

## **Open Meetings Notice**

The teleconference of the Board of Directors for the Wisconsin Economic Development Corporation will be held on September 26, 2018 in WEDC's Sixth 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 may be closed under Wis. Stat. § 19.85(1) if indicated below.

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### **Agenda**

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

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

**September 26, 2018  
10:00 – 10:30 a.m.**

1. Call to Order and Roll Call
2. Review and Vote on submission of the Annual Report on Economic Development (as required under § Wis. Stat. 238.07(2))

3. Closed Session

*Under Wis. Stat. § 19.85(1)(e), a closed session is authorized for deliberating the investing of public funds whenever competitive or bargaining require a closed session. The Board will be meeting in closed session for the purpose of updating the Board on economic development project. The Board will open the meeting again at the end of the closed session.*

4. Adjournment



# **WISCONSIN'S ANNUAL REPORT ON ECONOMIC DEVELOPMENT**

**FISCAL YEAR 2018**

**CONTRIBUTING WISCONSIN AGENCIES**

Wisconsin Economic Development Corporation (WEDC)

Department of Administration (DOA)

Department of Agriculture, Trade and Consumer Protection (DATCP)

Department of Transportation (DOT)

Department of Tourism (Tourism)

Department of Workforce Development (DWD)

Wisconsin Housing and Economic Development Authority (WHEDA)

Wisconsin Technical College System (WTCS)

University of Wisconsin System (UW-System)

# TABLE OF CONTENTS

ABOUT THIS REPORT ..... 5

HOW TO READ THE ECONOMIC DEVELOPMENT SUMMARIES ..... 7

SECRETARY’S MESSAGE..... 8

## WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

SUCCESS MEASURES ..... 10

INTEGRATED SOLUTIONS ..... 12

KEY STRATEGIC PARTNERS ..... 14

## BUSINESS AND COMMUNITY DEVELOPMENT

BROWNFIELDS GRANT ..... 17

BROWNFIELDS SITE ASSESMENT GRANT ..... 19

BUSINESS DEVELOPMENT LOAN FUND ..... 20

BUSINESS DEVELOPMENT TAX CREDIT ..... 22

CAPACITY BUILDING GRANT\* ..... 24

COMMUNITY DEVELOPMENT INVESTMENT GRANT ..... 26

DEVELOPMENT OPPORTUNITY ZONE..... 28

ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE..... 30

ENTERPRISE ZONE ..... 32

HISTORIC PRESERVATION TAX CREDIT ..... 34

IDLE SITES REDEVELOPMENT..... 36

INDUSTRIAL REVENUE BONDING..... 38

MAIN STREET AND CONNECT COMMUNITIES ..... 40

MINORITY BUSINESS DEVELOPMENT ..... 42

WORKFORCE TRAINING GRANT ..... 43

## BUSINESS AND INVESTMENT ATTRACTION

CERTIFIED SITES..... 44

## ENTREPRENEURSHIP AND INNOVATION

CAPITAL CATALYST ..... 45

ENTREPRENEURIAL MICRO-GRANT ..... 46

CAPACITY BUILDING ENTREPRENEURIAL SUPPORT \* (SEE CAPACITY BUILDING GRANT ABOVE PAGE 24)

QUALIFIED NEW BUSINESS VENTURE CERTIFICATION/EARLY STAGE BUSINESS INVESTMENT .....	48
SBIR/STTR MATCHING GRANT .....	50
SEED ACCELERATOR.....	52
TECHNOLOGY DEVELOPMENT LOAN .....	54

## INTERNATIONAL BUSINESS DEVELOPMENT

EXPORTECH™ .....	56
GLOBAL BUSINESS DEVELOPMENT GRANT .....	58
GLOBAL TRADE VENTURE PROGRAM.....	60

## SECTOR STRATEGY DEVELOPMENT

FABRICATION LABORATORIES GRANT .....	62
TARGETED INDUSTRY PROJECTS .....	64

## OTHER

LEGISLATIVE AWARDS, TRANSFERRED, CONSOLIDATED AND WITHDRAWN PROGRAMS.....	66
---	----

## DEPARTMENT OF ADMINISTRATION

AMERICAN INDIAN ECONOMIC DEVELOPMENT TECHNICAL ASSISTANCE GRANT .....	69
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)-COMMUNITY DEVELOPMENT.....	70
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)-ECONOMIC DEVELOPMENT.....	72
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)-RURAL ECONOMIC AREA DEVELOPMENT INITIATIVE .....	74

## DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION

BEGINNING MINORITY AND UNDERSERVED FARMER ASSISTANCE.....	79
BUY LOCAL, BUY WISCONSIN GRANT PROGRAM .....	80
FARM TO SCHOOL TECHNICAL ASSISTANCE.....	82
GROW WISCONSIN DAIRY 30X20 (FORMERLY DAIRY 2020 INITIATIVE & GRANTS).....	84
GROW WISCONSIN DAIRY 30X20 PROCESSOR GRANTS.....	85
INTERNATIONAL AGRIBUSINESS CENTER/WISCONSIN INTERNATIONAL TRADE TEAM .....	86
ORGANIC CERTIFICATION COST-SHARE PROGRAM.....	88
SOMETHING SPECIAL FROM WISCONSIN™ .....	89
SPECIALTY CROP BLOCK GRANT.....	91
VALUE ADDED AGRICULTURE REVOLVING LOAN PROGRAM.....	93

## DEPARTMENT OF TRANSPORTATION

DISADVANTAGED BUSINESS ENTERPRISE MOBILIZATION LOAN GUARANTY PROGRAM .....	96
DISADVANTAGED BUSINESS ENTERPRISE SUPPORT SERVICES.....	98
TRANSPORTATION FACILITIES ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM .....	100

## DEPARTMENT OF TOURISM

JOINT EFFORT MARKETING GRANT .....	104
MEETINGS MEAN BUSINESS (MMB) GRANT PROGRAM .....	106
READY, SET, GO! (RSG) GRANT PROGRAM .....	108

## DEPARTMENT OF WORKFORCE DEVELOPMENT

WISCONSIN FAST FORWARD.....	110
-----------------------------	-----

## UNIVERSITY OF WISCONSIN SYSTEM

CENTER FOR DAIRY PROFITABILITY .....	114
--------------------------------------	-----

## WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

CONDUIT BOND ISSUE PROGRAM .....	118
STATE SMALL BUSINESS CREDIT INITIATIVE PROGRAM – WISCONSIN EQUITY INVESTMENT FUND .....	120
WISCONSIN DEVELOPMENT RESERVE FUND – CREDIT RELIEF OUTREACH PROGRAM.....	122
WISCONSIN DEVELOPMENT RESERVE FUND – FARM ASSET REINVESTMENT MANAGEMENT GUARANTEE PROGRAM....	124
WISCONSIN DEVELOPMENT RESERVE FUND – SMALL BUSINESS GUARANTEE.....	126

## TECHNICAL COLLEGE SYSTEM

WORKFORCE ADVANCEMENT TRAINING GRANTS.....	130
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## DEPARTMENT OF NATURAL RESOURCES

FY18 REPORTING LETTER.....	138
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# ABOUT THIS REPORT



**WEDC works with more than 600 economic development partners throughout the state in fulfillment of its mission: “To advance and maximize opportunities for businesses, communities and people to thrive in a globally competitive environment.”**

The purpose of this Annual Report on Economic Development is to provide objective data to assist policymakers and other interested stakeholders in evaluating the effectiveness of economic development programs of the Wisconsin Economic

Development Corporation (WEDC) and other Wisconsin state agencies.

The origin of this report is 2007 Wisconsin Act 125. Recognizing the importance of measuring the success of programs deploying taxpayer resources, the Legislature crafted Act 125 to require specified state agencies to report annually by October 1 on the economic development programs they administered during the prior fiscal year.

This report recognizes the contributions of economic development partner organizations throughout the state whose work at a local, regional and statewide level contributes to Wisconsin’s economic vibrancy. The agencies participating in this Fiscal Year 2018 (FY18) report are WEDC, the Department of Administration; the Department of Agriculture, Trade, and Consumer Protection; the Department of Transportation; the Department of Tourism; the Department of Workforce Development; the Wisconsin Housing and Economic Development Authority; the Wisconsin Technical College System; and the University of Wisconsin System. WEDC, the state’s lead economic development organization, works with each of these agencies to appropriately identify their economic development programs as defined by state statute and to report on those programs’ performance goals.

Included in each agency's section of this report is information on that agency's programs, including each program's outcomes for the year. Note that these program reports reflect only a fraction of the initiatives undertaken by each agency, including WEDC, to build and sustain a healthy Wisconsin economy. Each agency participating in this report engages in numerous additional activities—from talent development and infrastructure investment to community development, industry development and state and regional asset marketing—that are crucial to the state's long-term success

For FY18, each agency was required to provide the following information about their economic development programs:

- A description of the program;
- The location of each job created or retained;
- The industry classification of each job created or retained;
- A comparison of expected and actual program outcomes;
- The number of grants made under the program;
- The number of loans made under the program;
- The amount of each grant and loan made under the program;
- The recipient of each grant and loan made under the program;
- The total amount of tax benefits allocated, and each recipient of a tax benefit verified to the Department of Revenue, under the program; and
- Any recommended changes to the program.

Agencies submit this information to WEDC using an online portal for compilation and publication. The award-level information for each agency is included in the online awards management system at [wedc.org/program-outcomes](http://wedc.org/program-outcomes).

**This collaborative approach makes reporting on the state's economic development programs more comprehensive, transparent and accountable to the public.**

# HOW TO READ THE ECONOMIC DEVELOPMENT PROGRAM SUMMARIES

Each agency includes summaries of its economic development programs. These summaries include information listed here with definitions for reference.

**STATUS** – Active or inactive.

**INCEPTION** – Indicates either the incepting act, if the program was created by state or federal law, or the fiscal year the program was launched.

**PROGRAM GOAL** – High-level description of the program's intended purpose, policy goal, or objective.

**PROGRAM DESCRIPTION** – A description of the program that includes all of the following, if applicable: the type of entity the program serves; the type of assistance the program offers; the funding source; and the target industry, area or population.

**ELIGIBILITY REQUIREMENTS** – Type of organization or activities eligible for award under the program, as well as stipulations relating to program requirements and qualifying uses of funds.

**INCENTIVES AND AVAILABLE FUNDING** – The total program budget for the fiscal year as well as the terms applicable to certain awards under the program.

**EXPECTED OUTCOMES** – The agency's goal for the program for the fiscal year.

**PROGRAM ACTIVITY** – A report of the actual outcomes resulting from the program during the fiscal year.

For example, in cases of WEDC's direct funding, this information is presented in tabular form to reflect the continuum of WEDC's award process—including contracts resulting from prior year commitments as well as those signed in the current fiscal year. Award amounts and leverage ratio data are provided for each category along with a total that can be compared to the Expected Outcomes for the program. In some cases, additional contextual information relating to program performance is provided.

**RECOMMENDED CHANGES** – Changes to program specifications that are being considered.



# SECRETARY'S MESSAGE

The Wisconsin Economic Development Corporation's (WEDC's) publication of this Annual Report on Economic Development fulfills our agency's core values of transparency and accountability. This report also provides objective, outcome-based measures of the effectiveness of the state's overall business and community economic development strategies.

This report details the results of the economic development programs executed by WEDC and eight state agency partners whose work contributes to Wisconsin's overall economic performance. Information relating to the stated annual goals and actual year-end outcomes for 57 economic development programs is included in this report, which covers the fiscal year ending June 30, 2018 (FY18).

This report is not intended to reflect all the collaborative initiatives undertaken throughout the state, all of which are aimed at maximizing Wisconsin's economy and quality of life. The programs documented here rely upon the coordinated efforts of 600+ dedicated local and regional economic development partners throughout the state, many of whom plan, develop and execute projects of their own with positive outcomes not reflected in this report.

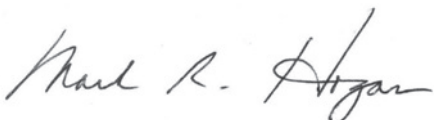
The collaborative nature of Wisconsin's effective economic development model is reflected in Foxconn Technology's selection of Wisconsin for the development of a world-class advanced display manufacturing campus. This investment—by far the state's largest economic development project and the largest corporate attraction project in U.S. history as measured by jobs—would not have been possible without a coordinated response and ongoing commitment from community, academic and business leaders throughout the state. The strength of Wisconsin's statewide economic development network has already helped spark additional investments by Foxconn across Wisconsin, delivering benefits above and beyond the data reflected in this report.

While acknowledging and celebrating the historic win that Foxconn represents for Wisconsin, it is equally important for this report to highlight the many successful economic development projects taking place throughout the state. Even without the Foxconn project, which was unforeseen when WEDC established our FY18 goals, we still surpassed our objective of creating or retaining 13,423 jobs. With the 13,000 jobs to be created by the Foxconn project, we achieved a year-end job impact total of 30,827. This metric reflects the positive outcomes of the financial and technical assistance WEDC and our key strategic partners provided to 4,072 businesses and 134 communities in FY18.

This report, and the searchable database upon which it is based, is accessible at [wedc.org](http://wedc.org), where visitors can also track each company's progress toward its WEDC contract deliverables. We have also created an interactive map of the state that allows users to view and print reports on where economic development investments are being made throughout Wisconsin. A further enhancement we have made to these online tools this year is creating a separate database for financial awards that have been closed for more than one year. These projects have also been removed from the interactive map.

We look forward to building upon the strong foundation that has been laid and the positive results we have achieved together helping businesses, communities and people thrive in Wisconsin. Thank you for your ongoing commitment to our great state and also for helping to continue to move Wisconsin Forward.

Sincerely,



Mark R. Hogan  
Secretary and Chief Executive Officer



# WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

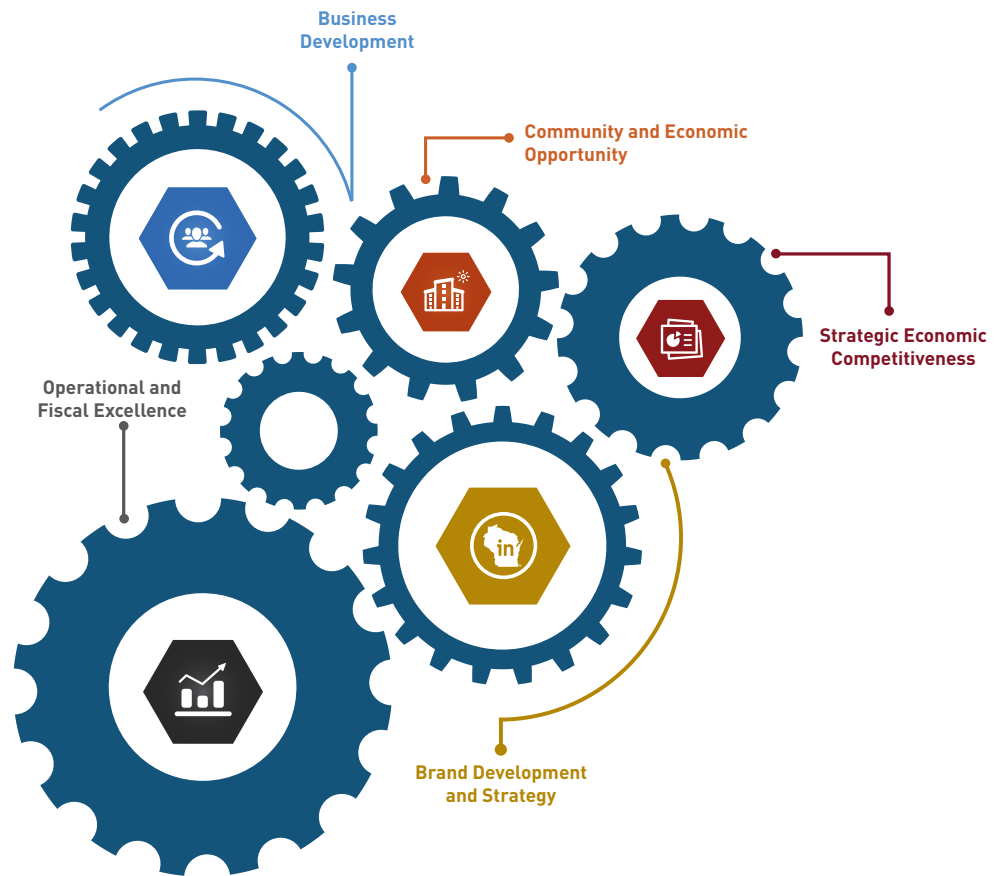
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# SUCCESS MEASURES

Economic development is a disciplined public service designed to remove barriers, fulfill opportunities and attract investment that would not be feasible from a financial, competitive or timing perspective without public assistance. A key criterion WEDC considers when assessing a project is the return on investment it will deliver to the state.

WEDC works with more than 600 partners across the state, including regional economic development organizations, academic institutions and industry cluster leaders. WEDC's economic development strategies are built upon five key **Catalysts of Economic Growth** (see right)



## CATALYST STRATEGIC ECONOMIC COMPETITIVENESS



## WEDC FUNCTION

Future Industry Strategies  
Government Relations  
Policy and Research  
State/Regional Talent and Workforce Initiatives

## BUSINESS DEVELOPMENT



Entrepreneurship and Innovation  
Export and International Trade  
Business Retention and Expansion  
Business and Investment Attraction

## COMMUNITY AND ECONOMIC OPPORTUNITY



Community Development  
Downtown Development  
Minority Business Development  
Rural Economic Development

## BRAND DEVELOPMENT AND STRATEGY



State Asset Marketing  
WEDC Program Marketing  
Events, Trade Shows and Conferences

## OPERATIONAL AND FISCAL EXCELLENCE



Information Systems and Data Management  
Budget and Finance  
Underwriting and Program Management  
Operations and Program Performance  
Legal Services, Contracts, Compliance and Risk  
WEDC Talent Resources and Development



# DELIBERATIVE DECISION MAKING

WEDC's disciplined investment process involves numerous stages, from application submission to underwriting the project, which includes documenting program fulfillment deliverables, to approving the project. Approval includes multiple internal committee reviews as well as additional approval of the Awards Administration Committee and the full Board of Directors, depending on the size of the award. At this point, WEDC regards funds as "committed" for budgeting purposes. Following this stage, a legal contract needs to be drafted and signed by WEDC and the awardee, a process that varies in duration depending on a number of factors.

WEDC continuously evaluates its awards administration process and implements enhancements designed to increase effectiveness.

While the vast majority of WEDC commitments result in signed contracts, not all awards reach this stage. In order to appropriately capture its pipeline of contract activity, WEDC reports on awards at both stages of the process—commitments made and contracts signed.

Many of the deliverables for projects that reach the contracting stage are completed over three to five years on average. So, for example, if a company agrees to create 100 jobs over a five-year period, WEDC reports those jobs as impacted in the year the contract is signed. Subsequently, WEDC monitors contract fulfillment and receives regular reports from companies receiving awards. These reports include job and other performance data that WEDC uses to track contract compliance and to gauge overall program effectiveness. The company's progress toward its obligations is reported online in WEDC's searchable database of awards at [www.wedc.org/programs-outcomes](http://www.wedc.org/programs-outcomes).



Note that the performance deliverables required in WEDC's contracts often do not reflect the total economic development gains of a project. For example, WEDC's contract may only require a certain capital expenditure, but the project also results in job creation not required by the contract. Or, WEDC's contract may stipulate a minimum job impact threshold required to receive a WEDC award, but the company delivers additional jobs as a result of the project. These jobs may or may not meet WEDC's salary requirements, for example, but they still represent positive outcomes from the investment. WEDC includes these additional performance impacts, as attested to in performance reports submitted to WEDC by awardees, in this Annual Report on Economic Development.

In fulfillment of WEDC's continuous improvement philosophy, the agency combines investment outcome information with market data and feedback from businesses and economic development partners to perform a comprehensive program analysis on a regular basis.

# INTEGRATED SOLUTIONS

WEDC employs a variety of measures to gauge the effects of its economic development investments. WEDC's economic development initiatives range from tax credits for investments in early-stage companies to export readiness programs, industry cluster advancement strategies and downtown redevelopment financing.

The agreement between the State of Wisconsin and Foxconn to build an advanced Electronics and Information Technology Manufacturing Zone in Racine County had a significant effect on the key performance indicators of financial leverage and jobs impacted in FY18.

In FY18, WEDC and its key strategic partners (see page 14) provided financial and operational assistance to 4,072 businesses and 134 communities.

RECIPIENT	WEDC	KEY STRATEGIC PARTNERS	TOTAL	FY18 GOAL
Businesses	592	3,480*	4,072	3,782
Communities	134	–	134	162

\* This number was reduced by 20 percent to account for potential overlap with WEDC businesses assisted.

WEDC also relies upon the expertise of many economic development partners and leverages their proximity to the businesses and communities they serve to provide economic development assistance or specific programs more efficiently than WEDC could. In these cases, the partner organization benefits from program or financial support from WEDC which it then passes through to its clients.

PARTNER ORGANIZATIONS ASSISTED	FY18 GOAL
71	69

# FINANCIAL AWARDS

To balance its responsibility to protect taxpayer money with the inherent risks associated with pursuing new business development opportunities, WEDC requires significant co-investment in the majority of the initiatives it funds. It is important that WEDC not be the sole or even the majority investor in a project. WEDC's \$3.2 billion investment represents just a fraction of the \$12.5 billion total capital investment projected in conjunction with the year's program activity.

In FY18, the direct financial assistance provided by WEDC was matched at a ratio of 4:1, short of our goal of 8:1 due, again, to the Foxconn project. Excluding Foxconn, our leverage ratio was 11:1.

  
**\$12.5 BILLION**  
**TOTAL CAPITAL INVESTMENT**

## WEDC PROGRAM ACTIVITY

Award Type	# of Awards	Award Amount	Leverage Ratio*
Bonds	9	\$65,734,780	N/A
EITMZ	1	\$2,850,000,000	4:1
Grants	185	\$25,606,691	23:1
Investor Credits	63	\$14,937,500	4:1
Loans	14	\$4,512,500	7:1
Tax Credits	70	\$197,658,000	10:1
<b>Total</b>	<b>342</b>	<b>\$3,158,449,471</b>	<b>4:1</b>
*WEDC includes a project's total project investment as reported by the company in this leverage ratio calculation in order to capture the complete impact of a project.			<b>FY18 LEVERAGE GOAL 8:1</b>

## JOB IMPACT

Included in many of WEDC's financial assistance contracts with businesses is a job impact requirement. This measurement captures the effect of WEDC's investment on current and future jobs in the state resulting directly from the project in question. In some cases, companies are able to hire new employees as a result of WEDC assistance. In other cases, companies are able to retain existing employees either by strengthening their operations or maintaining their presence in the state. In both of these scenarios, WEDC and the company under contract project the number of jobs that will be either created or retained as a direct result of the investment. That job impact number is recorded in the contract and the award is contingent upon its attainment. The Foxconn project increased WEDC's key performance indicator of total jobs impacted by 13,000. Even without this project, WEDC still exceeded its FY18 total jobs impacted goal.

## IMPACTING JOBS

YEAR	JOBS TO BE CREATED	JOBS TO BE RETAINED	TOTAL JOBS IMPACTED*	FY18 GOAL
<b>FY18</b>	<b>17,912</b>	<b>12,915</b>	<b>30,827</b>	<b>13,423</b>

\*Jobs impacted totals are derived from contracts executed between July 1, 2017 and June 30, 2018. These include executed contracts from both current and previous year commitments. WEDC includes the total number of jobs created or retained as reported by the company in order to capture the complete job impact of a project.

It takes time—sometimes years—for the positive direct effects of a WEDC investment to be realized. The question, then, is when are the jobs in question actually impacted? And when do they get counted? WEDC reports the total impact of the jobs in the year the contract is executed, and tracks performance progress to that impact goal throughout the life of the project. Typically, a contract with job creation goals lasts five years.

WEDC also estimates the return on investment (ROI) to the State of Wisconsin for its contracts, and for projects contracted in FY18, three out of five job creation projects are expected to realize a positive ROI in less than four years. WEDC's total investment in FY18 is expected to generate up to \$63 million in annual state tax revenue.

The benefits of WEDC's investments do not stop there. When a company spends millions of dollars on an expansion project, for example, much of that money is pumped into the local economy through the direct purchasing of contractor services. In FY18, WEDC estimates for every \$1.00 in wages and salaries directly supported by our economic development programs, the downstream impact is \$1.76 in total earnings across the supply chain; and for every one job supported by WEDC in FY18, the multiplier effect is estimated at 2.12 total jobs throughout the affected industries in the state.



# KEY STRATEGIC PARTNERS

WEDC's success draws upon the combined strength of an innovative strategy and strong relationships with an extremely capable economic development community in Wisconsin. To foster that community, WEDC invests in Key Strategic Partners with specialized skills and a proven track record of success. Their work contributes significantly to the outcomes recorded in this report.

The following Key Strategic Partners are organizations uniquely positioned to help WEDC meet its strategic goals. By leveraging the existing services and subject matter expertise of these partners, WEDC increases the economic development impact of the funds we deploy.

## ➤ REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS (REGIONAL EDOs) - \$547,500

WEDC funds administrative and marketing activities for nine Wisconsin Regional EDOs: 7 Rivers Alliance, Centergy, Grow North, Madison Region Economic Partnership, Milwaukee 7, Momentum West, New North, Prosperity Southwest and Visions Northwest. While each Regional EDO is organized differently to meet the needs of its respective communities, they all demonstrate regional collaboration with county economic development organizations, municipal economic development organizations, regional planning commissions, workforce development representatives, educators, and private sector stakeholders.

WEDC works closely with the Regional EDOs around the state to facilitate communication and coordinate support for local businesses and communities. Examples of such cooperation in FY18 include the following:

- Engaging, educating and leveraging the local economic development partners within each region
- Promoting the regions and the state to business decision makers, site selectors, developers, brokers and commercial real estate executives, as well as domestic and foreign investors, along with expansion of certified and golden shovel sites
- Increasing participation in the ExporTech™ program and connecting companies to Foreign Direct Investment (FDI) opportunities through WEDC
- Coordinating a business retention and expansion program with local partners to assess the business climate with CEO Call Programs, Community Blueprints Business Walks, and Business Retention visits
- Hosting industry sector forums and identifying industry needs and trends
- Working with local partners on the creation of makerspace, innovation/incubator centers, launch labs, fab labs, incubators, and co-working docking stations
- Launching the Inspire platform across several regions to better connect workforce development partners with talent
- Expanding involvement in community-based organizations for diversity business development such as Urban League Economic Development & Diversity Summit
- Working with local partners on rural economic development strategies to include advancing wood products, broadband, public infrastructure needs, and talent shortages
- Expanded WISupplyChainMarketplace.com to include options for major attraction projects to be connected to Wisconsin companies seeking to supply new and existing companies
- Aligning regional branding of Think-Make-Happen with WEDC for a consistent, cohesive message

In addition, the Regional Leadership Council, comprised of the directors from the Regional EDOs, identified key initiatives that could be deployed throughout the state in coordination with, and in advancement of, shared goals and strategies with WEDC.

## ➤ WISCONSIN PROCUREMENT INSTITUTE (WPI) - \$325,000

WPI helps companies sell products and services to federal, state and local agencies as well as prime contractors. WPI navigates the government procurement process for small firms and helps them develop competitive processes and technical capabilities to earn federal contracts. In FY18, WPI engaged with 1,358 unique companies of which 501 were provided impactful assistance (multiple engagements for the same company), helping them obtain over \$1.9 billion in contracts, resulting in 140 jobs created and 737 retained.

## ➤ MINORITY CHAMBERS OF COMMERCE - \$750,000

WEDC financially supports four statewide Minority Chambers of Commerce and their affiliated entities:

- African American Chamber of Commerce - Madison Black Chamber; Wisconsin Black Chamber
- Hispanic Chamber of Commerce - Latino Chamber of Commerce of Dane County
- First American Capital Corporation/American Indian Chamber of Commerce - Wisconsin Indian Business Alliance
- Hmong Chamber of Commerce – Hmong Business Coalition; Latino Entrepreneurial Network

In FY18, a total of 40 loans were processed by the Minority Chambers, providing over \$1,000,000 in funding, leveraging over \$832,000 in private and equity participation. This helped create 152 jobs and retained 174. An additional 24 Kiva micro loans were funded. The Business Development Boot Camp had 18 minority businesses complete the training and received over \$300,000 in private lending. In total, 156 businesses were supported by impactful technical assistance.

## ➤ WISCONSIN CENTER FOR MANUFACTURING & PRODUCTIVITY (WCMP) - \$1,250,000

WCMP, working through the Wisconsin Manufacturing Extension Partnership (WMEP) and the UW-Stout Manufacturing Outreach Center (UW-Stout MOC), provides advisory and implementation services to Wisconsin small and midsize manufacturers throughout Wisconsin to implement Next Generation Manufacturing Strategies, increase business performance and improve competitiveness and profitability through programs such as ExporTech™ and the Transformational Productivity Initiative, the outcomes of which are included within the respective program listings in this report. In FY18, WCMP reached 609 companies with services resulting in \$15.5 million in cost savings, \$51.7 million in new sales, \$145 million in retained sales, \$173.5 million in new investment, 418 jobs to be created, and 899 jobs retained.

## ➤ CENTER FOR TECHNOLOGY COMMERCIALIZATION (CTC) - \$540,000

CTC services delivered by staff and a statewide network of partners include review and analysis of business models and commercialization plans; advice concerning patent, trademark and copyright issues; and assistance to businesses in obtaining federal SBIR/STTR grants. In FY18, CTC provided counseling to 337 distinct business clients, activity which is expected to assist in the creation of 103 new jobs and the retention of an additional 30. In addition to this one-on-one assistance, CTC provides significant, in-depth consultation to numerous other businesses in its administration of WEDC's Entrepreneurial Micro-grant Program and SBIR/STTR Matching Grant Program. Outcomes of those activities are included within the respective program listings in this report

## ➤ WISCONSIN WOMEN'S BUSINESS INITIATIVE CORPORATION (WWBIC) - \$350,000

WWBIC provides small business owners and aspiring entrepreneurs with an array of educational programming, individual consulting and micro-loan assistance. In FY18, WWBIC provided 2,376 clients with impactful counseling services totaling over seven hours each. WWBIC's micro-loan program provided over \$7.5 million in loan financing to small businesses, including 71 startups. Of the total loan amount, over \$944,000 served businesses in rural Wisconsin. WWBIC's assistance is expected to facilitate the creation of 416 new jobs and the retention of 307 positions.

## ➤ **WISCONSIN TECHNOLOGY COUNCIL (WTC) - \$310,000**

WTC contributes to the state's high-tech and entrepreneurial economy through its policy work, hands-on work with investors and companies, educational forums and networking events. In FY18, key WTC events, with combined attendance of over 2,800 entrepreneurs, investors, service providers and others, provided select entrepreneurs with unique opportunities and training to advance their ventures. The 2018 Early Stage Symposium featured 84 young firms showcasing their companies to an audience of investors and other advisors, while the 2018 Governor's Business Plan contest provided 51 of the 200 entrants with intensive "pitch" training and culminated in finalists presenting at the Wisconsin Entrepreneurs' Conference. In addition, the Wisconsin Technology Summit facilitated 230 meetings between 84 emerging companies and 18 major Wisconsin firms to explore potential partnerships.

Through the Wisconsin Angel Network (WAN) housed within WTC, the organization held six educational seminars for angel and venture investors throughout Wisconsin and is assisting ongoing efforts to develop additional investment groups in the state. WTC/WAN leadership assisted 61 distinct companies in navigating channels for accessing investment capital, not including support rendered through the aforementioned event-based activities.

## ➤ **BRIGHTSTAR WISCONSIN FOUNDATION - \$50,000**

BrightStar is a 501(c)(3)-designated nonprofit foundation that manages an equity investment fund capitalized by private donations. BrightStar invests primarily in technology-based, high growth early-stage businesses to facilitate job creation and increase economic activity statewide. In FY18, BrightStar made eight investments in startup and early-stage companies totaling \$914,998.

## ➤ **GLOBAL NETWORK OF WEDC'S AUTHORIZED TRADE REPRESENTATIVES (ATRS) - \$230,000**

WEDC has ATRs located in high-volume and high-growth-potential markets for Wisconsin companies. In FY18, the Global Network covered 82 countries and consisted of 16 independent contractors, nine of which were under an umbrella contract managed by the Council of Great Lakes and St. Lawrence Seaway Governors and Premiers. In FY18, the Global Network provided 389 in-country assistances and served 83 unique Wisconsin companies and the WEDC export support services.

# BROWNFIELDS GRANT

## STATUS

- Active

## INCEPTION

1997 Wisconsin Act 27; Wisconsin Statutes §238.13

## PROGRAM GOAL

The goal of the Brownfields Grant Program is to incent community redevelopment in the state of Wisconsin.

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

Community and Economic Opportunity — Community Development

## PROGRAM DESCRIPTION

The program provides funds to local governments, businesses, nonprofits and individuals for redeveloping commercial and industrial sites that have been adversely affected by environmental contamination.

## ELIGIBILITY REQUIREMENTS

Any city, village, town, county, individual or business may apply for funds, provided that the party that caused the environmental contamination and any person who possessed or controlled the environmental contaminant is unknown, cannot be located or is financially unable to pay for the remediation of the soil/groundwater. Phase I and Phase II environmental reports must be completed prior to seeking Brownfields Grant Program funding. Brownfields Grant Program funds may be used for brownfields redevelopment or associated environmental remediation activities on sites with demonstrated soil, groundwater or vapor contamination. Grant funds may typically be used for the following activities:

- The environmental investigation, remediation or monitoring of the site
- The removal of hazardous waste containers
- Soil removal, capping, barrier installation and vapor intrusion systems

## INCENTIVES AND AVAILABLE FUNDING

\$ 4,000,000

Awards generally do not exceed \$500,000, unless the request for funds is for a project that, due to the size of the brownfield and the degree and extent of contamination, clearly justifies an award beyond normal parameters.

## EXPECTED OUTCOMES

Assist 12 community projects and achieve a 33:1 leverage of other investment.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18		
When Committed	Awards	Award Amount
From current fiscal year	14	\$5,582,600
<b>TOTAL</b>	<b>14</b>	<b>\$5,582,600</b>

- In FY18, the program budget was amended up to \$5,625,600.

## RECOMMENDED CHANGES

Match requirements will be decreased for projects located in a Designated Rural County.

# BROWNFIELDS SITE ASSESSMENT GRANT

## STATUS

- Active

## INCEPTION

1999 Wisconsin Act 9; Wisconsin Statutes §238.133

## PROGRAM GOAL

The goal of the Brownfields Site Assessment Grant Program (SAG) is to incent community redevelopment in the state of Wisconsin.

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

Community and Economic Opportunity – Community Development

## PROGRAM DESCRIPTION

The program provides grants of up to \$150,000 to local governments seeking to redevelop sites with economic or community development potential that are or may be adversely impacted by environmental contamination. Grant funds are to be utilized to define the degree and extent of groundwater and soil contamination along with identifying and assessing vapor intrusion issues.

## ELIGIBILITY REQUIREMENTS

Eligible entities are local governments, defined as a city, village, town, county, redevelopment authority, community development authority or housing authority, with demonstrable need to perform environmental investigations, defined as one or more contiguous industrial or commercial sites where redevelopment is adversely affected by actual environmental contamination.

## INCENTIVES AND AVAILABLE FUNDING

\$1,000,000

Program grants are capped at \$150,000. WEDC administers the SAG Program on a continual application basis and decisions on funding requests are handled throughout the year.

## EXPECTED OUTCOMES

Assist 10 communities to support site work and achieve a 2:1 leverage of other investment.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18		
When Committed	Awards	Award Amount
From a prior fiscal year	1	\$150,000
From current fiscal year	10	\$1,088,200
TOTAL	11	\$1,238,200

- In FY18, the program budget was amended up to \$1,150,000.

## RECOMMENDED CHANGES

Match requirements will be decreased for projects located in a Designated Rural County.



# BUSINESS DEVELOPMENT LOAN PROGRAM

## STATUS

- Active

## INCEPTION

WEDC FY18

## PROGRAM GOAL

The goal of the Business Development Loan Program (BDL) is to support the retention and expansion of businesses operating in the state of Wisconsin.

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

Business Development: Business Retention and Expansion

## PROGRAM DESCRIPTION

The program offers financing primarily to small businesses that have limited access to standard types of debt or equity financing, particularly, but not limited to, rural areas of the state. The program is intended to provide gap financing to existing businesses seeking to expand, increase operational efficiency, or enhance competitiveness in key Wisconsin industries.

## ELIGIBILITY REQUIREMENTS

To be eligible for a BDL award, the applicant must be a for-profit enterprise registered to conduct business in the state of Wisconsin with fewer than 500 full-time employees, engaged in one of the following industries: aerospace manufacturing, bioscience, energy, power & control, food & beverage, forest products, manufacturing, water technology, or transportation.

The interest rate for loans will be the Prime Rate published by the Wall Street Journal bank survey at the time of application. For projects located in an Economically Distressed area, the interest rate shall be 1.5 percent (1.5%) or 150 basis points below the Prime Rate.

Recipients may use BDL funds for:

- Real property, plant and equipment
- Long-term leasehold improvements
- Working capital, if fixed assets are also financed with program funds

## INCENTIVES AND AVAILABLE FUNDING

\$1,500,000

## EXPECTED OUTCOMES

Assist five businesses and achieve a 3:1 leverage of other investment.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18			
When Committed	Awards	Award Amount	Leverage Ratio
From current fiscal year	1	\$500,000	18:1
<b>Total</b>	<b>1</b>	<b>\$500,000</b>	<b>18:1</b>

- In FY18, the program budget was amended down to \$1,000,000.

## RECOMMENDED CHANGES

Applicable interest rate will be decreased for projects located in a Designated Rural County or Economically Distressed Area.

# BUSINESS DEVELOPMENT TAX CREDIT

## STATUS

- Active

## INCEPTION

2015 Wisconsin Act 55

## PROGRAM GOAL

The goal of the Business Development Tax Credit (BTC) Program is to incent new and expanding businesses in the state of Wisconsin.

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

Business Development – Business Retention and Expansion

## PROGRAM DESCRIPTION

The program supports job creation, capital investment, training, and corporate headquarters location or retention by providing businesses located in or relocating to Wisconsin with refundable tax credits that can help to reduce their Wisconsin income/franchise tax liability or provide a refund, thereby helping to enhance their cash flow to expand the project's scope, accelerate the timing of the project or enhance payroll.

## ELIGIBILITY REQUIREMENTS

BTC projects must meet the requirements contained in Wis. Stat. §238.308.

Businesses located in or relocating to Wisconsin may be eligible for BTCs. A business that annually increases net employment in the company's Wisconsin-based workforce may be eligible for BTCs. Individual businesses may qualify for tax credits only for eligible activities that occur after an eligibility date established by WEDC. Positions that are created as a result of the tax credits claimed shall be maintained for at least five years after the certification date established by WEDC. Eligible businesses can earn BTCs for the following activities:

- Job creation: The amount of tax credits awarded for job creation may equal up to 10 percent of the annual wages for eligible employees in full-time jobs. In an economically distressed area, the amount of tax credits may equal up to an additional 5 percent of the annual wages for eligible employees.
- Capital investment: The amount of tax credits awarded for new capital investment may equal up to 3 percent of the business's personal property investment and up to 5 percent of its new real property investment.
- Job training: The amount of tax credits awarded for training may equal up to 50 percent of eligible training costs
- Corporate headquarters: The amount of tax credits awarded for the location or retention of a corporate headquarters may equal up to 10 percent of the annual wages of positions created or retained for eligible employees

Generally, the maximum tax credit award amount for a project will be determined by calculating the greater of the maximum amount the recipient could earn under either job creation or capital investment. WEDC is not required to award the recipient the maximum amount allowed under the calculation. A certification for BTC tax benefits may remain in effect for no more than ten cumulative years.

## INCENTIVES AND AVAILABLE FUNDING

Subject to a reallocation of additional funds up to \$10,000,000 under §238.308(4)(c), WEDC will allocate no more than \$22,000,000 in tax credits for certified businesses in calendar year 2017 or in any year thereafter.

## EXPECTED OUTCOMES

Assist 45 businesses to support the creation of 3,500 jobs, retention of 4,000 jobs and achieve a 20:1 leverage of other investment.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18					
When Committed	Awards	Award Amount	Jobs to be Created	Jobs to be Retained	Leverage Ratio
From a prior fiscal year	1	\$2,255,000	150	529	24:1
From current fiscal year	37	\$13,063,800	2,260	5,887	36:1
<b>Total</b>	<b>38</b>	<b>\$15,613,800</b>	<b>2,410</b>	<b>6,416</b>	<b>34:1</b>

## RECOMMENDED CHANGES

No substantive changes

# CAPACITY BUILDING GRANT

## STATUS

- Active

## INCEPTION

WEDC FY13

## PROGRAM GOAL

The goal of the Capacity Building Program is to support local and regional economic development efforts in the state of Wisconsin.

Projects receiving Capacity Building funding must support one of WEDC's Strategic Pillars and Focus Areas.

## PROGRAM DESCRIPTION

The program provides funds to assist organizations and local and regional economic development groups to further the goals of WEDC in its efforts to foster an advanced economic development network within the state of Wisconsin.

## ELIGIBILITY REQUIREMENTS

Local and regional economic development groups may use the funds for purposes that support one of WEDC's Strategic Pillars. Activities may include:

- Local or regional assessments of the economic competitiveness of the area (e.g., workforce, infrastructure, sustainability, export capacity and competitiveness).
- Initiatives that will assist or enhance an organization's ability to develop or deliver economic development programming that helps to identify or address issues or challenges of an area or the state.
- Implementation or replication of successful pilot programs or economic development best practices.
- Marketing by regional economic development organizations. In accordance with §238.135, Wis. Stats., regional economic development organizations may receive grants not to exceed \$100,000 or the amount of matching funds the organization obtains from sources other than WEDC or the state, whichever is less, to fund marketing activities.
- Delivery of resources and services to Wisconsin entrepreneurs through the Entrepreneurship Support grant.

Capacity Building funding may not be used for past costs, nor may costs incurred prior to application be considered for project match, if applicable. Capacity Building funding shall not be provided for ongoing operational costs; however, staff time may be allowed that is directly related to the project, and will generally have a cap of no more than 25% of the total grant amount. The 25% cap does not apply to the Entrepreneurship Support grant.

WEDC may take the following into account when evaluating Capacity Building Grant applications:

- the likelihood the proposed effort will result in long-term benefits to the organization, its members, the region or state, or its clients;
- the degree to which the organization can influence state or regional economic conditions (e.g., number of localities served, geography, membership size);

- the extent to which the problem has been approached through regional collaboration with other economic development groups and other local jurisdictions;
- the extent to which the project will provide impact to smaller communities/rural areas of Wisconsin;
- the financial need demonstrated by the applicant; and
- the extent to which the proposed effort can be replicated throughout Wisconsin. WEDC may require project match depending on the project's attributes.

### Capacity Building – Entrepreneurship Support

The Entrepreneurship Support grant provides funds awarded through a competitive application process for the implementation of entrepreneurship programs. Wisconsin organizations may use the funds for the following purposes:

- Promotion of entrepreneurship
- Entrepreneurial education, mentorship or training programs
- Facilitation of business development or financial services

## INCENTIVES AND AVAILABLE FUNDING

### Capacity Building: \$500,000

The amount of funding per project will generally be up to \$50,000.

### Capacity Building – Entrepreneurship Support: \$500,000

The amount of funding per project will generally be between \$10,000 and a maximum of \$100,000

## EXPECTED OUTCOMES

**Capacity Building** – Assist local or regional economic partners to support ten projects

**Capacity Building – Entrepreneurship Support** – Assist seven organizations and 250 businesses

## FY18 PROGRAM ACTIVITY

### CAPACITY BUILDING GRANT CONTRACTED IN FY18

When Committed	Awards	Award Amount
From current fiscal year	10	\$417,000
<b>Total</b>	<b>10</b>	<b>\$417,000</b>

### CAPACITY BUILDING – ENTREPRENEURSHIP SUPPORT CONTRACTED IN FY18

When Committed	Awards	Award Amount
From current fiscal year	11	\$500,000
<b>Total</b>	<b>11</b>	<b>\$500,000</b>

## RECOMMENDED CHANGES

No substantive changes



# COMMUNITY DEVELOPMENT INVESTMENT GRANT

## STATUS

- Active

## INCEPTION

WEDC FY13

## PROGRAM GOAL

The goal of the Community Development Investment (CDI) Grant Program is to incent downtown community development in the state of Wisconsin.

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

Community and Economic Opportunity – Community Development

## PROGRAM DESCRIPTION

The program supports urban, small city and rural community redevelopment efforts by providing financial incentives for shovel-ready projects with emphasis on, but not limited to, downtown community driven efforts. Funded activities should lead to measurable benefits in job opportunities, property values and/or leveraged investment by local and private partners.

## ELIGIBILITY REQUIREMENTS

Local governments, tribal entities and other government authorities applying on behalf of a municipality may apply to receive grant assistance for eligible activities such as building renovation, infrastructure investment, and new construction. Funding may be used for community development projects such as historic preservation, development of significant destination attractions, infill and mixed-use developments. Applicants must provide a minimum of 3:1 matching investment in project costs.

## INCENTIVES AND AVAILABLE FUNDING

\$3,000,000

The grants will be limited to 25 percent of eligible project costs up to \$250,000.

At least 50% of the funds will be awarded to cities and towns under 50,000 in population per U.S. Census data.

Funds will be awarded through an ongoing application process.

## EXPECTED OUTCOMES

Assist 12 communities and achieve a 22:1 leverage of other investment.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18			
When Committed	Awards	Award Amount	Leverage Ratio
From current fiscal year	26	\$5,568,825	34:1
<b>TOTAL</b>	<b>26</b>	<b>\$5,568,825</b>	<b>34:1</b>

- In FY18, the program budget was amended up to \$5,850,000.

## RECOMMENDED CHANGES

Fifty percent of program funding will be reserved for projects in a Designated Rural County, and applicants in a Designated Rural County may receive more than one grant per fiscal year.

# DEVELOPMENT OPPORTUNITY ZONE

## STATUS

- Active

## INCEPTION

1993 Act 232, 1997 Act 27, 2005 Act 259, 2009 Act 2, Wis. Stat. §238.395.

## PROGRAM GOAL

The goal of the Development Opportunity Zone (DOZ) program is to incent new and expanding businesses in the cities of Beloit, Janesville and Kenosha.

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

Business Development – Business Retention and Expansion

## PROGRAM DESCRIPTION

The program incents job creation, job retention, capital investment and environmental remediation by providing non-refundable tax credits that can help to reduce a company's Wisconsin state income tax liability, thereby helping to enhance its cash flow to either increase the expansion project's scope, accelerate the timing of the project or enhance payroll. Also, the program incents the creation of jobs for target group members.

## ELIGIBILITY REQUIREMENTS

Generally, businesses located in, or relocating to, an area designated as a Development Opportunity Zone under §238.395(1), Wis. Stats. – currently the Cities of Beloit, Janesville, and Kenosha – may be eligible for DOZ tax credits. A Certified Business may qualify for tax credits only for activities that occur after an eligibility date established by WEDC. Credits may be earned for the following activities:

### Job Creation

Job creation allocations will be based on projected jobs to be created over three years. Businesses will earn tax credits for a maximum of three years and must maintain jobs for five years, commencing on the date the company is certified as eligible for tax credits.

### Job Retention

Job retention tax credits are available only for positions that would not have been retained without the tax credits. Businesses will earn tax credits over five years and must maintain those jobs during the entire five-year period, commencing on the date the company is certified as eligible for tax credits.

### Capital Investment

Tax credits allocated for capital investment must meet the following criteria:

- There must be capital investment in a project that is beyond a certified business's normal capital expenditures. This specific purpose includes, but is not limited to, diversifying product lines and modernizing and enhancing the efficiency of production processes.
- The amount of the investment is at least \$10,000 for each full-time employee working at the certified business's project location or \$1,000,000, whichever is less.
- At least 25% of the tax benefit verified by WEDC must be based on creating or retaining full-time jobs. Exceptions may be granted to this requirement if it is determined that a business makes a significant capital investment.

## Environmental Remediation

Tax benefits for environmental remediation are determined as 50 percent of eligible costs.

## INCENTIVES AND AVAILABLE FUNDING

\$2,972,650–Janesville; \$9,519,000–Beloit; \$9,250,000–Kenosha

The DOZ Program offers incentives across three categories:

**Job Creation/Retention Credit:** Credits may be earned according to the pay grade of jobs being created or retained.

- FTE paying at least 150 percent of federal minimum wage – up to \$6,000 per job
- FTE paying at least 150 percent of federal minimum wage and employing a member of a targeted group –up to \$8,000 per job
- Award amounts within a given tier will be made with consideration of unemployment rates, recent layoffs, health benefits, regional poverty rates, distressed county status, per capita income, and public involvement necessary to move the project forward.

**Capital Investment Credit:** Credits may be allocated at a rate of up to 3 percent of all eligible capital investment.

**Environmental Remediation Credit:** Credits may be allocated at a rate of up to 50 percent of the eligible environmental remediation costs (including investigation, but only if actual remediation follows the investigation).

## EXPECTED OUTCOMES

Assist four businesses to support the creation of 10 jobs, retention of 200 jobs, and achieve a 25:1 leverage of other investment.

## FY18 PROGRAM ACTIVITY

No awards contracted

## RECOMMENDED CHANGES

No substantive changes

# ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE

## STATUS

- Active

## INCEPTION

2017 Act 58

## PROGRAM GOAL

The goal of the Electronics and Information Technology Manufacturing Zone (EITMZ) Program is to incent a project involving the attraction of major business operations to Wisconsin.

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

Business Development – Business Retention and Expansion

## PROGRAM DESCRIPTION

The program supports job creation and capital investment by providing refundable tax credits that can help to reduce Wisconsin state income tax liability or provide a refund, thereby helping to enhance cash flow to attract a business to begin operations in Wisconsin.

## ELIGIBILITY REQUIREMENTS

EITMZ Tax Credit projects must meet the requirements in §§ 238.396, 71.07 (3wm), and 71.28 (3wm), Wis. Stats. Among other things, these statutes cover applicable definitions, eligibility for tax benefits, and limits on the tax benefits.

The EITMZ may exist for up to 15 years. WEDC may cap the award and/or limit the number of years in which credits may be claimed within the EITMZ. The maximum amount of tax credits that may be awarded is \$2,850,000,000. Of that amount, a maximum \$1,500,000,000 may be awarded for job creation and a maximum \$1,350,000,000 may be awarded for significant capital investment.

## INCENTIVES AND AVAILABLE FUNDING

1 EITMZ designation

The incentives under this program are refundable tax credits according to the following stipulations:

### Job Creation

A tax credit equal to no more than 17% of the amount of zone payroll that is attributable to wages (capped at \$100,000 per employee) paid to Full-Time Employees for services that are performed in the zone or that are performed outside the zone, but within the state, and for the benefit of the operations within the zone, as determined by WEDC. This benefit may be awarded for up to 15 years, and cannot exceed \$1,500,000,000 in total tax benefits.

### Investment Credit

The business may also claim up to 15% of its significant capital expenditures. This benefit may be allocated for up to 7 years, and cannot exceed \$1,350,000,000 in total tax benefits.

## Capital Investment

Tax credits allocated for capital investment must meet the following criteria:

- There must be capital investment in a project that is beyond a Certified Business's normal capital expenditures. This specific purpose includes, but is not limited to, diversifying product lines and modernizing and enhancing the efficiency of production processes.
- The amount of the investment is at least \$10,000 for each full-time employee working at the certified business's project location or \$1,000,000, whichever is less.
- At least 25% of the tax benefit verified by WEDC must be based on creating or retaining full-time jobs. Exceptions may be granted to this requirement if it is determined that a business makes a significant capital investment.

## EXPECTED OUTCOMES

Assist one business (which may consist of multiple claimants) to support the creation of 13,000 jobs and achieve a 4:1 leverage of other investment.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18					
When Committed	Awards	Award Amount	Jobs to be Created	Jobs to be Retained	Leverage Ratio
From current fiscal year	1	\$2,850,000,000	13,000	0	4:1
<b>Total</b>	<b>1</b>	<b>\$2,850,000,000</b>	<b>13,000</b>	<b>0</b>	<b>4:1</b>

## RECOMMENDED CHANGES

No substantive changes



# ENTERPRISE ZONE

## STATUS

- Active

## INCEPTION

2005 Act 361, 2009 Act 266, 2009 Act 267; §238.399, Wis. Stats.

## PROGRAM GOAL

The goal of the Enterprise Zone (EZ) Program is to incent projects involving expansion of existing Wisconsin businesses or relocation of major business operations from other states to Wisconsin.

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

Business Development – Business and Investment Attraction

## PROGRAM DESCRIPTION

The program supports job creation, job retention, capital investment, training, and Wisconsin supply chain investment by providing companies with refundable tax credits that can help to reduce their Wisconsin state income tax liability or provide a refund, thereby helping to enhance their cash flow to either expand the expansion project's scope, accelerate the timing of the project or enhance payroll.

## ELIGIBILITY REQUIREMENTS

EZ tax credit projects must meet the requirements in §§ 238.399, 71.07 (3w), 71.28 (3w), and 71.47 (3w), Wis Stats. Among other things, these statutes cover applicable definitions, eligibility for tax benefits, and limits on the tax benefits.

Businesses located in or relocating to Wisconsin may be eligible for EZ tax credits. A certified business may qualify for tax credits only for eligible activities that occur after an eligibility date established by WEDC. Positions that are created as a result of the tax credits claimed shall be maintained for at least five years after the certification date established by WEDC or the duration of the EZ, whichever is longer. Tax credits can be earned over a period of up to 12 years.

## INCENTIVES AND AVAILABLE FUNDING

As of June 30, 2017, 7 of 30 Enterprise Zone designations were still available for use – 5 standard and 2 rural (<5,000).

Previously designated Enterprise Zones may be reused under the following circumstances:

- If the Enterprise Zone is revoked.
- If the Enterprise Zone expires.

The incentives under this program are refundable tax credits according to the following stipulations:

### Job Creation Credit

A Tax Credit equal to no more than 7 percent of the net increase in EZ payroll from base in a Tier I county or municipality, less 150% times the Federal Minimum Wage per new, Full-Time Employee and up to \$100,000 per employee; or a 7 percent Tax Credit against the lesser of the net increase in state payroll and EZ payroll from base in a Tier II county or municipality, less \$30,000 per new, Full-Time Employee and up to \$100,000 per employee. Calculations are relative to a base year which is fixed as the year before the EZ takes effect. This benefit may be awarded for up to 12 years.

## Job Retention Credit

A Tax Credit equal to no more than 7 percent of the taxpayer's enterprise zone payroll in a Tier I county or municipality that is paid to full-time employees who earn more than 150% of the Federal Minimum Wage, but less than \$100,000 in annual wages, less the amount paid to new full-time employees; or no more than 7 percent of the taxpayer's enterprise zone payroll in a Tier II county that is paid to full-time employees who earn more than \$30,000, but less than \$100,000 in annual wages, less the amount paid to new full-time employees. This benefit may be awarded for no more than five consecutive years.

## Training Credit

The amount of Tax Credits for training for a Certified Business may equal up to 100 percent of the total eligible training costs.

- Amount paid to upgrade or improve skills of full-time employees
- Amount paid to train any full-time employees on new technology
- Amount paid to train full-time employees who are in their first full-time job

## Investment Credit

The business may also claim up to 10 percent of its Significant Capital Expenditures. This benefit may be awarded for up to 12 years.

## Wisconsin Supply Chain Credit

The business may also claim up to one percent of the amount it paid to purchase tangible personal property, items, property, goods or services from Wisconsin vendors. Businesses may not claim the Wisconsin Supply Chain Credit and the Investment Credit for the same expenditures. This benefit may be awarded for up to 12 years.

## EXPECTED OUTCOMES

Assist three businesses, support the creation of at least 1,500 jobs and the retention of at least 1,000 jobs, and achieve a 5:1 leverage of other investment.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18					
When Committed	Awards	Award Amount	Jobs to be Created	Jobs to be Retained	Leverage Ratio
From current fiscal year	5	\$104,500,000	1,273	4,352	10:1
<b>Total</b>	<b>5</b>	<b>\$104,500,000</b>	<b>1,273</b>	<b>4,352</b>	<b>10:1</b>

- One commitment made during FY18 was not contracted at fiscal year end due to contract negotiations.
- In consideration of the Oshkosh Corporation's headquarters expansion project, on May 22, 2018 the WEDC Board approved an amendment to the contract, allocating up to \$8 million in additional tax credits (\$55 million in total) to support \$130,405,000 of planned investments in training and new construction.

## RECOMMENDED CHANGES

No substantive changes

# HISTORIC PRESERVATION TAX CREDIT

## STATUS

- Active

## INCEPTION

2013 Wisconsin Act 62

## PROGRAM GOAL

The goal of the Historic Preservation Tax Credit (HTC) Program is to incent reinvestment into historic main streets, downtowns, and commercial districts in the state of Wisconsin.

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

Community and Economic Opportunity – Downtown Development

## PROGRAM DESCRIPTION

The program provides transferable tax credits to eligible entities rehabilitating certified historic buildings. The Qualified Rehabilitated Buildings Program provides similar credits to pre-1936 non-historic properties in Wisconsin. Both credits are 20 percent of qualified rehabilitation expenses and may be transferred to a third party in exchange for cash. Historic rehabilitations incented through this program must be recommended by the State Historic Preservation Officer (SHPO) as certified historic properties. Qualified Rehabilitated Buildings will apply directly to WEDC for the non-historic credit; however, the Qualified Rehabilitated Buildings program is on moratorium, effective June 23, 2014.

## ELIGIBILITY REQUIREMENTS

### Certified Historic Buildings

For taxable years beginning after Dec. 31, 2013, applicants may be certified to claim tax incentives for qualified rehabilitation expenditures on eligible buildings and projects.

An eligible building must meet the following specifications:

- the property is listed in the National Register of Historic Places or the State Register of Historic Places; or
- is determined by the Wisconsin Historical Society (WHS) to be eligible for listing in the National Register of Historic Places or the State Register of Historic Places; or
- is located in a historic district that is listed in the National Register of Historic Places or the State Register of Historic Places and is certified by the SHPO as being of historic significance to the district, or
- is an outbuilding of an otherwise eligible property certified by the SHPO as contributing to the historic significance of the property.

An eligible project is one in which:

- The cost of the person's qualified rehabilitation expenditure, as defined in section 47(c)(2) of the Internal Revenue Code, is at least \$50,000.
- The rehabilitated property is placed in service after Dec. 31, 2013.
- The proposed preservation or rehabilitation plan complies with standards promulgated under Wis. Stat. §44.02(24) and the completed preservation or rehabilitation substantially complies with the proposed plan.
- No physical work of construction or destruction began prior to the recommendation of the proposed preservation or rehabilitation by the SHPO.

- The eligible costs are not incurred to acquire any building or interest in a building or to enlarge an existing building.
- Evidence is provided that the rehabilitation was recommended by the SHPO for approval by the secretary of the interior.

WEDC's CEO may deny certification to an otherwise eligible project based on funding availability or other application criteria. Funding certifications will be effective for three years commencing on the initial date of certification and must be claimed based on actual qualified rehabilitation expenditures by the conclusion of the three-year period; however, a project may be approved for six years if the rehabilitation is substantial and occurring in phases. WEDC may extend certification windows at its discretion.

If a person who claims a credit under this subsection and a credit under section 47 of the Internal Revenue Code for the same qualified rehabilitation expenditures is required to repay any amount of the credit claimed under section 47 of the Internal Revenue Code, the person shall repay to the department a proportionate amount of the credit claimed under this subsection.

### Qualified Rehabilitated Buildings

The program is on moratorium; however, applicants may be certified to claim tax incentives for qualified (non-historic) rehabilitation expenditures for taxable years beginning after Dec. 31, 2014, if all of the following provisions apply:

- WEDC previously certified the qualified rehabilitation expenditures prior to Jan. 1, 2015.
- The proposed project is located in the city of Green Bay.
- The proposed project is located on the same parcel as the previously certified project or on a parcel contiguous to the previously certified project.
- WEDC determines the applicant is eligible to claim the credit under section 47 of the Internal Revenue Code for the previously certified qualified rehabilitation expenses.

## INCENTIVES AND AVAILABLE FUNDING

The incentive through this program is a 20 percent transferable tax credit of qualified rehabilitation expenses. Fund certifications are awarded on a rolling basis, at the discretion of WEDC's CEO.

## EXPECTED OUTCOMES

Assist 40 community projects and achieve a 5:1 leverage of other investment.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18			
When Committed	Awards	Award Amount	Leverage Ratio
From current fiscal year	27	\$77,544,200	5:1
<b>TOTAL</b>	<b>27</b>	<b>\$77,544,200</b>	<b>5:1</b>

- One commitment made during FY18 was not contracted at fiscal year end due to ongoing negotiations.

## RECOMMENDED CHANGES

Pursuant to 2017 Wisconsin Act 280, the maximum amount of credits for all projects undertaken on the same parcel may not exceed \$3,500,000.

# IDLE SITES REDEVELOPMENT

## STATUS

- Active

## INCEPTION

WEDC FY14

## PROGRAM GOAL

The goal of the Idle Sites Redevelopment Program (ISR) is to incent community redevelopment in the state of Wisconsin.

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

Community and Economic Opportunity: – Community Development

## PROGRAM DESCRIPTION

The program offers grants of up to \$500,000 to Wisconsin communities for implementation of redevelopment plans for large industrial sites that have been idle, abandoned, or underutilized for a period of at least five years. Blighted properties may be perceived as eyesores that can lead to decreased property tax revenue for a community. The Idle Sites Redevelopment Program provides incentives to help rejuvenate abandoned blighted sites and assistance in elevating local economies.

## ELIGIBILITY REQUIREMENTS

### The applicant:

- Must be a city, village, town, redevelopment authority, community development authority, or other government entity that has completed an approved redevelopment plan for the targeted project site.
- An applicant may only receive one award per fiscal year.

### The project site:

- Must exceed 5 acres and must have had long term (over 25 years) industrial usage.
- Must exceed 10 acres and must have had long-term (over 25 years) commercial usage.
- Applicants must own the targeted site or demonstrate the legal ability to access the property and perform the work proposed in the application.

### Eligible costs:

- Grant funds can be used for demolition, environmental remediation, or site-specific improvements defined in a redevelopment plan. Eligible costs are determined during the review process.
- Grant funds may not be used for environmental work occurring on properties in which the current owner is also a causer who possessed or controlled the contaminant(s) on the site.
- Grant funds may not be used to pay for activities that were conducted prior to a decision being rendered by WEDC on the application.

- WEDC funds cannot exceed 30 percent of total project costs.

Applicants must provide a signed resolution by the governing elected body authorizing the submittal of an application to the ISR Program and an approved redevelopment plan demonstrating strong potential for significant measurable economic benefits such as increased generation of property taxes and the creation of full-time permanent jobs.

## INCENTIVES AND AVAILABLE FUNDING

\$2,000,000

The incentives in this program are grants of up to \$500,000 for redevelopment of idle sites of five acres or larger.

## EXPECTED OUTCOMES

Assist four communities and achieve a 20:1 leverage of other investment.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18			
When Committed	Awards	Award Amount	Leverage Ratio
From current fiscal year	5	\$2,435,000	7:1
<b>TOTAL</b>	<b>5</b>	<b>\$2,435,000</b>	<b>7:1</b>

- In FY18, the program budget was amended up to \$2,500,000.

## RECOMMENDED CHANGES

Types of eligible sites will be expanded and acreage requirements will be reduced for projects in a Designated Rural County.

# INDUSTRIAL REVENUE BONDING

## STATUS

- Active

## INCEPTION

Industrial Revenue Bond (IRB) Program financing was authorized in Wisconsin in 1969. Authorized under Wis. Stat. §66.1103, §238.10 and §238.11, and 26 U.S. Code §144, §146 and §147.

## PROGRAM GOAL

The goal of the Industrial Revenue Bonds (IRB) Program is to incent expansions of manufacturing facilities in the state of Wisconsin.

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

Business Development – Business Retention & Expansion

## PROGRAM DESCRIPTION

IRB bonds are tax-exempt bonds that can be used to stimulate capital investment and job creation by providing private borrowers with access to financing at interest rates that are lower than conventional bank loans. The IRB process involves five separate entities – the borrower, lender, bond attorney, issuer, and WEDC. Each year, federal law establishes a “volume cap” which applies at the state level. The volume cap limits the amount of IRBs that a municipality or county can issue to businesses in that year. Once the annual cap is established under federal law, WEDC allocates bonding authority to the various municipalities and counties to issue IRBs pursuant to Wis. Stat. §238.10 and the Policy on the Allocation of Volume Cap. The municipalities and counties sell the IRBs and loan the proceeds to eligible businesses undertaking eligible projects.

## ELIGIBILITY REQUIREMENTS

Manufacturers can use the IRB proceeds for building, land or equipment but not working capital. There are restrictions on bond size and total capital expenditures. Manufacturing includes nearly every type of processing that results in a change in the condition of tangible personal property. According to federal tax law, the maximum size of an IRB issue is \$10 million. For IRB issues exceeding \$1 million, capital expenditures in the municipality where the project is located cannot exceed \$20 million during the three years before and the three years after the date the IRBs are issued. The \$20 million capital expenditure limitation includes any principal user of the facility and also related persons (defined as a more than 50 percent owner of stock or partnership interests). Also, the total amount of IRBs outstanding at all related operations of the business, in all states, may not exceed \$40 million. Exempt projects do not have to comply with the \$10 million maximum bond size, the \$20 million capital expenditure limit, and the \$40 million aggregate limit. Exempt projects include airports, docks and wharves, mass-commuting facilities such as high-speed rail, facilities for furnishing water, sewage facilities, solid waste disposal facilities, facilities for the local furnishing of electric energy or gas, facilities for local district heating and cooling, and qualified hazardous waste facilities.

## INCENTIVES AND AVAILABLE FUNDING

\$283,935,400 in available allocation for calendar year 2017.

As IRB allocations are distributed on a calendar year basis, the funding allocation for this program crosses fiscal years. The incentive in this program is access to tax-exempt bonds at interest rates that are lower than conventional bank loans (typically 75 percent of the current prime rate).

## EXPECTED OUTCOMES

Assist five businesses

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18		
When Committed	Awards	Award Amount
From a prior fiscal year	2	\$21,100,000
From current fiscal year	7	\$44,634,780
<b>TOTAL</b>	<b>9</b>	<b>\$65,734,780</b>

## RECOMMENDED CHANGES

No substantive changes



# MAIN STREET AND CONNECT COMMUNITIES

## STATUS

- Active

## INCEPTION

1987 Wisconsin Main Street Act; Wisconsin Statutes §238.127, WEDC FY13

## PROGRAM GOAL

The goal of the Main Street and Connect Communities Program is to support downtown community development in the state of Wisconsin.

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

Community and Economic Opportunity – Downtown Development

## PROGRAM DESCRIPTION

WEDC provides technical assistance to communities in the planning, management, and implementation of strategic development projects in downtowns and urban neighborhoods. This includes Main Street support (under §238.127, Wis. Stats.) and Connect Communities, which is aimed at supplementing the Main Street program by expanding services to more downtowns across the state.

WEDC will maintain partnerships and develop new ones with other state and local public and private entities such as the Wisconsin Downtown Action Council, UW-Extension and USDA Rural Development to provide services to municipalities undertaking downtown revitalization projects.

## ELIGIBILITY REQUIREMENTS

Eligible entities for Connect Communities and Main Street communities are communities with a central or core business district and demonstrated local commitment.

WEDC will take the following into account when considering Main Street or Connect Communities applications:

1. **Organizational Capability:** An applicant's ability to bring financial and volunteer resources together according to the National Main Street Center's four-point approach to downtown revitalization.
2. **Public Sector Commitment:** The participation from local government in the form of financial and staff commitment to the local downtown revitalization effort.
3. **Private Sector Commitment:** The participation from local businesses and individuals in the form of financial and volunteer commitment to the local downtown revitalization effort.
4. **Financial Capacity:** The ability of the community to bring together comprehensive financial resources to adequately support the downtown revitalization program. This includes funds to employ a local program manager to manage the effort for at least five years. Communities with populations of 5,000 or more must employ a full-time, paid program manager and meet a minimum budget requirement. Communities of fewer than 5,000 people must employ a half-time program manager and meet a minimum budget requirement. A community's ability and commitment to hiring design consultants and providing training will also be taken into consideration.
5. **Need:** Applicants must show that they need the Main Street Program. This need is exhibited by vacancy rate, excessive competition from competing areas, blight, inappropriate history of design projects, and business mix issues

6. Physical capacity: An applicant's ability to show that they have sufficient building stock, businesses and a recognizable downtown district.
7. Historic integrity: An applicant's existing historic resources in the downtown and genuine interest in saving and restoring their historic structures. WEDC will employ a design specialist to assist Main Street communities with design plans.

In addition to these criteria, local Main Street communities must commit to training and sharing downtown revitalization information with communities that do not participate in the Main Street Program.

## **INCENTIVES AND AVAILABLE FUNDING**

\$250,000 (staff and non-aids contracting)

This investment covers administration, staff resources and outside consulting services. No funding is provided directly to communities. Technical assistance is given in the form of training, façade renderings, small business consultations, and hiring of outside consultants to address topics such as business recruitment and retention, branding, historic preservation planning and event development.

## **EXPECTED OUTCOMES**

Assist 35 Main Street communities, 70 Connect Communities and 90 small businesses

## **FY18 PROGRAM ACTIVITY**

- Provided assistance to 34 Main Street Communities and 67 Connect Communities.
- Announced one new Main Street Community and 8 new Connect Communities.
- Provided substantive technical assistance to 142 businesses.

## **RECOMMENDED CHANGES**

No substantive changes

# MINORITY BUSINESS DEVELOPMENT

## STATUS

- Active

## INCEPTION

WEDC FY12

## PROGRAM GOAL

The goal of the Minority Business Development Program (MBD) is to support new and expanding Minority Owned Businesses (MOB) in the state of Wisconsin.

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

Community and Economic Opportunity – Minority Business Development

## PROGRAM DESCRIPTION

The program is designed to support minority business development through business creation, expansion and attraction. This is accomplished through direct grant assistance to qualifying minority business associations in Wisconsin. Grant assistance is provided to minority business associations for lending and technical assistance, and is used as a pass-through to fund training.

In turn, these investments by the business revolving loan funds (RLFs) are intended to promote job creation and retention in minority communities. As a whole, the MBD program is devised to have a catalytic effect to grow the business climate of minority communities as well as enhancing the overall business health in the minority communities of Wisconsin.

## ELIGIBILITY REQUIREMENTS

Eligible grant recipients are not-for-profit, minority business associations that administer revolving loan funds, provide business training assistance, or otherwise serve the minority business community. Eligible grant recipients include minority chambers of commerce, minority business alliances and consortia. The applicant must have demonstrated professional capacity, financial stability and viability, and whether there is a demonstrated need in the minority community for RLF assistance.

To qualify for a technical assistance grant, there must be evidence that the recipient organization lacks adequate capacity to execute an RLF.

## INCENTIVES AND AVAILABLE FUNDING

This program was not funded in FY18. Program participants became Key Strategic Partners for FY18

## EXPECTED OUTCOMES

N/A

## FY18 PROGRAM ACTIVITY

No awards contracted

## RECOMMENDED CHANGES

New funding will be provided in FY19 with simplified eligibility to expand qualified organizations.

# WORKFORCE TRAINING GRANT

## STATUS

- Active

## INCEPTION

WEDC FY12

## PROGRAM GOAL

The goal of the Workforce Training Grant (WTG) is to incent new and expanding businesses in the state of Wisconsin.

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

Business Development – Business Retention and Expansion

## PROGRAM DESCRIPTION

The program aids businesses in attracting, developing and retaining talent as a part of a business development project. The program provides grant funds to businesses to upgrade or improve the job-related skills of a business’s existing and new employees.

## ELIGIBILITY REQUIREMENTS

Eligible grant and matching training costs may include the wages of employees (except senior management) participating in the training, training materials and trainer costs. Routine training is ineligible. Eligible training costs do not include development of labor training program curriculum, travel expenses, food and lodging. Job training should focus on new technology, industrial skills or manufacturing processes. The training must not be currently available through other resources.

## INCENTIVES AND AVAILABLE FUNDING

\$2,000,000

## EXPECTED OUTCOMES

Assist eight businesses to train 400 employees

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18		
When Committed	Awards	Award Amount
From current fiscal year	2	\$750,000
TOTAL	2	\$750,000

- During FY18, the program budget was amended down to \$785,000.

## RECOMMENDED CHANGES

No substantive changes

# CERTIFIED SITES

## STATUS

- Active

## INCEPTION

WEDC FY12

## PROGRAM GOAL

The goal of the Certified Sites Program is to enable and promote shovel-ready development sites in the state of Wisconsin.

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

Business Development – Business and Investment Attraction

## PROGRAM DESCRIPTION

WEDC has created, in partnership with a site selector consultant and community partners, a program that provides consistent standards for industrial site certification in Wisconsin. Certification means that the key approvals, documentations, and assessments most commonly required for industrial uses will already be in place to assist with an expedited development timeline.

## ELIGIBILITY REQUIREMENTS

Wisconsin communities, organizations, or individuals with a site which has a minimum of 20 contiguous, developable acres.

## INCENTIVES AND AVAILABLE FUNDING

Not applicable

Certified Sites is primarily a technical assistance program. Aid is provided through discounted costs to the communities, as well as provision of technical assistance in the form of site review and analysis, outreach and training, strategy development, site search assistance and marketing through the InWisconsin website and “Locate In Wisconsin” tool.

## EXPECTED OUTCOMES

Assist in three new Certified in Wisconsin sites and promote existing 17 sites.

## FY18 PROGRAM ACTIVITY

- Three new sites were certified in FY18.

## RECOMMENDED CHANGES

No substantive changes

# CAPITAL CATALYST

## STATUS

- Active

## INCEPTION

WEDC FY12

## PROGRAM GOAL

The goal of the Capital Catalyst program is to incent capital formation and investment in startups and emerging growth companies 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 matching grants to seed funds managed by local communities and other eligible entities to provide capital to high-growth startups and emerging growth companies. The Capital Catalyst Program increases the availability of capital to startups and emerging growth companies to support growth and attract additional private investment.

## ELIGIBILITY REQUIREMENTS

Applicants for Capital Catalyst funds must demonstrate organizational capability and the availability of entrepreneurial support to achieve the goals of their programs. Capital Catalyst fund recipients may include communities, organizations or other entities. Applicants should have an established investment/selection committee, investment/funding criteria and application process. Eligibility for the program requires a 1:1 match of the amount of funding provided by WEDC. Investment/ funding decisions will focus on assistance to companies in industry sectors including but not limited to advanced manufacturing, agriculture or food processing, information systems or software, medical devices, biosciences and energy.

## INCENTIVES AND AVAILABLE FUNDING

\$1,500,000

The program provides grants to approved Capital Catalyst recipients that establish seed funds and meet the eligibility requirements of the program.

## EXPECTED OUTCOMES

Award four organizations to support the financing of 45 startup and emerging growth companies, and support the creation of 60 jobs. Recipients will maintain an average co-investment ratio of 1:1 and companies financed by local seed funds will achieve a 3:1 leverage of other investment.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18				
When Committed	Awards	Award Amount	Businesses to be Assisted	Leverage Ratio
From current fiscal year	2	\$625,000	10	1:1
<b>TOTAL</b>	<b>2</b>	<b>\$625,000</b>	<b>10</b>	<b>1:1</b>

## RECOMMENDED CHANGES

No substantive changes

# ENTREPRENEURIAL MICRO-GRANT

## STATUS

- Active

## INCEPTION

WEDC FY13

## PROGRAM GOAL

The goal of the Entrepreneurial Micro-Grant (EMG) Program is to support business planning and strategy for entrepreneurs and small business owners 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 early-stage technology-based companies with services and funding to support their efforts in obtaining significant federal grant funding. Additionally, Business Planning services rendered by the Small Business Development Centers (SBDCs) increase the entrepreneurial proficiency of state entrepreneurs and small business owners.

These micro-grants are currently administered exclusively by the Center for Technology Commercialization (CTC, formerly Wisconsin Entrepreneurs' Network). Commercialization Planning Assistance and SBIR/STTR Assistance are provided by CTC, while the Entrepreneurial Training Program is provided by the SBDC. The Entrepreneurship Training Program is an 8- to 12-week course offered periodically by SBDCs that provides assistance with business plan development to current or prospective business owners.

## ELIGIBILITY REQUIREMENTS

An eligible entity applying to WEDC to administer Entrepreneurial Micro-Grants must have the expertise and capability of serving a statewide network of entrepreneurs. The SBIR/STTR Assistance and Commercialization Planning Assistance micro-grants are available to those starting or expanding a technology-based or research-oriented business or to firms located in Wisconsin that rely on the use of technology. Applicants must provide at least a 25 percent cash match per each micro-grant. Eligible projects include:

- Development of an SBIR/STTR Phase I or Phase II proposal or other federal funding proposal;
- Development of an SBIR/STTR Phase II Commercialization Plan or a comprehensive business plan; or
- Procurement of a CTC-approved market research study in support of a commercialization or business plan.

## INCENTIVES AND AVAILABLE FUNDING

\$200,000

The incentives in this program are grants to eligible entities to provide micro-grants to companies for commercialization assistance, training, or research and tech transfer.

## EXPECTED OUTCOMES

Award one organization to support 125 businesses.

## **FY18 PROGRAM ACTIVITY**

- The program administered through CTC assisted 117 businesses.

## **RECOMMENDED CHANGES**

No substantive changes



# QUALIFIED NEW BUSINESS VENTURE CERTIFICATION/EARLY STAGE BUSINESS INVESTMENT

## STATUS

- Active

## INCEPTION

2005 Wisconsin Act 255

## 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

### Qualified New Business Venture (QNBV) Certification

QNBV certification allows businesses to offer their equity investors 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 desiring certification shall submit an application to WEDC. The business shall specify in its application the investment amount it wishes to raise. WEDC may certify the business and determine the amount that qualifies for tax credits under this program. A business may be certified, and may maintain such certification, only if it meets certain requirements such as a minimum requirement of employees located in the state.

### 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, and the application shall be evaluated for certain criteria.

## INCENTIVES AND AVAILABLE FUNDING

The maximum amount of credits that may be claimed in CY17 is \$30,000,000.

The aggregate amount of investment in any one qualified new business venture that may qualify for tax credits under the program is limited to \$8,000,000 or a different amount determined by the division 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. An angel, angel network, and investors in a certified fund manager are each eligible for a 25 percent tax credit for making investments in QNBVs.

## EXPECTED OUTCOMES

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

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18		
When Committed	Awards	Award Amount
From current fiscal year	54	\$14,937,500
<b>TOTAL</b>	<b>54</b>	<b>\$14,937,500</b>

- 9 qualified venture fund managers were certified during FY18.

## RECOMMENDED CHANGES

No substantive changes

# SBIR/STTR MATCHING GRANT

## STATUS

- Active

## INCEPTION

WEDC FY15

## PROGRAM GOAL

The goal of the SBIR/STTR Matching Grant program is to stimulate technological innovation by supporting technology-based small 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 funds to technology-based businesses in or relocating to Wisconsin by matching a portion of Phase I and/or Phase II awards under the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs provided through periodic competitions. The program will be administered by the Center for Technology Commercialization (CTC).

## ELIGIBILITY REQUIREMENTS

The federal SBIR Program provides over \$2.5 billion annually in grants from 11 federal agencies designed to help small businesses create and commercialize new innovations and technologies. The program consists of three phases:

- Phase I awards range from \$75,000 to \$150,000 to support a feasibility study.
- Phase II awards range from about \$250,000 to \$1,000,000 to support full research and development.
- Phase III entails commercialization supported by funding outside of the federal program.

CTC must administer the SBIR/STTR Matching Grant program according to the following guidelines:

Wisconsin businesses that are Phase I or Phase II recipients of federal SBIR/STTR funding may apply to CTC for a matching grant.

Out-of-state businesses may apply for and receive funding contingent on the company relocating to Wisconsin within 90 days of receiving the matching grant funding.

Businesses may receive matching grants for both Phase I and Phase II awards, but the program will primarily support first-time recipients of a federal award for the phase for which a matching grant is pursued. The matching grant is intended to support eligible activities including, but not limited to, customer validation activities, market research, intellectual property assessment and feasibility assessment.

## INCENTIVES AND AVAILABLE FUNDING

\$1,000,000

The SBIR/STTR Matching Grant Program will provide awards of up to 50 percent of the amount of federal Phase I or Phase II funding awards. The grant must be used for new and additional work tasks that relate to the project granted the federal award, but are not covered by the federal grant.

## EXPECTED OUTCOMES

Award one organization to support 13 businesses in the creation of 13 jobs, and achieve a leverage to federal grants of 3:1.

## FY18 PROGRAM ACTIVITY

- The program administered through CTC assisted 14 businesses.
- In FY18, the program budget was amended up to \$1,350,000

## RECOMMENDED CHANGES

No substantive changes

# SEED ACCELERATOR

## STATUS

- Active

## INCEPTION

WEDC FY13

## PROGRAM GOAL

The goal of the Seed Accelerator Program is to encourage the formation of business accelerator programs and to incent high growth startup companies 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 Seed Accelerator model for entrepreneurial development is designed to increase the outcomes for sustainability and growth of startup companies, typically in technology-based industries. In a Seed Accelerator, classes of entrepreneurial teams enroll in a defined program over a certain period of time (typically three to six months). Participants are provided with small amounts of financing, experienced hands-on mentorship, educational programming, visibility to investors and other resources, along with processes for market and customer validation and for developing and testing the commercial viability of an idea. The program provides an entity operating a nonprofit Seed Accelerator with grant funding used to support the participating companies.

## ELIGIBILITY REQUIREMENTS

The program is designed to primarily support companies in technology industry sectors including, but not limited to, advanced manufacturing, agriculture or food processing, information systems or software, medical devices, biosciences and renewable/green energy. Entities eligible for Seed Accelerator funds may include communities, organizations or other entities that operate a not-for-profit Seed Accelerator program in Wisconsin.

## INCENTIVES AND AVAILABLE FUNDING

\$1,000,000

Factors determining the level of grant funding for company capital:

- The number of companies per class
- The length of the seed accelerator program for each class
- Other factors may include, but are not limited to, industry sector and local economic considerations

Recipients may be eligible to receive funding for operational expenses directly related to the administration of the accelerator.

## EXPECTED OUTCOMES

Assist six organizations to support 30 startups and early-stage companies in creating 45 new jobs. Recipients will maintain an average co-investment ratio of 1:1.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18				
When Committed	Awards	Award Amount	Businesses to be Assisted	Leverage Ratio
From current fiscal year	5	\$970,600	52	1:1
<b>TOTAL</b>	<b>5</b>	<b>\$970,600</b>	<b>52</b>	<b>1:1</b>

## RECOMMENDED CHANGES

No substantive changes

# TECHNOLOGY DEVELOPMENT LOAN

## STATUS

- Active

## INCEPTION

WEDC FY12

## PROGRAM GOAL

The goal of the Technology Development Loan (TDL) program is to support technology-based startup and emerging growth companies 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 direct financial assistance to startup and emerging growth companies in Wisconsin that are developing and commercializing innovative products and services at critical stages in their development. The TDL program is intended to provide capital to those companies that have the potential to add to Wisconsin's economic base over the long-term by attracting and training a high-wage, high-skill workforce and establishing a unique competitive advantage. The funds can be used as working capital and require leverage from outside funding for the business development project or funding round under consideration. Funding levels are dependent on the stage of growth, capital need, financial leverage, economic potential, risk evaluation, and other factors deemed by WEDC to impact the funding request under consideration.

## ELIGIBILITY REQUIREMENTS

Funds are awarded for various activities according to the following eligibility criteria:

### 1. Product / Process Development

- Supports R&D, proof of concept, and prototype development
- Company should generally be an early-stage company or spinout with fewer than 25 employees
- Demonstrates financial need and potential for business growth
- Product/Process Development phase funding is generally limited to \$250,000 per company

### 2. Product / Service Commercial Launch

- Company is raising funds for initial launch of a developed product into the primary market after proof of concept and development testing
- Product / Service Commercial Launch phase is generally limited to \$500,000 per company
- A lower limit may be imposed for moving into test markets if the technology or industry requires incremental steps to commercialization

### 3. Growth / Expansion Stage

- Company is in growth mode with recurring sales of fully developed product into the intended market
- Company should have strong and growing market traction and have a clear path to sustainability
- Intended to provide capital for increasing production and approaching profitability
- Growth / Expansion Stage phase is generally limited to \$750,000 per company

WEDC maintains flexibility in evaluating applications for loan funding in order to best direct the limited funding available on an annual basis.

## INCENTIVES AND AVAILABLE FUNDING

\$5,000,000

Funding will be provided in the form of loans and will be awarded through an ongoing application process.

## EXPECTED OUTCOMES

Assist 15 companies and leverage at least 4:1 in additional investment over the near term.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18			
When Committed	Awards	Award Amount	Leverage Ratio
From current fiscal year	13	\$4,012,500	5:1
<b>TOTAL</b>	<b>13</b>	<b>\$4,012,500</b>	<b>5:1</b>

- One commitment made during FY18 was not contracted at fiscal year end due to ongoing negotiations.

## RECOMMENDED CHANGES

No substantive changes



# EXPORTECH™

## STATUS

- Active

## INCEPTION

WEDC FY12

## PROGRAM GOAL

The goal of the ExporTech program is to support the export capabilities of businesses in the state of Wisconsin.

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

Business Development: – Export and International Trade

## PROGRAM DESCRIPTION

In order to support the export capabilities of Wisconsin companies, WEDC partners with the Wisconsin Center for Manufacturing & Productivity (WCMP) to offer financial and technical assistance through the ExporTech program. The program has three financial components – WEDC funding for ExporTech delivery, WEDC assistance with the program cost for eligible participating companies, and funding for a market assessment following ExporTech completion.

ExporTech is a proven export strategy development program designed to speed a company's "go to market" timeline by developing a customized international growth plan for the company's product in key markets. Participating companies receive access to topic matter experts, individualized coaching and consulting, customized support and guided development of an international growth plan. The program provides a unique focus on CEO/top management success factors and aims to provide companies with early export success. Each program takes place over 12 weeks.

This program provides financial assistance to eligible Wisconsin companies to participate in the 12-week program and receive a market assessment upon completion.

## ELIGIBILITY REQUIREMENTS

Eligible ExporTech companies must be established businesses operating in Wisconsin that manufacture, process, assemble and/or distribute a product or perform a service with a potential to be exported. Executive level (C-level, president, owner, decision-maker) involvement and participation is required.

## INCENTIVES AND AVAILABLE FUNDING

\$214,000

### Scholarship Funding

WEDC will fund scholarships for eligible participants for 50 percent of ExporTech costs, up to \$5,000.

### Market Assessment Funding

In order to further support export plan implementation, in-market research/due diligence, and utilization of our Global Network, ExporTech graduate companies will receive a formal market assessment in one of their target markets by WEDC's Global Network.

## **EXPECTED OUTCOMES**

Award one organization to support 36 businesses.

## **FY18 PROGRAM ACTIVITY**

32 businesses completed the course

## **RECOMMENDED CHANGES**

No substantive changes

# GLOBAL BUSINESS DEVELOPMENT GRANTS

## STATUS

- Active

## INCEPTION

WEDC FY12

## PROGRAM GOAL

The goal of the Global Business Development (GBD) Program is to support the export capabilities of businesses in the state of Wisconsin.

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

Business Development – Export and International Trade

## PROGRAM DESCRIPTION

The program consists of the International Market Access Grant (IMAG) and the Collaborative Market Access Grant (CMAG). The program provides funding to support a company's specific export development and deployment strategy. The CMAG aids these efforts through an industry-focused intermediary.

## ELIGIBILITY REQUIREMENTS

### IMAG:

- Must be an established business operating in Wisconsin that manufactures, processes, assembles and/or distributes a product or performs a service with the potential to be exported. The company does not need to be headquartered in Wisconsin, but must have export-related operations located within the state.
- Self-certify that at least 35 percent of the manufactured value of the product, or of the performance value of the service, is provided in the United States. The program provides an Excel tool to help determine this eligibility requirement.
- The company must be new to exporting (with no significant export sales, or a novice with accidental exports), or participating in market expansion. International market is defined as a country, region or market channel within a country.
- The company agrees to a minimum cost match of 30 percent of the total grant awarded. Past costs may not be considered for match.
- Grant funds may not be used for past costs.

### CMAG:

- Eligible recipients of a CMAG include industry associations, alliances, agencies, regional economic development organizations or other state/local departments who are invited to apply.
- Collaborators must:
  - Provide a compelling case for the partnership for how the project will benefit Wisconsin exporters;
  - Demonstrate organizational support for the administration of the project; and
  - Provide an explanation for why their services are needed and how these grant funds will make an impact.
  - The companies benefiting from these funds must comply with the eligible business requirements of the IMAG.

INCENTIVES AND AVAILABLE FUNDING

\$1,200,000

The incentives in this program are grants of up to \$25,000 for IMAG or \$150,000 for CMAG recipients. Funds will be awarded through an ongoing application process.

EXPECTED OUTCOMES

- Assist 118 businesses
- IMAG: Assist 60 businesses
  - CMAG: Assist three organizations to support 58 businesses

FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18		
When Committed	Awards	Award Amount
From current fiscal year	60	\$1,200,000
TOTAL	60	\$1,200,000

- Two CMAGs were contracted in FY18 and expected to assist 95 businesses.
- In FY18, the program budget was amended up to \$1,500,000.

RECOMMENDED CHANGES

No substantive changes

# GLOBAL TRADE VENTURE PROGRAM

## STATUS

- Active

## INCEPTION

WEDC FY15

## PROGRAM GOAL

The goal of the Global Trade Venture Program is to support the export capabilities of businesses in the state of Wisconsin.

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

Business Development – Export and International Trade

## PROGRAM DESCRIPTION

The program provides Wisconsin companies with access to expertise in target markets to realize export opportunities and to accelerate export sales.

WEDC's market development directors lead Wisconsin companies on single- or multiple-country Global Trade Ventures, providing each participating company with a suite of in-market services executed by WEDC's authorized trade representatives. The services of the U.S. Commercial Service and/or other independent contractors may be required to execute services for a trade venture. Program funds help support the cost of country-specific business services to eligible Wisconsin companies by offsetting the cost of the venture.

## ELIGIBILITY REQUIREMENTS

Participants must be established businesses operating in Wisconsin that manufacture, process, assemble and/or distribute a product or perform a service with the potential to be exported. The company does not need to be headquartered in Wisconsin, but must have export-related operations located within the state. Service companies such as engineering, architectural, information technology, scientific research and other exportable services are eligible for support under this program.

International professional business service providers or economic development entities seeking to build their international network or to support client companies participating in a trade venture may participate. However, these service providers will not be eligible for funding to support the in-market service package, and they will pay full price to participate in the venture, unless they can demonstrate they are expanding their exportable international business.

If the market for a given trade venture warrants a subject matter expert or an industry representative, WEDC may invite appropriate representatives to join the trade venture.

## INCENTIVES AND AVAILABLE FUNDING

\$653,882 (non-aids)

The budget encompasses the total costs of program implementation, including administrative, marketing, in-market services and other costs associated with staff and subject matter experts' travel. WEDC will cover a portion of the business service package cost to eligible Wisconsin companies. WEDC will negotiate a reduced rate package for eligible businesses depending on the specific services to be offered. Ineligible companies may participate by paying the full market price of the trade venture package.

Services are determined based on the market and business need. Services may include but are not limited to:

- market assessment;
- partner search (customer, dealer, distributor, representative, agent, licensee, employee);
- translation/interpreting; and
- activities to foster cultural understanding of customers or consumers.

## **EXPECTED OUTCOMES**

Support six Global Trade Ventures in WEDC's target markets in eight countries and assist 40 businesses.

## **FY18 PROGRAM ACTIVITY**

WEDC led six Global Trade Ventures and assisted 26 businesses.

## **RECOMMENDED CHANGES**

No substantive changes

# FABRICATION LABORATORIES GRANT

## STATUS

- Active

## INCEPTION

WEDC FY18

## PROGRAM GOAL

The goal of the Fabrication Laboratories (Fab Labs) Grant program is to support the growth of a talent pipeline in the state of Wisconsin.

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

Strategic Economic Competitiveness: – State/Regional Talent and Workforce Initiatives

## PROGRAM DESCRIPTION

The program is designed to support hands-on Science, Technology, Engineering, Arts and Math (STEAM) education by assisting public school districts with equipment purchases used for instructional and educational purposes in fabrication laboratories in Wisconsin schools. The open Fab Lab environment enables students to learn the skills necessary to thrive in the 21st Century global economy. Fab Labs may also serve as a local economic development tool, providing a resource for entrepreneurs, businesses and inventors through community access.

## ELIGIBILITY REQUIREMENTS

Wisconsin public school districts may apply for a grant to purchase equipment to be used for instructional and educational purposes in one or more fabrication laboratories by elementary, middle, junior high or high school students. Either a CESA, or a lead public school district, may apply on behalf of a consortium of two or more public school districts. All applicants must match 1:1 the amount of funding provided by WEDC.

WEDC will take the following into account when considering a Fab Lab Grant:

- Readiness and long-range planning
- Curriculum
- Business and community partnerships
- Financial need and previous awards

## INCENTIVES AND AVAILABLE FUNDING

\$500,000

The incentives in this program are grants of up to \$25,000 for individual school districts or up to \$50,000 for consortium applications to reimburse recipients for equipment purchases. The Fab Lab Grant program has an annual competition for funding. Applicants may only be awarded one grant per cycle.

## EXPECTED OUTCOMES

Assist twenty public school districts or consortiums.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18		
When Committed	Awards	Award Amount
From current fiscal year	22	\$504,863
<b>TOTAL</b>	<b>22</b>	<b>\$504,863</b>

## RECOMMENDED CHANGES

In FY19, there will be a moratorium on applicants who have already received three Fab Labs Grants, excluding the City of Milwaukee.



# TARGETED INDUSTRY PROJECTS

## STATUS

- Active

## INCEPTION

WEDC FY12

## PROGRAM GOAL

The goal of the Targeted Industry Projects Program (TIP) is to support industry cluster and sector development in the state of Wisconsin.

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

Strategic Economic Competitiveness – Future Industry Strategies

## PROGRAM DESCRIPTION

TIP offers a continuum of services to advance targeted, high-growth business consortia and industry sectors, culminating over time in the development of high-quality jobs and significant job growth in Wisconsin.

In return for this WEDC investment, recipient organizations must be actively engaged in distinct (non-duplicative) industry or sector development, or engaged in efforts to enhance cross-industry competitiveness, such as in workforce development, market development, new investments (domestic and foreign), business attraction, and acquisition of specialized competitive assets or facilities.

## ELIGIBILITY REQUIREMENTS

Eligible organizations must have an identifiable strategy; stable, strong leadership; active membership and financial support from members; sound financial condition; and clear identification as an organization connected to target industry development.

## INCENTIVES AND AVAILABLE FUNDING

\$3,000,000

Typically, qualifying recipients may receive financial grants up to \$1 million, depending upon the scope of the project, participating co-investment, relevance to industry competitiveness and job-growth potential. Awards may be given out in phases such that the entire lifecycle of a project, from strategy planning or initial concept to project implementation, may take place across up to four separate, phased awards from WEDC.

## EXPECTED OUTCOMES

Assist seven organizations, support the creation, attraction or expansion of 40 businesses, and achieve a 3:1 leverage of other investment.

## FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18				
When Committed	Awards	Award Amount	Businesses to be Assisted	Leverage Ratio
From current fiscal year	13	\$3,950,603	335	3:1
<b>TOTAL</b>	<b>13</b>	<b>\$3,950,603</b>	<b>335</b>	<b>3:1</b>

- One commitment made during FY18 was not contracted at fiscal year end due to ongoing negotiations.
- 13 unique organizations received awards in FY18,
- In FY18, the program budget was amended up to \$3,976,000.
- The 2017-19 Biennial Budget (2017 Act 59) included Section 9150, Nonstatutory provisions – Wisconsin Economic Development Corporation, and directed the corporation to “allocate \$100,000 in fiscal year 2017–18 and \$300,000 in fiscal year 2018–19 for the purpose of awarding grants to one or more nonprofit organizations for the provision of services to school districts in this state in which the school board has adopted a resolution to initiate a fabrication laboratory. WEDC awarded a Targeted Industry Projects Grant of \$100,000 to the Wisconsin Center for Manufacturing and Productivity on June 30, 2018 to meet this requirement.

## RECOMMENDED CHANGES

No substantive changes

# LEGISLATIVE AWARDS

The 2017-19 Biennial Budget (2017 Act 59) included Section 9150, Nonstatutory provisions – Wisconsin Economic Development Corporation, and directed the corporation to “grant \$100,000 to MCDEVCO, Inc., doing business as the Marathon County Development Corporation, in the 2017-18 fiscal year for a revolving loan program for minority-owned businesses in Marathon County.” WEDC awarded the grant of \$100,000 to MCDEVCO on May 23, 2018 for the project.

## TRANSFERRED, CONSOLIDATED AND WITHDRAWN PROGRAMS

WEDC continues to manage awards made under programs that have been consolidated, discontinued or withdrawn during past fiscal years. In several instances, programs were withdrawn in an effort to eliminate inactive programs, minimize confusion among businesses and remove duplicative administrative costs associated with programs that served similar purposes. To ensure that current programs and services are accessible to, and meet the needs of, businesses and communities throughout the state, WEDC considered the goals and purposes of consolidated and repealed programs when developing its strategic and operating plans.

### ECONOMIC DEVELOPMENT PROGRAMS TRANSFERRED

No programs were transferred in FY18.

### WITHDRAWN AND CONSOLIDATED PROGRAMS

Programs that have been withdrawn or consolidated in FY18 are listed below. Please see WEDC program descriptions for information on current programming that serves similar target industries and activities.

#### Business Opportunity Loan Fund

The Business Opportunity Loan program was discontinued for FY18; however, the new Business Development Loan Program was launched in January 2018.





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# AMERICAN INDIAN ECONOMIC DEVELOPMENT TECHNICAL ASSISTANCE GRANT

## STATUS

- Active

## INCEPTION

July 1, 2012

## PROGRAM GOAL

According to Wisconsin State Statute §16.29(1), the purpose of the program is to partially fund a program to provide technical assistance for economic development on Indian reservations.

## PROGRAM DESCRIPTION

Grants to the Great Lakes Inter-Tribal Council (GLITC) partially fund a program for the following businesses: a tribal enterprise, an Indian business that is located on an Indian reservation, and an Indian business that is not located on an Indian reservation but that directly benefits the economy of an Indian reservation. Technical assistance provided: management assistance to existing businesses; startup assistance to new businesses, including the development of business and marketing plans and assistance in securing development financing; technical assistance to new and existing businesses in gaining access to tribal, state and federal business assistance and financing programs. The program may not provide technical assistance for commercial gaming and gambling activity. As a condition of receiving a grant, GLITC shall annually prepare a report on the technical assistance program and submit the report to the Department of Administration (DOA).

## ELIGIBILITY REQUIREMENTS

Wisconsin State Statute dictates that the grant will be given to the Great Lakes Inter-Tribal Council.

## INCENTIVES AND AVAILABLE FUNDING

\$79,500 annual grant to GLITC per state statutes.

## EXPECTED OUTCOMES

Each year, GLITC sends a plan of work to the Department of Administration (DOA) along with a proposed budget of how they will spend the funds and with measurable goals.

## FY18 PROGRAM ACTIVITY

Assist 48 businesses and entrepreneurs per year with economic feasibility studies and individuals and businesses with business development and financial literacy training. Additionally, the program was used to fund a feasibility study on an aquaculture endeavor.

## RECOMMENDED CHANGES

Monitor the types of businesses receiving assistance to see if more advanced technical assistance is needed.

# COMMUNITY DEVELOPMENT BLOCK GRANT-COMMUNITY DEVELOPMENT

## STATUS

- Active

## INCEPTION

Title 1 of the Housing and Community Development Act of 1974

## PROGRAM GOAL

To provide resources to units of general local government (UGLGs) throughout Wisconsin to address deficient infrastructure and facilities; alleviate threats to public health, safety and welfare; support revitalization of established neighborhoods and downtown businesses; and improve economic opportunities for low-to moderate-income persons and communities

To achieve these goals, Community Development Block Grant (CDBG) regulations define eligible activities and the national objectives that each activity must meet. For each CDBG project that it funds, the Division of Energy, Housing and Community Resources (DEHCR) must ensure that it meets at least one of the following national objectives and that each project is an eligible activity as defined by the U.S. Department of Housing and Urban Development (HUD). The HUD national objective category must be identified in the application prior to the award of funding.

The three national objectives are:

1. To provide benefits to low-to moderate-income persons (LMI)
2. To aid in the prevention or elimination of slums or blighted areas
3. To provide funding for projects that have a particular urgency due to existing conditions which pose a serious and immediate threat to the health and welfare of the community

## PROGRAM DESCRIPTION

### CDBG - Community Development programs include:

- CDBG - Public Facilities (CDBG - PF)
- CDBG - Planning (CDBG - PLNG)

The CDBG Program is administered by HUD. The primary purpose of the Small Cities CDBG Program is the development of viable communities through the provision of decent housing, a suitable living environment and the expansion of economic opportunities, all principally for the benefit of persons of low-to moderate-income.

The Department of Administration (DOA) is Wisconsin's recipient for the Small Cities CDBG Program. DOA monitors and oversees all of the state CDBG programs, other than those in entitlement communities. Under a previous administrative agreement executed between the Wisconsin Economic Development Corporation (WEDC) and DOA, WEDC administered, with DOA's oversight, Wisconsin's CDBG - American Recovery and Reinvestment Act (ARRA), CDBG - Community Development and CDBG - Economic Development (ED) programs. On July 1, 2013, all CDBG application and contract management activities were transferred to DOA's Division of Energy, Housing and Community Resources (DEHCR). WEDC continues its extensive community and economic development and networking outreach to local communities.

Every year, HUD provides federal CDBG funds directly to states, which in turn provide the funds to small, rural cities and towns with populations of less than 50,000 and/or to non-urban counties. These small communities are referred to as “non-entitlement” areas because they must apply to the state for CDBG funding. Larger areas, including but not limited to Milwaukee, La Crosse and Madison, receive CDBG funding directly from HUD and are defined as entitlement communities. Entitlement communities are not eligible to apply for the state’s CDBG program.

**ELIGIBILITY REQUIREMENTS**

DEHCR may only award CDBG sub-awards to UGLGs, which in turn carry out the funded activities. The only UGLGs eligible to apply for CDBG funds are incorporated towns, non-entitlement cities, villages and non-urban counties. Nonprofit agencies and entities such as sewer districts and fire departments are not eligible to apply for sub-award funds. DEHCR cannot award CDBG funds directly to citizens or private organizations.

UGLG’s are responsible for considering the local needs of their populations, preparing applications for assistance to DEHCR and carrying out the contracted development activities. UGLGs must comply with all federal and state requirements pertaining to the use of their awarded CDBG funding.

State CDBG funds are awarded by DEHCR to non-entitlement communities annually on a competitive basis, based on pre-determined scoring parameters. DEHCR awards grants to UGLGs for public infrastructure projects such as municipal water and sewer improvements; construction of public facilities, such as community and senior centers; slum and blight elimination; and community planning activities.

**FY18 PROGRAM ACTIVITY**

CDBG - PF:

- 39 communities assisted
- 54,187 persons served

CDBG - PLNG:

- Two communities assisted
- 819 persons served
- Since CDBG data are compiled at contract closeout and reported on the program-year basis, performance data does not reflect the time period covered by the state fiscal year, but rather are based on HUD’s program year of April 1, 2017 to March 31, 2018.

**RECOMMENDED CHANGES**

None



# COMMUNITY DEVELOPMENT BLOCK GRANT-ECONOMIC DEVELOPMENT

## STATUS

- Active

## INCEPTION

Title 1 of the Housing and Community Development Act of 1974

## PROGRAM GOAL

To provide resources to Units of General Local Government (UGLGs) throughout Wisconsin to address deficient infrastructure and facilities; alleviate threats to public health, safety and welfare; support revitalization of established neighborhoods and downtown businesses; and improve economic opportunities for low-to moderate-income (LMI) persons and communities.

To achieve these goals, CDBG regulations define eligible activities and the National Objectives that each activity must meet. For each CDBG project that it funds, the Division of Energy, Housing and Community Resources (DEHCR) must ensure that it meets at least one of the National Objectives and that each project is an eligible activity, as defined by the U.S. Department of Housing and Urban Development (HUD). The HUD National Objective category must be identified in the application prior to the award of funding.

The three national objectives are:

1. To provide benefits to low-to moderate-income persons (LMI).
2. To aid in the prevention or elimination of slums or blighted areas.
3. To provide funding for projects that have a particular urgency due to existing conditions which pose a serious and immediate threat to the health and welfare of the community.

## PROGRAM DESCRIPTION

CDBG - Economic Development programs include:

- CDBG - Economic Development (CDBG - ED)
- CDBG - Public Facilities for Economic Development (CDBG - PFED)

The CDBG Program is administered by HUD. The primary purpose of the Small Cities CDBG Program is the development of viable communities through the provision of decent housing, a suitable living environment and the expansion of economic opportunities, all principally for the benefit of persons of low-to moderate-income.

The Department of Administration (DOA) is Wisconsin's recipient for the Small Cities CDBG Program. DOA monitors and oversees all of the CDBG programs, other than those located in entitlement communities. Under a previous administrative agreement executed between Wisconsin Economic Development Corporation (WEDC) and DOA, WEDC administered, with DOA's oversight, Wisconsin's CDBG-American Recovery and Reinvestment Act (ARRA), CDBG-Community Development (CD), and CDBG-Economic Development (ED) programs. On July 1, 2013, the DOA Division of Housing began handling all CDBG application and contract management activities. WEDC continues its extensive community and economic development and networking outreach to local communities.

Every year, HUD provides federal CDBG funds directly to states, which in turn provide the funds to small, rural cities and towns with populations of less than 50,000 and/or to non-urban counties. These small communities are referred to as “non-entitlement” areas because they must apply to the state for CDBG funding. Larger areas, including, but not limited to, Milwaukee, La Crosse and Madison receive CDBG funding directly from HUD and are defined as “entitlement” communities. Entitlement communities are not eligible to apply for the state’s CDBG funding.

### **Incentives and Available Funding**

\$40,879,483 in total funding available

### **Expected Outcomes**

1,168 jobs created/retained

## **ELIGIBILITY REQUIREMENTS**

DEHCR may only award CDBG sub-awards to UGLGs, which in turn carry out the funded activities. The only UGLGs eligible to apply for CDBG funds are incorporated towns, non-entitlement cities, villages and non-urban counties. Non-profit agencies and entities such as sewer districts and fire departments are not eligible to apply for sub-award funds. DEHCR cannot award CDBG funds directly to citizens or private organizations.

UGLGs are responsible for considering the local needs of their populations, preparing applications for assistance to DEHCR and carrying out the contracted development activities. UGLGs must comply with all federal and state requirements pertaining to the use of their awarded CDBG funding.

DEHCR awards CDBG - ED funds to non-entitlement UGLGs that, in turn, grant or loan funds to local businesses for economic development projects. The controlling federal laws and regulations require that the activity funded must constitute an eligible activity and meet a National Objective (benefit persons of low to moderate income, address slum and blight conditions or meet an urgent local need). In addition, at least 70 percent of the state’s total funds must be dedicated to the primary objective of benefiting persons of low to moderate income.

## **FY18 PROGRAM ACTIVITY**

Communities and businesses assisted, job creation, job retention, investment in public infrastructure

### **CDBG-PFED:**

- One community assisted
- 31 jobs created/retained

Since CDBG data are compiled at contract closeout and reported on a program-year basis, performance data does not reflect the time period covered by the state fiscal year, but rather are based on HUD’s program year of April 1, 2017, to March 31, 2018.

## **RECOMMENDED CHANGES**

None

# COMMUNITY DEVELOPMENT BLOCK GRANT-RURAL ECONOMIC AREA DEVELOPMENT INITIATIVE (READI)

## STATUS

- Active

## INCEPTION

The CDBG program was established pursuant to Title 1 of the Housing and Community Development Act of 1974. Wisconsin's READI program was approved by the U.S. Department of Housing and Urban Development on August 15, 2016.

## PROGRAM GOAL

To provide resources to Units of General Local Government (UGLGs) throughout Wisconsin to improve economic opportunities for low- and moderate-income persons and communities and to provide additional housing opportunities for low-to moderate-income (LMI) persons.

CDBG funding requires that all projects must meet one of three National Objectives; however, under READI, all projects must benefit persons of low-to moderate-income (LMI).

The three national objectives are:

1. To provide benefits to low-to moderate-income persons.
2. To aid in the prevention or elimination of slums or blighted areas.
3. To provide funding for projects that have a particular urgency due to existing conditions which pose a serious and immediate threat to the health and welfare of the community.

## PROGRAM DESCRIPTION

READI uses CDBG funding to provide targeted economic development investment in either a single unit of general local government or a rural region. All applications for READI funding must include the DOA-certified CDO that will administer the grant.

READI applications must include both an economic development project and a housing project. Applicants are strongly encouraged to include a jobs training component as well. Grantees may receive up to \$1 million, as follows: **\$500,000** for Economic Development, **\$300,000** for Workforce Housing, and **\$200,000** for Job Training.

CDBG funding requires that all projects must meet one of three National Objectives; however, **under READI, all projects must benefit persons of low-to moderate-income (LMI).**

1. **Economic Development Priorities under READI:** facilitate economic development and job creation for low-to moderate-income (LMI) persons.
2. **Housing Priorities under READI:** rehabilitate and/or expand housing stock in rural communities to ensure housing opportunities exist for low- to moderate-income households.
3. **Job Training Priorities under READI:** provide training resources and opportunities which ensure that LMI individuals have the necessary skills for the newly created positions.

The CDBG Program is administered by HUD. The primary purpose of the Small Cities CDBG Program is the development of viable communities through the provision of decent housing, a suitable living environment and the expansion of economic opportunities, all principally for the benefit of LMI persons.

The Department of Administration (DOA) is the state's recipient for the Small Cities CDBG Program. DOA monitors and oversees all of the state CDBG programs, other than those located in entitlement communities. Every year, HUD provides Federal CDBG funds directly to states, which in turn provide the funds to small rural cities and towns with populations of less than 50,000 and/or to non-urban counties. These small communities are referred to as non-entitlement areas as they must apply to the State for CDBG funding. Larger areas, including, but not limited to, Milwaukee, La Crosse and Madison receive CDBG funding directly from the U.S. Department of Housing and Urban Development (HUD) and are defined as entitlement communities. Entitlement communities are not eligible to apply to the State for CDBG funding.

## **ELIGIBILITY REQUIREMENTS**

READI is for non-entitlement UGLG's (Excludes Milwaukee, Waukesha and Dane Counties and municipalities with a population greater than 50,000) that intend to grant the CDBG funds to CDOs. The CDO will make loans to eligible businesses and developers. This process follows the guidelines established in the Housing and Community Development Act, Section 105 (a) (15).

### **Incentives and Available Funding**

For 2017, \$10,000,000 was available in funding for projects.

## **FY18 PROGRAM ACTIVITY**

This program will include the final metrics: Communities and businesses assisted, job creation, job retention, investment in public infrastructure, housing units created or rehabilitated.

Since CDBG data are compiled at contract closeout and reported on a program-year basis, performance data does not reflect the time period covered by the state fiscal year, but rather are based on HUD's program year of April 1, 2017, to March 31, 2018.

## **RECOMMENDED CHANGES**

None







# DEPARTMENT OF AGRICULTURE TRADE AND CONSUMER PROTECTION

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# BEGINNING, MINORITY AND UNDERSERVED FARMER ASSISTANCE

## STATUS

- Active

## INCEPTION

2008

## PROGRAM GOAL

Provide outreach and risk management assistance to beginning and minority farmers to increase their sustainability and profitability.

## PROGRAM DESCRIPTION

- Entity served: individual minority and beginning farmers
- Type of assistance: technical assistance

## ELIGIBILITY REQUIREMENTS

None.

## INCENTIVES AND AVAILABLE FUNDING

None.

## EXPECTED OUTCOMES

- New programs and activities are being designed and will be implemented in the future

## FY18 PROGRAM ACTIVITY

This program lost its staff member in 2017 and is currently being reworked to serve a broader group of minorities, women, veteran and beginning farmers. The new program will begin hosting workshops and other activities in Fall 2018 or Winter 2019.



# BUY LOCAL, BUY WISCONSIN GRANT PROGRAM

## STATUS

- Active

## INCEPTION

2008

## PROGRAM GOAL

The Buy Local, Buy Wisconsin (BLBW) Grant Program is an economic development program designed to help the Wisconsin agricultural and food industry find ways to reduce marketing, distribution and processing hurdles impeding the expansion of Wisconsin's local food system.

## PROGRAM DESCRIPTION

- Funding source: general purpose revenues (GPR)
- Since 2008, 52 projects have been funded in the areas of infrastructure development, market development, agriculture tourism, producer development and many more. The average grant size is \$30,000 to entities that have a defined project that will increase sales of local foods and benefit the local food industry.

## ELIGIBILITY REQUIREMENTS

Proposals will be accepted from individuals, groups, businesses and organizations involved in Wisconsin agriculture, Wisconsin food processing, Wisconsin food distribution, Wisconsin food warehousing, Wisconsin retail food establishments, or Wisconsin agricultural tourism. Proposals may involve collaborations or partnerships between producers, food businesses, industry, academia or organizations. Applicants may cooperate with any public or private organization. Projects with broad-reaching impacts will receive higher consideration. Projects should benefit the local food industry and/or the public rather than a single organization, institution, individual or commercial product. Proposed projects should be driven by or supported by local food producers.

## INCENTIVES AND AVAILABLE FUNDING

The BLBW grant program has \$200,000 allocated for grant awards annually. Projects must be concluded within two years of contract start date. The maximum grant award is \$50,000 per project. The Department of Agriculture, Trade and Consumer Protection (DATCP) may not make more than one grant award to the same person in the same state fiscal biennium. Grant applicants must provide cash or in-kind match equivalent to or greater than 50 percent of total project costs (1:1 match).

## EXPECTED OUTCOMES

- Project demonstrates that it will increase the purchase of Wisconsin food products for sale to local purchasers and includes a way to measure the increase that is directly related to project work
- Project demonstrates economic development in the form of new/retained jobs, new investment, increased sales, etc.
- Project shows broad impact

- Project benefits the local food industry and/or the public rather than a single organization, institution, individual or commercial product
- Project directly impacts community development
- Expanded community leadership, increased social capital, more effective nonprofit and/or community-based organizations and/or improved quality of life
- Project benefits clearly demonstrate return on project investment
- Project illustrates a direct benefit to local food producers and local markets
- Will build supply chain infrastructure for building Wisconsin's local food system
- Builds a competitive advantage for Wisconsin agriculture

## **FY18 PROGRAM ACTIVITY**

- Over \$9.9 million in new local food sales
- Over \$4.6 million in new investments
- Return on investment greater than 9:1
- 101 jobs created
- 119 jobs retained
- More than 2,790 producers and 2,918 Wisconsin markets benefited

## **RECOMMENDED CHANGES**

None

# FARM TO SCHOOL TECHNICAL ASSISTANCE

## STATUS

- Active

## INCEPTION

2009 (Act 293)

## PROGRAM GOAL

The Wisconsin Farm to School Program strengthens local economies by increasing the purchases of Wisconsin-grown and produced food products for sale to Wisconsin schools, either directly from the producer or through traditional distribution channels, thereby expanding markets for Wisconsin agricultural producers and food entrepreneurs. The Wisconsin Farm to School Program connects schools with farms to provide children with locally produced fresh fruits and vegetables, dairy products, and other nutritious, locally produced foods in school breakfasts, lunches and snacks; helps children develop healthy eating habits; provides nutritional and agricultural education; and improves farmers' incomes and direct access to markets.

## PROGRAM DESCRIPTION

- Serves: food purchasing organizations and institutional markets
- Program offers: technical assistance & coordination
- Funding source: general purpose revenue
- Target: schools, producers and key members of the supply chain such as distributors who serve the school market
- Eligible activities: local procurement for institutional cafeterias, institutional gardens, nutrition and agriculture education and activities that engage the public such as cooking demonstrations, taste tests and field trips

The Farm to School Program is conducted with the DATCP Wisconsin Farm to School Advisory Council, the Wisconsin Farm to School Steering Committee, and the Wisconsin Farm to School Leadership Team.

## ELIGIBILITY REQUIREMENTS

Eligible activities:

1. Identify impediments and seek to reduce impediments to farm to school and institution activities
2. Advise other state agencies and local agencies on actions to promote farm to school
3. Promote communication between local farmers, schools, hospitals, early care and senior care
4. Conduct training and provide technical assistance for institutional food service personnel and managers, farmers, and food distributors and processors
5. Promote farm to school programs through a public education campaign
6. Provide information on the Internet concerning Wisconsin Farm to School
7. Consult with the Farm to School Advisory Council

## INCENTIVES AND AVAILABLE FUNDING

None available

## EXPECTED OUTCOMES

Wisconsin Farm to School Training baseline:

- General training sessions: 9
- Upper-level technical assistance:
- 151 Producer attendances
- 203 Food Service Personnel attendances
- 17 Distributor/aggregator/processor attendances

Communication goals:

- Statewide newsletters: 1
- Number of subscribers: 1,600

## FY18 PROGRAM ACTIVITY

Wisconsin Farm to School Baseline:

- \$9.2 million spent on Wisconsin products by Wisconsin schools in 2017 (this is up by about 0.1 million from 2016; USDA Farm to School Census)
- More than 1,401 schools engaged in farm-to-school activities in Wisconsin (No change from 2016; USDA Farm to School Census)
- Continues a project focused on developing a statewide procurement strategy
- Filled one FTE for Economic Development Consultant, Farm to School and Institution in April 2018

## RECOMMENDED CHANGES

During FY19, DATCP will continue to develop the Wisconsin Farm to School program through enhanced interactions with the targeted group of producers, food service personnel, and supply chain actors, along with Wisconsin Farm to School Advisory Council, Steering Committee and Leadership Team.

# GROW WISCONSIN DAIRY 30x20 (FORMERLY DAIRY 2020 INITIATIVE AND GRANTS)

## STATUS

- Active

## INCEPTION

The former Commerce 20x20 program was transferred to DATCP in 2012. The Grow Wisconsin Dairy 30x20 Program has been funded \$200,000 under: §161.50(3)(c) and subch. IV of ch. IV of ch. ATCP relating to the Grow Wisconsin Dairy producer grant and loan program.

## PROGRAM GOAL

The Grow Wisconsin Dairy 30x20 program's goal is to help the dairy industry produce more milk (30 billion pounds by 2020) to help Wisconsin's cheese plants to maximize their facilities. This milk production goal was met in 2016.

## PROGRAM DESCRIPTION

The Grow Wisconsin Dairy 30x20 program's goal is to help the dairy industry produce more milk (30 billion pounds by 2020) to help Wisconsin's cheese plants to maximize their facilities. This milk production goal was met in 2016.

## ELIGIBILITY REQUIREMENTS

The grant money can be used for consulting services including: nutrition, veterinary, business planning, improved recordkeeping, farm succession/transition planning and other consulting services.

## INCENTIVES AND AVAILABLE FUNDING

No funding is currently available through DATCP.

## EXPECTED OUTCOMES

Wisconsin met its goal of producing 30,000 pounds of milk in 2016. No grants were given out in 2017. In 2018, the funds were redirected to give scholarships for dairy farming education and will be run by a different state department.

## FY18 PROGRAM ACTIVITY

Program participants fill out a summary sheet as their grant project is completed. Questions asked include:

- Employees before and after
- Number of cows before and after
- Production before and after
- Rating the benefits of the grant

## RECOMMENDED CHANGES

The program was revised, and funds were transferred to another agency to disseminate as dairy education scholarships.

# GROW WISCONSIN DAIRY 30x20 PROCESSOR GRANTS

## STATUS

- Active

## INCEPTION

The former 20x20 program was transferred to DATCP from the Department of Commerce in 2012. The 2013 Wisconsin Act 20 provides funding for the Dairy Processing Plant Grant Program under §20.115(4)(dm) and authority under §97.20 and administrative code ATCP §161.62.

## PROGRAM GOAL

The overall goal of the Grow Wisconsin Dairy 30x20 Processor Grants is to improve the long-term viability of Wisconsin's dairy industry.

## PROGRAM DESCRIPTION

The Grow Wisconsin Dairy Processor Grant is designed to provide access to services and resources for proposed dairy processing plant projects that enhance or develop the current business, solve an existing problem or concern at the plant, improve production or profitability and/or help the processor innovate. Focus areas for the grant are highlighted below. Projects could include multiple aspects from the following areas:

- Dairy plant modernization and expansion efforts to aid with professional service costs related to siting, engineering, design and layout of new facilities or production lines
- Consulting services to help pass a food safety audit or certificate needed to meet a customer-driven market requirement
- Training of plant staff on food safety requirements, new technology, etc.
- Assistance for related professional services and consultants (developing new processes, wastewater treatment or handling, new uses for whey or other innovations)
- Other dairy processing projects may be considered

## ELIGIBILITY REQUIREMENTS

An applicant must operate a licensed dairy processing plant that is engaged in pasteurizing, processing or manufacturing milk or dairy products and that is or will be located in Wisconsin.

## INCENTIVES AND AVAILABLE FUNDING

Grants of up to \$50,000 are available. A total of \$200,000 is available for grants within the program.

## EXPECTED OUTCOMES

Explore new technologies, make operational changes and improve profitability and efficiency

## FY18 PROGRAM ACTIVITY

15 applications were received in 2018 and 9 projects were selected for funding.

## RECOMMENDED CHANGES

The program is no longer referred to as Dairy 20x30 or Grow WI Dairy since the goal of milk production was reached previously and emphasis is no longer on growing milk production but more on industry innovation and increased profitability.

# INTERNATIONAL AGRIBUSINESS CENTER/WISCONSIN INTERNATIONAL TRADE TEAM

## STATUS

- Active

## INCEPTION

1986, authorizing statute § 93.42

## PROGRAM GOAL

The International Agribusiness Center (IABC)/Wisconsin International Trade Team (WITT) accesses federal funds to help Wisconsin food and agricultural companies build their export markets.

## PROGRAM DESCRIPTION

- Serves Wisconsin's food and agricultural companies
- Program offers technical expertise and market development initiatives
- Funding source: state and federal
- Target: Wisconsin agribusinesses interested in or already exporting
- Eligible activities: technical assistance, market research, trade missions, market development

IABC/WITT provides technical expertise and market development initiatives to Wisconsin's food and agricultural companies to aid the growth of Wisconsin agriculture through increased exports and the development of trade enhancing partnerships. Funding sources include: Food Export Association, U.S. Livestock Genetics Export Association, USDA Agricultural Marketing Services Federal-State Marketing Improvement Program (FSMIP) and State Trade Expansion Program (STEP) Grants.

The trade team staff uses client feedback, global trends, market and export data to establish criteria for identifying target markets and activities. Cooperative missions, seminars and hosting of foreign officials are coordinated with WEDC.

## ELIGIBILITY REQUIREMENTS

Wisconsin-based small to midsize agricultural businesses

## INCENTIVES AND AVAILABLE FUNDING

Eligible businesses can access numerous programs including:

- One-on-one consultations
- Education workshops that cover a wide range of topics, from exporter basics to detailed sessions on trade regulation, tariffs and insurance to market characteristics
- Customized export assistance on the details affecting exporting food and agricultural products
- Identifying strategies to reach out to customers in other countries
- Scheduling one-on-one meetings with interested buyers

- Trade show enhancement services, which may include pre-show feedback on competitors, translation of company profile, on-site interpreters, pre-arranged meetings with potential buyers, site visits to local retailers, in-market seminars and follow-up assistance
- Trade missions that provide the opportunity to develop firsthand market knowledge through coordinated individual and group programs and to attend scheduled one-on-one meetings with qualified buyers and government officials

## EXPECTED OUTCOMES

- Export sales generated by Wisconsin companies as a result of WITT services: \$20 million
- The IABC/WITT assisted Wisconsin companies in accessing federal funding to defray international marketing expenditures (Note: Funding allocations are on a Calendar Year format, however, actual federal funds utilized as part of the program are based on Fiscal Year.): \$1 million
- Number of companies expected to receive export development services from WITT staff: 300

## FY18 PROGRAM ACTIVITY

- Export sales generated by Wisconsin companies as a result of WITT services: \$23.9million
- Anticipated increase in export sales (within 12 months of date reported) generated by Wisconsin companies as a result of WITT services: \$6.5 million
- The IABC/WITT assisted Wisconsin food and food processing companies in accessing federal funding to defray international marketing expenditures (Note: Funding allocations are on a Calendar Year format, however, actual federal funds utilized as part of the program are based on Fiscal Year.): \$1,181,664.32
- Anticipated number of jobs created or retained as a result of WITT services: 207.9 based on actual export sales (calculation: \$1 million in agricultural exports creates or retains 8.4 jobs and \$1.3 million in additional domestic economic activity)
- Additional economic activity: \$19.7 million (calculation: \$1 million in agricultural exports creates or retains 8.4 jobs and \$1.3 million in additional domestic economic activity)
- Number of companies receiving export development services from IABC/WITT staff: 119

## RECOMMENDED CHANGES

The IABC/WITT will continue outreach efforts to Wisconsin food and agriculture companies, utilizing a variety of communications channels to increase awareness of programs and participation in export activities.



# ORGANIC CERTIFICATION COST-SHARE PROGRAM

## STATUS

- Active

## INCEPTION

The program was reinstated in 2014 with the passing of the U.S. Farm Bill

## PROGRAM GOAL

Provide a cost sharing program to reimburse part of the cost of becoming and maintaining organic certification for producers and processors program.

## PROGRAM DESCRIPTION

The USDA National Organic Program provides each state with funds to reimburse organic certified farmers and processing companies for up to 75 percent of their certification costs. Rebates cannot exceed \$750 per scope of certification.

## ELIGIBILITY REQUIREMENTS

Certified entities must fill out a state application and submit proof of certification along with receipts for expenses paid to their certifier during the federal fiscal year.

## INCENTIVES AND AVAILABLE FUNDING

\$1,000,500 was available for rebates in 2017. Additional funds were secured to pay all applicants.

## EXPECTED OUTCOMES

Reach out to producers and processors and receive applications from at least 40 percent of the state's certified producers and processors.

## FY18 PROGRAM ACTIVITY

- 967 entities received a rebate in 2017.
- \$843,662 was distributed in rebates.

## RECOMMENDED CHANGES

None

# SOMETHING SPECIAL FROM WISCONSIN™

## STATUS

- Active

## INCEPTION

1983 (Act 92)

## PROGRAM GOAL

Provide commodity and product promotion, and technical assistance.

## PROGRAM DESCRIPTION

- Something Special from Wisconsin is a statewide identifier. The trademarked logo may be used for products if at least 50 percent of the value of the product or service is attributable to Wisconsin ingredients, production or processing activities.
- Members are authorized to use the logo on product labels, brochures, promotional material, trade show banners, vehicles and signs.
- Funding source: state (staff), membership fees (promotional materials)
- Target industry: value-added Wisconsin agricultural products and other products produced, grown, manufactured or processed in Wisconsin.
- Eligible activities: market assistance, branding, promotions and technical assistance to businesses are supported by general purpose revenue. Annual membership fees, ranging from \$0 to \$200 based on gross annual sales from the previous year, are used for brand promotion, member and consumer education, program materials and activities.

## ELIGIBILITY REQUIREMENTS

No person may use the logo on any product or commodity unless the product or commodity meets the following requirement:

- At least 50 percent of the product's or commodity's value added is attributable to Wisconsin ingredients or to Wisconsin production or processing activities.

## INCENTIVES AND AVAILABLE FUNDING

Funding to operate the program and promote the members to consumers, retailers and chefs comes through annual membership fees averaging between \$25,000 and \$30,000 annually depending upon the number of members each year.

## EXPECTED OUTCOMES

Program Membership Measurement:

- Membership retention: 90 percent
- New member recruitment: 75
- Average member sales increase: 12 percent
- New member event participation: 150

**Membership Website:**

- Member self-renewal online: 95 percent
- Online credit card fee payment: 80 percent

**Catalog and Point-of-Sale Signage:**

- Catalogs: online viewing
- Point-of-sale signage: 46,000 units

**FY18 PROGRAM ACTIVITY****Program Membership Measurement:**

- Membership retention: 89 percent
- New member recruitment: 76
- Average member sales increase: 11 percent
- New member event participation: 132

**Membership Website:**

- Member self-renewal online: 99 percent
- Online credit card fee payment: 90 percent

**Catalog and Point of Sale Signage:**

- Catalogs: online viewing
- Point-of-sale signage: 49,000 units

**RECOMMENDED CHANGES**

Implement Something Special from Wisconsin promotional products line and activate access to credit cards for membership renewal and even registration through member processing software.

# SPECIALTY CROP BLOCK GRANT

## STATUS

- Active

## INCEPTION

Federal Specialty Crop Competitiveness Act of 2004

## PROGRAM GOAL

To increase the competitiveness of Wisconsin specialty crops by providing federal grant funds to Wisconsin specialty crop industry agencies, organizations and businesses.

## PROGRAM DESCRIPTION

- Grants are awarded for a three-year period through a competitive process representing Wisconsin's diverse specialty crop industries
- Proposals must be sponsored or endorsed by Wisconsin specialty crop growers' organizations or industry representatives
- Funding source: federal
- Target industry: specialty crops
- Eligible activities: market development, research, education or industry innovation

## ELIGIBILITY REQUIREMENTS

Projects must benefit Wisconsin's specialty crop industries (as defined by the USDA) on a large scale geographically or by industry. Projects cannot benefit single entities. Projects must solely benefit specialty crop industries.

## INCENTIVES AND AVAILABLE FUNDING

Funding is allocated annually to states through the federal Farm Bill and changes annually based on each state's sales and planted acreage of specialty crops. Projects range from \$10,000 to \$100,000 annually. Typically, about 18 awards are given for approximately \$1,200,000 total.

## EXPECTED OUTCOMES

Each project has its own outcomes related to at least one of the following:

- Environmental sustainability, pest and disease control and varietal improvement
- Development of food safety practices that assist with compliance with the Food Safety Modernization Act, Good Agricultural Practices (GAP) and good Handling Practices (GHP) certification
- Increasing the demand for and supply of Wisconsin specialty crops
- Industry innovation in production, processing and packaging
- Education for producers, processors, and the general public to increase production, sales, or consumption of Wisconsin specialty crops

## **FY18 PROGRAM ACTIVITY**

During FY18, 66 grants were open and managed. About 73 percent of projects are research-based, with about 16 percent education and 11 percent market development. The majority of projects are run by the University of Wisconsin system Wisconsin's larger Growers Association groups, with some smaller nonprofit and private entities implementing projects as well.

## **RECOMMENDED CHANGES**

None

# VALUE ADDED AGRICULTURE REVOLVING LOAN PROGRAM

## STATUS

- Active

## INCEPTION

2002

Initiated with a Rural Business Enterprise Grant from USDA Rural development and further money added from the Value-Added Dairy Initiative.

## PROGRAM GOAL

This program is intended to help value added enterprises expand or start new businesses by augmenting financing available from commercial lenders, or in the case of smaller projects, to provide primary loan funding. Its primary purpose would be to finance the acquisition of equipment to process new products, start new businesses expand or improve existing businesses.

## PROGRAM DESCRIPTION

- Type of assistance: Low interest loans.
- Funding source: Federal.
- Target industry: Dairy, specialty meats, value added agriculture.
- Eligible activities: Start-up or expansion.

## ELIGIBILITY REQUIREMENTS

The program is targeted to small businesses - an eligible applicant would have a net worth that does not exceed \$3 million.

## INCENTIVES AND AVAILABLE FUNDING

This program is not currently awarding new loan funds.

## EXPECTED OUTCOMES

- loan recipients will use funds for capital to increase capacity of their business.

## FY18 PROGRAM ACTIVITY

This program is not currently awarding new loan funds.

## RECOMMENDED CHANGES

None







# DEPARTMENT OF TRANSPORTATION

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# DISADVANTAGED BUSINESS ENTERPRISE MOBILIZATION LOAN GUARANTY PROGRAM

## STATUS

- Active

## INCEPTION

The Disadvantaged Business Enterprise (DBE) Mobilization Loan Guaranty Program was created by 1987 Wisconsin Act 399. Financial consultants competed for, and were awarded, contracts to implement loan mobilization activities. Two-year contracts began October 6, 2015, with a scheduled expiration date of May 31, 2017.

## PROGRAM GOAL

The DBE Mobilization Loan Guaranty Program is designed to help disadvantaged businesses obtain working capital to participate in transportation-related construction prime contracting or subcontracts with the Wisconsin Department of Transportation (WisDOT).

## PROGRAM DESCRIPTION

- Type of assistance: program provides loans used as working capital necessary to mobilize WisDOT projects
- Funding source: state funds and federal grants when available
- Funding for loans: interest-bearing state funds, accruing interest since 1984 and currently at North Milwaukee State Bank
- Target industry: transportation infrastructures, specifically road design and construction
- Eligible activities for assistance: bank vetting for willingness to work with small businesses, financial analysis, annual financial package, project cash flow projection, loan documentation preparation for U.S. Department of Transportation (DOT) loans, federal grants, U.S. Small Business Administration loans or WisDOT loan guaranty.

## ELIGIBILITY REQUIREMENTS

Must be a certified DBE firm in good standing with WisDOT. Must have a contract or subcontract with WisDOT or with a prime contractor doing business with WisDOT.

## INCENTIVES AND AVAILABLE FUNDING

- Budget: \$75,000
- Guaranty up to 90 percent of the loan amount.
- Loan cannot exceed 50 percent of contract amount.
- Term of loan is six months, with option for extension of another six months.
- Loan cannot exceed \$250,000 at any given time.
- Loan proceeds are used as working capital.
- Joint paychecks are issued to lender and DBE until loan is paid in full.
- Any Wisconsin bank or credit union is eligible to get this guarantee for loans granted under the program.

## EXPECTED OUTCOMES

### Benchmarks Goal

- Bank vetting: establish relationships with two new banks that will accept WisDOT guarantee
- Financial analysis complete: six DBE firms
- Loan document preparation: four DBE firms
- Loans processed: three

## FY18 PROGRAM ACTIVITY

None

## RECOMMENDED CHANGES

None

# DISADVANTAGED BUSINESS ENTERPRISE SUPPORT SERVICES

## STATUS

- Active

## INCEPTION

The Federal Transportation Bill, approved by Congress on Dec. 4, 2015, also known as the Fixing America's Surface Transportation Act or FAST-ACT. The program is implemented under Title 49 of the Code of Federal Regulations Part 26. DBE Support Services (DBESS) consultants competed for and were awarded two-year contracts to implement engineering analysis and advisement, legal support services, technical trainings and business development services for DBE firms seeking to do business with WisDOT.

## PROGRAM GOAL

- To help remove barriers to the participation of DBE firms in U.S. DOT-funded contracts
- To assist in the development of firms that can compete in the marketplace outside of the DBE program
- To increase participation of firms owned by disadvantaged individuals in all federal aid and state transportation facility contracts

## PROGRAM DESCRIPTION

DBE Support Service is designed to assist disadvantaged business enterprises (DBEs) remove barriers that impede competing on WisDOT Contracts.

Target industry: transportation infrastructure; specifically, road design and construction

WisDOT DBE Program offers legal, financial and engineering services

Support Services are provided by professional consultants which consist of a licensed CPA, a contract attorney, and professional engineers

Consultant Services include, but are not limited to:

- Business Automation
- Business Plan Consultation
- Capacity Building Business Assessment
- Mentor Protégé Programs
- Mobilization Loan for Working Capitol
- 1 on 1 Business Consultation
- Subscription to Bid Express Small Business Network

## ELIGIBILITY REQUIREMENTS

Business must be a UCP DBE certified firm who can perform on WisDOT Highway projects

- Average Annual Gross Receipts of the business are less than \$23.98 million
- Applicant must prove 51% ownership of business
- Operational and managerial control
- Personal net worth is less than \$1.32 million
- Technical competence in work area
- Firm is independent of other businesses

Target audience: UCP DBE Certified Firms: Asian-Indian, Asian-Pacific American, Black American, Hispanic American, Native American, women, any individual deemed as socially disadvantage resulting from circumstances beyond his control per 49 CFR part 29 appendix E

## INCENTIVES AND AVAILABLE FUNDING

- Support Service Technical Assistance: \$198,514

## EXPECTED OUTCOMES

- DBE Firms performing on WisDOT Projects in all regions
- DBE Firms attending the Annual DBE Workshops
- DBE Firms completing the Business Capacity Assessment
- DBE Firms participating in the Business Development Program

## FY18 PROGRAM ACTIVITY

- Utilized professional consultants to engage DBE firms in services offered at no cost to the DBE firms
- DBE must complete the Capacity Building Business Assessment to receive services
- Offer professional development workshops for DBE firms
- Track DBE performing on WisDOT Project
- Publish a DBE newsletter/alerts on current program activity and upcoming opportunities

## RECOMMENDED CHANGES

None

# TRANSPORTATION FACILITIES ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM

## STATUS

- Active

## INCEPTION

Sept. 8, 1987, under enabling legislation of Wis. Stat. §84.185, and administered under Wisconsin Administrative Code Department of Transportation (Trans) Chapter 510, created as an emergency rule effective Oct. 16, 1989.

## PROGRAM GOAL

The goal of the Transportation Facilities Economic Assistance and Development (TEA) Program is to attract and retain business firms in Wisconsin, and thus create or retain jobs. The purpose of the TEA Program is to implement a flexible and expeditious process of evaluating and approving road, rail, harbor and airport improvements that are essential to economic development projects. The TEA Program is a grant program that provides up to \$5,000 per job created or retained by governmental bodies, private businesses or consortiums, with the intent to guarantee the creation and retention of jobs for a seven-year period.

## PROGRAM DESCRIPTION

The TEA Program awards grants in the lesser amount of either 50 percent of the total project cost or \$5,000 maximum per job created or retained. Awards are made to governing bodies (cities, villages, towns or counties), private businesses and consortiums for eligible road, rail, harbor/port and airport projects that aim to attract businesses to Wisconsin or encourage business and industry to stay and expand operations within Wisconsin. Cost shares are typically 50 percent from WisDOT, the other 50 percent being a combination of local government and private business funding. The annual budget is \$3,402,500. Grant assistance is provided to communities and businesses in exchange for the guarantee of job creation or job retention for a seven-year period. Applications are accepted year-round on a first-come, first-served basis. The maximum grant award cannot exceed \$1,000,000. The TEA Program is a reimbursement program whereby the community (the sponsor) must cover 100 percent of all project costs up front before seeking reimbursement from WisDOT. The business development cannot be speculative.

From application to approval, the grant process takes up to 90 days to formally complete and make an award. Once a project has been approved and awarded, project construction needs to commence within three years of the date when the project agreement is executed.

## ELIGIBILITY REQUIREMENTS

The TEA Program is a grant program that provides up to \$5,000 for each new job created. The job type must meet eligibility requirements to proceed to the application stage. Certain job types, such as retail stores, eating and drinking establishments, recreation and entertainment facilities, hotels and motels, are excluded from grant consideration. Also, the following transportation project improvements are eligible for grant assistance: street, road, highway, intersection and interchange improvements that are open to the public for travel and come under the jurisdiction or ownership of a public authority (all private roads, parking lanes or parking lots are excluded); rail projects to include an industrial lead, a spur, team track or trackside intermodal transfer facility; harbor/port improvements, to consist of dredging, dock walls, piers, intermodal connections and lighting; and airport improvements consisting of runway, taxiway, aprons and access service roads (airport hangars are excluded).

## INCENTIVES AND AVAILABLE FUNDING

Grants are awarded up to a maximum of \$1,000,000 or \$5,000 for each job created. The biennial budget appropriation for the TEA Program is \$6,805,200.

## EXPECTED OUTCOMES

For FY18, the target number of grants to be approved and awarded was 6. In terms of job creation and retention, the employment target was 850. The average cost per job must be less than the \$5,000 program maximum. In addition, the capital investment ratio must equal or exceed the established target of \$50:1. The final performance goal relates to compliance reporting, which involves the annual job submittal reports from the community and the business, to monitor and track actual job creation and retention numbers. This accountability goal must be at 100 percent compliance for the number of approved and awarded grants during FY18.

## FY18 PROGRAM ACTIVITY

- Seven grants were awarded at nearly \$2.5 million
- 1,034 jobs were created or retained
- The average cost per job amounted to \$2,381
- Total capital investment was nearly \$119 million
- The total capital investment per grant dollar awarded was \$48.30

## RECOMMENDED CHANGES

None







# DEPARTMENT OF TOURISM

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# JOINT EFFORT MARKETING GRANT

## STATUS

- Active

## INCEPTION

1975

## PROGRAM GOAL

The Joint Effort Marketing (JEM) Grant Program assists in the development and marketing of Wisconsin tourism events and destinations. Qualified projects are awarded reimbursement for marketing expenses and must demonstrate substantial return on investment through increased traveler spending, overnight stays, job growth and marketing deliverables.

## PROGRAM DESCRIPTION

JEM grants provide partnership funding to help nonprofit Wisconsin organizations promote tourism in their areas, i.e. Destination Marketing; New Event; Sales Promotion; Existing Event; and One-Time, One-of-a-Kind.

Projects must show that they will generate an increase in visitors and make a positive economic impact in the local area. The advertising plan must be consistent with the current statewide marketing plan and target markets beyond the local area. Applications are reviewed five times a year. Destination Marketing deadlines are April 1 and Sept. 1. All other categories adhere to application deadlines of Aug. 1, Nov. 1, Feb. 1 and April 1.

## ELIGIBILITY REQUIREMENTS

### Statutory Requirements (Ch. 41.17)

- At least \$1.13 million must be awarded annually.
- Any public or private nonprofit organization, including a tribal organization of a federally recognized American Indian tribe or band in Wisconsin, is eligible to apply.
- Tourism can reimburse up to 75 percent of a project's first-year promotional costs, but no more than 50 percent of the total budget. In subsequent years, up to 50 percent of the promotional costs for the second year and 25 percent for the third year may be allowed in some categories.
- Grants must be matched dollar-for-dollar through cash or in-kind contributions.
- Grants fund only marketing expenses, i.e., email marketing, print and broadcast ads, direct mail, publicity and billboards. Grant funds may not be used for operational costs.

### Administrative Rulemaking (Ch. Tour 1)

- An eligible applicant may submit an application no less than 90 days prior to the first date advertising is scheduled to begin.
- The JEM Committee reviews all applications and makes funding recommendations to the department's secretary.
- An applicant shall submit a written evaluation of the project, in such form as the department may require, within 45 days of completion of all project activity. Ten percent of the award is withheld until a suitable evaluation is submitted.
- Contracts are terminated if evaluations and project invoices are past due.

## **Underwriting Criteria**

- Applicant originations must be tourism-related Wisconsin not-for-profit organizations.
- The application process is competitive.
- Contractual obligations for ongoing JEM projects must be met before any new contracts will be issued.

## **INCENTIVES AND AVAILABLE FUNDING**

\$1,130,000 per fiscal year

## **EXPECTED OUTCOMES**

- Increase visitors and their associated spending to an area, measured by visitor counts x average expenditure numbers from Longwoods/Tourism Economics, or similar research or tax revenues
- Value of advertising provided by grant recipients/marketing deliverables, measured by paid advertising invoices

## **FY18 PROGRAM ACTIVITY**

50 projects awarded in FY18

## **RECOMMENDED CHANGES**

None

# MEETINGS MEAN BUSINESS (MMB) GRANT PROGRAM

## STATUS

- Active

## INCEPTION

2010

## PROGRAM GOAL

Provide funding to destination marketing organizations to help defray the costs of bidding on and hosting large or mid-size meetings and conferences.

## PROGRAM DESCRIPTION

The Meetings Mean Business (MMB) Grant Program gives Wisconsin a competitive edge and top-of-mind awareness as the premier place to host meetings or conventions by providing destinations with financial assistance for bid fees or facility costs. Destinations may use the program to attract the type of meetings and conventions that best fit their business model (e.g., associations and organization meetings, trade shows, reunions, education or social groups).

Attracting national or Midwest regional meetings and conventions generates significant economic impact from additional room night bookings and traveler spending in the community in which they are held. Many destinations have invested in substantial conference infrastructure in order to capture meeting and convention business.

- The fund has \$110,000 per year available for matching grants. Destinations may apply for 50 percent of the costs for convention facility rental, in-community convention transportation or host costs, up to a maximum of \$20,000 per fiscal year (July 1-June 30).
- Applications are reviewed three times annually. The deadlines are April 1, Aug. 1 and Dec. 1.
- Applications can be sent by mail, delivery service or email, as long as they are received by midnight on the first day of the review month and at least 90 days prior to the start of the event.

## ELIGIBILITY REQUIREMENTS

- Applications must be submitted to the Wisconsin Department of Tourism through a recognized Wisconsin Destination Marketing Organization (e.g., Convention and Visitors Bureau or Chamber of Commerce) and must be signed by the director or president of that organization.
- Organizations receiving funding through this program may not also request funding from the JEM Grant Fund for the same event during the same fiscal year.
- This grant does not fund in-state events that are regularly scheduled or that routinely rotate to destinations within the state.

## INCENTIVES AND AVAILABLE FUNDING

\$110,000 annually

## EXPECTED OUTCOMES

Over \$4.2 million projected visitor expenditures for FY18 grants

## **FY18 PROGRAM ACTIVITY**

Nine MMB grants awarded in FY18

## **RECOMMENDED CHANGES**

None

# READY, SET, GO! (RSG) GRANT PROGRAM

## STATUS

- Active

## INCEPTION

2006

## PROGRAM GOAL

To provide funding to destination marketing organizations to help defray the costs of bidding and hosting competitive sporting events.

## PROGRAM DESCRIPTION

The Ready, Set, Go! (RSG) Grant Program generates visitor spending by securing or creating competitive sporting events with a structure that both draws a spectator/athlete base for the event and creates an economic impact for the area. The program is designed to assist destinations in securing competition-related events that require an up-front financial commitment. Grant funding may be used for bid/commitment fees paid directly to the event holder or financial commitments needed to secure a venue or municipal services for an event.

- The Department provides \$110,000 for RSG grants each fiscal year (July 1-June 30).
- Applications are reviewed three times annually. The deadlines are Jan. 1, March 1 and Sept. 1.
- They can be sent by mail, delivery service or email as long as they are received by midnight on the 1st day of the review month, at least 90 days prior to the start of the event.

## ELIGIBILITY REQUIREMENTS

- Destinations may request 50 percent of the bid/commitment fee or 50 percent of the venue/municipal fees, up to a maximum of \$20,000 per fiscal year.
- Applications must be submitted to the Wisconsin Department of Tourism through a recognized Wisconsin destination marketing organization (e.g., Convention and Visitors Bureau or Chamber of Commerce) and must be signed by the director or president of that organization. Events that have been secured prior to the written grant application are not eligible. Organizations or events that are currently funded through statutorily required expenditures (earmarks) are not eligible for funding through RSG. Organizations requesting funding from the RSG Grant Fund are not eligible to also request funding from the JEM Grant Program for the same event during the same fiscal year.
- Events that have been hosted in Wisconsin previously will be considered for grant funding based on prior event evaluation and documented economic impact.

## INCENTIVES AND AVAILABLE FUNDING

\$110,000 annually

## EXPECTED OUTCOMES

FY18 RSG grants are projected to generate approximately \$6.7 million in visitor expenditures.

## FY18 PROGRAM ACTIVITY

10 awards were funded in FY18.

## RECOMMENDED CHANGES

None





# DEPARTMENT OF WORKFORCE DEVELOPMENT

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# WISCONSIN FAST FORWARD

## STATUS

- Active

## INCEPTION

2013 Act 9

## PROGRAM GOAL

Wisconsin Fast Forward (WFF) addresses the skills gap through reimbursement grants that assist Wisconsin employers and their partners with customized skills training to fill current job openings and ongoing skill requirements. Program goals include:

- increasing high-demand skills attainment in the local and regional workforce;
- influencing the number of new jobs created;
- reducing layoffs due to skilled labor shortages;
- helping unemployed and underemployed individuals gain full-time employment; and
- providing incumbent workers with wage increases and job security.

## PROGRAM DESCRIPTION

The WFF Program is designed to provide demand-driven worker training grants to employers in collaboration with training providers and their local workforce and economic development partners. The program accepts grant proposals for customized, short- and medium-term skilled worker training projects that are not currently funded through WFF Grant Program announcements. Qualifying proposals must be supported by current and projected labor market information, demonstrate the need for training, and state the intent to hire trainees or raise incumbent worker wages. The Wisconsin Department of Workforce Development's (DWD's) Office of Skills Development (OSD) administers the WFF program through a transparent and accountable process. Since program inception, OSD has awarded grants in four rounds of funding to support worker training demands in the following nine industry sectors and occupational areas:

- Agriculture and related occupations
- Construction trades and related occupations
- Customer service occupations
- Financial services occupations
- Health care and related occupations
- Information technology occupations
- Manufacturing occupations
- Transportation, logistics and distribution occupations
- Wisconsin small businesses with 50 or fewer full-time employees

A summary of each grant award is available on the WFF website: <http://wisconsinfastforward.com/reports.htm>

## ELIGIBILITY REQUIREMENTS

WFF grant opportunities are available to any public or private organization with documented workforce training needs in the industry sectors and occupational areas identified by OSD and its Technical Review Committee, which is made up of economic advisors and industry experts from DWD, the Wisconsin Department of Revenue, the Wisconsin Technical College System, and Wisconsin Economic Development Corporation. Allowable expenditures include but are not limited to: curriculum development, instructor/trainer costs, instructional materials and supplies, consultant fees, contractual services, facility costs, and administration costs up to five percent of the total project budget.

## INCENTIVES AND AVAILABLE FUNDING

Grant awards range from \$5,000 to \$400,000 and require cash or in-kind match equal to the award amount, except for Wisconsin Small Business Grant awards, which range from \$5,000 to \$50,000 and require cash or in-kind match equal to half of the award amount. All grantees are limited to receive \$400,000 in WFF funds per calendar year.

## EXPECTED OUTCOMES

OSD has issued letters of intent to award over \$24 million in WFF grants to date, supporting nearly 260 workforce training projects that are benefiting approximately 588 businesses and more than 20,000 trainees at a low per-trainee cost of \$1,142.

## FY18 PROGRAM ACTIVITY

During FY18, OSD awarded Wisconsin Fast Forward grant contracts totaling:

- Amount: \$3,754,506.46
- Number of grants: 29
- Number of trainees: 1,809

## RECOMMENDED CHANGES

The program continues to make improvements to grantee reporting tools to make reporting easier and increase the amount of grant writing, reimbursement processing and reporting outreach and training. No other changes recommended at this time.









# UNIVERSITY OF WISCONSIN SYSTEM

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# CENTER FOR DAIRY PROFITABILITY

## STATUS

- Active

## INCEPTION

1987 General Authority (§ 20.285)

## PROGRAM GOAL

Enrich the quality of life for farm owners, operators, employees, industry stakeholders and animals; collaborate with universities, government agencies and industry to identify, develop and supply a diverse clientele of farm managers and service providers with research-based information and management best practices; create a work environment that is challenging, rewarding and fun; and disseminate our educational and research products through traditional means and emerging technologies.

## PROGRAM DESCRIPTION

Develops and delivers effective interdisciplinary education and applied research to dairy farms and dairy-industry service providers, resulting in sustainable, profitable decisions and a healthy, progressive dairy industry. Center for Dairy Profitability (CDP) services include: management education programs, development of decision-making tools for farms and service providers and one-on-one business counseling.

## ELIGIBILITY REQUIREMENTS

Train-the-trainer for Cooperative Extension, farm input suppliers, dairy processors, direct education for dairy farmers, milk haulers, popular press.

## INCENTIVES AND AVAILABLE FUNDING

The Center for Dairy Profitability has two major streams of funding: S.20.285, and Cooperative Extension. Almost all of the funding supports salaries and travel for Center staff.

The CDP also regularly applies for and receives grant funding for a variety of projects. These funds may partially support salaries and travel, but are often to support meetings across the state. Current grants include:

- USDA-NIFA, \$105,000 Farm Bus Mgt & Benchmarking
- USDA-AMD, \$50,000 Cost of Processing in Cheese, Butter and Nonfat Dry Milk Plants
- Univ. MN, \$20,000 Safety Net Programs
- Univ. MN, \$8,000 Model Farm Research
- USDA-FSA, \$99,000 Web-Based Decision Tools
- USDA-RMA \$40,000 Farm Financial Mgt for WI Farmers
- NC-RME \$50,000 Succession Planning

## EXPECTED OUTCOMES

In the Fall of 2017, the UW System and the College of Agriculture and Life Sciences at the University held a Dairy Summit. The CDP and the Center for Dairy Research were co-organizers and more than 200 guests were in attendance. At this meeting, CDP proposed that it may be time to convene a new Governor's Wisconsin Dairy Industry Task Force modeled after the one first commissioned in 1985. In the Spring of 2018, Governor Walker announced that DATCP and the UW System would work together to host the Wisconsin Dairy Task Force 2.0 (TF2.0). The TF2.0 Executive Director is the Director for CDP and the TF2.0 membership has been selected and convened its first meeting. TF2.0 will be active for about a year as it considers obstacles to growth of the state's dairy industry and makes recommendations to accommodate or eliminate those impediments.

## FY18 PROGRAM ACTIVITY

CDP had several notable milestones in the past year. Numerous programs were held including farm transition and succession planning. These have been well attended and have led to many one-on-one counseling sessions with farm families – sometimes partnering with DATCP, attorneys, accountants, bankers, and others. The CDP has also developed a number of media streams that help to guide trainers through the process of helping farms with successions. The most important new development under this program effort is that the CDP will officially become the host for the International Farm Transition Network (IFTN) work – the succession coordinator training as well as the networking organization for partner-members from around the country and a handful of other countries as well.

Phase I of the rewrite of the AgFA (Agricultural Financial Advisor) software is complete. The program has been renamed "FarmBench" with the inference to farm financial benchmarks. Data from Wisconsin, Michigan and New York have been merged into a single dataset and we have received thousands of farm financial records from USDA's Farm Service Agency for inclusion. The second phase of FarmBench will add functionality to the web application and will seek partnerships with other states and organizations to utilize the software. This program is key to the future of the CDP as the data are used for profitability research, programming and to provide insights into areas for improvement for participating farms. The partnership with the Farm Service Agency is a special effort to reach limited resources and underserved farmers.

The UW System reorganization as well as the UW Cooperative Extension (UWEX) reorganization has been a challenging transition for much of the system. The CDP lost one of its two staff who have specialized in the area of farm labor (HR). However, a third person who was not a CDP member had been working closely with CDP in the area of HR. She now has a partial appointment with CDP and the HR group have continued to develop a very popular curriculum in labor management across the state. This curriculum was developed in modules that can be tailored to provide education for specific meetings across the state. The farm labor offerings are very popular and being requested across the state.

The Center also has an agricultural engineer who spend the majority of his days on farms across the state. He helps farms design new facilities and lays out the footprint for implement and animal movement with an eye toward the future. These activities are crucial for limited resource farms.

## RECOMMENDED CHANGES

None







# WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

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# CONDUIT BOND ISSUE PROGRAM

## STATUS

- Active

## INCEPTION

Chapter 234

## PROGRAM GOAL

The Wisconsin Housing and Economic Development Authority's (WHEDA's) Economic Development Conduit Bond Issuance Program is intended to provide Wisconsin businesses financing that will create and retain jobs in the State of Wisconsin, and promote economic development in both rural and urban communities.

## PROGRAM DESCRIPTION

WHEDA has the authority to issue up to \$107.5 million of Economic Development Bonds in aggregate over the next four fiscal years. Sources of tax-exempt bond financing include:

- Industrial Revenue Bonds

## ELIGIBILITY REQUIREMENTS

What are eligible uses of bond proceeds?

An economic development project will be eligible for the financing of land, plant or equipment for any of the following:

- Facilities for manufacturing or commercial real estate activities
- Facilities for the retail sale of goods or services
- Other eligible projects, including national or regional headquarters facilities; facilities for the storage or distribution of products of manufacturing activities, materials, components or equipment; facilities for research and development activities; recreational and tourism facilities serving to attract visitors to this state; and facilities for the production, packaging, processing or distribution of raw agricultural commodities
- Activities of a long-term nature, such as research and development or long-term working capital may also be eligible

## Required Criteria

WHEDA may not issue bonds to finance an economic development loan unless all of the following apply:

- The economic development project is or will be located in the state of Wisconsin
- One or more other financial institutions participate in the economic development project
- WHEDA shall not assume unsecured or uncollateralized risk for any economic development loan
- The economic development loan will not be used to refinance existing debt, unless it is in conjunction with an expansion of the business or job creation
- The name of the person receiving the loan does not appear on the statewide support lien docket

## Considerations

WHEDA may finance an economic development loan only after considering all of the following:

- The extent to which an economic development project will maintain or increase employment in this state
- Whether an economic development project will be located in an area of high unemployment or low average income
- The extent to which the activities constituting the economic development project otherwise would not occur

## Preferences

WHEDA shall also give preference to businesses:

- That are more than 50 percent owned or controlled by women or minorities
- That together with all of their affiliates, subsidiaries and parent companies, have current gross annual sales of \$5,000,000 or less or that employ 250 or fewer persons
- That have less than 50 percent of their ownership held or controlled by another business and have their principal operations in the state of Wisconsin

## INCENTIVES AND AVAILABLE FUNDING

The incentive to use this tax-exempt bond program is that it offers a lower cost of funds. Available funding is determined by an annual Wisconsin Economic Development Corporation review of volume cap allocation.

## EXPECTED OUTCOMES

In FY19, no new originations are expected.

## FY18 PROGRAM ACTIVITY

No bonds were issued in FY18.

## RECOMMENDED CHANGES

On January 1, 2013, the Midwest Disaster Area (MDA) Relief Bond Program expired, eliminating the primary resource for federal tax-exempt bonding using this bond issuance capacity. WHEDA does not expect to see much activity in this program until another tax-exempt program can be matched with it.



# WISCONSIN DEVELOPMENT RESERVE FUND – AGRIBUSINESS PROGRAM

## STATUS

- Active

## INCEPTION

Chapter 234

## PROGRAM GOAL

To provide loan guarantees to lenders to assist in the startup, acquisition or expansion of a business that develops products using Wisconsin's raw agricultural commodities.

## PROGRAM DESCRIPTION

Assist in the startup, acquisition or expansion of a business that develops products using Wisconsin's raw agricultural commodities.

- The term "raw agricultural commodity" refers to any agricultural, aquacultural, horticultural, viticultural, vegetable, poultry or livestock product produced in Wisconsin, including milk and milk products, bees and honey products, timber and wood products, or any class, variety or utilization of the products in their natural state.

## ELIGIBILITY REQUIREMENTS

### What is required to be eligible?

- The business must start with a Wisconsin-grown, raw agricultural commodity and do one of the following:
  - Create a product new to the business
  - Expand production of an existing product that will increase the use of a raw agricultural commodity
  - Enhance the efficiency of the business
- The business must be unable to obtain conventional financing on reasonable terms.
- The business must be located in Wisconsin in an area with a population of under 50,000.
- The business owner must be current in any child support payments and not in default on any WHEDA loans.

### What are eligible uses of loan proceeds?

- Purchase or improve land and buildings
- Purchase or improve machinery and equipment
- Purchase inventory
- Fund permanent and revolving working capital
- Fund initial marketing expenses associated with making the product available to consumers

### **What are the terms and conditions of this guarantee?**

- Maximum guarantee is the lesser of 50 percent or \$600,000
- Maximum guarantee terms:
  - Fixed assets, inventory and permanent working capital: five years
  - Amortization term may exceed the guarantee term but cannot exceed the useful life of the collateral
  - Interest rate is set by the lending institution and is subject to WHEDA approval -- variable rate loan may not exceed Prime plus 2.75 percent
  - Loan must be secured by assets being financed; additional collateral and personal guarantees may be required.

### **How does the application process work?**

- The lender must first complete and submit an Agribusiness Guarantee Eligibility Form (Form 3).
- WHEDA determines business and project eligibility and will render that decision within one business day.
- Upon eligibility approval, the lender shall complete and submit a Loan Guarantee Application (Form 4) within 90 days of eligibility determination.
- WHEDA reviews the complete application and renders a decision upon completion of its underwriting process.

### **INCENTIVES AND AVAILABLE FUNDING**

\$29.0 million in guarantee authority is available for all Wisconsin Development Reserve Fund (WDRF) programs, including Agribusiness Guarantees.

### **EXPECTED OUTCOMES**

No dollars are benchmarked for new originations or guarantee payments. The jobs created and retained benchmark is one for every \$30,000 in guarantees.

### **FY18 PROGRAM ACTIVITY**

No applications were received and no guarantee payments were processed during the FY18.

### **RECOMMENDED CHANGES**

None

# WISCONSIN DEVELOPMENT RESERVE FUND – CREDIT RELIEF OUTREACH PROGRAM

## STATUS

- Current

## INCEPTION

Chapter 234

## PROGRAM GOAL

Provide loan guarantees to lenders to assist farmers in obtaining materials and supplies in the planting and harvesting of agricultural commodities and the purchase and feeding of livestock.

## PROGRAM DESCRIPTION

The Credit Relief Outreach Program (CROP) Guarantee is a financing resource for farmers that provides guarantees on agricultural production loans. The loan must be used for the purchase of services or consumable goods necessary for producing an agricultural commodity. The commodity must be planted and harvested for consumption within the loan term. This includes livestock, if purchased, fed and sold within the loan term. Eligible uses of loan proceeds include: fertilizer, seed, fuel, land rent, animal feed, hedging, UCC filing charges, equipment rental, tillage service, custom hire, crop insurance, equipment repair, pesticides/herbicides, feeder animals if purchased and sold within the loan term, utility bills related directly to the production of the agricultural commodity and labor costs related directly to planting and harvesting the agricultural commodity (excluding labor costs paid to the farmer and spouse).

## ELIGIBILITY REQUIREMENTS

Eligibility requirements for farmers include:

- Inability to obtain conventional financing at reasonable terms
- Debt-to-asset ratio of at least 40 percent but less than 85 percent
- Positive projected cash flow budget for the term of the loan
- Sufficient collateral to cover the value of the CROP loan
- The farm is located in Wisconsin and the farmer resides in Wisconsin or is legally registered in Wisconsin in the case of a partnership or corporation
- The farmer is currently engaged in the operation, and
- The farmer is current in child support payments and not in default on any WHEDA loans

## INCENTIVES AND AVAILABLE FUNDING

\$28,676,983 in guarantee authority is available for all Wisconsin Development Reserve Fund programs, which includes CROP Guarantees.

## EXPECTED OUTCOMES

Budgeted volume for FY18: \$2,500,000

Actual approved guarantees: \$1,130,307

## FY18 PROGRAM ACTIVITY

- 16 applications submitted
- 16 applications approved

## RECOMMENDED CHANGES

None

# WISCONSIN DEVELOPMENT RESERVE FUND- FARM ASSET REINVESTMENT MANAGEMENT GUARANTEE PROGRAM

## STATUS

- Active

## INCEPTION

Chapter 234

## PROGRAM GOAL

The Farm Asset Reinvestment Management (FARM) Guarantee Program provides loan guarantees to lenders to assist farmers in the expansion or modernization of an existing farming operation and to assist in the startup of new farms.

## PROGRAM DESCRIPTION

- Assist in the expansion or modernization of an existing farming operation
- Assist in the startup of a new farming operation

## ELIGIBILITY REQUIREMENTS

### What is required in order to be eligible?

- The farmer must be unable to obtain conventional financing on reasonable terms.
- The farmer's debt-to-asset ratio must be 85 percent or less.
- The farmer must have sufficient collateral to cover the value of the FARM loan.
- The farm must be located in, and the farmer must reside in, Wisconsin (or be legally registered in Wisconsin if a partnership or corporation).
- The farmer must be actively engaged in the operation.
- The farmer must be current on child support payments and must not be in default on any WHEDA loans.
- If a startup operation, the farmer must have no less than three years' farming experience (including managing day-to-day farm operations).

### What are eligible uses of loan proceeds?

- Acquisition of agricultural assets
- Machinery
- Equipment
- Buildings
- Land

- Livestock to be kept more than one year
- Improvements to buildings or land for agricultural purposes
- Refinancing existing debt (not to exceed 75 percent of WHEDA's guaranteed loan) if expanding an existing farm operation

#### **What are the terms and conditions of this guarantee?**

- The maximum guarantee is the lesser of:
  - 25 percent of the FARM loan
  - The farmer's net worth including the FARM loan
  - \$200,000 if no other state or federal credit assistance program is utilized
  - \$100,000 if any other state or federal credit assistance program is utilized and tied to the same note

#### **How does the application work?**

- The lender completes a Farm Guarantee Application (Form 2) and the borrower signs the Farmer's Affidavit (Form 3).
- Submit complete application package to WHEDA, including application fees.
- WHEDA reviews and renders a decision within one business day.

### **INCENTIVES AND AVAILABLE FUNDING**

\$29,000,000 in guarantee authority is available for all WDRF programs, including FARM guarantees.

### **EXPECTED OUTCOMES**

\$1,000,000 was expected in new originations for FY18

### **FY18 PROGRAM ACTIVITY**

Two applications were received and approved for \$237,311.

### **RECOMMENDED CHANGES**

None



# WISCONSIN DEVELOPMENT RESERVE FUND – SMALL BUSINESS GUARANTEE PROGRAM

## STATUS

- Active

## INCEPTION

Chapter 234

## PROGRAM GOAL

Help create and retain jobs by providing loan guarantees to lenders for small business projects that would not otherwise receive financing, if not for the credit enhancement provided by this program.

## PROGRAM DESCRIPTION

- Assist with the expansion or acquisition of an existing small business that has been in operation for at least 12 months.
- An expansion may involve a new line complementary to the existing business, such as a landscaping business expanding into retail floral or a lodging facility adding a restaurant.
- Assist in the startup of a day-care business for adults or children.
- Assist in the startup of a small business located in a vacant storefront in the traditional downtown area of a community.

## ELIGIBILITY REQUIREMENTS

### What is required in order to be eligible?

- The business must be unable to obtain conventional financing at reasonable terms.
- The business must employ 250 or fewer full-time equivalent employees at time of application.
- The business must be located in Wisconsin.
- The business owner must be current in child support payments and not in default on any WHEDA loans.
- The project must create or retain jobs.

### What are the eligible uses of loan proceeds?

- Purchase or improve land and buildings, including mixed-use properties (properties that contain both commercial and residential components)
- Businesses can occupy as little as 25 percent of the total building space
- Purchase or improve machinery and equipment
- Purchase inventory
- Fund permanent and revolving working capital
- Finance soft costs (not to exceed 5 percent of eligible project costs)
- Refinance existing debt (not to exceed 75 percent of the WHEDA guaranteed loan and/or demonstration of business expansion)

- finance soft costs (not to exceed 5 percent of eligible project costs); or
- refinance existing debt (not to exceed 75 percent of the WHEDA guaranteed loan and/or demonstration of business expansion)

#### **What are the terms and conditions of this guarantee?**

- The maximum guarantee is the lesser of 50 percent or \$750,000 for all uses of proceeds except revolving working capital, whose maximum guarantee is the lesser of 50 percent or \$200,000.
- The maximum guarantee for businesses in the Transform Milwaukee area is the lesser of 80 percent or \$750,000 for all uses of proceeds.

#### **Maximum guarantee term:**

- Fixed assets, inventory and permanent working capital: five years
- Revolving working capital: two years
- The amortization term may exceed the guarantee term but cannot exceed the useful life of the collateral.
- The interest rate is set by the lending institution and is subject to WHEDA approval --variable rate loan may not exceed Prime plus 2.75 percent
- The loan must be secured by assets being financed, and personal guarantees may be required.

#### **How does the application process work?**

- The borrower and lender must complete and submit a Loan Guarantee Application (Form 4).
- WHEDA reviews the complete application and renders a decision upon completion of its underwriting.

### **INCENTIVES AND AVAILABLE FUNDING**

\$29,000,000 in guarantee authority is available for all WDRF programs, including Small Business Guarantees.

### **EXPECTED OUTCOMES**

\$4,000,000 is budgeted for new originations and \$200,000 in guarantee payments. The jobs created and retained benchmark is one for every \$30,000 in guarantees.

### **FY18 PROGRAM ACTIVITY**

7 applications were approved, and 5 loan guarantees were approved for \$1,026,133.

### **RECOMMENDED CHANGES**

None







# WISCONSIN TECHNICAL COLLEGE SYSTEM

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# WORKFORCE ADVANCEMENT TRAINING GRANTS

## STATUS

- Active

## INCEPTION

2005 Act 25

Authorizing statute §38.41

Administrative rule TCS 17

## PROGRAM GOAL

Wisconsin statute authorizes the Wisconsin Technical College System Office to make grant awards to technical colleges for worker skills training. Grants in this category will be awarded to promote increased investment in the development of incumbent workers, improve Wisconsin businesses' productivity and competitiveness, augment the state's economic base and expand technical college training services to businesses and industry. Grants will be awarded to upgrade the skills and productivity of employees of established businesses operating in Wisconsin, with the additional objective of supporting regional workforce and economic development efforts. Training under these grants must focus on occupational skills but can include a combination of occupational, academic and employability topics or courses.

## PROGRAM DESCRIPTION

Workforce Advancement Training (WAT) Grants are made to technical college districts as directed by statute, and the colleges submit applications in partnership with employers or consortia of employers.

WAT Grants promote increased investment in the development of incumbent workers, improve Wisconsin businesses' productivity and competitiveness, augment the state's economic base, support career pathways and expand technical college training services to businesses and industry. Grants are awarded to upgrade the skills and productivity of employees of established businesses operating in Wisconsin, with the additional objective of supporting regional workforce and economic development efforts. Training under these grants focuses on occupational skills, but can include a combination of occupational, academic and employability topics or courses.

## ELIGIBILITY REQUIREMENTS

WAT Grants are focused on improving occupational skills, and a wide range of training is feasible under this umbrella. In addition to very specific job-related skills such as welding, electrical maintenance and customer relations, WAT Grants have covered more general topics such as quality improvement, Lean, supervision and management, teamwork, problem solving, computing, manufacturing core skills, small business development, and occupational health and safety. Basic skills or English language learning instruction that supports the occupational skill training may also be provided under the grants.

## INCENTIVES AND AVAILABLE FUNDING

In 2017-18, the program was funded by general purpose revenue at a level of \$3.97 million. \$500,000 was set aside for grants serving small businesses. The remaining \$3.47 million was available for grants serving businesses of any size.

## EXPECTED OUTCOMES

- Percent of business partners who thought the employee skill gains produced by the training met or exceeded their expectations:
  - Expected: 90 percent
  - Actual: 99 percent\*
- Percent of the businesses that sought to improve the work environment through training and felt that their expectations were met or exceeded:
  - Expected: 90 percent
  - Actual: 98 percent\*
- Percent of business partners who said they were satisfied or very satisfied with the technical college's services:
  - Expected: 90 percent
  - Actual: 97 percent\*
- Percent of business partners who said they probably or definitely would recommend the college's services to others:
  - Expected: 90 percent
  - Actual: 97 percent\*
- Percent of business partners who said they probably or definitely would use the college's services again:
  - Expected: 90 percent
  - Actual: 96 percent\*

\*Measures reflect customer satisfaction information for FY17 WAT grant project, as information for FY18 is not yet available.

## FY18 PROGRAM ACTIVITY

In FY18, the Workforce Advancement Training Grants funded 81 projects and served 10,679 individuals.

## RECOMMENDED CHANGES

None







# DEPARTMENT OF NATURAL RESOURCES

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June 11, 2018

Mark R. Hogan, Secretary and CEO  
Wisconsin Economic Development Corporation  
P.O. Box 1687  
Madison WI 53701

Subject: FY 2018 Report on Economic Development

Dear Mr. Hogan:

As required by 2007 Wisconsin Act 125, the Department of Natural Resources reports to your agency each year on job creation and other data associated with economic development programs.

As we have reported in previous years, DNR does not currently administer any grant or loan program that meets the statutory definition of "economic development program" as defined in section 23.167, Wis. Stats. In that section, an economic development program is defined as "a program or activity having the primary purpose of encouraging the establishment and growth of business in this state, including the creation and retention of jobs...." While DNR administers financial programs that can have a positive, secondary impact on the economy, the primary purpose of those programs is generally to promote public health, protect the environment, or enhance outdoor recreational opportunities.

Please let us know if you have any questions.

  
for Daniel L. Meyer  
Secretary

cc: Ed Eberle  
Pat Stevens  
James Dick  
Jacob Curtis  
Luke Fuller



The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing and maximizing opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment. WEDC provides resources, operational support and financial assistance to companies, partners and communities in Wisconsin. WEDC achieves its mission through initiatives driven by five strategic pillars: business development; community and economic opportunity; strategic economic competitiveness; state brand management and promotion; and operational and fiscal excellence. Working with more than 600 regional and local partners, WEDC develops and delivers solutions representative of a highly responsive and coordinated economic development network.

Visit [wedc.org](http://wedc.org) to learn more.

For questions about this report please contact:

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