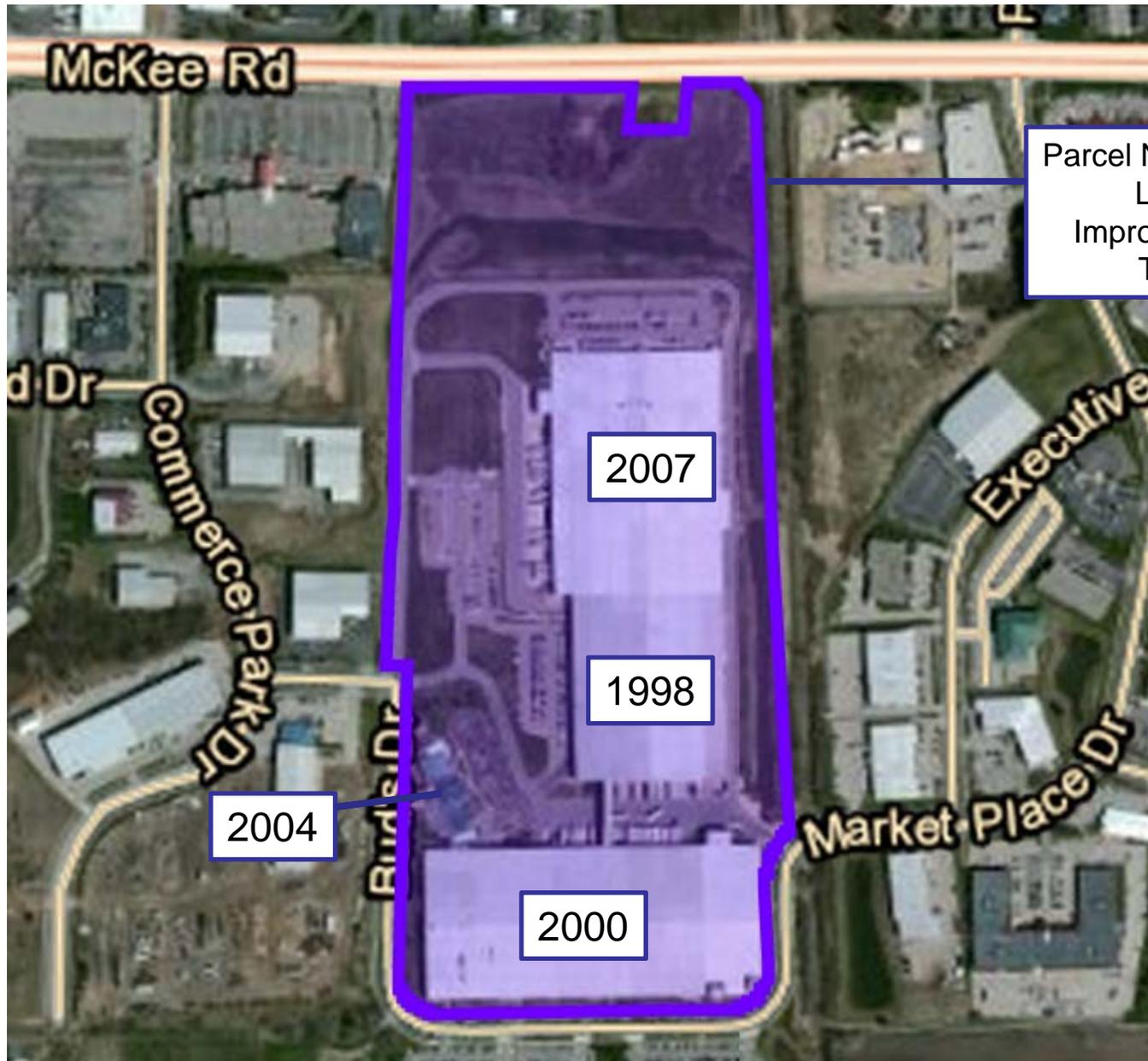
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History of Wolf Facility

- June 2000 Wolf facility started with approximately 35 hourly employees with two major product lines.
- By January 2008 grew to 305 hourly employees with 8 major product lines.
- Currently have 352 hourly employees with 12 major product lines.

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Parcel Number: 060908285752
Land Value: \$9,165,200
Improved Value: \$26,537,900
Total Value: \$35,703,100

Proposed Project

- Currently evaluating the economics of additional production capacity in Fitchburg.
- Potential investment would include construction of a 250,000 – 300,000 square foot facility at an approximate cost of \$50-\$60 million including equipment.
- Estimated annual property tax impact of \$250,000 - \$285,000.
- Hire and train 250 – 300 full-time employees in the first three years of operation (2016 – 2018).
- Average wages of approximately \$18/hour plus 55% fringe benefits.

Current Shifts & Hours

Office

- 1st shift: 8am - 5pm Monday - Friday (446 EE's)

Sub-Zero Factory

- 1st shift: 5am - 1pm Monday - Friday (169 EE's)
- 2nd shift: 2pm - 12am Monday - Thursday (150 EE's)

Wolf Factory

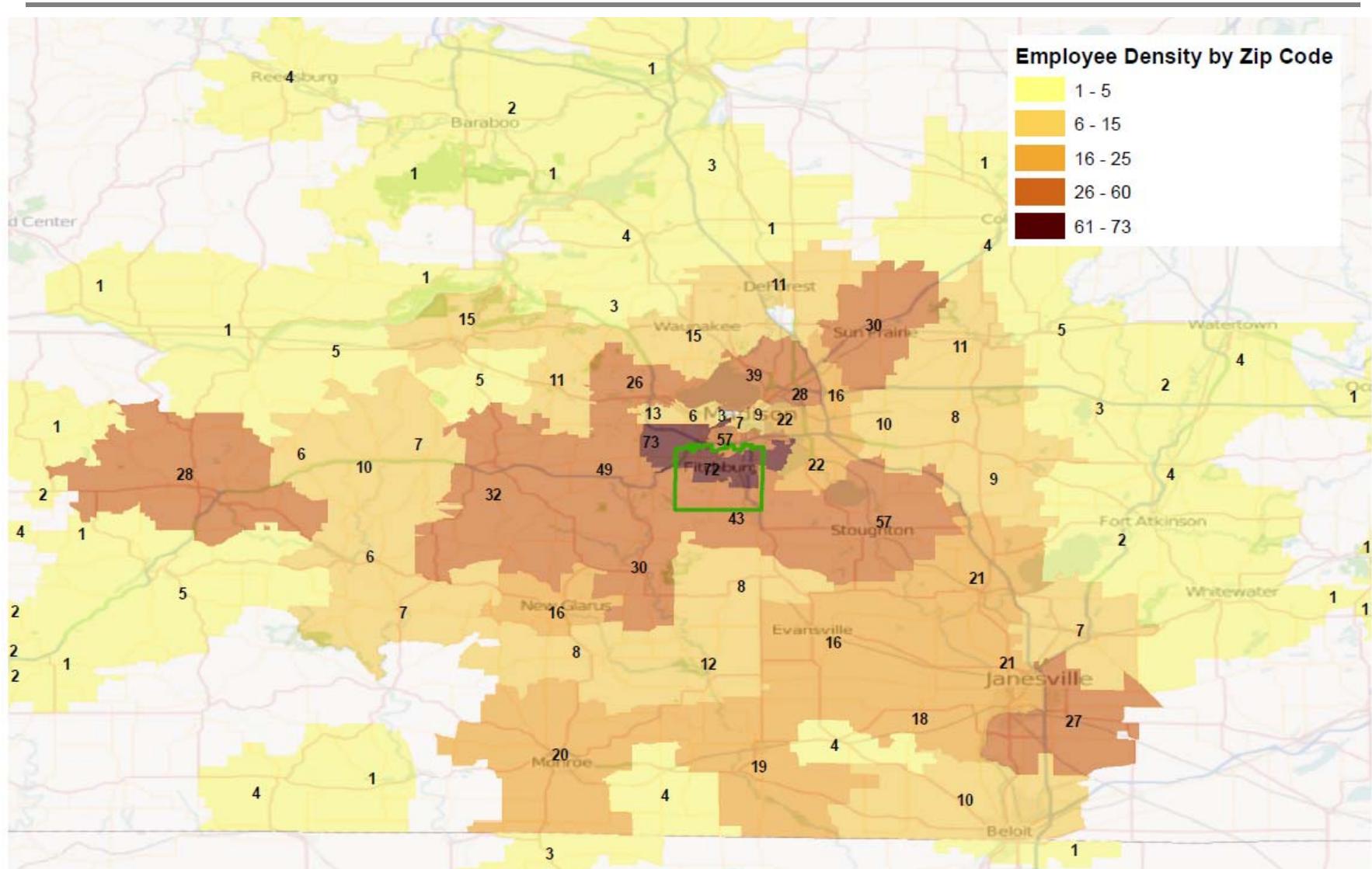
- 1st shift: 6am - 2pm Monday - Friday (230 EE's)
- 2nd shift: 2pm - 10pm Monday - Friday (67 EE's)
- 3rd shift: 10pm - 6am Sunday - Thursday (55 EE's)

Total Fitchburg Employees = 1,117

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Employee Zip Code of Residence



Timeline

- Site and project cost evaluation: March – May 2015
- Investment decision: May 2015
- Ground breaking: July 2015
- Facility operational: Mid-2016

Thank you for your interest!

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