

ANNUAL REPORT

FISCAL YEAR 2018



WISCONSIN ECONOMIC
DEVELOPMENT CORPORATION



Wisconsin's economy is stronger than it has been in a generation—with record low unemployment, more people working than ever before, global companies choosing to locate here, and business leaders overwhelmingly optimistic about the direction in which Wisconsin is headed.

Achieving that level of success didn't happen overnight. With the support of the state Legislature, as well as the public and private sector, our administration has developed a pro-business, strategic approach to economic development that has produced unprecedented results.

In fiscal year 2018 (FY18), the Wisconsin Economic Development Corporation (WEDC) and its more than 600 statewide partners assisted over 4,000 businesses and 130 communities. Those efforts are expected to create or retain more than 30,000 jobs and generate \$12.5 billion in capital investment—making it the best year in state history for economic development.

As the state's lead economic development organization, WEDC provides resources, operational support and financial assistance to companies, partners and communities in every region of the state. Whether it's helping startup companies secure much-needed funding, supporting Fortune 500 companies seeking to expand in Wisconsin or assisting communities with their downtown renovation efforts, WEDC and its partners are a vital component of our state's continued economic success.



Scott Walker, Governor
State of Wisconsin



WEDC is driven by a mission to improve our state's quality of life by investing in the businesses, communities and people who define Wisconsin's unique character and drive the state's economic performance. This annual report is an accounting of WEDC's FY18 results as well as a celebration of the successes we have achieved through the collaborative efforts of our economic development partners throughout the state.

WEDC aligns our programs and services with key economic drivers that affect businesses and communities seeking to maximize their potential in Wisconsin. Our unique organizational structure allows us to adapt to changing economic conditions and deploy new tools that help our clients and our economic development partners succeed. With record low unemployment in Wisconsin and continued strong business investment in the state, we have broadened our focus to help ensure the benefits of Wisconsin's burgeoning economy reach as many of our residents as possible.

We continue to invest in early-stage companies, provide financial assistance to growing Wisconsin businesses, advance industry cluster strategies, promote downtown redevelopment and deliver export readiness programs. We also continue to identify, apply and share industry best practices across Wisconsin's economic development network, adding efficiency to the system and expanding the reach of good ideas. But our focus has now expanded to include helping ensure Wisconsin develops, retains and attracts a high-quality workforce, as well as improving operating productivity, both of which are necessary to take full advantage of our state's new, positive economic reality.

This report gives special attention to Foxconn Technology's selection of Wisconsin for the development of a world-class advanced display manufacturing campus, a project that was unforeseen when WEDC laid out its FY18 goals. This investment 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 economic development network has already helped spark additional investments by Foxconn across Wisconsin.

Foxconn is but one of the many success stories highlighted in the following pages that resulted from equal doses of history and vision. Wisconsin's long and distinguished manufacturing legacy, the can-do spirit of our workforce, and the barrier-breaking optimism of our citizens combine to create new opportunities for prosperity for people who choose to pursue their passions here.

In 2015, First Lady Tonette Walker asked WEDC to join five other state agencies to support her bold initiative to address the impact of trauma in Wisconsin residents' lives. As a result, WEDC has implemented several initiatives that have helped create a trauma-informed workplace. Incorporating trauma-informed principles within WEDC has changed our culture in a very positive manner, and we appreciate having had the opportunity to work with First Lady Walker in her efforts to create a greater awareness around this increasingly important topic.

Thank you to the businesses, communities and people who proudly call Wisconsin home for your continued commitment to our great state!

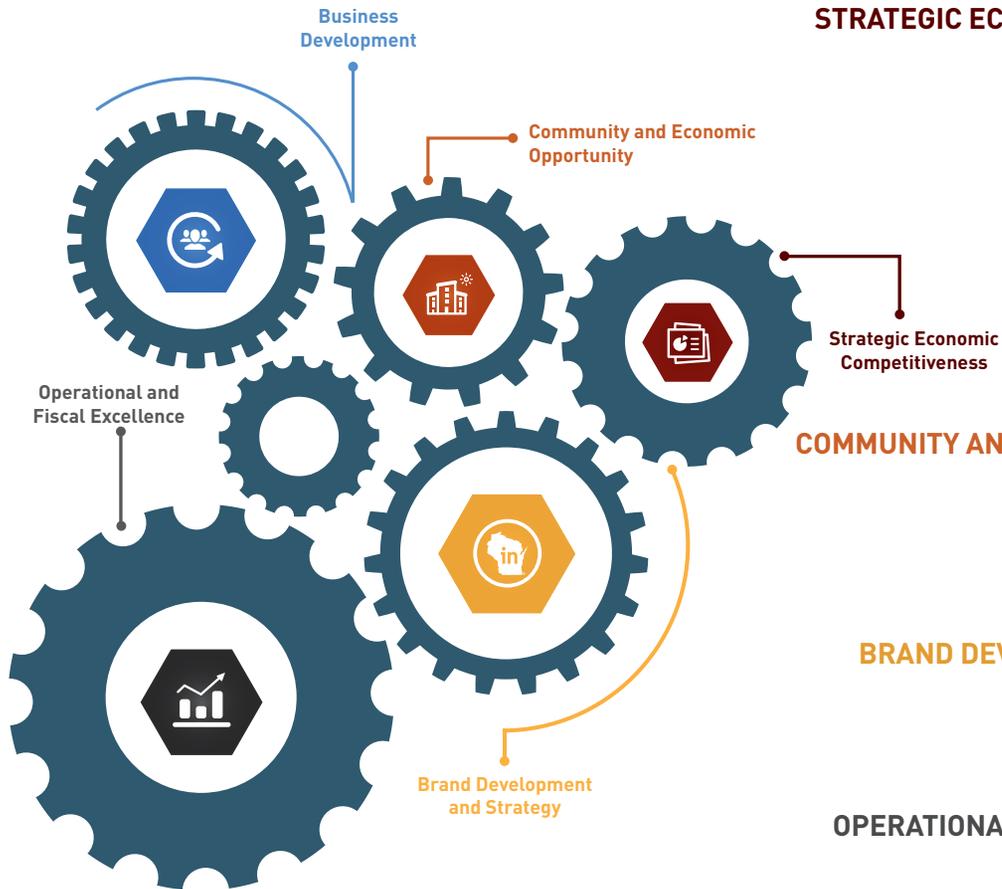
Sincerely,



Mark R. Hogan
Secretary and CEO

CATALYSTS OF ECONOMIC GROWTH

When Wisconsin's economic partners work together, the whole system is stronger and its output is more robust. 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 Growth**:



CATALYST	WEDC FUNCTION
STRATEGIC ECONOMIC COMPETITIVENESS 	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, contracting, compliance and risk WEDC talent resources and development

MEASURING ECONOMIC DEVELOPMENT SUCCESS

WEDC employs a variety of measures to gauge the effects of our 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 historic agreement between the State of Wisconsin and Foxconn to build an advanced Electronics and Information Technology Manufacturing Zone in Racine County (see pages 10-11) had a significant effect on WEDC's key performance indicators in FY18.



COMMUNITIES ASSISTED

134



BUSINESSES ASSISTED

KEY STRATEGIC PARTNERS **3,480**

WEDC **592**

TOTAL BUSINESSES ASSISTED

4,072



\$12.5 BILLION
TOTAL CAPITAL INVESTMENT

FINANCIAL AWARDS

Economic development investments are made to encourage, attract, leverage and/or grow private investment dollars, now and in the future. In FY18, our \$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. This does not include ripple effect investments that occur above and beyond the original project.

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.

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
Total	342	\$3,158,449,471	4:1

*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.

FY18 LEVERAGE GOAL 8:1



JOB IMPACT

Many of WEDC's financial assistance contracts with businesses contain 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. Receiving the benefits specified in the contract is contingent upon the company's fulfillment of contractual requirements.

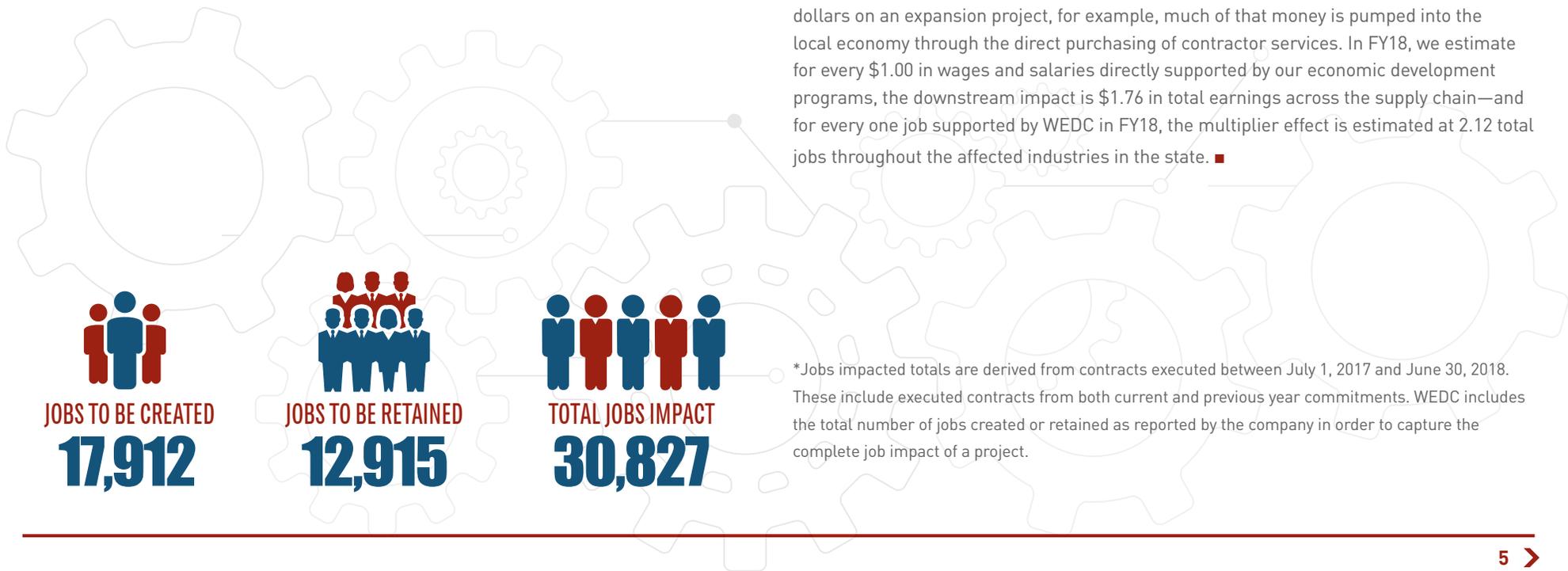
The Foxconn project increased WEDC's key performance indicator of total jobs impacted by 13,000. Even without this project, WEDC still exceeded its FY18 total jobs impacted goal.

IMPACTING JOBS			
JOBS CREATED	JOBS RETAINED	JOBS IMPACTED*	FY18 GOAL
17,912	12,915	30,827	13,423

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? WEDC reports the total impact of the jobs in the year the contract is executed, and tracks performance progress to that goal throughout the life of the project. Typically, a contract with job creation goals lasts five years.

We also estimate the return on investment (ROI) to the State of Wisconsin for our 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. Our total investment in FY18 is expected to generate up to \$63 million in annual state tax revenue (direct, indirect and induced).

The benefits of our 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, we estimate 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. ■



*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.



INVESTING IN PARTNERS

WEDC not only provides financial and technical assistance to businesses and communities in Wisconsin; the organization also helps local and regional partners fulfill their missions by funding programs that enhance the state's economic development ecosystem. WEDC understands that its partners across the state are often in a better position than WEDC itself to deliver business and community development solutions in a specific region. That's why WEDC invests in Key Strategic Partners with specialized skills and a proven track record of program success and offers Capacity Building Grants to organizations whose work complements WEDC's own.

In FY18, WEDC awarded over \$4.3 million to Key Strategic Partners, including regional economic development organizations, international trade representatives and other subject matter experts whose services contribute significantly to the state's economic development outcomes. WEDC also added four minority chambers of commerce—the African American Chamber of Commerce, the Hispanic Chamber of Commerce, the American Indian Chamber of Commerce and the Hmong Chamber of Commerce—to its Key Strategic Partner roster.

WEDC also offers Capacity Building Grants to support local and regional economic development efforts throughout the state. These grants are intended to foster an advanced economic development network in Wisconsin by assisting organizations and local and regional economic development groups providing support to the communities they serve. In FY18, WEDC awarded \$417,000 in Capacity Building Grants to eight organizations.

The Ashland Area Development Corporation received \$20,000 to conduct a feasibility study to build and sustain the Lake Superior Center for Fisheries, Aquatic Science and Education. The goal for the center is to create an environment for collaborative research between federal, tribal and state agencies, international

experts and the academic community. The project has received generous additional support from individuals and area organizations who understand the importance of the region's "blue economy" to business and community development in the area.

WEDC awarded a \$100,000 Capacity Building Grant to the Milwaukee Development Corporation in FY18 to conduct a statewide analysis of talent supply relative to demand by job and by industry sector. The analysis conducted by ManpowerGroup will help economic developers, businesses and educators align their talent development, retention and attraction strategies with the state's current and future workforce needs.

For the second consecutive year, WEDC extended its Capacity Building Grants to target organizations that provide support services to entrepreneurs. Dubbed the Entrepreneurship Support Grant, it awarded \$500,000 to 11 entities throughout the state focused on spurring startup activity in their coverage areas. WiSolve Consulting Group, for example, received \$50,000 to provide assistance to statewide technology-based entrepreneurs and startup companies. WiSolve is a nonprofit



WEDC awarded a \$100,000 grant to Marathon County Development Corporation to launch a new revolving loan program for minority-owned businesses.

organization composed of University of Wisconsin-Madison graduate students and postdoctoral trainees. Its services include consulting, workshops, seminars and microgrants. "The microgrants allow for the companies we serve to get the help they need while allowing WiSolve to continue operating the business and offer its unique training program" says Director Christopher Konop. "It serves is an important function and wouldn't be possible without this grant."

A \$17,000 Entrepreneurship Support Grant is also helping the Heart of Wisconsin community Incubator provide entrepreneurial training to individuals incarcerated at Wood County Jail. And a \$27,000 grant from WEDC is laying the groundwork for future entrepreneurial pursuits among 31 school districts in southwestern Wisconsin, where Cooperative Educational Service Agency 3 has developed and deployed the Entrepreneurship Skills Academy within its middle school curriculum. One middle school student who participated in the academy said: "It has been good to learn about creating my own business while I'm still young, so when I grow up I can use what I've learned to continue it!" ■



EXPANDING WISCONSIN'S TALENT POOL

As the global competition for talent intensifies, Wisconsin companies have realized they must do more than just hang a “Help Wanted” sign or post a listing on a job board if they want to attract and retain the best and brightest.

Wisconsin is well known as a state that rises to a challenge, pooling the collective talents of its people to overcome obstacles and create new possibilities. Helping businesses understand that their future talent pipeline is younger than they think, WEDC is investing in a new state-wide web-based platform that directly connects local employers to area high school students before they're ready to enter the workforce full-time. The platform, called Inspire, virtually connects area businesses to their future talent pool through online profiles, virtual career coaches, and career-based learning activities for high-school students and educators.

Another key initiative aimed at K-12 students is Wisconsin's fabrication laboratory (fab lab) network, which provides students in public schools in every region of the state with hands-on learning in areas of science, technology, engineering, art and math (STEAM).

Through its Fab Labs Grant Program, WEDC is supporting the purchase of fab lab equipment that will help students master skills essential to advanced manufacturing jobs of the future. Fab labs will provide students the opportunity to develop skills that will be invaluable once they graduate from high school – whether they are heading straight into the workforce, going to a technical college or attending a four-year university.

Given the shared challenges regions throughout the state face, economic development organizations understand that cooperation among communities will benefit the state as a whole as we seek to attract the workers needed to sustain Wisconsin's strong economy. One example that embodies this collaborative spirit is YPWeek. Founded in 2012, YPWeek is a series of events that takes place each April, serving as a platform for discovery, adventure and meaningful conversations about the issues that matter to younger talent in the workforce. Created by Milwaukee-based social architecture firm NEWaukee, YPWeek went statewide in 2015 with the support of WEDC. WEDC's continued investment in YPWeek reflects the important role millennials play in the state's future talent pipeline. In FY18, excursions were added outside of YPWeek to encourage young people to discover other communities around the state, in addition to active participation in events within their own communities during YPWeek itself. YPWeek 2018 included 29 participating communities from every region of Wisconsin, hosting over 200 events with nearly 19,000 attendees.



A student prepares the PCNC 770 small mill in the fab lab at Phillips High School.

Underscoring the collaborative nature of talent development initiatives, WEDC and the University of Wisconsin System (UW System) established a jointly funded talent initiatives director position in FY18 that will lead and coordinate statewide efforts to attract and retain skilled workers. This new position will work with WEDC and the UW System Office of Economic Development to help align local, regional and statewide talent and workforce initiatives, assessing potential gaps in programs and resources and developing shared solutions. ■



ADVANCING WISCONSIN'S KEY INDUSTRIES

One of the keys to Wisconsin's continued economic success is to ensure that companies in the state's major industry clusters—those that have the greatest promise for future growth—have the tools and resources they need to compete and thrive in a global economy that is rapidly changing.

To accomplish that, WEDC has established a sector development strategy that advances those key industries: manufacturing; water technology; agriculture and food and beverage processing; energy, power and control; aerospace manufacturing; and biohealth. WEDC works with industry sector organizations, consortia, business associations and regional economic development partners to develop and implement strategies to increase the efficiency and effectiveness of businesses in Wisconsin's core and rising sectors.



One of WEDC's key industry cluster initiatives in FY18 was the expansion of the Transformational Productivity Initiative (TPI), a public-private partnership designed to improve productivity performance in Wisconsin's small and midsize manufacturers. Under the program, which launched as a pilot in FY17, productivity experts work closely with individual manufacturers to help analyze their operations and then develop solutions to increase organizational productivity. TPI is believed to be the only statewide program of its kind in the U.S.

The four companies that were part of the initial pilot program are projecting an average 30 percent increase in productivity, which has the potential to increase profits in each company by about \$2 million. Based on that early success, WEDC in FY18 awarded the Wisconsin Manufacturing Extension Partnership a \$370,000 grant to expand the program statewide.

“ I am grateful to WEDC for recognizing how critical this project is to the health of Wisconsin's manufacturing industry and for having the confidence in UWM to lead the way. ”
— Chancellor Mark Mone
University of Wisconsin-Milwaukee



The Forward BIO Initiative will help to bring groundbreaking research happening in Wisconsin out of the lab and into the marketplace.

Another key element of WEDC's sector development strategy are centers of excellence that serve as cluster "anchors" to spur research and development, encourage startup formation and growth, advance product commercialization, and attract new companies and business investment to the state. In FY18, WEDC provided funding to launch two new centers of excellence: the Connected Systems Institute at the University of Wisconsin-Milwaukee (UWM) and a biomanufacturing center of excellence in Madison.



The Connected Systems Institute, supported by a \$900,000 grant to the UWM Foundation, focuses on ensuring Wisconsin manufacturers can leverage supply

chain opportunities created by the Industrial Internet of Things, which is the interconnection of sensors and computing devices embedded at all levels of the production process, thereby enabling higher levels of efficiency and reliability while lowering processing costs. The center of excellence will be the first large-scale public-private partnership in the U.S. that connects industry, academic institutions, government and nonprofit organizations.



WEDC also awarded a \$750,000 grant to BioForward Wisconsin to establish the Forward BIO Initiative—a biomanufacturing center of excellence that will help to bring groundbreaking research happening in Wisconsin out of the labs and into the marketplace. The collaborative effort will offer entrepreneurs and researchers the resources necessary to effectively translate discoveries into commercial products in the emerging area of biomanufacturing.



In a move that will bolster the state's aerospace and aviation industry, WEDC awarded the University of Wisconsin-Oshkosh a \$200,000 grant for an initiative that will focus on strategically repositioning the industry to be recognized as a key industry sector, both nationally and globally. The initiative will support efforts to attract and retain companies in aerospace and related manufacturing; align aerospace assets across the state; and nurture key industry partnerships in the state and nationwide.

WEDC also invested \$200,000 in an innovative program that promotes entrepreneurship within the state's \$43 billion dairy industry. The grant to the Center for Dairy Research at the University of Wisconsin-Madison will enable the center to continue to provide companies with grants of up to \$20,000 to support the commercialization of unique dairy technologies and products.

In FY18, WEDC continued to support programs with a proven track record of helping startups and early-stage companies, including Scale Up MKE, The BREW (water technology) and WERC Bench Labs (energy).

In addition, WEDC expanded its investment in the popular Fabrication Laboratories (Fab Labs) Grant Program in FY18, by awarding grants totaling more than \$500,000 to 22 school districts in the third year of the program. To date, 43 school districts have received grants through the program, which supports hands-on science, technology, engineering, arts and math (STEAM) education by assisting public school districts with equipment purchases for instructional and educational purposes in fab labs. ■



A new grant from WEDC will aid the Center for Dairy Research at UW-Madison in supporting innovation within Wisconsin's \$43 billion dairy industry. Photo credit: Center for Dairy Research

FOXCONN[®] AND BEYOND

The Foxconn Technology Group's plan to build a \$10 billion advanced manufacturing campus in Racine County presents an unprecedented opportunity for businesses throughout the state as the global tech company ultimately plans to purchase more than \$1 billion annually in goods and services sourced from Wisconsin.

WEDC and its industry partners are focused on ensuring that state businesses are ready to take advantage of that opportunity and others by providing companies with the resources and knowledge they need to be part of an integrated supply chain.

An integrated and transparent supply chain is when a company and its suppliers interactively share data in real time with each other—such as sales history, capacity forecasts, inventory status, production capabilities and transportation schedules. The shift to supply chain transparency is part of the evolution toward Industry 4.0, which includes automation and data exchange in manufacturing technologies.

Industry 4.0 and the push toward smart factories are transforming manufacturing, and Foxconn's arrival will put Wisconsin on the frontier of this revolution. The addition of Foxconn into Wisconsin's manufacturing ecosystem will catalyze and accelerate these major industry trends.

With the majority of Wisconsin manufacturers operating as small to midsize suppliers, the state and its partners—including Wisconsin Manufacturers & Commerce, the Wisconsin Center for Manufacturing and Productivity, the Wisconsin Manufacturing Extension Partnership and the University of Wisconsin-Stout's Manufacturing Outreach Center—are working closely to better understand the company's needs and what it will take to support Foxconn as it establishes operations in Wisconsin.

Businesses are also encouraged to register with the Wisconsin Supply Chain Marketplace directory, which provides companies with a convenient way to find Wisconsin suppliers in a simple-to-use system that delivers results and supplier solutions. To sign up, visit wisupplychainmarketplace.com.

Through individual meetings with businesses, workshops around the state and presentations at industry conferences, WEDC and its partners are working to help prepare Wisconsin's supply chain to be globally competitive in addressing the fast-paced trends in manufacturing—for Foxconn and beyond. ■



FOXCONN'S IMPACT GOES WELL BEYOND THE JOBS

As the largest economic development project in Wisconsin history, the Foxconn Technology Group's planned \$10 billion advanced manufacturing facility is expected to create 13,000 direct jobs and tens of thousands of indirect jobs, as the campus will become an economic catalyst for the entire state.

And while the Wisconn Valley Science & Technology Park in Racine County is not expected to be fully operational until 2020, Foxconn's historic investment here has already started to pay dividends throughout Wisconsin.

Officials of the world's fourth-largest technology company announced in early FY18 that they had selected Wisconsin as the site for the new state-of-the-art campus. WEDC and Foxconn signed a 15-year contract in November 2017 that calls for the state to provide up to \$1.5 billion in job creation tax credits and \$1.35 billion in capital investment credits. All tax credits are "pay as you grow," meaning Foxconn must create jobs and invest capital in Wisconsin before eligibility is achieved, and the company can only earn the maximum amount of tax benefits after it has created and maintained 13,000 jobs and invested at least \$9 billion in capital expenditures.

Six months after the deal was finalized, and less than one year after Foxconn Chairman and CEO Terry Gou first met with Governor Scott Walker and other state officials, the company formally broke ground on the nearly 3,000-acre campus in the Village of Mount Pleasant.



Governor Scott Walker and Foxconn Chairman and CEO Terry Gou finalize the company's commitment to Wisconsin at the contract-signing ceremony in November 2017 in Racine County.

A STATEWIDE IMPACT

However, Foxconn's historic investment in Wisconsin goes well beyond the numbers. The Taiwanese company's decision to build a liquid crystal display (LCD) manufacturing campus here is expected to reshape Wisconsin's economy, education system and workforce as it brings the next generation of advanced manufacturing to the U.S. Business, government and academic leaders say Foxconn will have a transformational effect on Wisconsin for generations to come as Wisconsin becomes a leader in high-tech, advanced manufacturing, and technology research and development.

Before construction even began, Foxconn announced a "Smart Cities - Smart Futures" competition in which the company is partnering with statewide higher education institutions to seek out the best new ideas for the development of smart, connected cities and systems throughout Wisconsin. Foxconn is committing \$1 million over the next three

years to this initiative, with the goal of tapping talent at public and private universities and colleges, including Wisconsin's technical colleges.

Foxconn also signed an agreement with the Ginseng Board of Wisconsin in which the two entities will work together to promote the state's ginseng products in Asian markets. Wisconsin already has a global reputation for producing quality ginseng, with 98 percent of U.S. ginseng exports originating from Wisconsin.

The company also opened its North American headquarters in downtown Milwaukee in FY18 and unveiled plans for innovation centers in Green Bay, Eau Claire and Racine, which will focus on supporting entrepreneurship, attracting talent and connecting with supply chain partners in the region. In addition, the company laid the groundwork for partnerships to advance engineering, health care and entrepreneurship.



In every aspect of its operations, Foxconn has demonstrated a strong commitment to putting “Wisconsin First” by ensuring that state companies have ample opportunities to become contractors and suppliers during both the construction and operations phases of the project. Once the facility is operational, the company estimates it will spend \$1.4 billion annually on goods and services sourced from Wisconsin.

WEDC has started working with Wisconsin businesses and industry leaders to make sure that state companies are well positioned to take advantage of the significant opportunities Foxconn will provide for generations to come. ■

+ JOBS



13,000 Direct Jobs

10,000 Construction Jobs Per Year

28,000 Indirect Jobs

INVESTMENT

\$10 BILLION
construction and equipment

\$51 BILLION

Added to Wisconsin's GDP over 15 years

\$18 for every \$1 in state incentives

SUPPLY CHAIN

FOXCONN WILL SPEND

\$1.4 BILLION

in supplier purchases from WISCONSIN companies and

\$4.2 BILLION

total **ANNUALLY**

ANNUAL TAX REVENUE

\$348 MILLION

state and local taxes during construction

\$181 MILLION

state and local taxes once operational



Foxconn's planned \$10 billion advanced manufacturing facility is expected to create 13,000 direct jobs and tens of thousands of indirect jobs.



The Wisconn Valley Science & Technology park site in Racine County

SUPPORTING AN ENTREPRENEURIAL ECOSYSTEM



A strong economy means investors and businesses are looking for lucrative expansion opportunities and new models to capitalize on growth potential. Wisconsin has long been home to forward-thinking individuals who have recognized opportunities and developed solutions.

Buoyed by the ability to attract capital, an increasing number of entrepreneurs and innovators are identifying Wisconsin as an attractive place for startups. With an educated workforce, an excellent quality of life that is a draw to top-notch talent, cost-effective resources and more, Wisconsin is becoming a destination for entrepreneurs seeking personal and professional fulfillment.

Ensuring the success of Wisconsin's economy relies on creating a vibrant and supportive entrepreneurial environment. That is why WEDC and its network of statewide partners are committed to helping startups reach success through WEDC's entrepreneurial programs:

- The **Qualified New Business Venture Program (QNBV)** helps startups raise the capital they need to grow by offering tax credits to investors.
- The **Technology Development Loan Program** assists companies with the funding necessary to develop and launch high-tech or innovative products and services.
- The **Entrepreneurship Support Grant** helps to strengthen entrepreneurial communities by supporting new, unique entrepreneurship programs that would otherwise not be able to move forward.

- The **Seed Accelerator Program** helps support cohort-based lean startup programs throughout the state to help founder teams get the answers critical to moving a new company forward.
- The **Capital Catalyst Program** helps organizations or communities develop seed funds to invest in early-stage and innovative small businesses that operate in their region, industry or other constituency.
- The **Entrepreneurial Micro-grants Program** administered by UW-Extension's Center for Technology Commercialization (CTC) helps companies develop business plans and competitive proposals for federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants.
- The **SBIR Advance Program**, administered by CTC, aims to fill critical funding gaps for activities that are restricted under these federal grant awards; such as market research, customer validation, patent development, business model development, and regulatory assessment.

There can be obstacles along the way from idea origination to commercialization. WEDC's entrepreneurial programs are designed to further advance startup activity by supporting the complete cycle from startup to commercialization. By working with our statewide network of partners, Wisconsin has created an environment that contains all the ingredients necessary to succeed. ■

CALENDAR YEAR 2017 IMPACT



497

COMPANIES ASSISTED BY WEDC'S
ENTREPRENEURSHIP AND INNOVATION PROGRAMS

\$504M

TOTAL IMPACT OF PROGRAMS



The UW-Stout Center for Innovation and Development is funding a state-wide program that provides inventors with an opportunity to have their ideas evaluated for feasibility and market potential, funded in part by an Entrepreneurship Support Grant from WEDC.

“ Entrepreneurs launching successful new ventures play an important role in the prosperity of their communities.”

— Aaron Hagar, Vice President of Entrepreneurship and Innovation, WEDC

During FY18, the Entrepreneurial Micro-grants Program assisted nearly 142 entrepreneurs, with 42 clients receiving support for entrepreneurial training coursework and 22 more awardees in SBIR/STTR assistance and business commercialization initiatives. CTC clients that received SBIR assistance were awarded over \$9.2 million in federal SBIR/STTR grants. Also during the fiscal year, 54 new companies received QNBV certification, which provides tax credits to investors that invest in these companies. \$43 million in qualifying investments were made into QNBV companies in 2017 (QNBV results are measured according to calendar year rather than fiscal year), with investors receiving \$11 million in tax credits. The QNBV Program showed positive results with an increase in job numbers from 238 in 2016 to 576 in 2017. WEDC made 13 new Technology Development Loans during FY18, and at the end of the year had a total of 104 active loans through the program.

Additionally, companies using WEDC’s TDL and QNBV direct assistance programs generated over \$214 million in revenue in 2017, significantly higher compared to the prior year. With WEDC’s entrepreneurial programs, companies across numerous industries are finding the investment they need to drive more innovation, launch products and grow their teams with some of the best and brightest minds from Wisconsin and across the globe. Year after year the total impact of these programs continues to increase. In 2017 the total program impact (grant investment and annual revenue) was \$504 million, a \$119 million increase from 2016.

Startups are an engine for job growth, with the majority coming from smaller companies that are in many cases the unsung heroes of economic growth. Supporting entrepreneurs is a core component of WEDC’s mission, as it is crucial to Wisconsin’s economy that WEDC support startups and the development of new ideas and technologies.

Starting a new business always involves risk, but that business has a greater chance of success if it’s started in Wisconsin—an indicator of the strength of the startup ecosystem and the state’s support for entrepreneurship. ■



Kyle LaFond
Founder,
American Provenance



Mount Horeb-based American Provenance, a maker of personal care products, is certified through WEDC’s Qualified New Business Venture Program and has also worked with the Small Business Development Center at UW-Madison, Gener8tor/gBeta and the Winnebago Seed Fund of the Badger Fund of Funds—resources that have contributed to the company’s success. As it grows, the company remains committed to working with Wisconsin-based suppliers to help those businesses benefit as well.

54

NEW QNBV-CERTIFIED COMPANIES

\$43M

QNBV QUALIFIED INVESTMENT
IN 2017



BUSINESS RETENTION AND GROWTH

A strong state and national economy is prompting business throughout Wisconsin to consider expanding their operations as they introduce new product lines, increase their customer base or enter new markets. And as companies consider their next step, they typically look at all options, including expanding in Wisconsin or leaving the state to grow elsewhere, before deciding what's the best decision for their business.

WEDC, in tandem with its regional and local economic development partners, closely monitors the business environment to identify existing Wisconsin companies that are planning to grow and to provide them with the support they need to expand in Wisconsin. Working with those partners and the company, WEDC staff develops an incentive package that meets the company's needs while at the same time providing a significant return on investment for Wisconsin taxpayers.

While those incentives are one factor in a Wisconsin company's decision to continue to grow here, they're far from the only one. The state's pro-business climate, world-class education system, talented workforce and quality of life also are key reasons that longtime companies like Generac, Green Bay Packaging and Badger Meter have made a commitment to continue to grow in Wisconsin.

Some of the major Wisconsin companies whose expansion plans were supported by WEDC in FY18 include:

- Generac Power Systems Inc., a leading manufacturer of power generation and engine-powered products, is investing \$73 million in renovations and new equipment at its Waukesha headquarters and

manufacturing facilities throughout Wisconsin. The company expects to create at least 400 jobs and retain its existing 2,000 jobs.

- Kwik Trip Inc., which owns and operates more than 600 retail convenience stores, has embarked on a \$300 million capital investment project that is projected to create 300 jobs in La Crosse.
- Green Bay Packaging Inc. is building a new recycled paper mill and an expansion of the Green Bay shipping container division. The company's \$500 million investment, one of the largest economic development projects in state history and the largest ever in Brown County, is expected to create 200 jobs and retain 1,400 jobs.
- Allegheny Technologies Incorporated, a global manufacturer of technically advanced specialty materials and complex components, is expanding its operations in Cudahy with a \$95 million project expected to create 125 jobs and help the company meet the growing demand from the aerospace jet engine market.
- Brakebush Brothers Inc., a leading processor of poultry products, expects to create more than 200 jobs and invest \$86 million for the expansion of its production facilities in Marquette County, which already has about 1,000 employees.
- Grover Corp., a piston and sealing ring manufacturer, plans to add 109 jobs at its Glendale facility over the next five years as part of a \$4.8 million expansion project.



United Alloy Inc., a metal fabrication and powder coating company, is investing \$15 million to expand its operations in Janesville.

- J.W. Speaker Corp., a family-owned specialty lighting manufacturer, is investing \$46 million to expand its manufacturing facility in Germantown—a project expected to create 100 jobs and retain more than 400 positions.
- United Alloy Inc., a metal fabrication and powder coating company, is investing \$15 million to expand its operations in Janesville. The company plans to create 66 jobs and retain 180.
- Gehl Foods LLC in Germantown is undergoing a \$46 million expansion expected to create 50 jobs and retain nearly 400.
- Masters Gallery Foods Inc. in Sheboygan County is undergoing a \$61 million expansion that is expected to create 150 jobs and retain more than 500.
- Zendesk Inc., a customer engagement platform, is expanding its operations in Madison and establishing a Midwest regional hub—a \$12 million project expected to create 136 jobs and retain more than 200. ■

LARGEST ECONOMIC DEVELOPMENT PROJECTS OF FY18

COMPANIES	LOCATION		JOB IMPACT	INVESTMENT
Foxconn	Mount Pleasant	New	13,000	\$10,020,000,000
Green Bay Packaging Inc.	Green Bay	Expansion	1,668	\$500,000,000
Kwik Trip Inc.	La Crosse	Expansion	329	\$309,000,000
ATI Ladish LLC	Cudahy	Expansion	125	\$88,301,295
Generac Power Systems Inc.	Waukesha	Expansion	2,399	\$86,800,903
Brakebush Brothers Inc.	Westfield	Expansion	1,104	\$86,000,000
UAS Labs LLC	Wausau	Expansion	178	\$61,183,600
Masters Gallery Foods Inc.	Oostburg	Expansion	679	\$61,000,000
Gehl Foods LLC	Germantown	Expansion	437	\$46,610,000
J. W. Speaker Corp.	Richfield	Expansion	520	\$43,000,000
Schwabe North America Inc.	Green Bay	Expansion	471	\$36,300,000
The Toro Company	Tomah	Expansion	76	\$30,500,000
Midwest Recycling	Combined Locks	New	321	\$30,000,000
Denali New Berlin LLC	New Berlin	Expansion	129	\$18,350,000
iMark Molding Inc.	Woodville	Expansion	97	\$17,955,919
Nolato Contour Inc.	Baldwin	Expansion	222	\$17,945,000
Amcort Flexibles LLC	Madison	New	12	\$15,000,000
Tribe 9 Foods LLC	Madison	New	62	\$14,917,000
Zendesk Inc.	Madison	Expansion	379	\$12,792,000
Angelic Bakehouse Inc.	Cudahy	Expansion	84	\$11,800,000
Basin Precision Machining LLC	Jefferson	Expansion	NA	\$9,697,121
United Alloy Inc.	Janesville	Expansion	246	\$9,500,000
HIEP LLC	Waterloo	New	51	\$7,935,300

COMPANIES	LOCATION		JOB IMPACT	INVESTMENT
Heartland Cooperative	Owen	Expansion	131	\$7,860,000
Heartland Technology Group Inc.	Kaukauna	Expansion	333	\$6,086,000
Grover Corp.	Milwaukee	Expansion	155	\$4,850,000
Communications Test Design Inc.	Pleasant Prairie	New	150	\$3,368,839
Air Wisconsin Airlines LLC	Appleton	Expansion	468	\$3,289,710
Wausau Coated Products Inc.	Wausau	Expansion	234	\$3,000,000
Sussex Tool & Supply Inc.	Sussex	Expansion	60	\$2,900,000
Channeled Resources Inc.	Marathon	Expansion	58	\$2,720,000
DOWCO Inc.	Manitowoc	Expansion	100	\$2,500,000
Drexel Building Supply Inc.	Columbus	Expansion	367	\$2,101,000
LaForce Inc.	Green Bay	Expansion	442	\$1,700,000
Fisher Barton Blades Inc.	Watertown	Expansion	130	\$1,550,000
Masteq LLC	New Berlin	Expansion	38	\$1,476,815
International Mold and Production LLC	Kenosha	New	25	\$1,429,400
Total Administrative Services Corp.	Madison	Expansion	398	\$1,000,000
The Douglas Stewart Company Inc.	Madison	Expansion	135	\$990,596
Pro-Active Engineering Inc.	Sun Prairie	Expansion	65	\$871,500
Jacquart Fabric Products	Mosinee	Expansion	86	\$860,000
Promega Corp.	Madison	Expansion	763	\$750,000
Nelson-Jameson Inc.	Marshfield	Expansion	164	\$564,460
Badger Meter Inc.	Milwaukee	Expansion	527	\$261,000
Nine Realms Inc.	Madison	Expansion	45	\$64,000

WEDC's INVESTMENT OF

\$3.2B

WILL GENERATE

\$12.5B

IN TOTAL CAPITAL INVESTMENT

30K+

JOB

342

AWARDS IN ALL

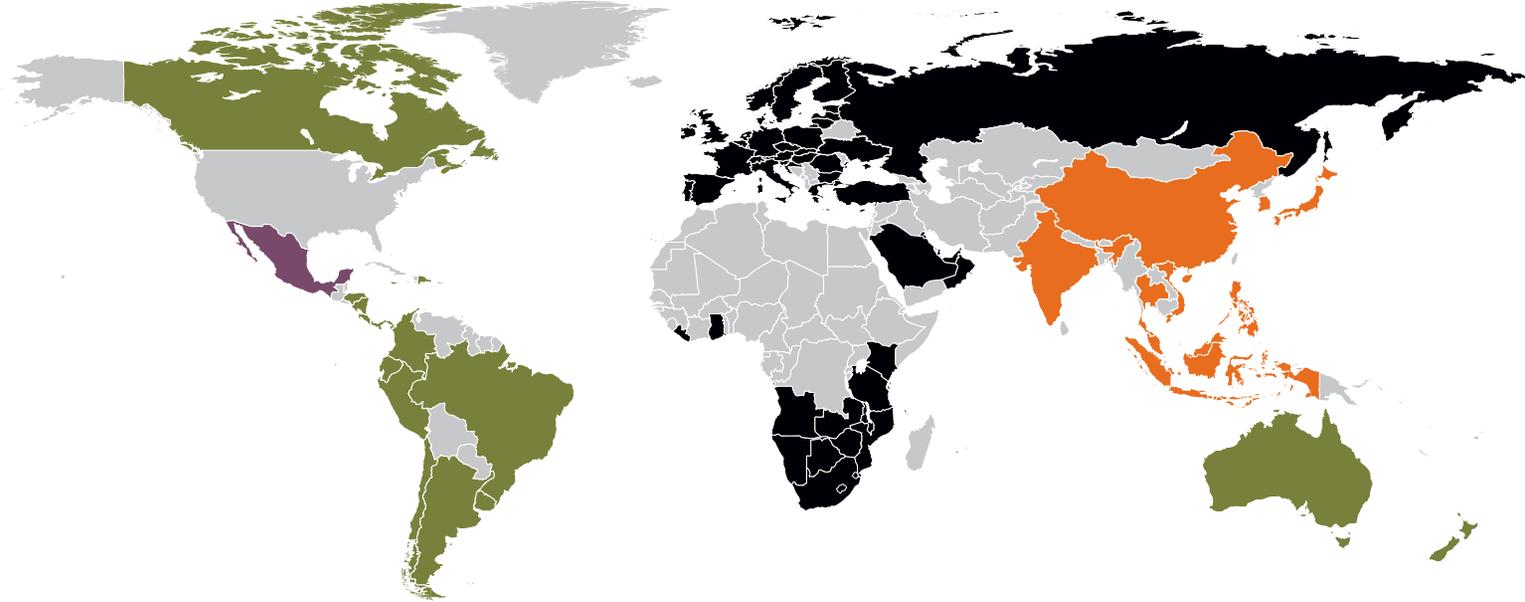


GROWING WISCONSIN'S ECONOMY THROUGH INCREASING EXPORTS

WISCONSIN'S GLOBAL NETWORK COVERS

82

COUNTRIES AROUND THE WORLD



WISCONSIN'S 2017 TOP EXPORT DESTINATIONS

CANADA.....	31%
MEXICO.....	14%
CHINA.....	8%
SAUDI ARABIA.....	4%
JAPAN.....	4%
UNITED KINGDOM.....	3%
GERMANY.....	3%
AUSTRALIA.....	3%
SOUTH KOREA.....	3%
FRANCE.....	2%
OTHER.....	27%

In collaboration with partners across the state, WEDC supports Wisconsin companies in growing their exports, both by building on the strength of an already solid repertoire of programs, and by developing innovative solutions that address gaps in the state's exporting practices. Each year, WEDC's Global Trade Venture Program takes Wisconsin companies to markets around the world to make connections that generate export sales. During FY18, 26 companies went on WEDC's six global trade ventures to destinations including Israel; Japan and South Korea; Mexico; Canada; China; and Germany. At each destination, participating companies receive a schedule of customized meetings with potential business partners chosen specifically for each company's needs.

These global trade ventures are offered at a subsidized rate for the purpose of promoting Wisconsin exports. In addition, WEDC's Global Network of trade representatives supports and promotes the interests of Wisconsin companies in 82 markets around the world.

To complement the Global Trade Ventures and Global Network, WEDC also offers Global Business Development Grants to help companies grow their exports by partially covering the cost of such activities as exhibiting at overseas trade shows and translating or customizing marketing materials for a foreign market. During FY18, this program was supported in part by a State Trade and Export Promotion Grant from the U.S. Small Business Administration, and International Market Access Grants provided \$1.2 million in assistance to 60 companies. In addition, two partner organizations assisted 95 companies through Collaborative Market Access Grants, also part of the Global Business Development Grant Program.

WEDC also sponsors the ExporTech™ Program, which guides companies through a market analysis to help them choose the most promising markets to focus on and develop an export strategy tailored to those markets. In FY18, 32 companies completed the training program, which is delivered by the Wisconsin Manufacturing Extension



On a Global Trade Venture to Germany in June 2018, the Wisconsin delegation met with dignitaries at the chancellery in the German state of Hessen, with which Wisconsin has had a sister state relationship for more than 40 years.

Partnership and the Manufacturing Outreach Center at the University of Wisconsin-Stout. ExporTech also connects companies to resources that can help with concerns such as customs enforcement and protecting intellectual property.

In addition, for the new fiscal year, WEDC is adding a new tool to the export promotion equation. Through the University of Wisconsin-Oshkosh, Targeted Industry Project Grant funds will be awarded to partner organizations that work with companies in key driver sectors of Wisconsin's economy—manufacturing; energy, power and controls; aerospace and aviation; water technology; food and beverage; biohealth; forest products; information technology—to help those companies grow their exports. By working with partner organizations across the state, this new initiative will enable WEDC's exporting resources to blanket the state more broadly, reaching companies in every area.

During calendar year 2017, Wisconsin's exports grew by just over 6 percent, totaling \$22.3 billion for the year, and they have continued to grow in the first six months of 2018. The state is currently ranked 19th among U.S. states in terms of the value of goods exported, and leads the U.S. in export categories including marine engines, armored vehicles, bicycles, paper towels, toilet paper, ginseng roots, prepared/preserved cranberries, prepared/preserved sweet corn, blue-veined cheese and sausages, arc-welding machinery, papermaking machinery and firefighting vehicles.

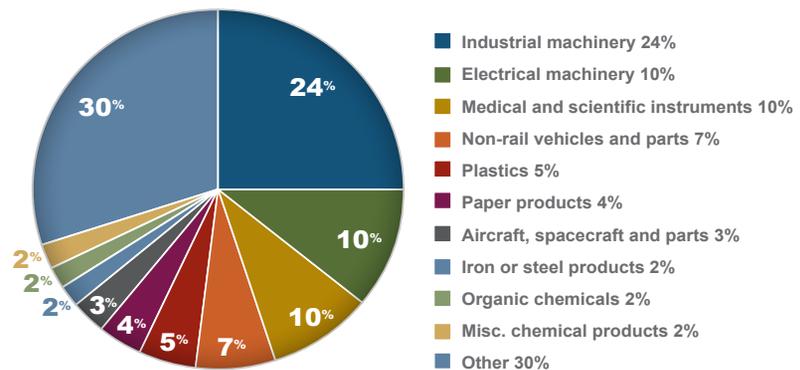
\$21.3B WORTH OF PRODUCTS EXPORTED TO
202 COUNTRIES AROUND THE GLOBE IN 2017



The Global Trade Venture to Germany included a visit to the University of Applied Sciences in Lemgo, Germany. The Wisconsin delegation met with officials including Prof. Stefan Witte (right) to learn about the regional food processing industry cluster, which is collaborating with FaB Wisconsin.

Each year, the Governor's Export Achievement Awards, which are administered by WEDC, recognize companies that excel at exporting, thus highlighting best practices that can be adopted by their peers in Wisconsin to further grow the state's exports. In 2018, the companies that received these awards were Carnivore Meat Co. of Green Bay, a fast-growing pet food company that specializes in raw food; Gehl Foods of Germantown, an aseptic manufacturer that produces fresh-tasting, shelf-stable dairy products; and Optimum Vehicle Logistics of Milwaukee, a distributor and exporter of military vehicle spare parts that supports U.S.-manufactured equipment operated by U.S. and foreign forces, with customers in 37 countries on six continents. ■

WISCONSIN'S 2017 TOP EXPORT CATEGORIES





GLOBAL COMPANIES FIND A HOME IN WISCONSIN

When the Foxconn Technology Group announced that it would built a state-of-the-art advanced manufacturing campus in southeastern Wisconsin, the news made headlines around the world.

And with good reason.

Not only is the \$10 billion campus that is expected to create 13,000 jobs the largest economic development project in Wisconsin history, but one of the largest greenfield investments by a foreign-based company and the largest corporate attraction project as measured by jobs in U.S. history. While Foxconn's decision to invest in Wisconsin is historic, the global tech leader wasn't the only out-of-state company that decided to establish operations here in FY18.



Foxconn broke ground for construction of its new facility in Mount Pleasant in June.



Communications Test Design Inc.'s new facility in Kenosha County is expected to create 150 jobs over the next three years.

Communications Test Design Inc., a global engineering and logistics company in the communications industry, opened a new facility in Kenosha County – a project expected to create 150 jobs over the next three years. The 160,000-square-foot facility will support customers and installation teams in Wisconsin, Illinois, Minnesota, Missouri and Nebraska. This is the Pennsylvania-based company's first facility in Wisconsin, which competed against other states for the project.

International Mold and Production, a leading supplier of custom plastic injection molds and parts, relocated its operations from Illinois to Kenosha, and plans to create 25 jobs at its new headquarters. The company, which plans to invest \$1.5 million in the Kenosha facility, also plans to relocate a percentage of its contracted manufacturing work from China to Wisconsin.



A rendering of the HARIBO manufacturing plant that will be built in Pleasant Prairie

Promega Corp., a global biotechnology company, relocated a portion of its manufacturing facilities from California to Madison in FY18, a move expected to bring 25 new jobs to Wisconsin.

Diversified Manufacturing Corp., a premier contract manufacturer of over-the-counter skin care and personal grooming products, opened its new facility in Pierce County in FY18 – a project expected to create 150 jobs over the next three years. The company, which relocated its operations from Minnesota, opened a 150,000-square-foot facility in Prescott, 30 miles southeast of Minneapolis-St. Paul. Diversified, which had two facilities in Minnesota, consolidated operations in Wisconsin to accommodate current and future growth.

Meanwhile, HARIBO, the German confectionary company and maker of the popular GOLDBEAR gummy candies, finalized plans in FY18 to start construction in 2019 on a manufacturing facility in Kenosha County. The \$242 million facility will be the first North American plant for HARIBO, which operates 16 facilities in 10 countries. Founded in 1920, the company now sells its candies to more than 100 countries.

The Foxconn and HARIBO investments are two examples of the success of WEDC's business and investment attraction strategy, which includes engaging with business leaders and site selection consultants worldwide to showcase the state's many assets, including a pro-business climate, a dedicated workforce and a world-class education system. ■

“ This business location will complement the strong corporate brand we have developed with our high-quality, global customer base. We are confident we can augment our employee population with the talented pool of employees in southeastern Wisconsin. ”

— Jim Reid, Director of Real Estate and Transportation Communications Test Design Inc.



REVITALIZING COMMUNITIES

Wisconsin's communities are key drivers of economic growth. From business startup to talent attraction, the innovative activities and development of new ideas that happen in communities throughout the state are major contributors to economic strength and outstanding quality of life.

Creating these thriving communities requires a communal effort that unites various partners, both public and private, around a shared vision. As one of the partners guiding this vision, WEDC offers a variety of programs to help communities and businesses across the state grow and thrive, and FY18 was another successful year for these programs and the communities and businesses they serve.



WEDC awarded a \$500,000 grant to redevelop the former General Motors Assembly Plant site in Janesville.

IDLE SITES REDEVELOPMENT PROGRAM

By bringing new life to vacant industrial and commercial sites, this program helps these properties once again become generators for economic development and an improved quality of life for the cities and communities where they are located. Offering grants of up to \$500,000, this program helps communities implement redevelopment plans for large commercial or industrial sites that have been abandoned or underutilized for a period of at least five years. In FY18, five Wisconsin communities received grants. WEDC committed \$2.4 million in grant funding for the following projects:

- Janesville: \$500,000 to redevelop the former General Motors Assembly Plant by razing six buildings on the 114-acre assembly plant area, including the 3.9 million-square-foot main plant. Prior to shuttering nearly a decade ago, the property's history includes the manufacturing of farm implements, automobiles, trucks and even artillery shells. The project is expected to create 400 jobs.
- Madison: \$500,000 to finance redevelopment of the former Oscar Mayer plant, which requires reconfiguring outdated gas and electrical infrastructure. The entire \$18 million redevelopment project is expected to be completed in 2025.
- Glendale: \$435,000 to redevelop the former site of the Glendale Rail Yard. The two-phase project will construct multiple industrial and flex-space buildings totaling over 375,000 square feet.
- Hudson: \$500,000 to redevelop the former St. Croix Meadows Greyhound Racing Park. The \$200 million project will feature a new mixed-use development that will include a baseball stadium, a hotel with

conference center, corporate office space, technology and research facilities, restaurant, an indoor sports complex and condominiums.

- Grand Chute: \$500,000 to redevelop the former National Envelope facility into a new commercial center. The \$4 million redevelopment project will include a new headquarters for a furniture business.

SITE ASSESSMENT GRANTS

Abandoned, idle and vacant sites can come with a number of unknowns, including issues hidden from plain sight. The Site Assessment Grant Program provides funds to assist local governments with conducting the initial environmental assessment and demolition activities on eligible industrial or commercial sites. This funding can be used for specific activities, such as investigating environmental contamination and asbestos abatement. WEDC awarded grants to 11 communities and organizations in FY18, investing more than \$1.2 million to help conduct these crucial site assessment activities.

BROWNFIELDS GRANTS

To help convert contaminated sites into productive properties, the Brownfields Grant Program provides funds to assist with brownfield redevelopment or associated environmental remediation activities on abandoned, idle or underused industrial or commercial facilities or sites with demonstrated soil, groundwater or vapor contamination. In FY18, 14 companies, businesses and communities received more than \$5.5 million in grants, providing an important boost in converting contaminated sites into productive properties that are attractive and ready for redevelopment. ■



FOSTERING HEALTHY COMMUNITIES

A vibrant downtown is essential to a community's overall economic health and quality of life, which is why WEDC supports municipalities throughout the state as they invest in improving their downtowns and business districts.

To accomplish this vision, WEDC's Community Development Investment (CDI) Grant Program supports urban, small city and rural community development and redevelopment efforts primarily in downtown areas. This program provides incentives for shovel-ready projects that will create jobs, increase local property values and leverage matching investment from local and private partners.

In FY18, WEDC provided CDI grants totaling \$5.5 million to 26 communities. Among other projects, Milwaukee County received a \$250,000 grant to support construction of The Sherman Phoenix, an entrepreneurial and wellness hub in Milwaukee's Sherman Park neighborhood. The Phoenix is being built on the site of the former BMO Harris Bank that was damaged in a fire in the summer of 2016. It will house small businesses offering a variety of goods and services, including prepared foods, wellness services, and arts and cultural activities.

Across the state, the Village of Soldiers Grove received a \$125,000 grant to assist the Driftless Brewing Company's planned \$1.2 million expansion from a one-barrel brewing system to a 15-barrel system. The project will redevelop a vacant grocery store to include new areas for fermentation, packaging, product storage, office space as well as the addition of a 70-seat taproom.

In all corners of Wisconsin, CDI grants are benefitting communities large and small. Since the program was created in 2013, WEDC has awarded 108 grants totaling more than \$21 million. Our investments were further advanced by more than \$300 million in planned capital investment related to the projects they support. ■

CREATING PLACES FOR BUSINESSES TO THRIVE

When a new or expanding company is ready to make its move, it doesn't want to be held back by costly delays in permitting and approvals. That's where WEDC's Certified Sites Program comes in.

The program applies a consistent standard of development-ready criteria, putting in place all the key reviews, documents and assessments most commonly required for industrial use. A Certified Site designation means faster turnaround times, quick approvals and low risk, so companies can break ground on new development projects sooner. In FY18, WEDC certified three new sites: the Wausau Business Campus, the Sparta South Pointe Business Park and the Eagle River Highway 45 and Highway G site.

Wisconsin has 20 Certified Sites in all, with 21 development projects completed or underway on 11 of them. These projects, when complete, are expected to create nearly 2,300 jobs and represent nearly \$400 million in capital investment. ■



The City of Platteville received a \$250,000 CDI Grant to assist in the construction of a new mixed-income apartment building on a 1.2-acre site that has been vacant since 2012.

\$5.5M
CDI GRANTS in FY18

26
COMMUNITIES ASSISTED



REVITALIZED DOWNTOWNS ARE KEY TO ECONOMIC SUCCESS

Downtowns are in a continuous state of change, and successful revitalization requires strategic planning to maximize local resources. An agreement on the community's vision for downtown based on a local sense of shared identity, coupled with investment and activity by local stakeholders, is essential for creating appealing and unique places.

The Wisconsin Main Street Program helps communities refine and implement their local strategy to make downtowns vital places to work, live and visit.

The Wisconsin Main Street Program, administered by WEDC, is a comprehensive program designed to promote the historic features and redevelopment of traditional business districts. It provides support and training for organizations dedicated to downtown economic development efforts. It also increases the engagement of businesses and communities within the Main Street Program and showcases the businesses that bring life to downtown districts.

Since the program's inception in 1987, Wisconsin Main Street community projects have resulted in the creation of more than 2,700 new businesses and more than 14,000 net new jobs. In addition, more than \$1.9 billion in public and private investment has occurred in Wisconsin Main Street communities. In FY18 alone, the 34 Wisconsin Main Street communities were responsible for the creation of an estimated 619 net new jobs and 137 net new businesses in the state. More than 42,000 volunteer hours were worked in those communities.

“Wisconsin’s historic downtown districts would not be what they are today without their Main Street and Connect Communities organizations.”

— Barb LaMue, Vice President of Business and Community Development, WEDC

14,000+

NEW JOBS SINCE MAIN STREET PROGRAM INCEPTION IN 1987

During FY18, WEDC received a \$54,000 grant from the U.S. Department of Agriculture Rural Development, which provided the opportunity to host 30 small business workshops around the state. These workshops attracted 497 attendees from nearly 80 communities to learn about succession planning, marketing, merchandising, hospitality management and other relevant topics. Because of the program, 113 businesses received additional technical assistance to implement initiatives related to the training.

A relatively new offering designed to raise awareness of Wisconsin Main Street communities and the enterprising businesses that call them home, the Main Street Makeover contest attracted 20 small businesses applicants and recognized five finalists, with Annie's Fountain City Café in Fond du Lac announced as the ultimate winner. The café received personalized technical assistance and up to \$10,000 to implement updates including enhancing curb appeal to attract more customers, improving customer experience by enhancing interior flow and customer seating areas, and providing greater visibility to the numerous artists whose work is available for sale throughout the café.

WEDC's Connect Communities Program, a companion program to Wisconsin Main Street, was created in 2013 to provide access to resources and training to help communities pursue revitalization and redevelopment efforts. In FY18, the 66 participating communities added 66 net new businesses, more than 77 net new jobs and \$1 billion in public and private investment ■



As the winner of the Main Street Makeover contest, Annie's Fountain City Café in Fond du Lac received technical assistance and grant funds to complete improvements to its space.





PROMOTING THE SUCCESS OF MINORITY BUSINESS OWNERS

During FY18, WEDC awarded \$750,000 in funding to four organizations to provide assistance to minority-owned businesses throughout the state. These organizations—the African American Chamber of Commerce of Wisconsin, the American Indian Chamber of Commerce of Wisconsin, the Hispanic Chamber of Commerce of Wisconsin and the Hmong Wisconsin Chamber of Commerce—were officially designated as Key Strategic Partners of WEDC.

Key Strategic Partners are organizations whose services contribute significantly to the state's economic development outcomes and who have specialized skills and proven track record of success. The minority chambers are using their support from WEDC to provide business training workshops, financial awareness programs, assistance with securing financing, networking opportunities, one-on-one mentoring and more. Each organization also administers a revolving loan fund, and used WEDC funds to administer those programs and assist businesses in applying for loans. To qualify for matching funds, projects must be pre-approved through one of the chambers.

In FY18, the \$700,000 in revolving loan funds that originated with WEDC in prior years generated an additional \$3.7 million in funding from other sources, for a total of \$4.5 million. The funded projects are expected to result in the creation or retention of more than 200 jobs at minority-owned small businesses. During FY18, the chambers provided services to 338 businesses around the state and conducted 48 workshops on business development topics.

In addition to the grant funds to minority chambers, WEDC sponsors MARKETPLACE, the Governor's Conference on Minority Business Development, which again had a record year in 2017. More than 850 people attended the main conference, with a sold-out crowd of 200 registering for the Small Business Academy, a half-day workshop that preceded the conference. In addition, 782 buyer meetings were held with 39 different organizations during the conference to discuss potential purchases from minority-, woman- and veteran-owned businesses.

And in April 2018, WEDC and the Wisconsin Procurement Institute worked together to host a delegation of senior United Nations (UN) procurement officials in Milwaukee, so that Wisconsin businesses could learn about opportunities for doing business with the UN. These are just a few examples of how WEDC works year-round to enhance the environment for minority-, woman- and veteran-owned businesses in Wisconsin. ■



Pamela Malone and Stephan Malone accepted the Legacy Award at MARKETPLACE 2017 on behalf of their late father, Art Malone. Their family business, Malone Plumbing and Heating, has operated in Milwaukee since the 1970s, and Art Malone was the first African-American plumbing apprentice in the state of Wisconsin.

MARKETPLACE REGISTRANTS IN 2017

850+

TOTAL FUNDING FOR PROJECTS USING REVOLVING LOAN FUNDS

\$4.5M



A record-breaking 782 buyer meetings were held during the conference, allowing minority-, woman- and veteran-owned businesses to meet with potential buyers from the public and private sectors.



INSPIRING CAREER PURSUITS IN WISCONSIN®

In January 2018, WEDC launched a \$1 million paid media campaign focused on Chicago encouraging millennials living in the city to pursue their career and personal ambitions in Wisconsin, where the cost of living, commute times and overall quality of life compare favorably to life in a big city.

This first phase of an integrated talent attraction marketing campaign was launched with input from employers and economic development stakeholders throughout the state who cite workforce availability as a growing challenge affecting the economic performance of businesses and communities in Wisconsin. With national unemployment at historic lows, attracting talent to Wisconsin would require more than simply promoting the state's employers and open jobs. ■



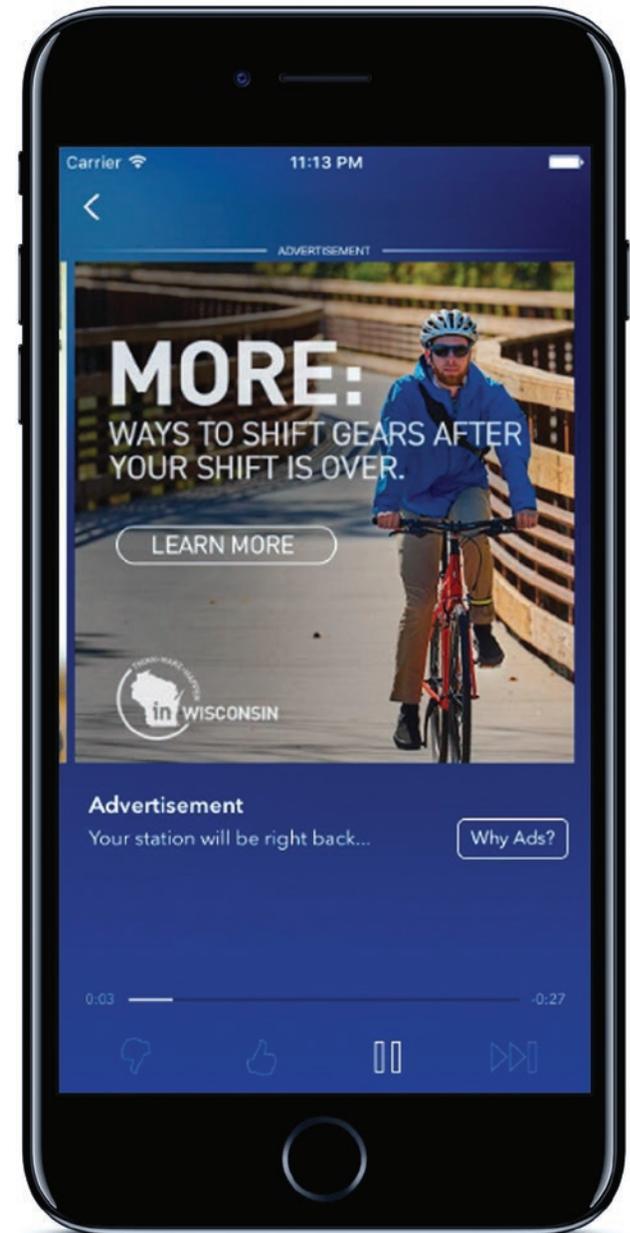
EXPANDING PERCEPTIONS

"Our research told us that perceptions of Wisconsin are strong across all audience segments, but overly limited in ways that affect both talent retention and attraction," said WEDC Deputy Secretary and Chief Operating Officer Tricia Braun.

Earmarking \$1 million from its operational budget, WEDC launched the state's first-ever talent attraction advertising campaign. The strategy included dynamic social media ads that highlighted Wisconsin's low cost of living, short commute times and plentiful recreational opportunities. Commuters in Chicago also experienced positive Wisconsin

messages on train platforms as well as in and on trains themselves. The campaign also connected with millennial talent in social settings, with posters and videos in health clubs and creative messaging on drink coasters in bars and restaurants.

Not only did the six-month campaign exceed its paid media impressions goal, it achieved significant national earned media attention from such outlets as the *Wall Street Journal*, CNBC, NPR's Marketplace and the *Chicago Tribune*. ■





A COORDINATED EFFORT

All ads linked to a new website, InWisconsin.com, that touts the many economic and lifestyle attributes that make Wisconsin attractive both to business decision-makers and to people seeking the best location to pursue career and personal success. Over the course of the campaign, the website attracted more than 300,000 visits, with significant traffic to pages detailing the state's regional assets, including job and housing searches. WEDC research also showed improved perceptions of Wisconsin among target audience members following the campaign, including a 5.6 percent increase in their likelihood to consider moving to Wisconsin for a career opportunity.

Building on the enthusiasm among economic development stakeholders throughout the state for the first phase of this campaign, the governor and state Legislature approved an additional \$6.8 million in April to expand the reach of our talent marketing efforts. With this funding, statewide partners including the Wisconsin Department of Tourism, the Wisconsin Department of Workforce Development, the Wisconsin Department of Veterans Affairs and the Wisconsin Department of Military Affairs are working together like never before to ensure that Wisconsin is developing, retaining and attracting the talent we need to maximize the state's economic performance.

This increased funding allowed WEDC and our partners to expand our millennial marketing to 13 Midwest metros in FY19. Markets were selected based on the density of our target population; industry types; cost of living and quality of life factors; and migration patterns. The creative strategy in these markets involves promoting the career opportunities and work-life

balance Wisconsin offers, both of which are important to millennials, but which they do not perceive Wisconsin as delivering according to their desires. WEDC's research shows that millennials outside of our state want "more" (more time, more recreation, more space, more unique experiences), but they do not realize how much more they can have in Wisconsin. ■

**MORE:
CHANCES TO WORK IN A CLEAN ROOM
AND PLAY IN A MESSY ONE**

With a wide variety of STEM jobs and a low cost of living, you'll have rewarding days at work and fun evenings at home. Wisconsin. It's more **you**.

THINK • MAKE • HAPPEN IN WISCONSIN®

InWisconsin.com



INSPIRING CAREER PURSUITS IN WISCONSIN®

MORE: UNSCHEDULED REUNIONS

Photo: Aaron Mayes/University of Wisconsin-Madison

You may have left Wisconsin, but hopefully it hasn't left you. The geography, the values and the people that make this a great place to live are all still here. And now, thanks to a booming economy, abundant career opportunities and low cost of living, there's never been a better time to come back and make a new life in the place you once called home. Wisconsin. It's more **you**.



THINK • MAKE • HAPPEN IN WISCONSIN®

InWisconsin.com/Alumni

WISCONSIN ALUMNI

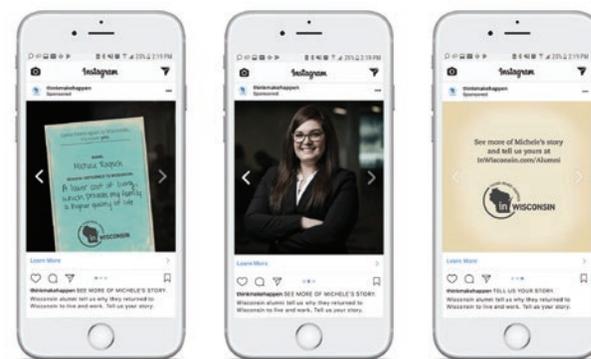
Another critical audience for WEDC's talent marketing strategy is alumni of Wisconsin's colleges and universities—a group that we are encouraging through targeted social media ads to pursue their passions in Wisconsin.

In addition to display advertisements in the University of Wisconsin-Madison's alumni publications and web-based media that invite the school's graduates to "come home" to all that Wisconsin offers, WEDC began running a series of "alumni snapshots" on Facebook and Instagram nationally in April. These social media ads link to videos that feature the perspectives of young people who have studied in Wisconsin and landed their dream jobs here, either right out of school or after leaving the state and deciding to return.

For example, Michele Raysich graduated from the University of Wisconsin-Milwaukee with a master's degree in architecture in 2011 and then moved to Chicago to pursue her professional aspirations. However, it didn't take long for Michele to realize she could make a greater impact professionally in Milwaukee, so she returned after only one year. Michele explains in her video that she was also drawn back to Milwaukee because of its lower cost of living, which translates to a better quality of life for her family.

Michele's post and those of the other eight subjects featured in the campaign link to an alumni page on **InWisconsin.com**, where visitors are invited to explore both career and lifestyle opportunities in the state.

All types of higher education are represented in this campaign—public and private colleges and universities as well as technical colleges—and the individuals featured in the snapshots represent a variety of professions and Wisconsin locations. ■





TRANSITIONING VETERANS

Each year, between 200,000 and 250,000 active service members transition out of the military and into civilian life. The skills and values these veterans bring to the workforce are highly regarded by Wisconsin employers and the state as a whole. Wisconsin's talent marketing initiative aims to deliver relevant and motivating messages to service members during their programmatic separation from the military, with equal attention to the needs and desires of military spouses and children.

Building upon the groundwork laid in FY18 for talent attraction marketing, WEDC and our partners developed a nationally unprecedented outreach strategy to transitioning veterans nationwide that kicked off in early FY19. This strategy involves direct, face-to-face interaction with transitioning veterans at events held throughout the country and abroad that are designed to help attendees connect with career opportunities. These events are hosted by an organization called Hiring our Heroes, which is a program of the U.S. Chamber of Commerce Foundation devoted to helping veterans, transitioning service members and military spouses find meaningful employment opportunities.

Wisconsin establishes an impressive physical presence at Hiring our Heroes events across the nation and abroad where our passionate Wisconsin "brand ambassadors" deliver timely, relevant and actionable information about the benefits Wisconsin offers to transitioning veterans and their spouses. We are joined at these events by Wisconsin employers who promote their open positions to attendees.

This direct, face-to-face interaction with transitioning veterans is the start of an ongoing relationship with attendees that is supported by a comprehensive marketing campaign and high-touch concierge service in which the Wisconsin Department of Veterans Affairs maintains contact with relocation candidates, connecting them with resources and contacts—from educational opportunities to housing options—that will ensure a smooth transition to a rewarding post-military life in Wisconsin.



CAMMIES to JAMMIES

Enjoy more time for family time **In Wisconsin**® | InWisconsin.com/Veterans

No Department of Defense, U.S. Marine Corps, or Marine Corps Community Services Endorsement Implied.

Our message to transitioning veterans is simple: Your work ethic, loyalty and sense of mission and purpose are not things you just turn in with your uniform on separation day. These, together with the skills and character you developed in the military, can be put to good use in Wisconsin. ■



The Wisconsin exhibit at the Hiring our Heroes career fair in Schofield Barracks, Hawaii

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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.

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