

## **Open Meetings Notice**

The meeting of the Board of Directors for the Wisconsin Economic Development Corporation will be held on April 26, 2018 in WEDC's First Floor Conference Room, located at 201 West Washington Avenue, Madison, WI 53703. The items to be discussed are included below. Note that some members of the Board may attend by phone. Note also that the meeting will be closed under Wis. Stat. § 19.85(1) as indicated below.

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### **Agenda**

#### **Wisconsin Economic Development Corporation Meeting of the Board of Directors**

**WEDC  
First Floor Conference Room  
201 West Washington Avenue  
Madison, WI 53703**

**April 26, 2018  
1:00 – 3:00 p.m.**

1. Call to Order and Roll Call
2. Approval of Minutes from the February 22 and March 30, 2018 Meetings
3. Chair Report
  - a. New Board Member: Secretary Ellen Nowak
4. CEO Report
  - a. Credit & Risk Quarterly Report
  - b. Legislative Update
  - c. WEDC In The News – *Mark Maley*
5. COO Report
  - a. Supply Chain Report – *Jela Trask*
6. CFO Report
  - a. Review and Vote on FY18 Budget Amendment Resolution
7. Committee Reports
  - a. Budget & Finance Committee

- b. Awards Administration Committee
  - i. QNBV Program Guideline Revisions

- c. Closed Session

*Under Wis. Stat. § 19.85(1)(e) and (g), a closed session is authorized for deliberating the investing of public funds whenever competitive or bargaining reasons and conferring with legal counsel regarding litigation, respectively, require a closed session. The Board will be meeting in closed session for the purpose of updating the Board on economic development project negotiations and confer with legal counsel. The Board will open the meeting again at the end of the closed session.*

## 8. Adjournment



**WEDC BOARD MINUTES  
BOARD OF DIRECTORS MEETING**

**WEDC  
First Floor Conference Room  
201 West Washington Avenue  
Madison, WI 53703**

**February 22, 2018  
9:00 - 11:00 A.M.**

(These minutes should be read in conjunction with the agenda and documents prepared for the meeting.)

**BOARD MEMBERS PRESENT:**

- Lisa Mauer, Rickert Industries
- Senator Tim Carpenter, 3rd Senate District
- Senator Dan Feyen, 18th Senate District
- David Drury, WING Capital Group

**BOARD MEMBERS PRESENT VIA TELECONFERENCE:**

- Nancy Hernandez, ABRAZO
- Ray Dreger, Seeds 'N Stuff Farm Market, Inc.
- Tom Sylke, Setter Roche LLP
- Representative Rob Hutton, 13th Assembly District
- Representative Dana Wachs, 91st Assembly District
- R.D. Nair, University of Wisconsin School of Business
- Secretary Rick Chandler, Department of Revenue

**BOARD MEMBERS EXCUSED:**

- Jim Ladwig, SC Johnson
- Secretary Scott Neitzel, Department of Administration

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## **CALL TO ORDER AND ROLL CALL**

Lisa Mauer called the meeting to order at 11:00 a.m.

## **APPROVAL OF MINUTES FROM THE NOVEMBER 8, 2017; DECEMBER 20, 2017; AND JANUARY 25, 2018 MEETINGS**

*The Board received copies of the meeting minutes from the open and closed sessions of the 11/8/17, 12/20/17, and 1/25/18 Board meetings.*

Lisa Mauer provided corrections to the 11/8/17 minutes and the 1/25/18 minutes.

Dave Drury moved to approve the 11/8/17 minutes as corrected. Senator Dan Feyen seconded the motion. No objections were raised and the motion carried unanimously to approve the revised open and closed session minutes from the 11/8/17 Board meeting.

Senator Tim Carpenter moved to approve the 12/20/17 minutes. Dave Drury seconded the motion. No objections were raised and the motion carried unanimously to approve the open and closed session minutes from the 12/20/17 Board meeting.

Dave Drury moved to approve the 1/25/18 minutes as corrected. Senator Dan Feyen seconded the motion. No objections were raised and the motion carried unanimously to approve the revised minutes from the 1/25/18 Board meeting.

## **ENTREPRENEURSHIP CAPACITY BUILDING AWARDS PRESENTATION**

Aaron Hagar, Vice President of Entrepreneurship & Innovation, spoke to the Board about WEDC's Capital Catalyst program. This is a competitive grant program that fills service gaps not otherwise addressed by WEDC or its partners. WEDC is currently funding 11 programs throughout the state, including entrepreneurship programs for middle schoolers at CESA 3 and inmates at the Wood County Jail reentering the workforce.

Elizabeth Lundberg, Executive Director at BizStarts Milwaukee, spoke to the Board about how their program assists entrepreneurs with business coaching, mentorship opportunities, networking and more. BizStarts plans to use WEDC's grant to expand their assistance to low-wealth neighborhoods in Milwaukee by partnering with Launch MKE and sponsoring Intro Events in these areas to engage with aspiring entrepreneurs.

Hetti Brown, Executive Director at Couleecap, spoke to the Board about how Couleecap fights poverty and promotes self-sufficiency, economic development, and social justice in Crawford, La Crosse, Monroe, Vernon counties. Couleecap plans to use WEDC's grant to expand their Co.Starters program for small businesses from La Crosse and Viroqua into Sparta and their successful Pop-Up Shop program into both Sparta and Bangor. Couleecap will also fundraise this year to create a Co.Starters scholarship for low-income participants.

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## CHAIR REPORT

Lisa Mauer thanked Secretary Scott Neitzel for his three years of service on WEDC's Board of Directors and for his hard work on the Foxconn initiative. Ellen Nowak will be taking over the post of DOA Secretary in March.

Lisa Mauer reminded the Board that they should have received an email from the Wisconsin Ethics Commission regarding the filing of their Statement of Economic Interest and that the date for submission is April 30, 2018.

## CREDIT & RISK QUARTERLY REPORT

Mark Hogan reviewed the quarterly credit and risk report with the Board.

- The amount of past due loans rose from last quarter, but 66% of the past due loan amount is comprised of loans to Kestrel, Green Box, and Appleton Coated.
- Printpack, Inc. met the performance requirements for full forgiveness and their loan was forgiven in FY18Q2.
- Loan loss reserves are well funded with 91% of the total principal on loans listed in past due loan report having been reserved.
- There were no charge offs this quarter, but staff expects Green Box to be charged off in the current quarter.
- Two tax credit revocations were referred to the Department of Revenue for processing.
- The amount of overdue performance reports increased slightly this quarter, but staff continue to pursue the older recipients with past due notices being sent when and where appropriate.

Mark Hogan updated the Board on the status of several past due loans:

- Appleton Coated: The receiver, Industrial Assets, sold the mill and other assets in late September, but most of the proceeds from the sales were used to pay PNC, existing real estate and personal property taxes, priority wage claims, and administrative expenses. Due to its subordinated position, WEDC does not expect to receive a substantial amount from the residual funds. Industrial Assets continues to run the operation and approximately 150 employees have been rehired. WEDC has had several conversations with Industrial Assets and continues to do so to see if there is a path forward to maintain an ongoing operation with the goal of returning as many jobs as possible.
- Kestrel Aircraft: WEDC has instructed its outside counsel to develop a joint representation agreement between WEDC, the City of Superior, and Douglas County that will allow all parties to pursue their legal claims in an efficient and cost-effective manner. Once that representation agreement is signed by all three parties, legal action will be taken against the company to recoup any monies owed.
- Green Box: Green Box's bankruptcy case was dismissed in December, but the assets available for collection were inadequate to compensate all claimants. WEDC will seek a judgement against Ron Van Den Heuvel's personal guaranty, but collection is unlikely. WEDC expects to charge off this loan in the current quarter – it has been fully reserved since FY16.

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## CEO REPORT

Mark Hogan updated the Board on the status of current legislation affecting WEDC:

- Kimberly Clark: Governor Walker and WEDC reached out to the company with a proposal to grant tax incentives to Kimberly Clark to retain jobs at both facilities slated for closure: Fox Crossing and Neenah. The proposal has passed the Assembly Committee on State Affairs and is scheduled to go to the full Assembly and Senate for consideration.
- Rural Economic Development Fund: A fund of \$50 million per year to assist 56 of Wisconsin's 72 counties. The legislation was passed unanimously in the Assembly and will move to the Senate for consideration. WEDC and its key strategic partners have been meeting to identify priority areas in the state for rural economic development.
- Talent Attraction and Retention Bill: \$6.8 million in one-time funds to assist WEDC's talent attraction media campaign and \$3.5 million of that funding will be used to attract veterans back to the state. The bill passed the Assembly on a bi-partisan basis and will move to the Senate for consideration.
- Historic Tax Credits: Bill to increase the limit from half a million to \$3.5 million per project. The legislation passed the Assembly unanimously, the Senate on a bi-partisan basis, and will go to the Governor for signature.
- Qualified New Business Venture: Bill to increase the lifetime cap on awards from \$8 to \$12 million. WEDC has 200 companies enrolled in this program, with 30 of those companies at or near their cap. The bill passed the Senate unanimously, was passed in the Assembly, and will go to the Governor for signature.

Mark Hogan updated the Board on the status of the Foxconn project. He reminded members that the certification date does not start until January 2018, so no credits will be verified until 2019. WEDC staff are working on policies and procedures for this process to have infrastructure in place when it's time to issue credits. Foxconn purchased the Northwestern Mutual 611 building in Milwaukee to serve as their US corporate headquarters while construction is ongoing and to house incubators and accelerators that will drive electronics technology forward. The purchase of the Northwestern Mutual building does not qualify for capital expenditure tax credits, but Foxconn employees working within the building will be counted toward the company's job numbers. Jela Trask, whose position was partially funded by the Legislature as part of the Foxconn bill, is working to connect Foxconn with Wisconsin supply chain vendors who can meet their needs. The company is working on finalizing terms with their construction team and expect the construction to last 5 years. Permitting for the site is on schedule and groundbreaking should start later this year.

Mark Maley, Public Affairs and Communications Director, spoke to the Board about WEDC's media coverage and highlighted the top stories about WEDC from December, January and February.

- During this timeframe, approximately 3,000 stories were written about WEDC with over 1.83 billion "impressions".
- Per WEDC's media monitoring company, 29.5% of the articles written about WEDC were "positive", 66.8% of the stories were "neutral" and 3.6% of the stories were "negative".

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- The major news stories from that timeframe included WEDC's Chicago ad campaign launch, entrepreneurship support grants announcements, top WEDC projects of 2017, Main Street Makeover contest, and various expansion projects.

### **COO REPORT**

Tricia Braun introduced new WEDC staff to the Board:

- Vincent Rice, Vice President of Sector Strategy Development
- Jela Trask, Key Business Liaison
- Rebecca Deschane, Talent Initiatives Director
- Justin Phillips, Legislative Liaison

### **QUARTERLY FINANCIALS**

Brian Nowicki reviewed the December 31, 2017 financial report with the Board.

- Loans receivable balance is lower than normal because of the retirement of the Business Opportunity Loan Fund (BOLF) program and the relative newness of the Business Development Loan Program (BDL), resulting in loan repayments exceeding loan originations for the year
- Unassigned fund balance has increased since last quarter, but that is typical of this time of year as WEDC receives state payments on a quarterly schedule, while program commitments lag in the first two quarters of the fiscal year.
- Program activity shows 33% of grants utilized (66% with including current pipeline activity) and 14% of loans utilized (30% with current pipeline activity).
- Revenues received year-to-date are normal for this time of year.
- Loan loss reserve has increased due to the addition of Appleton Coated.
- No loan reserve on performance based loans because the project budgeted for has not yet drawn the loan balance.

### **REVIEW AND RECOMMEND FY18 BUDGET AMENDMENT RESOLUTION**

Brian Nowicki reviewed the FY18 budget amendment with the Board.

Changes to the FY18 budget include:

- Revising revenues to reflect:
  - the additional state funding to be received to assist in funding a Key Business Liaison position related to the Foxconn award
- Revising expenditures to reflect:
  - An increase in program grants to reduce WEDC's unassigned fund balance and address programmatic need
  - An increase in loan loss reserves to address a larger than anticipated need
  - An increase in operating expenses due primarily to legal fees related to the Foxconn contract negotiation and a budget adjustment related to this year's Marketplace conference
  - A decrease in payroll expenses, resulting mainly from an increase in vacancy year-to-date

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Dave Drury moved to approve the budget amendment resolution, motion seconded by Senator Dan Feyen with a unanimous vote to approve the budget amendment resolution.

## COMMITTEE REPORTS

### **Audit Committee Report**

*The Board was provided a summary of the November 6, 2017 and January 22, 2018 Audit Committee meetings.*

### **Budget & Finance Committee Report**

*The Board was provided a summary of the November 6, 2017 and January 16, 2018 Budget & Finance Committee meetings.*

### **Awards Administration Committee Report**

*The Board was provided a summary of the November 7, 2017; December 20, 2017; and January 22, 2018 Awards Administration Committee meetings.*

Dave Drury, R.D. Nair, and Ray Dreger noted that all relevant information about the meetings could be found in the committee report summaries.

## AWARDS COMMITTEE CHARTER REVISION

Jenn Jin reviewed the changes to the Awards Administration Committee charter with the Board.

### Changes to the charter include:

- Lowering the loan thresholds to reflect new program guidelines
- Clarify language to show:
  - that Enterprise Zone awards must go to the Board of Directors for final approval regardless of the amount of the award
  - “new” awards are those for which the application was received after 2/1/17
  - the Awards Administration Policy can be found in WEDC’s Code of Ethics and Conduct
  - that substantive midyear changes to existing program guidelines will come before the Committee for approval and that new program guidelines will go to the Board for final approval
- removing the reference to Vice President of Credit & Risk since this position no longer exists at WEDC
- adding designee language to match other WEDC committee charters

Ray Dreger moved to approve the Awards Committee charter revisions, motion seconded by Dave Drury with a unanimous vote to approve the revised Awards Committee charter.

### **CLOSED SESSION**

In open session, Lisa Mauer proposed the Board enter closed session to discuss pending economic development project negotiations as recommended by the Awards Administration Committee.

Lisa Mauer requested a motion to approve entering closed session. Motion was made by Senator Dan Feyen with a second by Representative Rob Hutton. The motion to move into closed session passed unanimously.

*Members of the public excused themselves for closed session.*

*See separate minutes for closed session.*

### **RESUMPTION OF OPEN MEETING**

The meeting reconvened in open session at 10:27 a.m.

### **ADJOURNMENT**

Lisa Mauer adjourned the meeting at 10:28 a.m.



**WEDC BOARD MEETING MINUTES  
BOARD OF DIRECTORS TELECONFERENCE**

**WEDC  
First Floor Conference Room  
201 West Washington Avenue  
Madison, WI 53703**

**MARCH 30, 2018  
10:30 - 11:30 A.M.**

(These minutes should be read in conjunction with the agenda and documents prepared for the meeting.)

**BOARD MEMBERS PRESENT:**

**BOARD MEMBERS PRESENT VIA TELECONFERENCE:**

- Lisa Mauer, Rickert Industries
- Nancy Hernandez, ABRAZO
- Ray Dreger, Seeds 'N Stuff Farm Market, Inc.
- Representative Dana Wachs, 91st Assembly District
- Senator Tim Carpenter, 3rd Senate District
- Senator Dan Feyen, 18th Senate District
- David Drury, WING Capital Group
- Jim Ladwig, SC Johnson
- R.D. Nair, University of Wisconsin School of Business
- Secretary Rick Chandler, Department of Revenue
- Secretary Ellen Nowak, Department of Administration

**BOARD MEMBERS EXCUSED:**

- Representative Rob Hutton, 13th Assembly District

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### **CALL TO ORDER AND ROLL CALL**

Lisa Mauer called the meeting to order at 10:31 a.m.

Lisa Mauer thanked Thomas Sylke for his six and a half years of service on WEDC's Board of Directors. Thomas Sylke resigned from the Board in February to become the Chairman of the Grainger Institute for Engineering's Advisory Board.

### **CLOSED SESSION**

Lisa Mauer requested a motion to approve entering closed session to discuss pending economic development project negotiations as recommended by the Awards Administration Committee. Motion was made by Nancy Hernandez with a second by Dave Drury. The motion to move into closed session passed unanimously.

*Members of the public excused themselves for closed session.*

*See separate minutes for closed session.*

### **RESUMPTION OF OPEN MEETING**

The meeting reconvened in open session at 10:48 a.m.

### **ADJOURNMENT**

Lisa Mauer adjourned the meeting at 10:49 a.m.

# MEMO



To: WEDC Board of Directors  
From: Mark R. Hogan, Secretary & CEO  
Date: April 19, 2018  
Re: Credit and Risk Quarterly Report

*Mark*

The following information provides some general comments about the credit and risk reports as of March 31, 2018 which will be discussed as part of my CEO Report at our April 26, 2018 board meeting.

Note: Comments in this section are meant to be general in nature. Due to potential or existing litigation, questions about the status of specific Loans Past Due > 90 Days can be addressed in the board's closed session.

In addition, there is a reporting change we are instituting in this quarter's "Historical Trends" summary. The top left section of this page reports the "Payments > 90 days" (this includes both principal and interest), the "Principal > 90 days" (includes the principal balance only, and ties out to the total amount on the detailed "Loans Past Due" report), and the "Loan Balance".

Historically, the "Loan Balance" column included both the principal and accrued interest portions of the portfolio. To better represent the past due percentage for the principal amounts that are > 90 days past due, and beginning with this quarter's report, the Loan Balance column will reflect only the principal amount owing and will no longer include the accrued interest.

The result of not including the accrued interest, and thereby reducing the Loan Balance on the report, will logically be an uptick in the past due percentage. For example, at December 31, 2017, there was approximately \$ 4.1 million of accrued interest included in the \$70.3mm of loans reported. Had the interest not been included, the delinquency percentage would have been approximately 1% higher. However, we believe this method better reflects the overall past due status of the loan portfolio. The "Payment" delinquency will still use a loan balance that includes accrued interest. It is only the "Principal" delinquency methodology that is changing.

- Past due loans of approximately \$12.0mm (18.6% of total loans) compare to \$12.9mm (18.3%) at 12/31/17. The increase in the percentage is entirely due to the reporting change discussed above.
- There are 21 individual borrowers on the past due report, down from 26 last quarter.
- Only two of the 21 borrowers' loans on the past due list (a total of \$455k, or less than 4% of the total past due amount) were contracted for after May 2015.
- Three borrowers (Kestrel - \$3.4mm, Green Box - \$1.1mm, and Appleton Coated - \$4.0mm) represent \$8.5mm, or 71% (up from 66% last quarter) of the past due total of \$12.0mm. Brief updates on each of these three borrowers are included at the end of this report.
- Loss reserves of \$11.2mm (94% of past dues) have been established on the past due loans.
- 12 individual borrowers (including Kestrel, Green Box, and Appleton Coated) representing \$9.6mm (80% of past due loans) have been referred to outside counsel for collection.

- We continue to review the portfolio for additional loss exposure and will adjust reserves consistent with the practices we have implemented during the past 2+ years.
- There were two Charge-Offs totaling \$155k in the current quarter.
- There were two Performance-Based Loans totaling approximately \$1.2mm forgiven in the current quarter.
- There were five Tax Credit Revocations totaling \$180k in the current quarter, all of which have been referred to the Department of Revenue for processing.
- The Overdue Performance Reports increased to 90, up from 58 in the prior quarter. Staff continues to pursue the older past dues with default notices being sent as required by policy.
- The Overdue Schedule of Expenditures decreased to six, down from nine in the prior quarter.
- The approval and contracting activity level increased significantly during the past quarter. The Awards Origination schedule indicates 90 (compared to 62 in the prior quarter) awards totaling \$26mm (compared to \$2.87 billion in the prior quarter, of which Foxconn represented \$2.85 billion) were approved, with contracts signed. During the same period, there were 62 Amendments approved and contracted for compared to 64 in the prior quarter.
- As in prior years, the final quarter of the fiscal year will show an increase in activity.

In prior quarters, a detailed history for both the Appleton Coated and Kestrel loans was included in this report. Going forward, only the most recent activity will be reported. Please either refer to prior quarterly memos for these summaries or contact me directly should you have questions.

#### Appleton Coated

- The company was sold by the court-appointed receiver in late September for approximately \$21.5 million to Industrial Assets Corp., a California-based equipment liquidator.
- Proceeds from the sale were used to pay PNC Bank's secured loans, existing real and personal property taxes, priority wage claims and administrative expenses. All of these creditors had a priority over WEDC's subordinated position.
- There are some additional assets the receiver is attempting to liquidate, but it is expected that only minimal funds will be available for further distribution.
- The buyer continues to run the operation (k/n/a Midwest Recycling) and approximately 150 employees have been brought back.
- WEDC continues to have conversations with the buyer regarding their plans for the operation. We have indicated a strong willingness to work with the buyer to see if there is a path forward to maintain an ongoing operation with the goal of returning as many jobs as possible.

#### Kestrel Aircraft

- WEDC has entered into a joint-representation agreement with the city of Superior and Douglas County which will allow us to pursue our respective claims in an efficient and cost-effective manner.
- These loans have been fully-reserved since July 2017.

#### Green Box

- The Chapter XI bankruptcy case was dismissed in December 2017. WEDC is now seeking summary judgement against Ron Van Den Heuvel's personal guaranty, but collection is unlikely. When this judgement is obtained, we will follow WEDC's procedures to close-out the loan. Given there is little likelihood of collection, the loan will then be charged-off (it has been fully reserved since FY2016).

Please contact me directly should you have any questions.

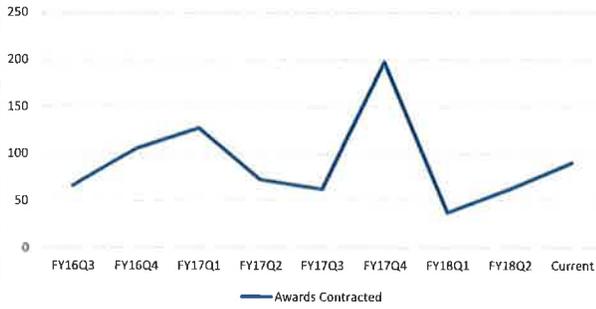
# Historical Trends

## FY18 Q3

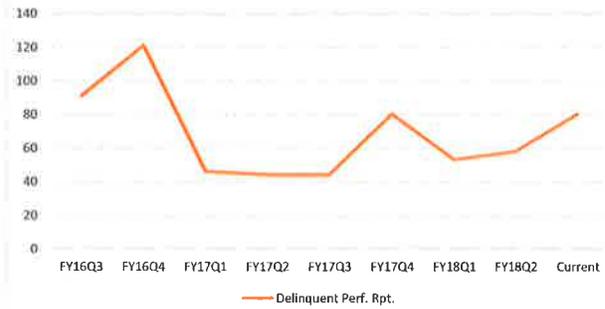
### Eight Quarter History

	Payment			Principal		Loan Balance	Delinquent Perf. Rpt.	Awards Contracted	Charge Off's
	Payment > 90 Days	Delinquency (%)	Principal > 90 Days	Delinquency (%)					
FY16Q3	278,344	0.4%	5,340,033	7.3%	72,679,354	91	66	1,017,885	
FY16Q4	547,227	0.7%	5,210,637	6.7%	77,488,416	121	105	235,000	
FY17Q1	840,138	1.1%	7,143,292	9.0%	78,999,923	46	127	-	
FY17Q2	1,431,711	1.8%	10,528,950	13.3%	79,302,663	44	72	-	
FY17Q3	1,386,511	1.8%	12,978,311	17.1%	75,966,333	44	62	522,687	
FY17Q4	1,495,006	2.0%	8,740,642	11.6%	75,454,987	80	197	-	
FY18Q1	2,115,478	2.9%	9,815,076	13.3%	73,584,398	53	37	48,250	
FY18Q2	2,301,760	3.3%	12,850,090	18.3%	70,321,398	58	62	-	
Current	2,479,985	3.6%	11,971,347	18.6%	64,495,825	80	90	155,488	

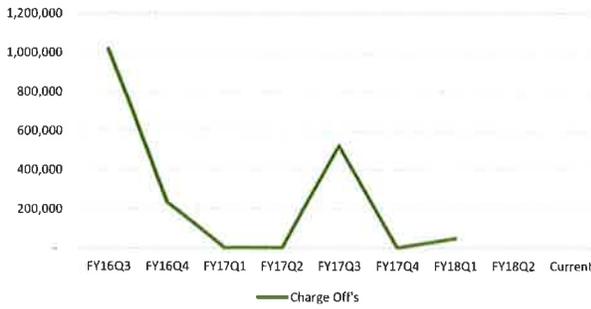
Awards Portfolio Contracting



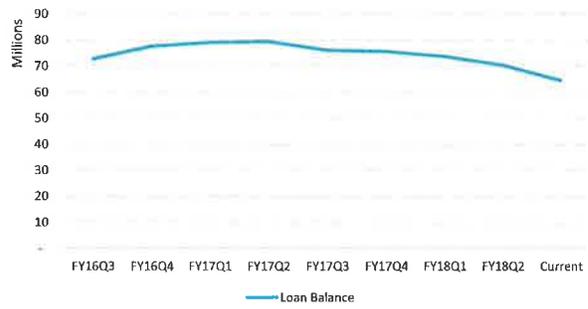
Performance Report Delinquencies



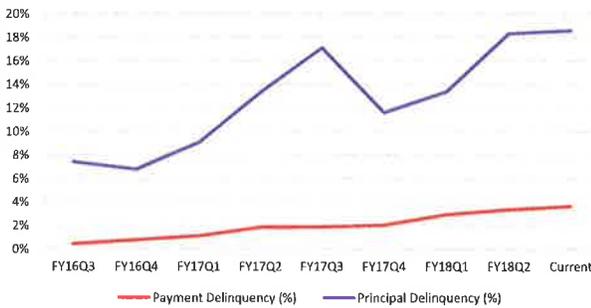
Loan Portfolio Charge Offs



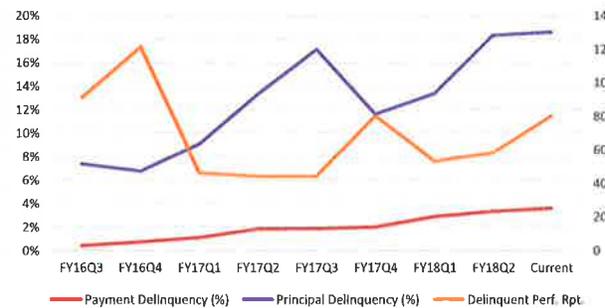
Loan Portfolio Growth



Loan Portfolio Delinquency



Delinquency



# Loans Past Due > 90 Days

as of 3/31/2018

Name	App	Program	Project	County	Industry	Principal Balance	60 days past due	90 days past due	Over 120 days past due	Past Due Amount	Date Contracted	Last Payment*	Days Overdue
Green Box NA Green Bay, LLC	21010	BREI	Brown		322110	\$ 1,116,000		\$ 103,840	\$ 103,840	\$ 103,840	10/05/11	03/05/15	1126
TW Design and Manufacturing, LLC	22770	SPLF	Marquette		332710	250,000	7,793		187,032	210,411	02/10/15		820
Infnitl Metals	22326	BOLF	Waupaca		336212	367,000	5,540		127,420	144,040	05/13/14	01/25/16	789
AquaMost, Inc.	18346	TVF	Dane		333318	44,011	1,532		27,788	32,384	02/19/08	12/06/16	668
AquaMost, Inc.	21545	TDL	Dane		333318	207,958	7,428		133,422	155,706	12/10/12	12/06/16	638
Kestrel Aircraft Company, Inc.	21223	BREI	Douglas		336411	1,704,310	36,090		541,350	649,620	01/18/12	11/15/16	546
Kestrel Aircraft Company, Inc.	21538	TDL	Douglas		336411	1,698,065	35,956		539,340	647,208	12/19/12	11/15/16	546
Edison DC Systems, Inc	22811	TDL	Ozaukee		221122	227,018			19,333	19,333	07/09/15	09/26/16	515
Formrite Companies, Inc.	21226	BREI	Manitowoc		331210	279,953	8,575		125,305	151,030	05/14/12	03/01/18	515
SoLoMo Technology, Inc.	21361	TDL	Dane		511210	7,401			4,349	4,349	06/08/12	02/01/17	423
SoLoMo Technology, Inc.	21791	TDL	Dane		511210	41,124	3,100		31,000	37,687	04/05/13	02/01/17	423
SoLoMo Technology, Inc.	22942	TDL	Dane		511210	228,108	6,300		63,000	81,900	06/30/15	02/01/17	423
RAI Stone Group, LLC	22549	TDL	Eau Claire		541511	200,000	3,542		2,640	13,266	11/12/14	04/26/17	334
Super Vitamin D, LLC	21372	TDL	Eau Claire		541712	146,998	5,475		21,900	38,325	07/01/12	07/31/17	211
Appleton Coated LLC	22494	BOLF	Outagamie		322121	3,000,000	10,000		20,000	50,000	12/19/14	10/02/17	150
Appleton Coated LLC	22774	BOLF	Outagamie		322121	1,000,000					12/19/14		
The Good Jobs, Inc.	22289	TDL	Milwaukee		519130	70,000	1,427		32,815	37,096	12/11/14		789
Fer-Li Holsteins, LLC	20539	MVP-R	Calumet		112120	20,320	704		15,692	17,804	08/24/11	03/01/18	760
Aurora Spectral Technologies LLC	21359	TDL	Ozaukee		333314	152,439	3,611		60,000	70,834	06/08/12	12/15/17	607
Extend Manufacturing, LLC	21328	BREI	Marathon		333120	297,968			287,027	287,027	01/03/13	02/20/18	520
Stablebody Technologies, LLC	21393	TDL	Dane		325211	62,540	2,206		31,033	37,652	08/20/12	03/05/18	515
Odyne Systems, LLC	21265	TDL	Waukesha		336390	233,871	11,731		70,386	105,579	03/19/12	10/05/17	273
Vibetech, Inc.	21378	TDL	Sheboygan		334510	135,832	5,000		28,000	43,000	06/25/12	12/28/17	273
ioGenetics, LLC	10271	TDF	Dane		541711	185,195	5,014		3,000	18,043	10/14/03	10/02/17	181
ioGenetics, LLC	19315	TVF	Dane		541711	250,000	6,226		3,000	21,678	05/12/09	10/02/17	181
Marvel Medtech, LLC	10280	TDF	Dane		334510	40,867	1,350		1,050	5,100	12/30/05	03/02/18	125
The Lakewoods, Inc.	6121	EIL	Bayfield		721110	4,371	263		263	1,052	04/21/01	03/19/18	120
<b>Total</b>						\$ 11,971,347	\$168,863	\$0	\$2,479,985	\$ 2,983,962			

\* blank payment date fields indicate that no payments have been received to date

Delinquent      Principal > 90 days Past Due      \$11,971,347

## Charged-Off Loans

FY18 Q3

Name	Program	Date Contracted	Award Amount	Effective Date	Charged Off Principal	Charged Off Interest
Peptimed, Inc.	TVF	11/03/10	\$ 150,000	03/28/18	\$ 108,001	\$ 4,385
Echometrix	TVF	07/13/09	250,000	02/07/18	47,487	11,579
<b>Total</b>	<b>2 Award</b>		<b>\$ 400,000</b>		<b>\$ 155,488</b>	<b>\$ 15,964</b>

## Performance-Based Loans Forgiven

FY18 Q3

Name	App	Program	Date	Principal Forgiven	Interest Forgiven	Principal Remaining	Interest Remaining
Emmi Roth USA, Inc.	22027	BOLF	03/14/18	\$ 468,750	\$ 24,760	\$ -	\$ -
Mayville Engineering Company, Inc.	21074	BREI	03/14/18	728,620	91,107	718,771	118
<b>Total</b>		<b>2 Awards</b>		<b>\$ 1,197,370</b>	<b>\$ 115,868</b>	<b>\$ 718,771</b>	<b>\$ 118</b>

## Tax Credit Revocations

FY18 Q3

Name	App	Program	Date Contracted	Award Amount	Revocation Date	Revoked Amount	Payment and/or Referral Note	Amount Paid to WEDC	Date Paid to WEDC or Referred to DOR
Fabricated Metals	21431	ETC	06/04/12	\$ 175,000	01/03/18	\$ 7,000	Did not create/retain contractual jobs in Wisconsin: revoked through DOR	-	01/03/18
North American Corporation of Illinois	21243	ETC	04/19/12	302,000	01/03/18	9,777	Did not create/retain contractual jobs in Wisconsin: revoked through DOR	-	01/03/18
Winona Foods	21293	ETC	12/21/11	75,000	01/03/18	52,782	Did not create/retain contractual jobs in Wisconsin: revoked through DOR	-	01/03/18
Solaris, Inc.	21771	ETC	04/23/13	155,000	02/03/18	55,800	Did not create/retain contractual jobs in Wisconsin: revoked through DOR	-	02/03/18
Racine Metal Fabrication	21228	ETC	12/14/11	100,000	03/08/18	40,000	Did not create/retain contractual jobs in Wisconsin: revoked through DOR	-	03/08/18
Razor Composites	21458	ETC	05/25/12	290,000	03/07/18	14,795	Did not create/retain contractual jobs in Wisconsin: revoked through DOR	-	03/07/18
<b>Total</b>		<b>6 Awardees</b>				<b>\$ 180,154</b>		<b>\$ -</b>	

# Overdue Performance Report List

as of 3/31/2018

General Type	Name	Program	Overdue Reports	Project County	Days Overdue
Grant	Bunker Labs Wisconsin, Inc.	SA	2	Dane	289
Grant	Business Council, The (TBC)	MBD	1	Milwaukee	243
Grant	Waterloo, City of	ISR	1	Jefferson	243
Grant	Racine, City of	ISR	1	Racine	211
Grant	MasterMold, LLC	WTG	1	Juneau	184
Grant	University of Wisconsin-River Falls	CMAG	1	Pierce	182
Grant	Hispanic Chamber of Commerce of Wisconsin, Inc.	MBD	1	Milwaukee	151
Grant	2151 S Robinson LLC	BF	1	Milwaukee	59
Grant	Ashland, City of	CDI	1	Ashland	59
Grant	Burlington, City of	SAG	1	Racine	59
Grant	Door County Economic Development Corporation	CB	1	Door	59
Grant	Eighth-New Jersey, LLC	BF	1	Sheboygan	59
Grant	Hmong Wisconsin Chamber of Commerce, Inc.	MBD	1	Milwaukee	59
Grant	Kaukauna, City of	CDI	1	Outagamie	59
Grant	Madison, City of	CDI	1	Dane	59
Grant	Marinette County Association for Business and Indu	BF	1	Marinette	59
Grant	Milwaukee County	CDI	1	Milwaukee	59
Grant	Revitalize Grafton Inc.	BF	1	Ozaukee	59
Grant	Sheboygan County Economic Development Corporation	TIP	1	Sheboygan	59
Grant	Veritas Village, LLC	BF	1	Dane	59
Grant	Walker's Landing of Milwaukee LLC	BF	1	Milwaukee	59
Grant	Superior, City of	CDI	1	Douglas	58
Grant	Bridge to Cures, Inc.	CC	1	Ozaukee	44
Grant	Bridge to Cures, Inc.	CC	2	Milwaukee	44
Grant	Couleecap, Inc.	SA	1	La Crosse	44
Grant	Global Entrepreneurship Collective, Inc.	SA	1	Milwaukee	44
Grant	Indianhead Community Action Agency, Inc	CB-E	1	Rusk	44
Grant	Janesville Innovation, Inc.	CB-E	2	Rock	44
Grant	Madison Seed Accelerator, Inc.	SA	1	Dane	44
Grant	Madison Seed Accelerator, Inc.	SA	1	Dane	44
Grant	Madison Seed Accelerator, Inc.	SA	1	Dane	44
Grant	Madison Seed Accelerator, Inc.	SA	1	Dane	44
Grant	Midwest Energy Research Consortium, Inc.	SA	1	Milwaukee	44
Grant	Midwest Energy Research Consortium, Inc.	SA	1	Milwaukee	44
Grant	Nicolet Area Technical College	CB-E	1	Oneida	44
Grant	Oconto County Economic Development Corporation	CB-E	1	Oconto	44
Grant	University of Wisconsin-Madison	CB-E	1	Dane	44
Grant	Whitewater Community Development Authority	CC	1	Walworth	44
Grant	Whitewater Community Development Authority	CC	1	Walworth	44
Grant	Whitewater Community Development Authority	CC	2	Walworth	44
Grant	Wisconsin Technology Innovation Initiative, Inc.	CC	1	Dane	44
Guarantee	Honey Acres, Inc.	BREI	1	Dodge	44
Investor Tax Credit	Altus Medical Group, Inc.	QNBV	1	Dane	395
Investor Tax Credit	GoHITLIST Corporation	QNBV	1	Milwaukee	395
Loan	Coating Systems LLC	SPLF	1	Outagamie	395
Loan	Formrite Companies, Inc.	BREI	1	Manitowoc	395
Loan	Artisans, Inc.	BOLF	1	Rusk	120
Loan	Odyne Systems, LLC	TDL	1	Waukesha	59
Loan	Kestrel Aircraft Company, Inc.	TDL	1	Douglas	58
Loan	Megalodon Insurance Systems, Inc.	TDL	1	Dane	58
Loan	OneEvent Technologies, Inc.	TDL	1	Dane	58
Loan	Scanalytics, Inc	TDL	1	Milwaukee	58
Loan	FluGen Inc.	TDL	1	Dane	57
Tax Credit	Blue7 Solutions, LLC	ETC	1	Milwaukee	366
Tax Credit	Paul Davis Restoration and Remodeling, Inc	ETC	1	Milwaukee	211
Tax Credit	Standex International Corporation	JTC	1	Waukesha	211

## Overdue Performance Report List

as of 3/31/2018

General Type	Name	Program	Overdue Reports	Project County	Days Overdue
Tax Credit	Twakenberg 237 LLC	HTC	1	Dane	188
Tax Credit	Volm Companies	ETC	1	Langlade	181
Tax Credit	Actuant Corporation	JTC	2	Columbia	151
Tax Credit	Pratt Industries, Inc.	JTC	1	Rock	129
Tax Credit	Coenen Mechanical LLC	JTC	1	Outagamie	120
Tax Credit	Crystal Finishing Systems, Inc	ETC	1	Marathon	120
Tax Credit	Schreiber Foods, Inc.	JTC	1	Brown	120
Tax Credit	Tyco Fire Products LP	JTC	1	Marinette	120
Tax Credit	Collaborative Consulting	JTC	1		90
Tax Credit	Grand Kakalin, LLC	HTC	1	Outagamie	90
Tax Credit	Historic Third Ward Development LLC	HTC	1	Milwaukee	90
Tax Credit	Kestrel Aircraft Company, Inc.	EZ	1	Douglas	90
Tax Credit	Lehmkuhl Enterprises LLC	HTC	1	Racine	90
Tax Credit	Quantum Leap, LLC	HTC	1	Grant	90
Tax Credit	Woolen Mills Lofts-Appleton, LLC.	HTC	1	Outagamie	90
Tax Credit	Deere & Company	ETC	1	Dodge	66
Tax Credit	Amazon.com	EZ	1	Kenosha	59
Tax Credit	Amazon.com	EZ	1	Kenosha	36
Tax Credit	Germania Real Estate Venture II LLC	HTC	1	Milwaukee	31
<b>Total</b>	<b>76 Awardees</b>		<b>80</b>		

# Overdue SoE, VS Listing

as of 3/31/2018

General Type	Name	Program	Overdue SoE/VS	Project County	Industry	Days Overdue
Grant	University of Wisconsin-River Falls	CMAG	1	Pierce	611310	151
Grant	Wisconsin Technology Innovation Initiative, Inc.	CC	1	Dane	541611	151
Loan	AquaMost, Inc.	TDL	1	Dane	333318	58
Loan	Aurora Spectral Technologies LLC	TDL	1	Ozaukee	333314	365
Loan	Formrite Companies, Inc.	BREI	1	Manitowoc	331210	455
Loan	Pratt Industries, Inc.	BOLF	1	Rock	322211	152
Total	6 Awards		6			

# Awards Origination

FY18 Q3

General Type	Name	Program	Amount	Date Contracted	Project County
Grant	Applied Spectrometry Associates, Inc.	IMAG	\$ 10,000	02/13/18	Waukesha
Grant	Aries Industries, Inc.	IMAG	25,000	02/13/18	Waukesha
Grant	Beloit, City of	CDI	250,000	03/26/18	Rock
Grant	Bizstarts Milwaukee, Inc.	CB-E	80,000	01/21/18	Milwaukee
Grant	Blanchardville, Village of	SAG	83,300	02/26/18	Lafayette
Grant	BrightStar Wisconsin Foundation, Inc.	CB-E	65,000	01/22/18	Milwaukee
Grant	Brillion, City of	CDI	250,000	02/07/18	Calumet
Grant	Cambridge, Village of	CDI	30,125	01/03/18	Dane
Grant	CDA Housing, Inc.	BF	470,000	03/05/18	Kenosha
Grant	CESA 3	CB-E	27,000	01/08/18	Grant
Grant	City of Rice Lake	CDI	250,000	03/14/18	Barron
Grant	CMD Corporation	IMAG	10,000	02/19/18	Outagamie
Grant	Cooperative Regions of Organic Producer Pools	IMAG	25,000	03/19/18	Vernon
Grant	Corncob, Inc.	IMAG	25,000	02/07/18	Waukesha
Grant	Couleecap, Inc.	CB-E	62,000	01/03/18	Vernon
Grant	Deltrol Corp.	IMAG	10,000	03/12/18	Milwaukee
Grant	Epicurean Cutting Surfaces, LLC	IMAG	10,000	02/07/18	Douglas
Grant	Evansville, City of	CDI	250,000	03/15/18	Rock
Grant	Genome International Corporation	IMAG	10,000	01/24/18	Dane
Grant	Green County Development Corporation	CB-E	40,000	01/03/18	Green
Grant	Heart of Wisconsin Community Incubator, Inc.	CB-E	17,000	01/03/18	Wood
Grant	Hydro Electronic Devices, Inc.	IMAG	24,100	03/13/18	Dodge
Grant	Impact Seven, Inc.	BF	500,000	01/22/18	Milwaukee
Grant	Imperial Blades	IMAG	5,500	02/21/18	Dane
Grant	Indianhead Community Action Agency, Inc	CB-E	41,000	01/03/18	Rusk
Grant	Janesville, City of	CDI	250,000	02/20/18	Rock
Grant	Jefferson County	CB	12,000	01/25/18	Jefferson
Grant	Land O'Lakes, Town of	SAG	58,900	02/26/18	Vilas
Grant	MacDonald & Owen Lumber Co., Inc.	IMAG	25,000	02/27/18	Monroe
Grant	Manawa, City of	CDI	240,000	03/05/18	Waupaca
Grant	Mequon, City of	SAG	150,000	02/21/18	Ozaukee
Grant	Milwaukee County	CDI	250,000	03/09/18	Milwaukee
Grant	Nelson and Pade, Inc.	IMAG	25,000	01/23/18	Marquette
Grant	Nicolet Area Technical College	CB-E	25,000	01/09/18	Oneida
Grant	Oconto County Economic Development Corporation	CB-E	43,000	01/08/18	Oconto
Grant	Platteville, City of	CDI	250,000	03/09/18	Grant
Grant	Regal Ware, Inc.	IMAG	25,000	02/06/18	Washington
Grant	River Falls, City of	CDI	82,600	01/21/18	Pierce
Grant	S3 International LLC	IMAG	25,000	03/05/18	Milwaukee
Grant	Soldiers Grove, Village of	CDI	125,000	01/16/18	Crawford
Grant	Spee-Dee Packaging Machinery, Inc	IMAG	25,000	02/01/18	Racine
Grant	Stoughton Redevelopment Authority	SAG	150,000	01/31/18	Dane
Grant	The New North, Inc.	TIP	36,000	02/06/18	Brown
Grant	The Water Council, Inc.	TIP	600,000	01/03/18	Milwaukee
Grant	Tomah, City of	CDI	250,000	02/26/18	Monroe
Grant	Tribe 9 Foods LLC	IMAG	10,000	01/16/18	Dane
Grant	University of Wisconsin-Stout	CB-E	50,000	01/12/18	Dunn
Grant	UW-Oshkosh Center for Entrepreneurship and Innovation	SA	70,000	03/09/18	Winnebago
Grant	Wausau, City of	CDI	250,000	01/03/18	Marathon
Grant	Wisconsin Business Innovation Corporation	TIP	73,103	02/13/18	Washburn
Grant	Wisconsin Center for Dairy Research	TIP	200,000	03/26/18	Dane
Grant	WiSolve Consulting Group	CB-E	50,000	01/08/18	Dane
Investor Tax Credit	Cleveland Avenue Food and Beverage Fund Holdings, LLC	QVF		01/24/18	
Investor Tax Credit	Denari LLC	QNBV	500,000	01/23/18	Washington
Investor Tax Credit	EMP Holdings Investment Company LLC	QVF		02/01/18	
Investor Tax Credit	Exit 7C, Inc	QNBV	187,500	01/12/18	Milwaukee
Investor Tax Credit	FindYours, Inc.	QNBV	1,000,000	02/13/18	Rock
Investor Tax Credit	Gift Guru, Inc.	QNBV	125,000	02/19/18	Dane

# Awards Origination

FY18 Q3

General Type	Name	Program	Amount	Date Contracted	Project County
Investor Tax Credit	Holos, Inc.	QNBV	125,000	01/24/18	Dane
Investor Tax Credit	JOB4SITE, LLC	QNBV	125,000	02/13/18	Milwaukee
Investor Tax Credit	National Alumni Institute, LLC. dba Alumni Nations	QNBV	125,000	03/05/18	Brown
Investor Tax Credit	OrendX, LLC	QNBV	100,000	01/04/18	Marinette
Investor Tax Credit	Rio Sisa Idea Farm LLC	QNBV	75,000	02/19/18	Outagamie
Investor Tax Credit	Serra Capital III, LP	QVF		02/26/18	
Investor Tax Credit	Shift Savings, Inc.	QNBV	100,000	01/08/18	Waukesha
Investor Tax Credit	Tailored Care Enterprises, Inc.	QNBV	300,000	03/05/18	Dane
Investor Tax Credit	Wolf Flow, LLC	QNBV	125,000	03/12/18	Dane
Loan	Gravy Live, Inc.	TDL	250,000	02/19/18	Dane
Loan	Movein, Inc.	TDL	150,000	01/09/18	Dane
Loan	Understory, Inc.	TDL	500,000	01/10/18	Dane
Operation	African American Chamber of Commerce of Wisconsin, Inc.	WEDC-P	200,000	01/08/18	Milwaukee
Operation	Hispanic Chamber of Commerce of Wisconsin, Inc.	WEDC-P	175,000	01/22/18	Milwaukee
Operation	Hmong Wisconsin Chamber of Commerce, Inc.	WEDC-P	200,000	01/03/18	Milwaukee
Tax Credit	405 Washington Ave, LLC	HTC	944,703	02/13/18	Winnebago
Tax Credit	ATI Ladish LLC	EZ	7,000,000	02/06/18	Milwaukee
Tax Credit	Cedar Hill Multi-Family Properties, LLC	HTC	117,150	02/13/18	La Crosse
Tax Credit	Communications Test Design, Inc.	BTC	600,000	03/13/18	Kenosha
Tax Credit	D&L Baumhardt, LLC	HTC	56,312	01/08/18	Fond du Lac
Tax Credit	Dale Berg	HTC	460,981	03/19/18	La Crosse
Tax Credit	Drexel Building Supply Inc	BTC	445,000	03/26/18	Columbia
Tax Credit	International Mold and Production LLC	BTC	110,000	01/12/18	Kenosha
Tax Credit	J. W. Speaker Corporation	BTC	450,000	03/27/18	Washington
Tax Credit	Kleuter Building LLC	HTC	3,480,000	02/19/18	Dane
Tax Credit	Nelson-Jameson, Inc.	BTC	175,000	03/27/18	Wood
Tax Credit	Promega Corporation	BTC	185,000	02/26/18	Dane
Tax Credit	Tribe 9 Foods LLC	BTC	700,000	03/15/18	Dane
Tax Credit	UAS Labs LLC	BTC	415,000	01/30/18	Marathon
Tax Credit	United Alloy, Inc.	BTC	560,000	01/24/18	Rock
Tax Credit	Wausau Coated Products, Inc	BTC	42,500	02/21/18	Marathon
Tax Credit	Winston Holdings, LLC	HTC	34,060	01/29/18	Dane
<b>Total</b>	<b>90 Awards and Operations</b>		<b>\$ 26,058,834</b>		

Bonding	0	\$0
Grant	52	5,920,628
Investor Tax Credit	15	2,887,500
Loan - BOLF	0	0
Loan - TDL	3	900,000
Partner Operation	3	575,000
Tax Credit - BTC	10	3,682,500
Tax Credit - EZ	1	7,000,000
Tax Credit - HTC	6	5,093,206
Tax Credit - EITMZ	0	0
<b>Total</b>	<b>90</b>	<b>\$26,058,834</b>

# Amendment List

FY18 Q3

Name	Contracted Date	Program	Amendment Date	Amendment Reason
U-Line Corporation	3/21/2017	BTC	4/3/2018	Fix Typo
Redox, Inc.	2/4/2015	TDL	3/30/2018	Name Change
Snotco, LLC	6/28/2017	TDL	3/30/2018	Name Change
Snotco, LLC	12/19/2016	QNBV	3/30/2018	Name Change
Arow Global Corp.	2/3/2015	BOLF	3/30/2018	Adjust Deliverables
Madison Region Economic Partnership	9/12/2017	CB	3/28/2018	Other
Kerry Ingredients & Flavours	10/25/2007	MED	3/27/2018	Other
City of Oshkosh Redevelopment Authority	10/30/2015	BF	3/27/2018	Budget Change
Extend Manufacturing, LLC	1/3/2013	BREI	3/26/2018	Defer Payments
Wisconsin Foam Products, Inc.	7/8/2016	BTC	3/26/2018	Fix Typo
HealthDecision Support, Inc.	6/29/2017	QNBV	3/26/2018	Name Change
Menomonee Falls, Village of	6/13/2016	CDI	3/21/2018	Extend Draw Period
HealthDecision Support, Inc.	6/29/2017	TDL	3/20/2018	Name Change
HealthDecision Support, Inc.	6/29/2017	TDL	3/20/2018	Extend Draw Period
Railway Exchange Building LLP	11/20/2014	HTC	3/20/2018	Lower/Increase Award Amount
Appleton 175 LLC	6/27/2017	HTC	3/19/2018	Name Change
St. Croix Falls, City of	11/13/2015	CDI	3/14/2018	Extend Draw Period
Mitchell Street Apartments LLC	6/13/2016	HTC	3/13/2018	Lower/Increase Award Amount
Center for Technology Commercialization	8/17/2017	SBIR	3/13/2018	Lower/Increase Award Amount
Prairie du Sac, Village of	1/17/2017	CDI	3/9/2018	Extend Draw Period
Coakley Brothers Company	6/27/2017	HTC	3/5/2018	Lower/Increase Award Amount
Amerequip	1/12/2017	BTC	3/5/2018	Change Certification Date
Exodus Machines Incorporated	10/2/2012	BREI	3/5/2018	Defer Payments
WITS(MD), LLC	8/4/2015	QNBV	2/26/2018	Name Change
WITS(MD), LLC	5/2/2016	TDL	2/26/2018	Name Change
Barclay Historic LLC	8/1/2016	HTC	2/20/2018	Other
Racine County Economic Development Corporation	11/5/2015	CC	2/20/2018	Extend Draw Period
Oshkosh, City of	5/3/2017	CDI	2/20/2018	Extend Draw Period
Madison, City of	6/24/2016	SAG	2/20/2018	Extend Draw Period
StartingBlock, Inc	1/7/2016	TIP	2/19/2018	Change Reporting Date;Extend Draw Period
Cecelia Annex LLC	6/7/2017	HTC	2/19/2018	Name Change
Ambassador Enterprise LLC	6/6/2017	HTC	2/19/2018	Name Change
Cecelia Building LLC	6/6/2017	HTC	2/19/2018	Name Change
Northwest Regional Planning Commission	5/23/2014	RRLF-E	2/19/2018	Extend Draw Period
Center for Technology Commercialization	8/17/2017	EMG	2/16/2018	Lower/Increase Award Amount
Marvel Medtech, LLC	12/30/2005	TDF	2/13/2018	Defer Payments
Milwaukee Fortress LLC	1/23/2015	HTC	2/12/2018	Name Change
Plymouth, City of	6/13/2016	CDI	2/7/2018	Budget Change
Hartford, City of	6/15/2017	SAG	2/6/2018	Extend Draw Period
Perfect Cross, LLC	7/28/2016	TDL	2/6/2018	Lower/Increase Award Amount
Formrite Companies, Inc.	5/14/2012	BREI	2/5/2018	Defer Payments
Keno Wells, LLC	8/26/2015	BF	2/1/2018	Extend Draw Period
Menomonee Falls, Village of	12/22/2015	SAG	1/31/2018	Lower/Increase Award Amount
Deerfield, Village of	4/7/2016	SAG	1/31/2018	Extend Draw Period

# Amendment List

FY18 Q3

Name	Contracted Date	Program	Amendment Date	Amendment Reason
Milwaukee Electric Tool Corporation	4/11/2016	EZ	1/26/2018	Other
Rhineland Coated Products, LLC	6/26/2017	WTG	1/23/2018	Change Project Scope
DNASTAR, Inc.	10/26/2017	IMAG	1/23/2018	Change Project Scope
Global Strategy Inc.	10/2/2017	WEDC-P	1/23/2018	Change Project Scope
St. Francis, City of	12/10/2015	SAG	1/22/2018	Budget Change;Change Project Scope;Lower/Increase Award Amount
Housing Authority of Oshkosh	6/29/2017	SAG	1/22/2018	Extend Draw Period
Direct Supply, Inc.	8/1/2016	EZ	1/18/2018	Fix Typo
Mount Horeb, Village of	5/1/2017	CDI	1/16/2018	Budget Change
Ebullient, Inc.	10/20/2015	TDL	1/12/2018	Defer Payments
Redevelopment Authority of the City of Milwaukee	4/10/2014	ISR	1/8/2018	Extend Draw Period
U.S. Venture, Inc.	6/30/2017	EZ	1/8/2018	Fix Typo
Button Block Holdings LLC	2/9/2016	HTC	1/3/2018	Lower/Increase Award Amount
Microscopy Innovations, LLC	6/5/2009	RED3	1/3/2018	Defer Payments
Microscopy Innovations, LLC	2/27/2013	TDF	1/3/2018	Defer Payments
Wisconsin Rapids, City of	9/14/2015	CDI	1/3/2018	Extend Draw Period
Janesville, City of	9/8/2014	SAG	1/3/2018	Extend Draw Period
Eco-Latch Systems LLC.	6/15/2017	IMAG	1/3/2018	Extend Draw Period
Ictect, Inc.	6/26/2017	IMAG	1/3/2018	Budget Change
<b>Total Awards</b>	<b>62</b>			

## Wisconsin Economic Development Corporation Resolution of the Board of Directors

April 26, 2018

Re: Second Resolution Amending the Fiscal Year 2018 Budget

The following resolution of the Board of Directors (the Board) of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board held on the date set forth above, following the required notice and with quorum of the Board present pursuant to Chapter 238 of the Wisconsin Statutes:

**WHEREAS**, WEDC was created to be the State of Wisconsin's lead economic development organization.

**WHEREAS**, Wis. Stat. § 238.04(6) empowers the Board to establish WEDC's annual budget and monitor its fiscal management.

**WHEREAS**, on July 13, 2017 the Board did adopt the fiscal year 2018 budget.

**WHEREAS**, on February 22, 2018 the Board did amend the fiscal year 2018 budget.

**WHEREAS**, on April 13, 2018 the Budget and Finance Committee did recommend for approval by the Board, the fiscal year 2018 budget as amended on the attached.

### **NOW, THE BOARD OF DIRECTORS RESOLVES:**

**RESOLVED**, that the fiscal year 2018 budget as amended on the attached which is made a part of this resolution, is approved.

**RESOLVED**, that the CEO may, if deemed necessary, authorize the transfer of budget from operations to programs for the remainder of this fiscal year. The CEO shall notify the Board of any transfer of funds from operations to programs. The transfer of budget from division to division may only be authorized by the Budget and Finance Committee, or, if recommended by the Budget and Finance Committee, the Board for the remainder of the fiscal year.

This Resolution shall take effect immediately upon its adoption on April 26, 2018.



# MEMO

**To:** WEDC Board of Directors  
**From:** Brian Nowicki, CFO  
**CC:** WEDC Budget and Finance Committee  
**Date:** April 26, 2018

**Re:** Fiscal Year 2018 Budget Amendment April (2<sup>nd</sup> Amendment to FY18 Budget)

WEDC believes that it is appropriate to complete a 2nd amendment of the Fiscal Year 2018 (FY18) budget to better reflect our operating activities and organizational structure.

The budget serves as a valuable tool to communicate priorities and manage our finances. During any given year, the actual financial results may differ from the budget, which may necessitate periodic adjustments to the budget.

Attached please find the detailed changes related to the FY18 budget amendment. There are three reports for your review:

1. Budget Summary – Revenue and Expense
2. Budget Breakout of Expenses by Department
3. Summary of Unallocated Program Funds

Significant changes have been summarized below:

- **Revenues** - Revised from \$38.77 million to \$41.58 million, or an increase of \$2.81 million (7%). The change is primarily the result of two factors.
  - First, WEDC is receiving addition state funding to assist in its marketing efforts for talent attraction. The Wisconsin Legislature approved \$6.80 million in total. \$1.20 million expected to be incurred in FY18, with the remaining \$5.60 million to be incurred in FY19.
  - Second, federal grant funding estimates have increased substantially for FY18, specifically as it relates to passthrough funds on our Department of Defense (DoD) contract.
- **Expenditures** – Revised from \$56.47 million to \$60.76 million, or an increase of \$4.29 million (8%). The primary changes are:
  - (\$2.04 million) in additional program grants to reduce our unassigned fund balance and address programmatic need. See Program Activity below for further explanation.
  - (\$1.20 million) additional marketing/promotions budget related to our Talent Attraction Initiative.

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- (\$1.04 million) for additional pass through grant expenses related to out DoD contract.
- Program Activity – The following changes to program grant and loan budgets for FY18 were made.

Grants - \$2.04 million

- \$1.72 million in additional funds to the Brownfield Grant (BF) Program
- \$1.00 million in additional funds to the Community Development Investment (CDI) Grant Program. (A total increase of \$3.5 million from original budget)
- \$536,000 in additional funds to the Targeted Industry Project Grant Program. (A total increase of \$886,00 from original budget)
- \$150,000 in additional funds for the International Market Access Grant (IMAG) Program.
- \$5,000 in additional funds to the Fabrication Laboratories Grant Program.
- (\$150,000) reduction in the Collaborative Market Access Grant (CMAG) Program.
- (\$1.22 million) reduction in the Workforce Training Grant (WTG) Program

Loans – (\$500,000)

- (\$500,000) reduction in the Business Development Loan (BDL) Program (A total reduction of \$2.0 million from original budget)
- Unassigned Fund Balance – Revised from \$4.12 million to \$3.14 million, or a decrease of \$981,000 (24%).

**Recommendation:**

Recommend for approval by the Board, the fiscal year 2018 2<sup>nd</sup> budget amendment resolution.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION  
Budget Summary - By Object

	FY 17 Actual	FY 18 YTD Feb	FY 18 Original Budget	FY18 Budget Amend February	FY18 Budget Amend April	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
<b>Revenues</b>							
State General Purpose Revenue	\$ 12,474,700	\$ 1,139,625	\$ 1,519,500	\$ 1,519,500	\$ 2,719,500	\$ 1,200,000	79%
State Economic Development Fund (SEG)	21,776,000	24,548,400	32,731,200	32,731,200	32,731,200	-	0%
State Brownfield Site Assessment	1,000,000	750,000	1,000,000	1,000,000	1,000,000	-	0%
Other Intergovernmental Revenue	1,699,810	893,586	1,028,590	1,028,590	2,504,316	1,475,726	143%
Interest on Loans	1,665,556	1,161,992	1,475,000	1,475,000	1,475,000	-	0%
Charges for services	288,837	173,154	282,000	282,000	274,400	(7,600)	-3%
Interest on Investments	156,972	(85,869)	425,000	425,000	425,000	-	0%
Other Revenues	194,591	302,198	201,602	311,602	451,600	139,999	45%
<b>Total Revenues</b>	<b>\$ 39,256,466</b>	<b>\$ 28,883,086</b>	<b>\$ 38,662,892</b>	<b>\$ 38,772,892</b>	<b>\$ 41,581,016</b>	<b>\$ 2,808,125</b>	<b>7%</b>
<b>Expenditures</b>							
Program Grants	15,977,765	9,900,514	22,364,000	25,264,000	27,305,000	(2,041,000)	-8%
Loan loss reserve -Collectible	4,280,430	3,109,427	1,000,000	3,700,000	3,700,000	-	0%
Loan loss reserve - Performance Based	1,089,006	-	1,500,000	1,500,000	1,500,000	-	0%
Key Strategic Partners	3,499,409	1,748,163	4,352,500	4,352,500	4,352,500	-	0%
Promotions	3,075,629	2,377,704	3,885,528	3,900,528	5,100,528	(1,200,000)	-31%
Payroll and Benefits	10,340,618	6,641,906	11,259,902	10,876,009	10,882,024	(6,015)	0%
Operations and General	4,359,902	3,370,857	5,064,592	5,259,592	5,323,527	(63,935)	-1%
Pass-through federal grant expenditures	400,936	815,387	640,590	640,590	1,680,000	(1,039,410)	-162%
Capital	291,761	47,036	124,000	124,000	64,050	59,950	48%
Debt Service	202,674	-	850,000	850,000	850,000	-	0%
<b>Total Expenditures</b>	<b>43,518,130</b>	<b>28,010,994</b>	<b>51,041,112</b>	<b>56,467,219</b>	<b>60,757,629</b>	<b>(4,290,410)</b>	<b>-8%</b>
Net Change in Fund Balance	(4,261,664)	872,092	(12,378,220)	(17,694,327)	(19,176,613)	(1,482,286)	8%
Beginning Fund Balance	107,944,061	103,682,397	95,911,038	103,682,397	103,682,397	-	0%
<b>Ending Fund Balance</b>	<b>\$ 103,682,397</b>	<b>\$ 104,554,489</b>	<b>\$ 83,532,818</b>	<b>\$ 85,988,070</b>	<b>\$ 84,505,784</b>	<b>\$ (1,482,286)</b>	<b>-2%</b>
<b>Projected Ending Fund Balance Composition</b>							
Nonspendable	38,991,331	32,730,883	43,622,682	39,651,782	39,151,782		
Restricted	41,738,825	37,794,923	20,014,063	38,938,657	38,938,657		
Assigned	3,964,935	4,695,060	16,365,403	3,274,488	3,274,488		
Program FYXX	15,728,097	-	-	-	-		
Unassigned	3,259,209	28,730,261	3,530,670	4,123,143	3,140,857		
<b>Total</b>	<b>\$ 103,682,397</b>	<b>\$ 103,951,127</b>	<b>\$ 83,532,818</b>	<b>\$ 85,988,070</b>	<b>\$ 84,505,784</b>		

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Wisconsin Economic Development Corporation  
Budget Summary - by Department

	FY 16 Actual	FY 17 Actual	FY 18 YTD Feb	FY 18 Original Budget	FY18 Budget Amend February	FY18 Budget Amend April	Variance Favorable (Unfavorable)	% Chg Favorable (Unfavorable)
<b>Revenues</b>								
State General Purpose Revenue	\$ 6,974,700	\$ 12,474,700	\$ 1,139,625	\$ 1,519,500	\$ 1,519,500	\$ 2,719,500	\$ 1,200,000	79%
State Economic Development Fund (SEG)	21,776,000	21,776,000	24,548,400	32,731,200	32,731,200	32,731,200	-	0%
State Brownfield Site Assessment	1,000,000	1,000,000	750,000	1,000,000	1,000,000	1,000,000	-	0%
Other Intergovernmental Revenue	393,199	1,699,810	893,586	1,028,590	1,028,590	2,504,316	1,475,726	143%
Interest on Loans	1,120,827	1,665,556	1,161,992	1,475,000	1,475,000	1,475,000	-	0%
Charges for services	233,108	288,837	173,154	282,000	282,000	274,400	(7,600)	-3%
Interest on Investments	390,417	156,972	(85,869)	425,000	425,000	425,000	-	0%
Other Revenues	221,391	194,591	302,198	201,602	311,602	451,600	139,999	45%
<b>Total Revenues</b>	<b>\$ 32,109,642</b>	<b>\$ 39,256,466</b>	<b>\$ 28,883,086</b>	<b>\$ 38,662,892</b>	<b>\$ 38,772,892</b>	<b>\$ 41,581,016</b>	<b>\$ 2,808,125</b>	<b>7%</b>
<b>Expenditures</b>								
Operational Divisions								
Entrepreneurship & Innovation - 2000	\$ 6,611,956	\$ 8,837,787	\$ 4,134,433	\$ 6,515,762	7,217,566	7,220,116	(2,550)	0%
Business and Community Development - 3000	22,856,218	15,271,962	11,478,147	18,955,648	23,908,003	26,535,743	(2,627,740)	-11%
Business & Investment Attraction - 3500	-	731,624	594,256	888,303	894,191	894,191	-	0%
Sector Strategy Development - 4000	4,621,263	4,184,020	1,964,591	6,413,420	6,623,373	7,069,043	(445,670)	-7%
Marketing & Communications - 5000	3,961,364	4,056,969	2,896,922	4,700,454	4,727,525	5,927,525	(1,200,000)	-25%
International Business Development - 7000	2,671,688	2,309,042	1,720,160	3,672,083	3,661,527	3,651,527	10,000	0%
Legal Services - 1100	801,359	1,002,658	826,968	1,136,668	1,253,281	1,253,391	(110)	0%
Executive Office - 1200	1,238,814	1,739,858	677,350	1,237,673	1,183,156	1,183,156	(0)	0%
Operations & Program Performance - 1300	-	-	218,608	407,762	471,198	471,198	-	0%
Human Resources - 6100	972,091	1,139,335	819,990	1,503,681	1,401,286	1,439,889	(38,603)	-3%
Finance - 6200	858,404	870,773	379,083	1,464,277	1,439,804	1,439,786	18	0%
Information Technology - 6300	1,686,571	1,990,915	1,417,744	2,303,876	2,214,645	2,214,645	-	0%
Credit and Risk - 6600	1,011,792	870,095	570,294	1,067,168	974,123	974,123	-	0%
Office of Public Policy - 8000	447,259	513,092	312,448	774,337	497,541	483,296	14,245	3%
<b>Total Expenditures</b>	<b>\$ 47,738,779</b>	<b>\$ 43,518,130</b>	<b>\$ 28,010,994</b>	<b>\$ 51,041,112</b>	<b>56,467,219</b>	<b>60,757,629</b>	<b>(4,290,410)</b>	<b>-8%</b>
Net Change in Fund Balance	(15,629,137)	(4,261,664)	872,092	(12,378,220)	(17,694,327)	(19,176,613)	(1,482,286)	8%
Beginning Fund Balance	123,573,198	107,944,061	103,682,397	95,911,038	103,682,397	103,682,397	-	0%
<b>Ending Fund Balance</b>	<b>\$ 107,944,061</b>	<b>\$ 103,682,397</b>	<b>\$ 104,554,489</b>	<b>\$ 83,532,818</b>	<b>\$ 85,988,070</b>	<b>\$ 84,505,784</b>	<b>\$ (1,482,286)</b>	<b>-2%</b>
Projected Ending Fund Balance Composition								
Nonspendable	35,538,497	38,991,331	32,730,883	43,622,682	39,651,782	39,151,782	-	-
Restricted	25,471,389	41,738,825	37,794,923	20,014,063	38,938,657	38,938,657	-	-
Assigned	21,434,223	3,964,935	4,695,060	16,365,403	3,274,488	3,274,488	-	-
Program FYXX	-	15,728,097	-	-	-	-	-	-
Unassigned	25,499,952	3,259,209	28,730,261	3,530,670	4,123,143	3,140,857	-	-
<b>Total</b>	<b>\$ 107,944,061</b>	<b>\$ 103,682,397</b>	<b>\$ 103,951,127</b>	<b>\$ 83,532,818</b>	<b>\$ 85,988,070</b>	<b>\$ 84,505,784</b>	<b>\$ (1,482,286)</b>	<b>-2%</b>

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Wisconsin Economic Development Corporation  
Program Grants and Loans

Div.	Account No. and Name	FY 17 Actual	FY 18 Original Budget	FY18 Budget Amend February	FY18 Budget Amend April	% Chg Favorable (Unfavorable)
Program Grants						
2000	6600.1 - Capacity Building Grants - E&I	\$ 497,384	\$ 500,000	\$ 500,000	\$ 500,000	0.0%
2000	6630 - Seed Accelerator	979,000	1,000,000	1,000,000	1,000,000	0.0%
2000	6646 - Entrepreneur Micro Grant Program	200,000	200,000	250,000	250,000	0.0%
2000	6650 - Capital Catalyst	1,475,000	1,500,000	1,500,000	1,500,000	0.0%
2000	6731 - SBIR / STTR Matching Grant	1,000,000	1,000,000	1,350,000	1,350,000	0.0%
3000	6600 - Capacity Building Grants - BCD	420,743	500,000	500,000	500,000	0.0%
3000	6620 - Workforce Training Grants	850,000	2,000,000	2,000,000	785,000	-60.8%
3000	6670 - Minority Business Development RLF	750,000	-	-	-	0.0%
3000	6680 - Community Development Investment Grant	3,425,145	3,000,000	5,500,000	6,500,000	18.2%
3000	6710 - Site Assessment Grants	871,496	1,000,000	1,000,000	1,000,000	0.0%
3000	6720 - Brownfield Grants	3,956,047	4,000,000	4,000,000	5,715,000	42.9%
3000	6725 - Idle Industrial Sites Redevelopment	2,000,000	2,000,000	2,000,000	2,000,000	0.0%
3000	6753 - Revolving Loan Fund - LEG	-	100,000	100,000	100,000	0.0%
4000	6640 - Targeted Industry Projects Grants	1,970,200	3,000,000	3,350,000	3,886,000	16.0%
4000	6754 - FabLab TA - LEG	-	100,000	-	-	0.0%
4000	6755 - Fabrication Laboratories	494,809	500,000	500,000	505,000	1.0%
7000	6655 - Expotech	210,000	214,000	214,000	214,000	0.0%
7000	6665.1 - International Market Access Grant	423,400	750,000	750,000	900,000	20.0%
7000	6665.2 - Collaborative Market Access Grant	319,200	450,000	450,000	300,000	-33.3%
7000	6665.4 - International Market Access Grant - STEP	160,650	300,000	300,000	300,000	0.0%
8000	6795 - Strategic Initiatives Fund	-	250,000	-	-	0.0%
		-	-	-	-	-
	Total Program Grants	\$ 20,003,074	\$ 22,364,000	\$ 25,264,000	\$ 27,305,000	8.1%
Loans						
2000	11xx - Technology Development Loans--State	2,905,500	3,000,000	3,000,000	3,000,000	0.0%
2000	11xx - Technology Development Loans--SSBCI	1,450,000	-	-	-	0.0%
2000	11xx - New Technology Deelopment Loans - SSBCI	-	2,000,000	2,000,000	2,000,000	0.0%
3000	11xx - Business Development Loan Program	-	3,000,000	1,500,000	1,000,000	-33.3%
3000	11xx - Business Opportunity Loan Fund- Collectible Lo	3,450,000	-	-	-	0.0%
		-	-	-	-	-
	Total Loans Gross	7,805,500	8,000,000	6,500,000	6,000,000	-7.7%
	Less: expected loan repayments	(8,731,619)	(6,103,876)	(7,319,297)	(7,319,297)	0.0%
	Less: loan loss reserve in expenditures	(5,369,436)	(2,500,000)	(5,200,000)	(3,600,000)	-30.8%
	Net funding for loans	(6,295,555)	(603,876)	(6,019,297)	(4,919,297)	-18.3%
	Total Direct Economic Development	\$ 27,808,574	\$ 30,364,000	\$ 31,764,000	\$ 33,305,000	

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WISCONSIN ECONOMIC  
DEVELOPMENT CORPORATION

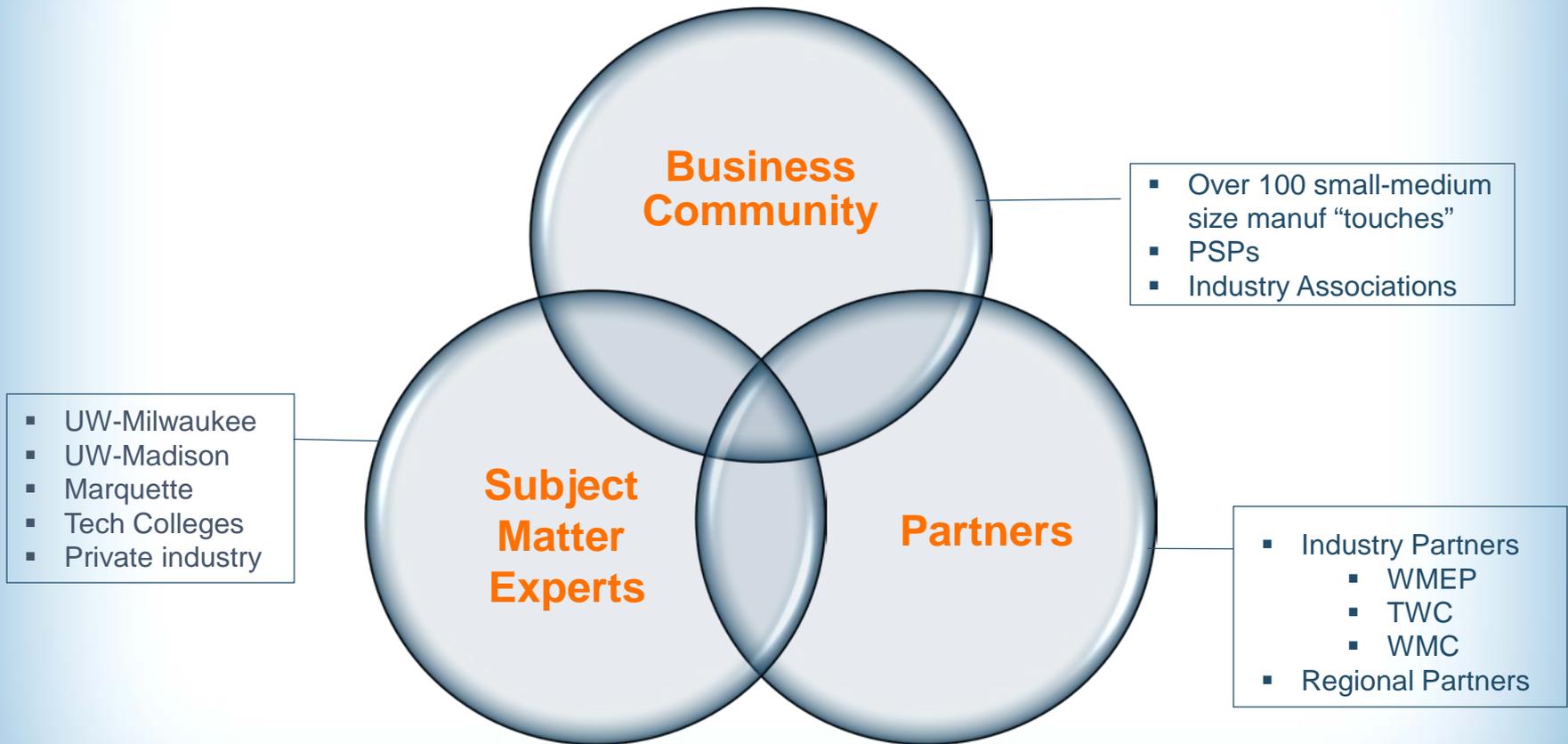
# SUPPLY CHAIN UPDATE

Jela Trask

Business and Investment  
Attraction Director

# OUTREACH

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# OBSERVATIONS

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- Deep and broad statewide supply chain expertise
- Near-term opportunity – Foxconn – validates need to engage with WI Supply Chain Marketplace
- **“20/80 rule”** - beyond “baseline” information (who, what, where), supply/vendor requirements are specialized to “buyer”
- Foxconn as catalyst to accelerate the major trends affecting manufacturing and supply chain in Wisconsin

# SUPPLY CHAIN MARKETPLACE

As of 4.20.18

- 1,490 profiles
- 1,110 FC
- 31 service categories



## INDUSTRY DEV

- Industry SC mapping
- Diversification

## TRANSACTIONAL

- Attraction/FDI
- In-state "buyer/seller"

## MARKET INTELLIGENCE

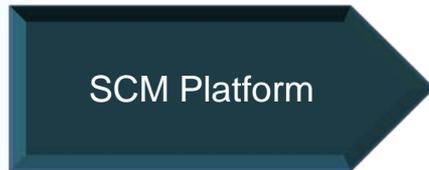
- Industry trends
- Knowledge-sharing

# OPPORTUNITIES

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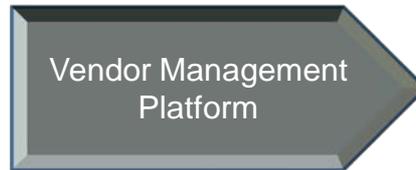
## SUPPLY CHAIN MARKETPLACE PLATFORM

- Potential to establish SCM as the front-end for supply chain identification, evaluation and prioritization



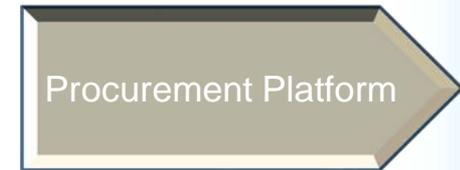
### TABLE STAKES

- Background info
- Certs, NAICS, etc



### NARROW/TARGET

- Specs by segment
- Terms & Conditions



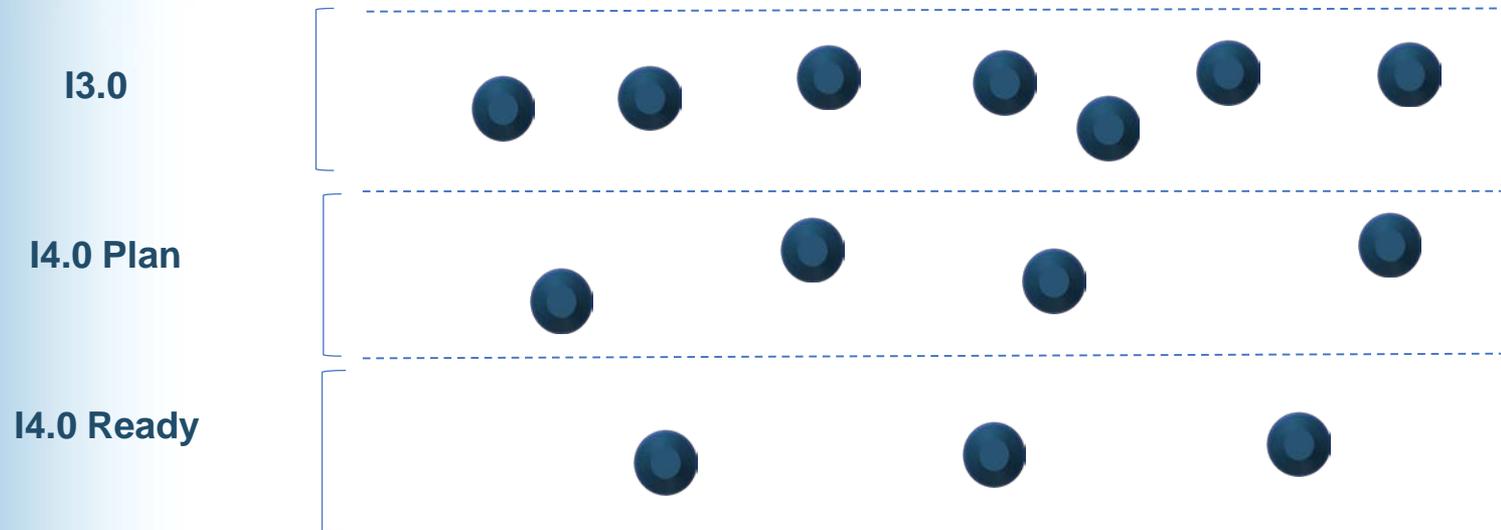
### PLACE ORDER

- Electronic Data Interchange
- Real-time ordering

# OPPORTUNITIES

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## Small-Medium Manufacturers Outlook



## INDUSTRY 4.0 READINESS PLAN

- Improve productivity
- Optimize global competitiveness
- Diversify markets

# NEXT 90 DAYS

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- Establish the Wisconsin Industry 4.0 Council
- Conduct pilot procurement with FC using SCM
- Launch Industry 4.0 Readiness plan, in conjunction with existing investments, Transformational Productivity Initiative (TPI) and UW-Milwaukee's Connected Systems Institute

# MEMO



**To:** WEDC Board of Directors  
**From:** Faye Bokelman  
**CC:** Awards Administration Committee Members  
**Date:** April 16, 2018

**Re:** Summary of the March 28, 2018 Awards Administration Committee Meeting

## **March 28, 2018**

The Committee reviewed and approved three awards in closed session. Two awards and two amendments were sent to the Board for final approval.

*Please contact WEDC staff if you would like copies of the materials distributed to the Committee.*



**Wisconsin Economic Development Corporation  
Program Guidelines for Fiscal Year 2018**

**Program Name:** Qualified New Business Venture Certification/Early Stage Business Investment Program

**Program Inception:** 2005 Wisconsin Act 255

**Lead Division:** Entrepreneurship and Innovation

New       Revised 4/20/2018  
 Aid       Pass-thru Aid       Technical Assistance

### Program Goal:

The goal of the Qualified New Business Venture (QNBV) program is to incent equity investment in technology-based businesses in the state of Wisconsin.

This program primarily supports the following WEDC Strategic Pillar and Focus Area:

Business Development: Entrepreneurship and Innovation

### Program Description:

The program provides tax credits to eligible Angel and Venture Fund investors who make cash equity investments in qualified early-stage businesses. If all eligibility requirements are met, investors receive a Wisconsin income tax credit equal to 25 percent of the value of the investment made in the certified company. The investments incented by this program provide the capital necessary for emerging growth companies to develop new products and technologies, move products to market, and provide high quality jobs in Wisconsin.

### Eligibility Requirements:

#### Definitions:

The following definitions supplement those in §§ 238.15, 71.07(5b) and (5d), 71.28(5b), 71.47(5b), and 76.638, Wis Stats.

- “Accredited investor” means an individual who: Invests his or her own funds in a qualified new business venture; and satisfies the U.S. Securities and Exchange Commission Accredited Investor definition at the time of investment.
- “Angel investment network” means an entity comprised of accredited investors organized for the sole purpose of making investment(s) in qualified new business venture(s).
- “Angel investor” means an accredited investor or sophisticated investor who makes a bona fide angel investment.
- “Approved” means acceptable to WEDC.



- "Bona fide angel investment" means a purchase of an equity interest, or any other expenditure, as further defined under "investment", that is made by any of the following:
  - A partnership or limited liability company that is a non-operating entity, as determined by the Department of Commerce or the Wisconsin Economic Development Corporation, a natural person, or fiduciary who reviews new businesses or proposed new businesses for potential investment of their money.
  - A network of partnerships or limited liability companies that are a non-operating entity, as determined by the Department of Commerce or the Wisconsin Economic Development Corporation, natural persons, or fiduciaries that reviews new businesses or proposed new businesses for potential investment of the network's money.
- "Bona fide liquidity event" means any of the following events: (i) the reorganization, merger or consolidation of the company where a majority of its assets are distributed or otherwise paid out to shareholders, partners, or beneficial owners; (ii) the sale of all or substantially all of the assets of the company in one transaction or in a series of related transactions to a person who is not affiliated with the company; (iii) the sale of more than 50% of the outstanding equity interests in the company where following such sale the former owners of the outstanding equity interests in the company no longer beneficially control, directly or indirectly, the ability to control management decisions of the company or (iv) the first time the company sells shares of its common or preferred stock to the public on the open market.
- "Business" means an entity and all its affiliates.
- "Corporate Headquarters" means the location where the majority of the company's financial, personnel, legal, planning, or other headquarters functions are handled on a divisional, regional, national, or global basis.
- "Crowdfunding" means a legal securities offering conducted in accordance with Wisconsin's Crowdfunding exemption as regulated by the Wisconsin Department of Financial Institutions.
- "Differentiating technology" means a specialized product or process that demonstrates distinct and significant technological differences and advantages over potential competitors.
- "Eligible to claim a credit" means an investor has made an investment that has received tax credits as identified by a verification form issued by WEDC.
- "In operation" means in existence and running a business.
- "Investment" means the investment of cash in a qualified new business venture that is used for legitimate business purposes in exchange for any one of the following:
  - Common stock.
  - Partnership or membership interest.
  - Preferred stock.
  - An equivalent ownership interest in the qualified new business venture approved by the WEDC.



- “Kept in a certified business or certified fund manager” means the investment was made in a certified business and the investment is held, or kept, by the angel investor, angel investment network or certified fund manager, in the business or its successor.
- “Legitimate business purposes” means investment proceeds used for normal operations of the business and are not used for activities including refinancing any prior investments, paying dividends to shareholders or other cash distributions to shareholders, stock repurchase, or other uses as determined by WEDC.
- “Qualified New Business Venture” or “QNBV” means a business WEDC has determined meets the requirements established by WEDC and the controlling statutes.
- “Sophisticated Investor” means an individual who has knowledge and experience in financial and business matters, and he or she is capable of evaluating the merits and risks of the prospective investment, or the QNBV reasonably believes immediately prior to making the investment that the undersigned comes within this description.
- “Worthless” means the business has been deemed insolvent as determined by WEDC and by evidence of identifiable events, such as a cessation of business, dissolution, distribution or a sale of substantially all of the company’s assets to repay outstanding debts, pay bankruptcy or receivership filings, or to make minimal equity distributions.

This policy has been reviewed and updated in consultation with the Department of Revenue, as required under § 238.15 (3) (d), Wis Stats.

#### Qualified New Business Venture Certification

QNBV Certification allows businesses to offer their equity investors the Angel or Early Stage Seed Income Tax Credits as an incentive for investing in their business. WEDC maintains flexibility in evaluating applications for certification to protect the intent of the QNBV program in focusing on economic development, particularly incentivizing in-state investors, in Wisconsin.

A business may be certified, and may maintain such certification, only if the business satisfies all of the following conditions, ~~as amended in the 2015-2017 Biennial Budget (2015 Act 55, effective July 14, 2015):~~

- It has its headquarters in this state.
- At least 51 percent of the employees employed by the business are employed in this state.
- It has the potential for increasing jobs in this state, increasing capital investment in this state, or both, and any of the following apply:
  - It is engaged in, or has committed to engage in, innovation in any of the following:
    - Manufacturing, biotechnology, nanotechnology, communications, agriculture, or clean energy creation or storage technology.
    - Processing or assembling products, including medical devices, pharmaceuticals, computer software, computer hardware, semiconductors, any other innovative technology products, or other products that are produced using manufacturing methods that are enabled by applying differentiating technology.
    - Services that are enabled by applying differentiating technology.



- It is undertaking pre-commercialization activity related to differentiating technology that includes conducting research, developing a new product or business process, or developing a service that is principally reliant on applying differentiating technology.
- It is not primarily engaged in real estate development, insurance, banking, lending, lobbying, political consulting, professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants, wholesale or retail trade, leisure, hospitality, transportation, or construction, except construction of power production plants that derive energy from a renewable resource, as defined in § 196.378 (1) (h), Wis Stats.
- It has less than 100 employees at the time of initial certification.
- It has been in operation in this state for not more than 10 consecutive years at the time of initial certification.
- For taxable years beginning before January 1, 2008, it has not received more than \$1,000,000 in investments that have qualified for tax credits under s. 71.07 (5d).
- It has not received aggregate private equity investment in cash of more than \$10,000,000 at the time of initial certification.
- For taxable years beginning after December 31, 2007 and before January 1, 2011, it has not received more than \$4,000,000 in investments that have qualified for tax credits under the program
- For taxable years beginning after December 31, 2010, and before January 1, 2018, it has not received more than \$8,000,000 in investments that have qualified for tax credits under the program.
- Companies whose certification has expired or lapsed due to meeting or approaching \$8 million in qualified Investments prior to January 1, 2018 may qualify for additional funds under the following:
  - If the company is within the required three-year reporting period following the receipt of qualifying Investments and in good standing with WEDC, it may be eligible for re-certification in the program under program limits established for tax years after December 31, 2017.
  - If the company is outside its reporting period, the company must go through the full application process.

In addition to the factors outlined above WEDC will evaluate applications based on, but not limited to, the following factors:

- Whether the business is in one of Wisconsin's target industries as determined by WEDC.
- High growth potential of the business.
- Management team experience.
- Financial need.
- Percentage of funds that will be spent in Wisconsin.
- Barriers to entry.

A certified business must provide a statement in its private placement memorandum or equivalent documents indicating that WEDC does not endorse the quality of management of the business and is not liable for damages or losses to an investor.

Each qualified business must be recertified in each taxable year in which it desires certification. The company will also be required to provide a final report when it is determined that the company will not be pursuing recertification or is decertified by WEDC.





## Penalties:

The certified company agrees that it will not relocate outside of this state during the 3 years after it receives an investment under which a tax credit may be claimed and agrees to pay WEDC a penalty if the business relocates outside of this state during that 3-year period. For the purposes of this paragraph, a business relocates outside of this state when the business locates more than 51 percent of any of the following outside of this state:

- The business's employees.
- The business's total payroll.
- The activities of the business's headquarters, as determined by WEDC.

For investments made after 12/31/2011 the amount of a penalty payment is determined as follows:

- If the relocation occurs less than 12 months after the investment, 100% of the tax credit that was claimed as the result of the investment.
- If the relocation occurs 12 months or more after the investment but less than 24 months after the investment, 80% of the tax credit that was claimed as the result of the investment.
- If the relocation occurs 24 months or more after the investment but less than 36 months after the investment, 60% of the tax credit that was claimed as the result of the investment.

~~2015 Act 55, effective July 14, 2015, provides that a~~ business is not considered to have ~~not~~ relocated outside of this state if WEDC determines that investment and employment levels have not diminished in Wisconsin, regardless of whether a business meets the penalty thresholds shown above for employees or payroll. Companies maintaining certification must continue to meet other program requirements including headquarters location. In addition, the penalty does not apply if WEDC certified a company prior to April 20, 2012, and the company converted a note or bond to an equity interest in reliance upon that certification.

## Fund Manager Certification

A certified fund manager is eligible for Early Stage Seed tax credits when making investments in QNBV certified companies. An investment fund manager desiring certification for a specific fund shall submit an application to WEDC.

In determining whether to certify an investment fund manager, WEDC shall consider:

- The investment fund manager's experience in managing venture capital funds.
- The past performance of investment funds managed by the applicant.
- The expected level of investment in the investment fund to be managed by the applicant.
- Any other relevant factors as determined by WEDC.

WEDC will evaluate fund manager applications in order to protect the intent of the program, QNBV companies and investors.

In addition to the factors outlined above, WEDC will evaluate the following when determining whether to certify an investment fund manager:

- The applicant's experience in investing in high growth, early stage businesses.
- The past performance of businesses assisted by the applicant.
- The portion of the investment fund's capital the fund manager expects to invest in Qualified New Business Ventures.



- Geographic distribution of funds.
- Focus on targeted industries or target group members, as determined by WEDC.
- Ability to access follow-on funding.
- Services provided.
- Commitment to Wisconsin.
- Administrative and management fees.

A certified fund manager must provide a statement in its private placement memorandum or equivalent documents indicating that WEDC does not endorse the quality of management of the fund and is not liable for damages or losses to an investor.

### Eligibility for Tax Credits:

An Angel, Angel Network, and investors in a Certified Fund ~~Manager~~ are each eligible for a 25% tax credit for making **i**nvestments in Qualified New Business Ventures. Tax Credit Request Forms can be found on WEDC's website.

Tax Credit qualifications:

- Clearly identifiable as being cash **i**nvestments.
- Must be in the form of common stock, preferred stock, partnership or membership interest, or equivalent ownership interest.
- Cash exchanged for debt is not eligible unless the debt is later converted into equivalent ownership interest as described above. Note: The amount, in this circumstance, used to calculate tax credits only includes the original cash **i**nvestment and does not include accrued interest, unpaid fees, etc.
- 401(k), IRA, Roth IRA or similar tax deferred or tax advantaged accounts are not eligible **i**nvestment vehicles for the Angel tax credit programs.
- Investor does not control or is not closely related (spouse, grandparent, parent, sibling, child, stepchild, grandchild) to someone who controls more than 20% of the ownership interest in the company at the time of the **i**nvestment.
- Investments made by certified fund managers, with principal offices based outside of this state, must be made side by side with equity investors based in Wisconsin with a minimum participation by state investors as determined by WEDC.  
*Note: As an example, out-of-state fund managers with strong management, a strong history of performance, and a focus on target industries and companies in Wisconsin will have minimal side-by-side **i**nvestment requirements. By comparison out-of-state investors with smaller fund size, minimal experience, or a broad fund focus that does not parallel the goals of the program may have larger side-by-side **i**nvestment requirements.*
- Public funds, including investments made by the State Fund of Funds and Federal State Small Business Credit Initiative programs, may not be used as the basis for claiming credits.

### Process for requesting Tax Credits:

The QNBV certified company in cooperation with the investor will complete the necessary forms. The tax credit request forms and required documentation shall be provided no later than 90 days following the end of the year in which **i**nvestment was made that qualifies for credits. Upon review and approval of the required forms and documentation, WEDC will issue a verification form to the angel investor,



angel investment network or certified fund manager stating the amount and type of tax credits that may be claimed.

Credit requests will be prioritized for companies with qualifying Investments of \$8 million or less until January 31, 2019. If credit requests received prior to January 31, 2019 exceed the \$30 million annual allocation, requests for credits on Investments over \$8 million will be divided pro-rata after credit requests for Investments of \$8 million or less are processed. After January 31, 2019, credits will be processed on a first come, first serve basis.

## **Revocation:**

### Revocation of Certification

WEDC may revoke or withhold the certification of a business or a fund and no new investment will qualify after revocation if the business or fund (1) supplies false or misleading information to obtain the certification; (2) fails to continue to meet the required conditions or qualifications for obtaining the certification; (3) has violated or is under investigations for violations of state, federal or local laws or regulations related to the conduct of the activities of the business; (4) has had an officer or director arrested for or convicted of a crime substantially related to the activities of the business or fund; (5) is not using the funds for a legitimate business purpose as determined by WEDC; or (6) is in default of WEDC or other State obligations.

### Revocation of Tax Credits

WEDC, in cooperation with the Wisconsin Department of Revenue, may revoke credits if an investment qualifying for tax credits under the program is not kept in a certified business for 3 years except as provided below:

- Upon review, WEDC determines that the investment becomes worthless prior to the end of the three-year period.
- The Angel, Angel investment network, or certified fund manager has held an investment for at least 12 months and upon review the WEDC determines that a Bona Fide Liquidity Event has occurred prior to the end of the holding period.

## **Transfer:**

Those eligible to claim a credit under the Early Stage Seed Investment Credit may sell or otherwise transfer the credit (subject to all applicable taxes and fees) no more than once in a 12-month period to another person who is subject to the applicable taxes and fees under Wis. Stat. § 71.02, 71.23, 71.47, or subchapter III of chapter 76. Credit transfers up to \$200,000 will be subject to a five percent fee; transfers in excess of \$200,000 will be charged a fee of at least \$10,000 or one percent of the credit amount transferred, whichever is greater. To effectuate a transfer, the fund manager must approve the transfer, then the certified fund manager must notify WEDC and the Department of Revenue of the transfer and must submit the following information to WEDC:

- A transfer form, as provided by WEDC, attesting to the transfer of the tax credit.
- A copy of the transfer documents showing the transfer of tax credits from the seller to the buyer.
- Any other documents as required by WEDC to verify the sale or transfer of tax credits.

**Incentives and Available Funding:** \$30,000,000 allocated for CY17



The aggregate amount of liinvestment in any one qualified new business venture that may qualify for tax credits under the program is limited to ~~\$8,000,000~~12,000,000 or a different amount determined by WEDC at the time of certification or recertification.

The aggregate amount of Angel and Early Stage Seed tax credits that may be claimed for liinvestments in businesses is limited to \$30,000,000 per calendar year.



**Activities & Expected Outcomes:**

Certify 35 new businesses, 5 fund managers, and achieve a 4:1 leverage.



## Performance Reporting:

Recipients will be required to annually submit a performance report in March documenting investment activities, job creation, job retention, average wages, company financials, eligibility checklist, as well as any other contract deliverable.

Regardless of eligibility status a certified company will be required to provide an annual report for minimum of ~~3~~three years following the receipt of ~~i~~investment that qualifies for credits under this program in order to monitor compliance with the penalty provisions. Failure to provide reports may result in WEDC enforcing penalty and/or revocation of tax credit provisions.

WEDC may impose additional reporting requirements to evaluate project performance and to ensure compliance with contract deliverables.

## Application and Awards Process:

Applicants for the QNBV program should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through the award review process.

For more information on application review, internal process, and award distribution, please refer to WEDC's award administration policies and procedures.

## Revision History:

Effective Date	Description of Change
7/1/2017	Added statutory references to clarify eligibility requirements
7/1/2017	Reorganized the penalties and revocation sections for logical consistency
9/23/2017	Pursuant to 2017 Act 59, unused QNBV tax credits can no longer be transferred to the Business Development Tax Credit Program.
<u>4/26/2018</u>	<u>Pursuant to 2017 Act 234, raised the aggregate investment limit from \$8 million to \$12 million.</u>



**PROGRAM REVIEW:**

This document has been reviewed by the following parties (Check all that apply):

- Chief Operating Officer
- Chief Legal Counsel & Compliance Officer
- Chief Financial Officer
- Other \_\_\_\_\_

Director of Public Policy: \_\_\_\_\_

Date \_\_\_\_\_

Division Vice President: \_\_\_\_\_

Date \_\_\_\_\_

**AUTHORIZED APPROVAL:**

CEO or Designee: \_\_\_\_\_

Date \_\_\_\_\_

Awards Committee Chair: \_\_\_\_\_

Date \_\_\_\_\_



# MEMO

**To:** WEDC Awards Administration Committee  
**From:** Office of Public Policy  
**CC:** Mark R. Hogan, WEDC Secretary and CEO  
**Date:** April 20, 2018

**Re: QNBV Statutory Program Guidelines Revision Summary**

Per the Program Guidelines Approval and Revision Policy and Procedure, when statutory changes are made to WEDC's economic development programs, WEDC will abide by the law as of the law's effective date and will follow the procedures outlined in the policy for developing new or revised programs.

2017 Wisconsin Act 234 was signed into law effective April 5, 2018, raising the tax credit eligibility investment cap for Qualified New Business Ventures (QNBV). Previously, WEDC certified a business if, among other requirements, for taxable years beginning after December 31, 2010, the business has not received more than \$8 million of investments that qualified for tax credits under the program. Act 234 raises that threshold to \$12 million for taxable years beginning after December 31, 2017.

These statutory changes warrant modifications to QNBV program administration because the increase in eligible investment creates a group of newly-eligible companies that previously have reached the \$8 million cap. The corporation intends to prioritize QNBVs currently active in the program to reduce the one-time impact of returning participants seeking re-certification under the new \$12 million investment limit.

Fourteen companies in the last five years have reached the \$8 million limit. WEDC expects that up to twelve of those companies could apply for certification in 2018 based on the increase to the statutory threshold. One company provided its final report in 2016 and the award was closed. The remaining eleven companies continue to provide WEDC annual reports and are in good standing with WEDC.

**THINK·MAKE·HAPPEN.**

A summary of these and other revisions follows below:

Substantive revisions: *Eligibility Requirements*

- Added statutory provisions to increase threshold of investments qualifying for tax credits under the program (page 4)
- Clarified process for requesting tax credits under the new statutory provisions (page 7)

Minor revisions: *Eligibility Requirements*

- Simplified description of the types of investors eligible for tax credits (page 6)

Technical revisions: *Throughout*

- Aligned guideline text with defined terms (i.e. “Investment”)
- Eliminated obsolete statutory references



**Wisconsin Economic Development Corporation  
Program Guidelines for Fiscal Year 2018**

**Program Name:** Qualified New Business Venture Certification/Early Stage Business Investment Program

**Program Inception:** 2005 Wisconsin Act 255

**Lead Division:** Entrepreneurship and Innovation

**New**                       **Revised** 4/20/2018

**Aid**                       **Pass-thru Aid**                       **Technical Assistance**

**Program Goal:**

The goal of the Qualified New Business Venture (QNBV) program is to incent equity investment in technology-based businesses in the state of Wisconsin.

This program primarily supports the following WEDC Strategic Pillar and Focus Area:

Business Development: Entrepreneurship and Innovation

**Program Description:**

The program provides tax credits to eligible Angel and Venture Fund investors who make cash equity Investments in qualified early-stage businesses. If all eligibility requirements are met, investors receive a Wisconsin income tax credit equal to 25 percent of the value of the Investment made in the certified company. The Investments incented by this program provide the capital necessary for emerging growth companies to develop new products and technologies, move products to market, and provide high quality jobs in Wisconsin.

**Eligibility Requirements:**

**Definitions:**

The following definitions supplement those in §§ 238.15, 71.07(5b) and (5d), 71.28(5b), 71.47(5b), and 76.638, Wis Stats.

- “Accredited investor” means an individual who: Invests his or her own funds in a qualified new business venture; and satisfies the U.S. Securities and Exchange Commission Accredited Investor definition at the time of investment.
- “Angel investment network” means an entity comprised of accredited investors organized for the sole purpose of making investment(s) in qualified new business venture(s).
- “Angel investor” means an accredited investor or sophisticated investor who makes a bona fide angel investment.
- “Approved” means acceptable to WEDC.



- "Bona fide angel investment" means a purchase of an equity interest, or any other expenditure, as further defined under "investment", that is made by any of the following:
  - A partnership or limited liability company that is a non-operating entity, as determined by the Department of Commerce or the Wisconsin Economic Development Corporation, a natural person, or fiduciary who reviews new businesses or proposed new businesses for potential investment of their money.
  - A network of partnerships or limited liability companies that are a non-operating entity, as determined by the Department of Commerce or the Wisconsin Economic Development Corporation, natural persons, or fiduciaries that reviews new businesses or proposed new businesses for potential investment of the network's money.
- "Bona fide liquidity event" means any of the following events: (i) the reorganization, merger or consolidation of the company where a majority of its assets are distributed or otherwise paid out to shareholders, partners, or beneficial owners; (ii) the sale of all or substantially all of the assets of the company in one transaction or in a series of related transactions to a person who is not affiliated with the company; (iii) the sale of more than 50% of the outstanding equity interests in the company where following such sale the former owners of the outstanding equity interests in the company no longer beneficially control, directly or indirectly, the ability to control management decisions of the company or (iv) the first time the company sells shares of its common or preferred stock to the public on the open market.
- "Business" means an entity and all its affiliates.
- "Corporate Headquarters" means the location where the majority of the company's financial, personnel, legal, planning, or other headquarters functions are handled on a divisional, regional, national, or global basis.
- "Crowdfunding" means a legal securities offering conducted in accordance with Wisconsin's Crowdfunding exemption as regulated by the Wisconsin Department of Financial Institutions.
- "Differentiating technology" means a specialized product or process that demonstrates distinct and significant technological differences and advantages over potential competitors.
- "Eligible to claim a credit" means an investor has made an investment that has received tax credits as identified by a verification form issued by WEDC.
- "In operation" means in existence and running a business.
- "Investment" means the investment of cash in a qualified new business venture that is used for legitimate business purposes in exchange for any one of the following:
  - Common stock.
  - Partnership or membership interest.
  - Preferred stock.
  - An equivalent ownership interest in the qualified new business venture approved by the WEDC.



- “Kept in a certified business or certified fund manager” means the investment was made in a certified business and the investment is held, or kept, by the angel investor, angel investment network or certified fund manager, in the business or its successor.
- “Legitimate business purposes” means investment proceeds used for normal operations of the business and are not used for activities including refinancing any prior investments, paying dividends to shareholders or other cash distributions to shareholders, stock repurchase, or other uses as determined by WEDC.
- “Qualified New Business Venture” or “QNBV” means a business WEDC has determined meets the requirements established by WEDC and the controlling statutes.
- “Sophisticated Investor” means an individual who has knowledge and experience in financial and business matters, and he or she is capable of evaluating the merits and risks of the prospective investment, or the QNBV reasonably believes immediately prior to making the investment that the undersigned comes within this description.
- “Worthless” means the business has been deemed insolvent as determined by WEDC and by evidence of identifiable events, such as a cessation of business, dissolution, distribution or a sale of substantially all of the company's assets to repay outstanding debts, pay bankruptcy or receivership filings, or to make minimal equity distributions.

This policy has been reviewed and updated in consultation with the Department of Revenue, as required under § 238.15 (3) (d), Wis Stats.

#### Qualified New Business Venture Certification

QNBV Certification allows businesses to offer their equity investors the Angel or Early Stage Seed Income Tax Credits as an incentive for investing in their business. WEDC maintains flexibility in evaluating applications for certification to protect the intent of the QNBV program in focusing on economic development, particularly incentivizing in-state investors, in Wisconsin.

A business may be certified, and may maintain such certification, only if the business satisfies all of the following conditions:

- It has its headquarters in this state.
- At least 51 percent of the employees employed by the business are employed in this state.
- It has the potential for increasing jobs in this state, increasing capital investment in this state, or both, and any of the following apply:
  - It is engaged in, or has committed to engage in, innovation in any of the following:
    - Manufacturing, biotechnology, nanotechnology, communications, agriculture, or clean energy creation or storage technology.
    - Processing or assembling products, including medical devices, pharmaceuticals, computer software, computer hardware, semiconductors, any other innovative technology products, or other products that are produced using manufacturing methods that are enabled by applying differentiating technology.
    - Services that are enabled by applying differentiating technology.
  - It is undertaking pre-commercialization activity related to differentiating technology that includes conducting research, developing a new product or business process, or developing a service that is principally reliant on applying differentiating technology.



- It is not primarily engaged in real estate development, insurance, banking, lending, lobbying, political consulting, professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants, wholesale or retail trade, leisure, hospitality, transportation, or construction, except construction of power production plants that derive energy from a renewable resource, as defined in § 196.378 (1) (h), Wis Stats.
- It has less than 100 employees at the time of initial certification.
- It has been in operation in this state for not more than 10 consecutive years at the time of initial certification.
- For taxable years beginning before January 1, 2008, it has not received more than \$1,000,000 in Investments that have qualified for tax credits under s. 71.07 (5d).
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- Companies whose certification has expired or lapsed due to meeting or approaching \$8 million in qualified Investments prior to January 1, 2018 may qualify for additional funds under the following:
  - If the company is within the required three-year reporting period following the receipt of qualifying Investments and in good standing with WEDC, it may be eligible for re-certification in the program under program limits established for tax years after December 31, 2017.
  - If the company is outside its reporting period, the company must go through the full application process.

In addition to the factors outlined above WEDC will evaluate applications based on, but not limited to, the following factors:

- Whether the business is in one of Wisconsin's target industries as determined by WEDC.
- High growth potential of the business.
- Management team experience.
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- Percentage of funds that will be spent in Wisconsin.
- Barriers to entry.

A certified business must provide a statement in its private placement memorandum or equivalent documents indicating that WEDC does not endorse the quality of management of the business and is not liable for damages or losses to an investor.

Each qualified business must be recertified in each taxable year in which it desires certification. The company will also be required to provide a final report when it is determined that the company will not be pursuing recertification or is decertified by WEDC.



## Penalties:

The certified company agrees that it will not relocate outside of this state during the 3 years after it receives an Investment under which a tax credit may be claimed and agrees to pay WEDC a penalty if the business relocates outside of this state during that 3-year period. For the purposes of this paragraph, a business relocates outside of this state when the business locates more than 51 percent of any of the following outside of this state:

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WEDC will evaluate fund manager applications in order to protect the intent of the program, QNBV companies and investors.

In addition to the factors outlined above, WEDC will evaluate the following when determining whether to certify an investment fund manager:

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- Any other documents as required by WEDC to verify the sale or transfer of tax credits.

## **Incentives and Available Funding: \$30,000,000 allocated for CY17**

The aggregate amount of Investment in any one qualified new business venture that may qualify for tax credits under the program is limited to \$12,000,000 or a different amount determined by WEDC at the time of certification or recertification.



The aggregate amount of Angel and Early Stage Seed tax credits that may be claimed for Investments in businesses is limited to \$30,000,000 per calendar year.

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Certify 35 new businesses, 5 fund managers, and achieve a 4:1 leverage.

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Recipients will be required to annually submit a performance report in March documenting investment activities, job creation, job retention, average wages, company financials, eligibility checklist, as well as any other contract deliverable.

Regardless of eligibility status a certified company will be required to provide an annual report for minimum of three years following the receipt of Investment that qualifies for credits under this program in order to monitor compliance with the penalty provisions. Failure to provide reports may result in WEDC enforcing penalty and/or revocation of tax credit provisions.

WEDC may impose additional reporting requirements to evaluate project performance and to ensure compliance with contract deliverables.

**Application and Awards Process:**

Applicants for the QNBV program should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through the award review process.

For more information on application review, internal process, and award distribution, please refer to WEDC’s award administration policies and procedures.

**Revision History:**

Effective Date	Description of Change
7/1/2017	Added statutory references to clarify eligibility requirements
7/1/2017	Reorganized the penalties and revocation sections for logical consistency
9/23/2017	Pursuant to 2017 Act 59, unused QNBV tax credits can no longer be transferred to the Business Development Tax Credit Program.
4/26/2018	Pursuant to 2017 Act 234, raised the aggregate investment limit from \$8 million to \$12 million.



**PROGRAM REVIEW:**

This document has been reviewed by the following parties (Check all that apply):

- Chief Operating Officer
- Chief Legal Counsel & Compliance Officer
- Chief Financial Officer
- Other \_\_\_\_\_

Director of Public Policy: \_\_\_\_\_

Date \_\_\_\_\_

Division Vice President: \_\_\_\_\_

Date \_\_\_\_\_

**AUTHORIZED APPROVAL:**

CEO or Designee: \_\_\_\_\_

Date \_\_\_\_\_

Awards Committee Chair: \_\_\_\_\_

Date \_\_\_\_\_