



FY13 OPERATIONS PLAN

JUNE 2012

Let's Talk Business.



EXECUTIVE SUMMARY

The Wisconsin Economic Development Corporation (WEDC) operating plan covers the time period from July 1, 2012 to June 30, 2013. This plan is guided by the WEDC strategic plan, by the state budget approved for WEDC, and by the experiences gained in the first operating year. The plan reflects a mix of short-, mid-, and long-range actions intended to realize benefits today as well as produce a better Wisconsin economy tomorrow.

The operating plan is guided by the principles established in the strategic plan:

1. **Be Bold** – Wisconsin demands bold, innovative actions to fundamentally change economic development performance in the state.

In FY12, WEDC reshaped the Commerce structure, staffing, and partner relationships; implemented new ways to deliver global business, start-up business, and target industry assistance; advanced new approaches for early-stage investment capital; and deployed state of the practice technology (Salesforce), process management (Lean), and financial management (GAAP accounting) systems.

2. **Engage Business** – Wisconsin needs its business community engaged in WEDC direction and operations to ensure customer alignment with customer needs.

In FY12, WEDC built and executed its plan using industry data and engages business through use of boards, committees, focus groups, and customer feedback.

3. **Operate as an Extended Enterprise** – State economic development effectiveness is maximized when business assistance resources are aligned, coordinated, and using consistent metrics and tools.

In FY12, WEDC invested in network tools, supported professional development for economic development practitioners; aligned partner contracts with WEDC goals; increased local staffing; and launched efforts to increase local capital by regionalizing revolving loan funds. This operating plan includes partners as part of a virtual statewide economic development organization in which partners share information, planning responsibilities and metrics.

4. **Measure and Be Accountable.** Taxpayer investment and customer impact is enhanced when desired outcomes are clear and individuals and organizations are accountable.

In FY12, WEDC put in place performance and financial management systems to allow greater transparency and feedback. WEDC aligned individual and partner performance metrics with top-level organization goals.

STRATEGIC AND OPERATIONAL PERFORMANCE GOALS

WEDC has established four year targets for select macro-economic indicators. Those indicators include overall business climate (CNBC annual ranking of states), business start-up performance (Kaufmann Index for Entrepreneurial Activity), business leader confidence (Chief Executive Magazine Survey), export growth (US Census Data) and job growth (Bureau of Labor Statistics Quarterly Census of Employment and Wages). Wisconsin realized positive movement in each of these strategic goals in the past year.

	Jan 2011	Jan 2015 Goal	Current
Business Climate (CNBC)	29	Top Quartile	26
Business Confidence (Chief Executive)	41	Top Quartile	20
Entrepreneurship (Kaufmann)	49	Top Quartile	40
Export Growth	\$16.5 billion	\$33 billion	\$22 billion
Jobs (QCEW)	—	+250,000	+41,000

WEDC operational performance is tracked using five key indicators. These metrics are ‘controllable’ by WEDC actions, time appropriate and focused around the core mission. The dashboard indicators are:

- Number of businesses impacted by WEDC – WEDC provides business assistance services to drive start-up, expansion, or relocation to Wisconsin. WEDC accomplishes this by delivering business assistance services directly with in-house staff or through contracted partners. Services provided are technical or financial. In FY12, WEDC met plan goals by helping over 1000 Wisconsin businesses. Our target is to increase the number of businesses assisted to 1200 in FY13.
- Number of communities impacted by WEDC – WEDC provides technical and financial services to help communities drive economic development. In FY12, WEDC helped 87 communities. Our FY13 target is to increase this to 150 communities.
- Number of economic development projects advanced by WEDC – WEDC provides technical support or financial investment for projects that advance target sectors or improve the state’s economic development capabilities. In FY12, WEDC advanced 5 projects to improve economic development performance, 10 projects or partnerships to advance targeted sector development, and 2 statewide studies for target industry opportunities and workforce/economic development integration. In FY13, WEDC will continue to invest in high-impact sector and economic development opportunities.
- Anticipated job creation or retention – WEDC established an initial goal of realizing 50,000 anticipated jobs created or retained per year as reported by recipients of the financial or technical assistance. In FY12, the WEDC investments that were tracked reported an anticipated 37,000 jobs. WEDC will target 50,000 anticipated jobs in FY13 as new initiatives are implemented and partner impacts are incorporated.
- Investment leveraged – WEDC investments are intended to encourage co-investment and partner participation. In FY12, WEDC business and community investments leveraged an average of 2.8:1 co-investment. The FY13 WEDC leverage goal is 3:1.

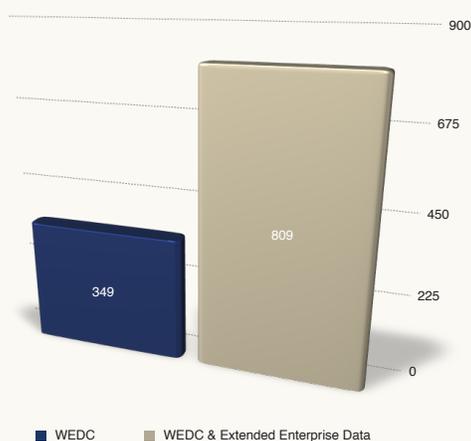
WEDC Enterprise Goals*

(*as of June 1, 2012)

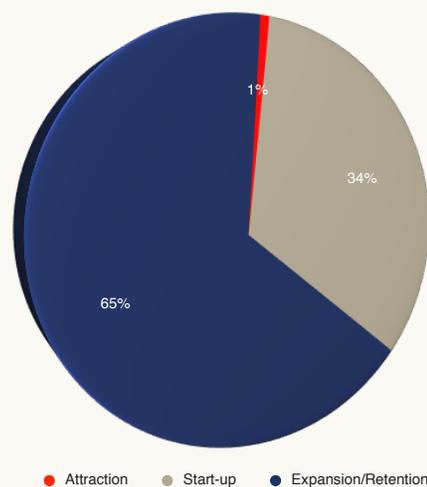
	FY12 Goal	FY12 Actual	FY13 Goal
Business Assisted	1,000	1,061	1,200
Communities Assisted	125	87	150
Econ Devt Projects	10	14	20
Anticipated Jobs	50,000	37,000	50,000
Co-investment Leverage*	2.7:1	2.8:1	3:1

*WEDC only

Unique Businesses Assisted



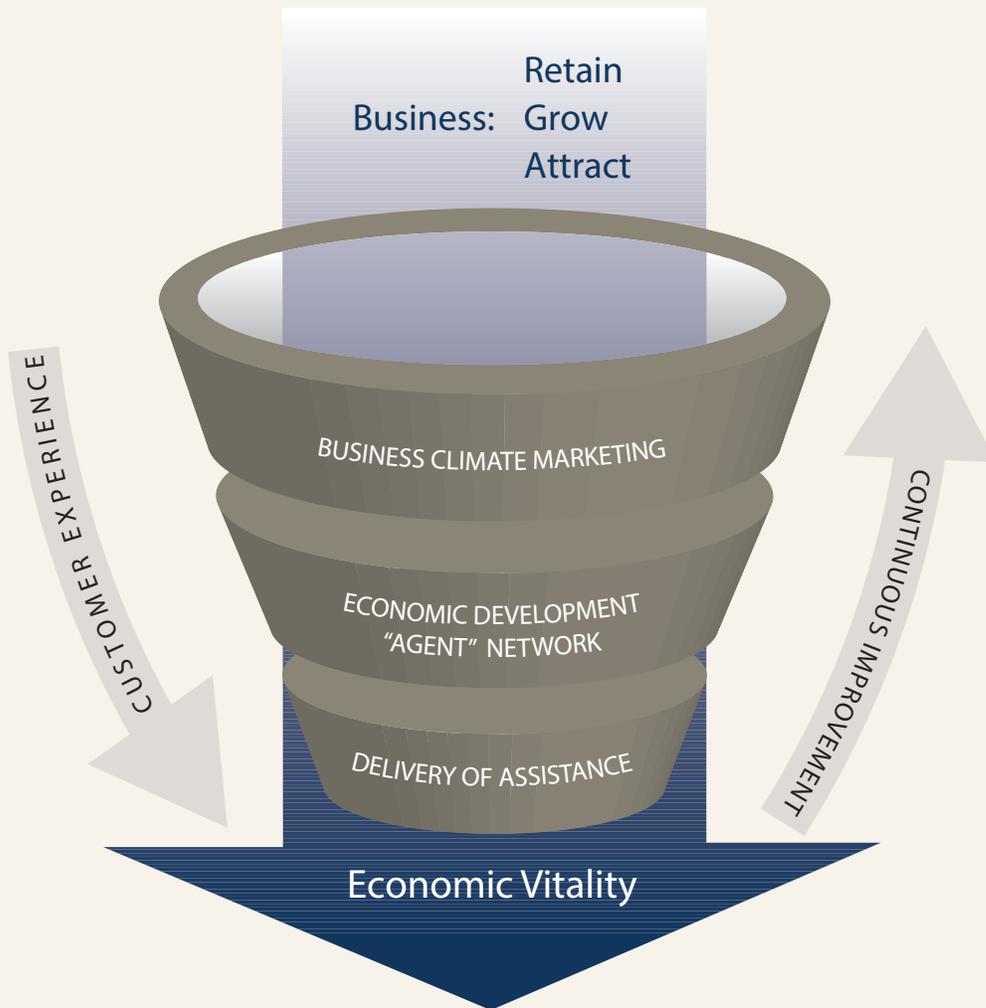
WEDC Enterprise Business Assistance



Aid Type	FY10 Commerce Awards	FY11 Commerce Awards	FY12 WEDC Awards
Cash	\$38,064,876	\$43,692,273	\$37,499,318
Tax Credits	\$66,401,480	\$308,962,834	\$95,875,780
Bonding	\$13,675,000	\$45,050,594	\$15,992,000
Businesses	262	267	364
Jobs Impacted	7,634	32,539	35,850
Jobs Created	4,757	16,329	13,941
Cash/business	\$210,303	\$163,641	\$103,020
Dollars/jobs created	\$8,002	\$2,676	\$2,690

ALIGNMENT WITH CUSTOMER NEEDS

The WEDC plan and structure aligns with the economic development service needs of Wisconsin businesses and mirrors the structure of leading service organizations. The process workflow pipeline is provided below.



- Awareness of Economic Development Resources (Marketing) – Wisconsin businesses are typically unaware of the assistance resources available to them. In FY12, WEDC took the first steps to address this issue by launching a marketing division, hiring a marketing VP and staff, contracting with a marketing agency, and conducting feedback sessions with industry, partner, and economic development leaders.
- In FY13, WEDC will launch an integrated business marketing campaign, establish a “one-stop website” for access to business assistance resources, and build a library of marketing materials for staff and partners throughout the state.
- Access to Business and Community Development Services (Business Development) – Wisconsin business and economic development leaders often complain that they do not know who to call, that their contact is unable to solve their issue, or that their calls are transferred with inadequate hand-off. In FY12, WEDC addressed this issue by significantly boosting the number of Account Managers in the field, increasing the qualifications of the positions, and providing customer relationship management tools and technology to help these professionals provide better service.
- In FY13, WEDC will expand account manager responsibilities to represent all WEDC services and improve the customer management process to improve customer satisfaction and response times.
- Development and Delivery of Assistance Services (Service line management) – Wisconsin businesses want customized services that deliver impact to their bottom line, and meet current and emerging business needs. In FY12, WEDC offered the following services:
 - Start-up business assistance
 - Business expansion and relocation assistance
 - Target industry and business consortia development
 - Community development assistance
- In FY13, WEDC will expand its service offerings in the areas of entrepreneurship support, export assistance and foreign market access, and capital availability.
- Continuous improvement of business assistance operations – Businesses routinely encouraged WEDC to “act at the speed of business” and adopt proven industry management practices. In FY12, WEDC implemented GAAP accounting, adopted lean continuous improvement practices, and invested in Salesforce.com as a customer relationship management system.

In FY13, WEDC will focus on the deployment and use of these tools to realize productivity gains.

ORGANIZATION

WEDC will accomplish its performance goals by employing a staff of 90 full-time equivalents (FTEs) and contracting with a limited number of strategic partners. WEDC began operations with 52 FTEs on July 1, 2012 and currently employs 82 professionals.

MARKETING – INCREASING AWARENESS

The mission of the Marketing Division is to promote the state's unique economic assets and increase awareness of the economic development services available to companies.

Marketing has three primary goals:

- Plan and execute an integrated marketing program that promotes Wisconsin's pro-business attributes and leverages existing economic assets
- Provide extended enterprise partners with a common brand platform and key target audience messages to ensure brand consistency across statewide marketing efforts
- Create and deliver informational tools that allow one-stop-shopping for businesses looking to start-up, locate, or expand their operations in Wisconsin

The marketing philosophy emphasizes 'engagement' over one-way marketing. Strategies to accomplish marketing goals include:

- Developing a state of practice economic development web portal to provide one-stop shop for businesses accessing WEDC and extended enterprise services as well as housing a shared library of marketing materials for economic development partners
- Executing a multi-modal digital outreach strategy that raises awareness of and preference for Wisconsin's economic assets, both among existing Wisconsin businesses and among those considering opening in or relocating to the state
- Coordinating targeted trade shows aligned with key Wisconsin industries and delivered in partnership with local and regional economic development entities
- Implementing a public relations strategy to take advantage of earned media
- Investing in targeted paid media to tout Wisconsin strengths and opportunities

BUSINESS DEVELOPMENT – ECONOMIC AND COMMUNITY DEVELOPMENT

The mission of the Economic and Community Development (ECD) Division is (1) to develop business and community assistance opportunities throughout the state, (2) manage key accounts through the assistance process, and (3) improve economic development assistance capabilities in Wisconsin.

ECD has four primary goals:

- Generate assistance opportunities for more than 1000 Wisconsin businesses
- Manage 400 business accounts and 150 community accounts to successful assistance engagements
- Expand extended enterprise capabilities and coordination in all regions of the state
- Implement 7 significant statewide economic development improvements

The division focuses on building a high performing statewide economic development network. Key strategies to execute the goals include:

- Deploy 13 account managers throughout the state to link businesses and communities throughout the state with WEDC and local assistance resources
- Provide ongoing training and tools for account managers
- Implement tools to advance the state's extended enterprise including:
 - a. Certify ten sites through the Ready Set Build! Program
 - b. Deploy Salesforce as a CRM tool with 50 partners to enhance business support coordination
 - c. Develop and deploy a Business Retention and Expansion (BRE) tool to provide a consistent business assessment methodology throughout the state
 - d. Deploy Economic Modeling Specialist Inc (EMSI) statewide utilizing our network of nine regional planning commissions (RPC)
 - e. Enhance LocateInWisconsin.com through additional layers, such as a brownfield layer
 - f. Underwrite platform economic development training for Wisconsin economic development professionals in coordination with the Wisconsin Economic Development Association (WEDA)
 - g. Expand the number of regional revolving loan funds in Wisconsin
 - h. Provide capacity building grants to support regional planning and coordination
 - i. Improve the site selection process in Wisconsin
- Invest in Wisconsin regional economic development organizations to support WEDC tool deployment and account management activities

PRODUCT AND SERVICE DELIVERY

WEDC operating units are responsible for developing and delivering quality services to meet customer needs. Service opportunities are identified by WEDC field staff and by partners in the WEDC extended enterprise. Delivered services are typically structured as technical or financial projects using in-house staff or strategic partners. Projects are measured against criteria that include impact, dollars leveraged, and customer satisfaction.

Operating units of WEDC are:

- **Entrepreneurship and Innovation** with a mission to increase start-ups in Wisconsin
- **International Business Development** with a mission to double exports by 2015
- **Business and Industry** with a mission to advance high impact economic development projects that produce a competitive advantage for Wisconsin
- **Financial Services** with a mission to increase and deploy capital to drive business expansion and relocation

The operating divisions have the following goals:

- Produce positive benefit for over 1200 Wisconsin businesses and 150 communities
- Develop new products and services
- Advance 20 target industry sector, business consortia, or economic development improvement opportunities

Key strategies to execute the goals include:

- Provide financial incentives and technical support to businesses to accelerate start-up, expansion, or relocation. These direct WEDC investments are expected to advance over 350 businesses.
- Provide financial incentives and technical support to business assistance partners that deliver proven solutions, leverage WEDC investment, and partner with WEDC on mission, strategies, and metrics. These partner delivered services are expected to advance over 850 businesses.

Provide financial incentives and project management to advance initiatives that have high job impact or long-term competitiveness benefit for Wisconsin.

PRODUCTS AND SERVICES

WEDC offers the following products and services to achieve its business, community, and job goals. WEDC services are delivered directly by WEDC staff or delivered through a contracted, partner entity.

Direct Financial or Technical Assistance

Technology Business Development Investments - \$9 million (\$5 million in FY12)

Description	WEDC will provide loans, grants, or other types of investments to entrepreneurs or early stage companies that are seeking capital to move from start-up to business operations. Investments generally range from \$100,000 up to \$750,000 depending on need and potential.
Eligibility	Entrepreneurs or early stage businesses that demonstrate promising product or service business potential, have a business plan to advance through the start-up stage, have a qualified management team in place, and minimum matching co-investment of 1:1.
Expected Outcomes	Advance the growth of up to 40 companies in FY13, and provide a 10:1 leverage of other investment over the term of the agreements.

Business Expansion and Retention Investment - \$38.5 million (\$40.415 million in FY12)

Description	WEDC will provide direct gap lending or loan leverage guarantees to businesses expanding or locating in Wisconsin. WEDC investments generally range between \$200,000 and \$1 million based on need, quality and quantity of jobs.
Eligibility	Existing companies with a demonstrable need for working capital, equipment, training, building construction and improvements, land acquisition, private infrastructure improvements, asset acquisition, and lease payment reduction for property owners. Applicants must provide an expansion plan and demonstrate job creation expectations that are in line with the job creation and retention tier system established for the Economic Development Tax Credits. Tier 1 - Wage Range: \$10.88 - \$14.50; investment up to \$3,000 per job Tier 2 - Wage Range: \$14.51 - \$18.13; investment up to \$5,000 per job Tier 3 - Wage Range: \$18.14 and up; investment up to \$7,000 per job
Expected Outcomes	Support the creation and retention of approximately 8,700 jobs and 220 business projects, and achieve a 3:1 leverage of other investment.

Manufacturing Clean Energy Revolving Loans - \$5 million (new)

Description	Funded through the State Energy Program repayments, and in partnership with the State Energy Office. Under this initiative, WEDC will provide low-interest loans to manufacturers in the clean energy sector that are seeking to expand operations.
Eligibility	Job creation and retention through clean energy advanced manufacturing; job creation and retention through clean energy supply chain development; and job creation and retention through industrial facilities reduction of fossil fuel use.
Expected Outcomes	To be determined. Initiative to be launched in Fall 2012.

Workforce Training Grants - \$1 million (\$1 million in FY12)

Description	WEDC will provide training grants up to \$200,000 to facilitate the expansion of existing companies implementing new equipment or technology, launching a new product, or entering a new market. The grants are to support the upgrading of job-related skills necessary to launch the expansion.
Eligibility	Businesses that are putting in place new equipment or technology and need to train or retrain the existing workforce in skills necessary to support the expansion. Eligible training costs include training wages (of production employees through first line supervisors), training materials and trainer costs. Routine training is ineligible. Companies must make a 1:1 matching commitment.
Expected Outcomes	Assist up to 15 businesses.

Export Development Grants and International Market Access Grants - \$185,000 (\$185,000 in FY12)

Description	WEDC will provide up to \$10,000 as matching grants to support export training, development, and promotion activities for Wisconsin firms seeking to enter or expand exports.
Eligibility	Be a relatively-new-to export business that manufactures, processes, assembles and/or distributes a product or performs a service with a potential to be exported. An applicant must demonstrate its increased exports will have a significant impact on the Wisconsin economy. Companies must make a 1:1 match commitment.
Expected Outcomes	Assist up to 35 businesses.

Global Market Technical Assistance - \$370,000 (\$450,000 in FY12)

Description	WEDC International Business Development contractors will provide technical assistance for Wisconsin companies seeking market entry, research and distributor searches, and market intelligence.
Eligibility	Wisconsin companies seeking export assistance in the target markets.
Expected Outcomes	The network is expected to provide in-country assistance to 40 Wisconsin businesses that result in an increase of 10% of a company's export sales or first time export to the market.

ExpOrTech - \$100,000 (\$93,000 in FY12)

Description	WEDC will partner with WMEP to provide customized training to assist businesses in developing targeted and actionable export strategies.
Eligibility	Companies that are committed to developing a targeted plan to enter a new global market or expand in an existing foreign market. Companies must have some prior export experience, commit senior level management participation in the program, and pay up to \$5,000 for services.
Expected Outcomes	Provide 12 three-day training sessions to 76 businesses, with an expected \$3 million in export sales within the first 12 months of completion.

Community Development Block Grant (CDBG) Public Facilities & Planning - \$17 million (\$9 million in FY12)

Description	WEDC will assist local governments in financing the planning and expansion of local infrastructure systems; expand services offered to local citizens through construction or expansion of eligible public facilities; or prevent or remove slum and blight.
Eligibility	Non-entitlement governments that have a demonstrable funding gap, provide community-wide economic development benefit, and meet a CDBG national objective.
Expected Outcomes	Provide assistance to up to 80 communities with a minimum 1:1 match.

Downtown Development and Main Street Technical Assistance \$250,000 (\$250,000 in FY12)

Description	WEDC will provide technical assistance to communities in the planning, management, and implementation of strategic development projects in downtowns and urban neighborhoods. Includes Main Street support and expanded to include a new downtown assistance program, aimed at supplementing the Main Street program by expanding services to more downtowns across the state.
Eligibility	Main Street Communities and communities with a central or core business districts and demonstrated local commitment.
Expected Outcomes	Assist up to 60 communities.

Brownfield Redevelopment Financial Assistance- \$3.5 million (\$3.5 million in FY12)

Description	WEDC will provide up to \$500,000 to assist communities in key redevelopment activities that are extraordinarily costly and difficult to finance through the private sector.
Eligibility	Local governments, businesses, non-profits for redevelopment of commercial and industrial sites that have been adversely affected by environmental contamination, and can
Expected Outcomes	Assist up to 15 communities.

Site Assessment Grants - \$1 million (\$1 million in FY12)

Description	WEDC will provide grants up to \$50,000 to local governments seeking to redevelop brownfields with pre-development work to identify and quantify any contaminants.
Eligibility	Local governments with demonstrable need to perform environmental investigations, demolition of structures, and removal of abandoned containers and underground tank systems.
Expected Outcomes	Assist at least 20 communities

Qualified New Business Venture (QNBV) Tax Credits - \$41 million available (\$41 million available in FY12)

Description	WEDC will commit up to \$2 million per QNBV in tax credits to eligible angel investors or qualified venture funds who are investing in QNBVs.
Eligibility	Early-stage businesses conducting pre-commercialization activities related to proprietary technology may be designated as QNBVs. QNBVs must be recertified each year. Funds demonstrating capacity may also be certified to receive a tax credit for investing in QNBVs.
Expected Outcomes	Certify 30 new companies to be eligible for tax-credit-incented investments; drive \$48 million in early stage investment.

Direct Business Assistance Tax Credit Programs

Enterprise Zones – Five of 20 Enterprise Zone designations are still available for use.

Description	Incent projects involving major expansion of existing Wisconsin businesses or relocation of major business operations from other states to Wisconsin. Refundable tax credits can be earned through job creation, job retention, capital investment, employee training and supply chain purchases from Wisconsin vendors.
Eligibility	Businesses located in or relocating to Wisconsin may be eligible for Enterprise Zone Tax Credits. A certified business may qualify for tax credits only for eligible activities that occur after an eligibility date established by WEDC. Tax credits can be earned over a period of up to 12 years.

Jobs Tax Credits - \$17,330,168 million available as of January 1, 2012 (including \$9,927,663 in excess early stage tax credits)

Description	Incent projects involving major expansion of existing Wisconsin businesses or relocation of major business operations from other states to Wisconsin. Refundable tax credits can be earned through job creation and employee training.
Eligibility	Businesses located in or relocating to Wisconsin that are creating full-time jobs may be eligible for Jobs 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. Special consideration for Jobs Tax Credits is given to manufacturing businesses.

Economic Development Tax Credits - \$25 million available, if authorized by Joint Committee on Finance (\$53,650,913 available of the original \$103,208,997 on July 1, 2011)

Description	Incent new and expanding businesses throughout Wisconsin by providing non-refundable tax credits to assist with the creation of new, full-time jobs; with capital investment; with eligible training activities; and with the location and retention of headquarter facilities.
Eligibility	<p>Businesses located in or relocating to Wisconsin may be eligible for Economic Development 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.</p> <p>Job creation tax credits are allocated according to the following tiers:</p> <p>Tier 1 - Wage Range: \$10.88 - \$14.50; investment up to \$3,000 per job</p> <p>Tier 2 - Wage Range: \$14.51 - \$18.13; investment up to \$5,000 per job</p> <p>Tier 3 - Wage Range: \$18.14 and up; investment up to \$7,000 per job</p> <p>Capital investment tax credits are allocated at up to 3% of the eligible investment for personal property and up to 5% of the eligible investment for real property.</p> <p>Training tax credits are allocated at up to 50% of eligible training costs or \$5,000 per employee being trained, whichever is less.</p>

Development Opportunity Zone Tax Credits – (Beloit, Janesville, Kenosha only) \$6,705,000 available (\$3,644,000 available on July 1, 2011)

Description	Incent new and expanding businesses in the Cities of Beloit, Janesville and Kenosha by providing non-refundable tax credits to assist with the creation and retention of new, full-time jobs and with capital investment.
Eligibility	A certified business must generally be intending to create and maintain well-paying jobs, and be located in one of the above cities. Job retention tax credits are available only for positions that would not be retained without the tax credits. A business may be eligible for up to \$8,000 in tax credits for a full-time job filled by a member of the target population, as defined in Wis. Stat. 238.30(4m). A business may be eligible for up to \$6,000 in tax credits for creating or retaining a full-time job filled by a Wisconsin resident who is not a member of the target population. Capital investment credits are available at a rate of up to 3% of the eligible capital investment.
Tax Credit Program Expected Outcomes	The assistance available through direct business development tax credit awards will support the creation of approximately 8,000 jobs through awards to approximately 100 businesses.

Industrial Revenue Bonding – IRB volume cap is allocated on a calendar year basis. The total amount for WEDC for 2012 was \$266,303,933

Description	Industrial Revenue 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.
Eligibility	Manufacturers can use the bond proceeds for building, land and equipment but not working capital. There are restrictions on bond size and total capital expenditures.
Expected Outcomes	Manufacturers have not utilized the Industrial Revenue Bond program as much as the Midwestern Disaster Area Bond program because the Midwestern Bond program is not as restrictive. Usage of the IRB program is expected to increase once the Midwestern Bond program expires at the end of 2012.

Midwestern Disaster Area Bonds – The total allocation for the eligible counties in Wisconsin was \$3,830,112,000

Description	The program expires at the end of 2012. Bonds must be issued by that time in order to qualify.
Eligibility	Manufacturers can use the bond proceeds for building, land and equipment but not working capital. There are restrictions on bond size and total capital expenditures.

Partner Contracted Services

WEDC has budgeted \$4,817,000 to (1) Contract with partners who provide business assistance services and financing, and (2) to support the strategic start-up of small business assistance operations across the state. These investments are expected to leverage matching dollars (>2:1) and provide assistance to an additional 850 businesses.

Seed Fund Formation and Capitalization- \$900,000 (new)

Description	WEDC will invest up to \$300,000 to catalyze the formation and expansion of local and regional seed funds in Wisconsin.
Key Partners	Entities that can demonstrate fund management capability, an investment strategy that drives start-up growth, and minimum matching co-investment of 2:1.
Expected Outcomes	Up to 6 seed funds that could assist up to 60 new business ventures.

Entrepreneurship Support Organization Development and Expansion - \$1 million (new)

Description	WEDC will invest up to \$300,000 in the formation or expansion of organizations that provide effective entrepreneurship development and support.
Key Partners	Organizations to be supported include those that demonstrate capacity to advance entrepreneurs to successful business operations, and minimum matching co-investment of 1:1.
Expected Outcomes	Up to 6 organizations that will provide impactful assistance to 60 entrepreneurs, and must agree to participate in a statewide network.

Angel and Early Stage Investor Growth - \$100,000

Description	WEDC will invest up to \$100,000 in organizations or projects that increase the amount of early-stage investment in Wisconsin.
Key Partners	Entities implementing projects to build early-stage capacity throughout Wisconsin, increasing the number and amount of equity investment in Wisconsin entrepreneurs.
Expected Outcomes	Provide trainings for angel investors and increase the number of angels, angel groups and networks over 2012 levels.

Minority Revolving Loan Fund (RLF) Expansion - \$300,000 (\$400,000 in FY12)

Description	Foster new business creation in minority business communities that are generally underserved through commercial lending or SBA financing.
Key Partners	New or expanding minority loan funds that can demonstrate management capacity and sound investment strategy.
Expected Outcomes	Each RLF will fund up to 14 new businesses each year.

Regional Revolving Loan Fund (RLF) Expansion - \$1.5 million (new)

Description	Invest in the Regional RLFs in order to leverage additional resources. For example, will consider matching funds required for federal grants and foundation awards, fund loan loss reserves required for SBA and USDA funds, and consider other one time start-up costs to leverage significant resources.
Key Partners	Regional Revolving Loan Funds [currently includes Northwest Regional Economic Development Fund (NWRDEF), Regional Business Fund, Inc. (RBF), and the Central Wisconsin Economic Development Fund (CWED)].
Expected Outcomes	An additional 50 businesses will be served in FY13.

Manufacturing Technical Assistance - \$1.187 million (\$1.187 million in FY12)

Description	WEDC will invest in manufacturing extension partnership centers to provide affordable operational improvement services to small and mid-size Wisconsin manufacturers.
Key Partners	Organizations that have been awarded a National Institute of Standards and Technology MEP cooperative agreement. Applicants must produce an annual operating plan, align measurements with WEDC, and demonstrate a minimum 2:1 match of WEDC funds with federal or other investment. All small and mid-size Wisconsin manufacturers are eligible to take advantage of MEP services.
Expected Outcomes	Assist a minimum of 300 Wisconsin manufacturers per year with a customer-reported impact of greater than 1,000 jobs created or retained.

Federal Procurement Technical Assistance - \$130,000 (\$130,000 in FY12)

Description	WEDC will invest \$130,000 to provide assistance in accessing federal procurement opportunities.
Key Partners	Organizations that can demonstrate a minimum of 2:1 match of WEDC funds with federal or other investment. All Wisconsin firms are eligible to take advantage of WPI services.
Expected Outcomes	Provide impactful federal contracting services to at least 250 businesses, to create up to 700 new jobs and incent \$125 million in new federal contracts in FY13.

Economic Development Projects

WEDC has budgeted \$8.77 million to support strategic initiatives to advance Wisconsin's economy.

State Research Projects - \$300,000 (\$250,000 in FY 12)

Support up to 2 major research projects to address critical, strategic economic development opportunities or issues for Wisconsin; in consideration is an Extended Enterprise Performance study. FY13 projects under evaluation include: Improving the effectiveness of Wisconsin's extended enterprise, assessing the impact and opportunity for supply chains in Wisconsin, and evaluation of changes to Wisconsin logistics infrastructure and impact on economic development.

Opportunity Research - \$200,000

Maximum of \$25,000 for planning grants, facilitation or research to move promising, target economic development projects forward.

Major Economic Development Projects - \$6 million (\$10 million in FY12)

Support up to seven major high potential/high impact consortia initiatives that will strengthen Wisconsin's competitiveness in key industries and create significant job creation opportunities. Initiatives must be industry-led, collaborative, have actionable strategic goals and provide at minimum 3:1 co-investment.

Economic Development Performance Investments

Invest in nine major projects that continue to build a strong economic development network by supporting infrastructure, training and professional development.

Extended Enterprise Capacity Building - \$500,000 (\$500,000 in FY12; program did not launch)

Capacity Building (CAP) Grant funds assist local and regional economic development groups, furthering the efforts of WEDC to create an advanced economic development network within the state. The primary use of the funds is for assessments of the economic competitiveness of the area; and development of a Comprehensive Economic Development Strategy; support of strategies that will benefit the organizations or their members through operational efficiencies, strategy development, education/skill development or increased collaboration with other organizations.

Ready! Set! Build! - \$54,000 (\$150,000 in FY12)

WEDC has created, in partnership with Deloitte Consulting and community partners, consistent standards for industrial site certification in Wisconsin for sites with a minimum of 50 contiguous acres. Certification means that the key approvals, documentations, and assessments most commonly required for industrial uses will already be in place. WEDC anticipates that 10 sites will be certified in FY13. We will also partner with the three existing certified sites in Wisconsin so as to incorporate them into the program.

Salesforce and Business Retention Expansion (BRE) Deployment - \$135,000 (new)

Deploy Salesforce customer relations management via a pilot project. Also, deploy a Salesforce-based Business Retention and Expansion (BRE) platform statewide. WEDC anticipates that 50 partners will be utilizing Salesforce by the end of FY13 and the BRE platform will be utilized statewide.

Regional RLF Deployment - \$500,000 (new)

As WEDC continues to move toward regional revolving loan funds (RLFs) in Wisconsin, we will assist our partner organizations with the costs to transition from 130+ lending RLFs. These transitions costs include legal fees, filing fees, and other appropriate administrative costs.

Economic Modeling - \$200,000 (new)

Continuing to deploy tools to elevate the services available via the extended enterprise, WEDC will partner with the nine Regional Planning Commissions (RPCs) to deploy Economic Modeling Specialists, Inc.'s (EMSI) and other data-driven resources. EMSI Analyst program is a web-based tool that puts in-depth, local employment data and analysis in the hands of regional planners, researchers, and developers. It allows users to conduct input-output analysis so as to better understand the impacts of an industry's expansion or contraction, or simulate the effects that the event will have on other industries. EMSI is a great starting point for making clear, data-driven decisions.

LocateInWisconsin - \$34,900 (\$34,400 in FY12)

LocateInWisconsin is a web-based tool to help business identify sites to locate or expand-in Wisconsin. It is designed to be a one-stop shop for the most comprehensive information on statewide available sites, buildings, and demographic data. WEDC will continue to enhance the tool in FY13 by adding additional layers, including a brownfield layer. The certified sites will also be added.

WEDA (Education) - \$100,000 (\$100,000 in FY12)

WEDC will continue its partnership with the Wisconsin Economic Development Association (WEDA) to provide training and tools to make Wisconsin economic development organizations and staff the best in the nation. We will identify and deploy at least four additional workshops or half-day sessions in FY13. We will also partner to provide the International Economic Development Council (IEDC) Basic Economic Development Course and two additional courses aimed at professional certification.

Regional Economic Development Organizations - \$800,000 (\$800,000 in FY12)

The ten regional economic development organizations will be provided resources in order to continue to support WEDCs tool deployment efforts, marketing endeavors, and enhancement of the International Business Development services. The FY13 investment also includes local editions of LocateInWisconsin.

FINANCE AND ADMINISTRATION

The mission of the Finance and Administration Division is to enable a high-performing WEDC. The Division accomplishes this mission by:

- Enabling effective management and stakeholder decision-making by providing accurate, timely, and transparent reporting of customer and financial performance
- Driving productivity improvements through the deployment of lean practices and state of the industry technologies
- Creating an environment that makes WEDC an ‘employer of choice’
- Meeting employee engagement and professional development goals

This division implemented a number of significant changes in FY12 including implementation of GAAP financial reporting, launching of Salesforce.com as the cloud-based customer relationship and workflow management system, replacement of the phone and IT systems, deployment of a new human resource management system, initiating a process management (lean) support service in WEDC, and consolidation of staff in one location.

The Division’s primary goals in FY13 are to take full advantage of the changes implemented in FY12. These goals include:

- Achieving near real-time reporting of customer and financial performance that includes alignment of partner and WEDC performance metrics
- Establishing a lean leadership team to drive lean culture, projects, and training in WEDC
- Implementing improved compliance and reporting processes for WEDC, partners, and investment recipients
- Meeting employee professional development and employee engagement goals

EXECUTIVE OFFICE

The mission of the Executive Office is to provide strategic direction, manage stakeholder relations, and build a high-performing organization. To accomplish this mission, executive office staff:

- Works with the Board of Directors to set long-term and annual strategies and goals
- Coordinates WEDC strategies and communication with state of Wisconsin leadership (Governor and Legislature)
- Coordinates WEDC operations with state and federal agencies
- Manages external stakeholder relations
- Recommends economic development policy initiatives for Governor and Legislature

BUDGET AND FINANCIALS

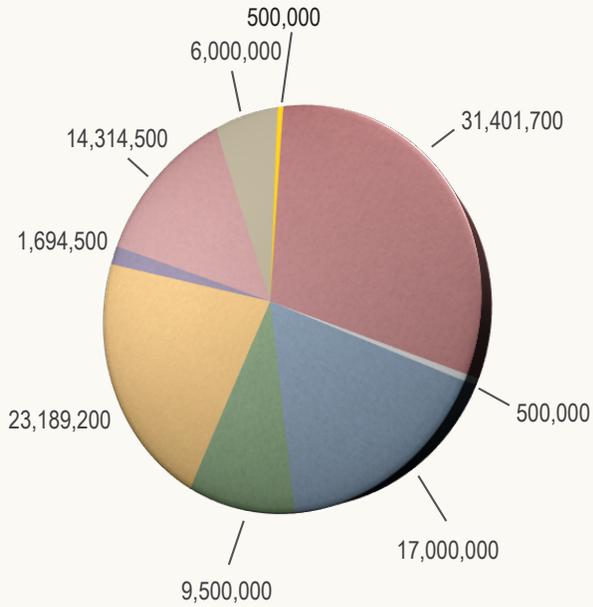
WEDC FY13 revenues are realized from state general purpose revenue appropriations, segregated fund appropriations, federal program revenues, repayments from WEDC's portfolio, and private contributed dollars. Total revenues in FY13 are expected to be \$89.7 million with the primary source (\$57 million) from state of Wisconsin appropriations and \$28 million from federal sources including Community Development Block Grant (CDBG) funds.

FY13 total expenses are budgeted at \$104.1 million. Operations expenses (staff, partners, and related expenses) will increase from \$12.4 million in FY12 to \$17.5 million in FY13. The increase reflects a complete year of full staffing and the projected ramp-up in the marketing budget. WEDC aids investments are budgeted at \$86.6 million.

WEDC will provide \$14.3 million from its retained earnings to support the budgeted gap between revenues and expenditures. WEDC has approximately \$97 million in its loan portfolio.

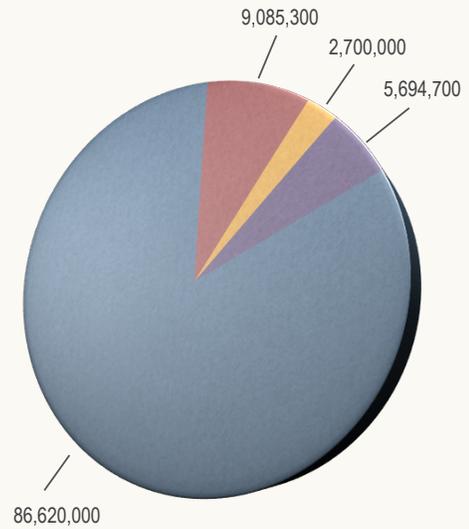
The FY13 tax credit allocations are 'off balance' sheet items but are commitments of future state of Wisconsin tax revenue. In FY13, WEDC may allocate up to \$25 million in economic development tax credits (subject to authorization by Joint Committee on Finance) and \$17 million in jobs tax credits. There is also \$41 million available in Qualified New Business Venture credits of which WEDC expects to commit \$12 million in FY13. In addition, there are 5 Enterprise Zones available for designation.

WEDC Budget Funding Sources
(\$104,100,000)



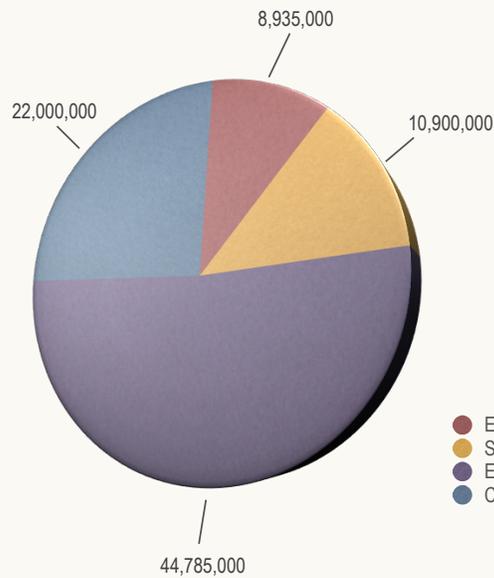
- State GPR
- Fees & Admin
- CDBG
- Repayments [State, CDBG, Energy]
- Economic Development Fund
- Brownfields Special Purpose
- WEDC Supported
- SSBCI
- Partner Contributions

WEDC Budget Use Allocation
(\$104,100,000)



- Salary - Fringe
- Partner Investments
- Other Operating Expenses
- Aids

WEDC Aids Investment
(\$86,620,000)



- Economic Development Project Investments
- Start Up Investments
- Expansion/Retention Investments
- Community Investments

