

## WEDC to Promote Hewlett Packard Enterprise Company in Chippewa Falls

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***New Enterprise Zone would help company retain nearly 500 high-paying jobs in Chippewa Falls***

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MADISON — Gov. Tony Evers Tuesday with the Wisconsin Economic Development Corporation (WEDC) announced that the WEDC board of directors has approved an \$8 million incentive package with Hewlett Packard Enterprise Company (HPE) in Chippewa Falls.



“This is an important first step toward establishing Chippewa Falls as HPE’s Global Center of Excellence and it reaffirms the great relationship our state has had with HPE and Cray over the many years they’ve been in Chippewa Falls,” said Gov. Evers. “It sets us on a course toward even greater growth, bringing more family supporting jobs, expanding opportunities, and bolstering economic activity not only in the Chippewa Valley area, but across our state.”

Under the plan approved by the board and submitted to the Legislature’s Joint Committee on Finance for review, the Chippewa Falls location would be designated as an Enterprise Zone (EZ) eligible for up to \$8 million in performance-based tax credits over the next five years as the

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company retains its current workforce of almost 500 high-paying jobs.

The company plans to establish the Chippewa Falls site as its Global Center of Excellence for High Performance Compute Manufacturing and invest roughly \$22 million in improvements, moves that would create 30 new jobs.

WEDC Secretary and CEO Missy Hughes added, “There is no better place for the Global Center of Excellence than Wisconsin, which is already home to numerous world-class manufacturers and technology innovators. We look forward to HPE’s renewed investment in Wisconsin.”

HPE acquired Chippewa Falls-based Cray Inc., in 2019 as a leader in high performance computing. As a result of this acquisition HPE now has 486 full-time employees, along with about 200 contingent workers at multiple sites in Chippewa Falls. The average wage for these full-time workers is \$78,000, well above the median income of \$46,900 in the community.

“I want to thank Governor Evers and the WEDC for helping us strengthen our presence in Wisconsin,” said Pete Ungaro, General Manager of High Performance Computing and Mission Critical Solutions at HPE. “Cray and HPE have a long history in the Chippewa Valley, and we’re excited to grow this rapidly expanding part of HPE’s business in the region through our HPC Manufacturing Center of Excellence. The Enterprise Zone designation is an important first step in this initiative.”

HPE is defining and delivering the next era of computing and accelerating the digital evolution with its manufacturing, engineering, R&D, and trusted supply chain operations in Chippewa Falls. The Center of Excellence for HPC Manufacturing is the culmination of fully integrating HPE, SGI, and Cray Inc. Currently, four large computer systems for the U.S. government are being manufactured at site, including the world’s fastest exascale-class supercomputer El Capitan for the U.S. Department of Energy. These new machines will be able to complete a billion transactions a second. The Undersecretary of the U.S. Department of Energy recently described the site as “the center of supercomputing in the world.”

HPE’s presence in the Chippewa Valley has a significant impact on Wisconsin suppliers. The company prioritizes sourcing as much as possible within 100 miles of the facility — from small businesses to large corporations. During the last fiscal year, the company spent roughly \$12 million with Wisconsin suppliers of materials alone, a figure not including service providers, construction firms, utilities, and more.

HPE’s supply chain also has a statewide economic impact. Xcel Energy is a key partner to HPE with its strong local utility operations in western Wisconsin, and their reliability is important to HPE’s success. HPE continues to work with Xcel Energy to ensure energy costs at the Chippewa Falls facility will be competitive into the future to power the next generation of exascale supercomputers and is working with Xcel on an economic development rate that will be filed with the Public Service Commission of Wisconsin later this spring.

In addition to the new Enterprise Zone for HPE, WEDC has 23 active Enterprise Zone

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designations throughout the state, which are expected to result in over \$3.7 billion in capital investment, the retention of over 24,000 jobs, and the creation of over 18,000 new jobs. Under state law, the Legislature's Joint Committee on Finance has 14 days to review the creation of a new Enterprise Zone. The zone will automatically be created unless the committee takes action.