

INTRODUCTION

The Wisconsin Economic Development Corporation (WEDC) strategically deploys financial resources and technical assistance to invest in Wisconsin to enhance its assets and opportunities, and to address underinvestment and distress. WEDC works collaboratively with economic development partner organizations, educational institutions and other government agencies to advance our shared mission of insuring the economic well-being of Wisconsin's citizens.

In addition to WEDC's overall support and direction of economic development activities across the state, there were several notable achievements in the FY22 and FY23 period, including but not exclusive to:

- Re-emphasizing WEDC's commitment to the continued economic recovery following the global pandemic, in FY22 and FY23 WEDC completed the distribution of funding for the Wisconsin Tomorrow Main Street Bounceback grant program which distributed approximately \$97 million through 9 partner organizations throughout the state to help support over 9,400 small businesses located across every county in Wisconsin.
- Across FY22, 3 previously contracted Enterprise Zone awards were amended to further the economic development potential of the engaged businesses with a total tax credit investment increase of \$50 million, which will help finance the creation of approximately 5,000 more jobs and an estimated \$600 million more capital investment spending in Wisconsin. These notable project upgrades were finalized in FY22 but in WEDC's electronic database, the project amendments are reflected back to the original contracting dates of the projects.
- FY22 and FY23 combined saw an increase for Community Development Investment grants of almost 20% over the FY20 – F21 period. Across FY22 and FY23, 67 communities in 42 counties received these grants which support local development in downtowns and commercial corridors, totaling almost \$16 million in WEDC investment in Wisconsin's communities.

ANNUAL REPORT ON ECONOMIC DEVELOPMENT

The purpose of the Annual Report on Economic Development is to provide objective data to assist policymakers and other interested stakeholders in evaluating the effectiveness of economic development programs of WEDC and other Wisconsin state agencies. The origin of this report is 2007 Wisconsin Act 125. Recognizing the importance of measuring the success of programs deploying taxpayer resources, the Legislature crafted 2007 Wisconsin Act 125 to require specified state agencies to report annually by October 1 on the economic development programs they administered during the prior fiscal year. The intent of the Annual Report on Economic Development is to provide transparency and guide fiscal and programmatic management toward measurable and reportable results.

The Annual Report on Economic Development is composed of four elements: a web-based report, a spreadsheet on which the report is based, an interactive Impact Map, and a searchable electronic database. The report includes program information current as of June 30, 2023. WEDC's online data will be updated quarterly. These resources can be found on the WEDC [website](#):

- Current version of the [Annual Report on Economic Development](#)
- Excel workbook of the WEDC data on which this report is based: [FY22 FY23](#)
- Searchable [electronic database](#) on which the report is based
- Interactive [Impact Map](#)

Together, these reports detail the program outcomes achieved in 2021-2023 (FY22 and FY23). This report includes data compiled from WEDC and our partners, thus painting a comprehensive picture of economic development efforts across the state.

PROGRAM DELIVERABLES

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

Compiled in the tables below are the total aggregable outcomes of WEDC's FY22 and FY23 economic development investments, including assistance by recipient type and job impact data.

ECONOMIC DEVELOPMENT ASSISTANCE

| Recipient | FY2022 | | | | FY2023 | | | |
|-----------------------|---------|--------|-------|-------|---------|--------|-------|-------|
| | WEDC | KSP | Total | Goal | WEDC | KSP | Total | Goal |
| Businesses | 6,050** | 3,208* | 9,258 | 3,870 | 4,805** | 3,571* | 8,376 | 3,714 |
| Communities | 163 | - | 163 | 200 | 181 | - | 181 | 213 |
| Partner Organizations | 77 | - | 77 | 90 | 79 | - | 79 | 85 |

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

**The number of businesses assisted and grants awarded include one-time COVID-19 programs.

FINANCIAL AWARDING

WEDC invests in the Wisconsin economy through financial awarding in 5 core areas: grants, loans, tax credits, investor credits, and bonding authorization. Grants and loans provide businesses, communities, and other organizations needed funding to undertake economic development projects. Tax credits and investor credits offset the income tax liability of businesses and individuals to encourage job growth, capital investment, and technology development. Bonding authorization approves local governments to issue bonds on behalf of businesses (or other organizations) towards the financing of economic development project needs.

FINANCIAL AWARDS

| Award Type | FY2022 | | | FY2023 | | |
|------------------|-------------|-----------------------|-----------------|-------------|-----------------------|-----------------|
| | # of Awards | Award Amount | Leverage Ratio* | # of Awards | Award Amount | Leverage Ratio* |
| Bonds | 3 | \$ 53,357,500 | N/A | 1 | \$ 2,800,000 | N/A |
| Grants | 211* | \$ 91,253,129 | 4:1 | 225** | \$ 20,245,874 | 23:1 |
| Investor Credits | 44 | \$ 95,100,380 | 4:1 | 44 | \$ 95,572,278 | 4:1 |
| Loans | 15 | \$ 4,844,000 | 7:1 | 8 | \$ 2,706,000 | 5:1 |
| Tax Credits | 49 | \$ 51,510,762 | 21:1 | 49 | \$ 41,390,854 | 30:1 |
| Total | 322 | \$ 296,065,771 | 8:1 | 327 | \$ 162,715,006 | 13:1 |

* 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.

** Numbers of businesses assisted and grants awarded include one-time COVID-19 programs.

JOB IMPACT

WEDC does not create jobs, but the businesses we assist do. Not all WEDC financial assistance contracts include a job impact requirement. For those that do, this measurement reflects the number of jobs that will be either created or retained as a direct result of the investment. That job impact number is recorded in the contract and the award is contingent upon its attainment.

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

EXPECTED JOB RESULTS

| | FY2022 | FY2023 |
|----------------------|--------|--------|
| Jobs to be Created | 3,357 | 3,653 |
| Jobs to be Retained | 8,216 | 9,755 |
| Total Jobs Impacted* | 11,573 | 13,408 |
| Goal | 7,325 | 7,325 |

**Jobs impacted totals are derived from contracts executed between July 1, 2021, and June 30, 2023. These include executed contracts from both current and previous year commitments and agreements with Key Strategic Partners.*

WISCONSIN'S ANNUAL REPORT ON ECONOMIC DEVELOPMENT

FISCAL YEAR 2022





ANNUAL REPORT ON ECONOMIC DEVELOPMENT

The intent of the Annual Report on Economic Development is to provide transparency and guide fiscal and programmatic management toward measurable and reportable results. Wisconsin's economic development programs are designed to retain and attract businesses, strengthen communities and encourage economic growth. Recognizing the importance of measuring these programs, the Legislature crafted 2007 Wisconsin Act 125, requiring specified state agencies to report annually by October 1 on the economic development programs they administered during the prior fiscal year.

This report includes program information from all participating state agencies; information from agencies other than WEDC is current as of June 30, 2022. WEDC's online data generally will be updated quarterly and is currently updated through June 30, 2022.



About this report

[LEARN MORE](#)



Program Deliverables

[LEARN MORE](#)



Key Strategic Partners

[LEARN MORE](#)



Program Summaries

[LEARN MORE](#)



Impact Map

[View an interactive map representing participating agencies' economic development impact](#)



Searchable Electronic Databases

[Click here for a searchable electronic database of WEDC and other agency data on which the report is based](#)

[Click here for a searchable electronic database of the Wisconsin Department of Commerce data](#)



Spreadsheets

[Download an Excel workbook of the WEDC data on which the report is based](#)

[Download an Excel workbook of the updated Wisconsin Department of Commerce award information](#)

WEDC COVID-19 Pandemic Response

Beginning with the publication of the fiscal year 2020 Annual Report on Economic Development, specific data reflecting the Wisconsin Economic Development Corporation's investments aimed at Wisconsin's COVID-19 pandemic response and recovery is available.



Program Map

[View an interactive map representing recipients of WEDC COVID-19 program funds.](#)



Spreadsheet

[Click here for an Excel workbook of the updated COVID-19 award information](#)



THE ANNUAL REPORT ON ECONOMIC DEVELOPMENT

The purpose of this Annual Report on Economic Development is to provide objective data to assist policymakers and other interested stakeholders in evaluating the effectiveness of economic development programs of the Wisconsin Economic Development Corporation (WEDC) and other Wisconsin state agencies. The origin of this report is 2007 Wisconsin Act 125. Recognizing the importance of measuring the success of programs deploying taxpayer resources, the Legislature crafted Act 125 to require specified state agencies to report annually by October 1 on the economic development programs they administered during the prior fiscal year.

This report recognizes the contributions of economic development partner organizations throughout the state whose work at a local, regional and statewide level contributes to Wisconsin's economic vibrancy. The agencies participating in this fiscal year 2022 (FY22) report are WEDC; the Department of Administration; the Department of Agriculture, Trade and Consumer Protection; the Department of Transportation; the Department of Tourism; the Department of Workforce Development; the Wisconsin Housing

and Economic Development Authority; the Wisconsin Technical College System; and the University of Wisconsin System. WEDC, the state's lead economic development organization, works with each of these agencies to appropriately identify their economic development programs as defined by state statute and to report on those programs' performance goals.

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

For FY22, each agency was required to provide the following information about its economic development programs:

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

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

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



WEDC collaborates with more than 600 economic development partners throughout the state in fulfillment of its mission:

To advance and maximize opportunities for businesses, communities and people to thrive in a globally competitive environment.

WISCONSIN
ECONOMIC DEVELOPMENT

WEDC PROGRAM DELIVERABLES



WEDC PROGRAM DELIVERABLES (KPIs)

WEDC employs a variety of measures to gauge the effects of its economic development investments, which range from tax credits for investments in early-stage companies to export readiness programs, industry cluster advancement strategies and downtown redevelopment financing. Tallied here are the total measurable outcomes of WEDC’s FY22 economic development investments, including capital investment and job impact data as required in this report:

| RECIPIENT | ASSISTED BY WEDC | ASSISTED BY WEDC KEY STRATEGIC PARTNERS | TOTAL | FY22 GOAL |
|-----------------------|------------------|---|-------|-----------|
| Businesses | 6,050** | 3,208* | 9,258 | 3,870 |
| Communities | 163 | – | 163 | 200 |
| Partner Organizations | 77 | | | 90 |

* The number was reduced by 20% to account for potential overlap with WEDC businesses assisted. **

Numbers of businesses assisted and grants awarded include one-time COVID-19 programs.

FINANCIAL AWARDS

| Award Type | # of Awards | Award Amount | Leverage Ratio* |
|--------------------|-------------|---------------|-----------------|
| Bonds | 3 | \$53,357,500 | |
| Grants*** | 211** | \$91,253,129 | 4:1 |
| Investor Credits | 44 | \$95,100,380 | 4:1 |
| Loans | 15 | \$4,844,000 | 7:1 |
| Tax Credits | 49 | \$51,510,762 | 21:1 |
| Total | 322 | \$296,065,771 | 8:1 |
| FY22 LEVERAGE GOAL | | | 8:1 |

* 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.

** Numbers of businesses assisted and grants awarded include one-time COVID-19 programs.

*** Includes Wisconsin Investment Pilot program



Capital investment supported by WEDC awards
\$1.2 billion

A note about capital investment:

The benefits of WEDC's investments do not end with the capital investment made by the company receiving financial assistance. When a company spends millions of dollars on an expansion project, for example, much money is pumped into the local economy through the direct purchasing of contractor services.

JOB IMPACT

| YEAR | JOBS TO BE CREATED | JOBS TO BE RETAINED | TOTAL JOBS IMPACTED* | FY22 GOAL |
|------|--------------------|---------------------|----------------------|-----------|
| FY22 | 3,357 | 8,216 | 11,573 | 7,325 |

Jobs impacted totals are derived from contracts executed between July 1, 2021, and June 30, 2022. These include executed contracts from both current and previous year commitments and agreement with Key Strategic Partners.

A note about job impact:

Not all WEDC financial assistance contracts include a job impact requirement. For those that do, this measure reflects the number of jobs that will be either created or retained as a direct result of the investment. That job impact number is recorded in the contract and the award is contingent upon its attainment.

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



WISCONSIN
ECONOMIC DEVELOPMENT

WEDC KEY STRATEGIC PARTNERS



WEDC KEY STRATEGIC PARTNERS

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

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

REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS – \$775,000

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

WEDC works closely with the regional EDOs around the state to facilitate communication and coordinate support for local businesses and communities. Examples of such cooperation in FY22 include the following:

- Holding regular meetings with local and county EDOs and chambers of commerce
- Engaging, educating and leveraging the local economic development partners within each region
- Establishing regional roundtables with key industry leaders to discuss key drivers, needs and issues facing the region
- Employing a regular communication vehicle such as a newsletter or scheduled emails
Issuing an annual state of the region report
- Educating elected officials and board of directors on economic development
- Conducting, causing to be conducted, or coordinating the regular business retention and expansion initiatives throughout the region and coordinating the input of results that will be shared with WEDC
- Conducting a marketing effort on behalf of the region and its partners; coordinating with WEDC on business and marketing initiatives incorporating the Wisconsin brand
- Reaching out to rural portions of the region and helping them develop economic growth strategies; addressing any housing, broadband and/or child care activities
- Hosting and coordinating discussions on entrepreneurship resources and assisting in promoting WEDC's digital entrepreneurship platform
- Leading and working with local partners to develop and enhance diverse business development strategies for the region
- Worked with local partners to identify what each region is doing to encourage investment in renewable energy systems or energy efficiency

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

WISCONSIN PROCUREMENT INSTITUTE – \$350,000

The Wisconsin Procurement Institute (WPI) helps companies sell products and services to federal, state and local agencies as well as prime contractors. WPI navigates the government procurement process for small firms and helps them develop competitive processes and technical capabilities to earn federal, state and local government contracts. In FY22, WPI engaged with 886 unique companies, helping them obtain more than \$726 million in contracts, resulting in 23 jobs created and 948 retained.

DIVERSE CHAMBERS OF COMMERCE – \$900,000

WEDC financially supports three statewide diverse chambers of commerce and their affiliated entities:

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

In FY22, a total of 74 loans were processed by the chambers, providing more than \$2.25 million in funding, leveraging more than \$628,000 in private and equity participation. This helped create 136 jobs and retain 119. In total, 664 businesses were supported by impactful technical assistance.

WISCONSIN CENTER FOR MANUFACTURING & PRODUCTIVITY – \$1,250,000

The Wisconsin Center for Manufacturing & Productivity (WCMP), working through the Wisconsin Manufacturing Extension Partnership and the UW-Stout Manufacturing Outreach Center, provides advisory and implementation services to small and midsize manufacturers throughout Wisconsin to implement next-generation manufacturing strategies, increase business performance and improve competitiveness and profitability through programs such as ExporTech™ and the Transformational Productivity Initiative, the outcomes of which are included within the respective program listings in this report. In FY22, WCMP reached 631 companies with services resulting in \$26.3 million in cost savings, \$102.5 million in new sales, \$156.0 million retained sales, \$130.7 million in new investment, 628 jobs to be created and 1,487 jobs retained.

CENTER FOR TECHNOLOGY COMMERCIALIZATION – \$540,000

The Center for Technology Commercialization (CTC) provides services delivered by staff and a statewide network of partners that includes review and analysis of business models and commercialization plans; advice concerning patent, trademark and copyright issues; and assistance to businesses in obtaining federal SBIR/STTR grants. In FY22, CTC provided counseling to 316 distinct business clients—activity expected to assist in the creation of 73 new jobs and the retention of an additional 151.

Note: In addition to this one-on-one assistance, CTC provides significant, in-depth consultation to numerous other businesses in its administration of WEDC's Entrepreneurial Micro-grant Program, SBIR/STTR Matching Grant Program, and the Ideadvance Seed Fund, which is supported through WEDC's Capital Catalyst Program. Outcomes of those activities are included within the respective program listings in this report.

WISCONSIN WOMEN'S BUSINESS INITIATIVE CORPORATION – \$350,000

WWBIC provides small business owners and aspiring entrepreneurs with an array of educational programming, individual consulting and microloan assistance. In FY22, WWBIC provided 1,085 clients with impactful counseling services averaging more than seven hours per client. WWBIC's microloan program provided more than \$7.5 million in loan financing to small businesses, including 34 startups. Of the total loan amount, more than \$600,000 served businesses in rural Wisconsin. WWBIC's assistance is expected to facilitate the creation of 252 and retention of 213 positions.

WISCONSIN TECHNOLOGY COUNCIL – \$310,000

The Wisconsin Technology Council (WTC) contributes to the state's high-tech and entrepreneurial economy through its policy work, hands-on work with investors and companies, educational forums and networking events. In FY22, key WTC events—with combined attendance of 2,594 entrepreneurs, investors, service providers and others—provided select entrepreneurs with unique opportunities and training to advance their ventures. The 2022 Early Stage Symposium featured 56 young firms showcasing their companies to an audience of investors and other advisors, while the 2022 Governor's Business Plan contest provided 51 of the 150 entrants with intensive "pitch" training and culminated in finalists presenting at the Wisconsin Entrepreneurs' Conference. In addition, the Wisconsin Technology Summit facilitated 220 meetings for 61 emerging companies.

Through the Wisconsin Angel Network (WAN), housed within WTC, the organization held six educational seminars for angel and venture investors throughout Wisconsin and is assisting ongoing efforts to develop additional investment groups in the state. WTC/WAN leadership assisted 56 distinct companies in navigating channels for accessing investment capital, not including support rendered through the aforementioned event based activities.

BRIGHTSTAR WISCONSIN FOUNDATION – \$50,000

BrightStar is a 501(c)(3)-designated nonprofit foundation that manages an equity investment fund capitalized by private donations. BrightStar invests primarily in technology-based, high-growth early-stage businesses to facilitate job creation and increase economic activity statewide. In FY22, BrightStar made four investments in startup and early-stage companies totaling \$600,000.

GLOBAL NETWORK OF WEDC'S AUTHORIZED TRADE REPRESENTATIVES – \$191,657

WEDC has authorized trade representatives located in high-volume and high-growth-potential markets for Wisconsin companies. In FY22, the Global Network covered 86 countries and consisted of 4 independent contractors, 13 of which were under an umbrella contract managed by the Council of Great Lakes and St. Lawrence Governors and Premiers. In FY22, the Global Network provided 73 in-country assistances and served 46 unique Wisconsin companies with WEDC export support services.

WISCONSIN
ECONOMIC DEVELOPMENT

PROGRAM SUMMARIES



HOW TO READ THE ECONOMIC DEVELOPMENT PROGRAM SUMMARIES

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

STATUS – Active or inactive

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

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

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

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

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

EXPECTED OUTCOMES – The agency’s goal for the program for the fiscal year

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

RECOMMENDED CHANGES – Changes to program specifications that are being considered

PROGRAMS

- Brownfields Grant Program

- Brownfield Site Assessment Grant Program

- Business Development Loan Program

- Business Development Tax Credit Program

- Capacity Building Grant Program

- Capital Catalyst Program

- Certified Sites Program

-
- Community Development Investment Grant Program

 - Disaster Recovery Microloan Program

 - Diverse Business Development Program

 - Enterprise Zone Program

 - Entrepreneurial Micro-grant Program

 - Entrepreneurship Partner Grant Program

 - ExporTech™ Program

 - Fabrication Laboratories Grant Program

 - Global Business Development Program

 - Global Trade Venture Program

 - Historic Preservation Tax Credit Program

 - Idle Sites Redevelopment Program

□ Industrial Revenue Bonding Program

□ Main Street and Connect Communities Programs

□ Qualified New Business Venture Certification/Early Stage Business Investment Program

□ SBIR/STTR Matching Grant Program

□ Targeted Industry Projects Program

□ Technology Development Loan Program

□ Wisconsin Tomorrow Main Street Bounceback Grant Program

□ Wisconsin Investment Pilot Program

□ Workforce Training Grant Program

REPORTS FROM OTHER STATE AGENCIES

- Department of Administration
- Department of Agriculture, Trade and Consumer Protection
- Department of Natural Resources
- Department of Tourism
- Department of Transportation
- Department of Workforce Development
- UW System
- Wisconsin Housing & Economic Development Authority
- Wisconsin Technical College System

PROGRAMS

Brownfields Grant Program

FY22 program activity

Total awards: 9

Award amount: \$2,224,700

Leverage ratio: 67:1

Recommended changes

Provide reduced match for projects located in an Economically Distressed area.

[View Program Guidelines](#)

Brownfield Site Assessment Grant Program

FY22 program activity

Total awards: 8

Award amount: \$781,300

Leverage ratio: 66:1

Recommended changes

No substantive changes

[View Program Guidelines](#)

Business Development Loan Program

FY22 program activity

No awards were executed.

Recommended changes:

No substantive changes

[View Program Guidelines](#)

Business Development Tax Credit Program

FY22 program activity

Total awards: 33

Award amount: \$28,666,000

Jobs to be created: 2,245

Jobs to be retained: 5,298

Leverage ratio: 33:1

Notes: Complete CY22 results not available at publication; FY22 results shown

Recommended changes

No substantive changes

[View Program Guidelines](#)

Capacity Building Grant Program

FY22 program activity

Total awards: 9

Award amount: \$599,650

Notes: In FY22, the program budget was amended down to \$664,920.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Capital Catalyst Program

FY22 program activity

Total awards: 4

Award amount: \$1,400,000

Businesses to be assisted: 45

Leverage ratio: 1:1

Notes: In FY22, the program budget was amended up to \$1,400,000.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Certified Sites Program

FY22 program activity

No new sites were certified.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Community Development Investment Grant Program

FY22 program activity

Total awards: 41

Award amount: 8,602,600

Leverage ratio: 17:1

Notes: In FY22, the program budget was amended up to \$8,877,500.

Recommended changes

Add competitive Vibrant Spaces Pilot

[View Program Guidelines](#)

Disaster Recovery Microloan Program

FY22 program activity

No awards were executed.

Notes: In FY22, the program budget was amended down to \$600,000.

Recommended changes

No substantive changes

[Program guidelines](#)

Diverse Business Development Program

FY22 program activity

Total awards: 9

Award amount: \$383,000

Businesses to be assisted: 144

Recommended changes

Add the competitive Ally Pilot.

[View Program Guidelines](#)

Enterprise Zone Program

FY22 program activity

No new awards in FY22

Notes: Complete CY22 results not available at publication; FY22 results shown. During FY22, the Generac zone was amended to increase the tax credit allocation by \$9 million, the Milwaukee Electric Tool Company zone by \$22.5 million and the Exact Sciences zone by \$18.5 million.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Entrepreneurial Micro-grant Program

FY22 program activity

The program administered through CTC assisted 140 businesses and was awarded \$250,000.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Entrepreneurship Partner Grant Program

FY22 program activity

Competitive cycle

Total awards: 5

Award amount: \$170,850

Businesses to be assisted: 40

Open application cycle

Total awards: 19

Award amount: \$2,543,800

Businesses to be assisted: 983

Notes: In FY22, the program budget was amended up to \$2,900,650.

Recommended changes

Revise the program to make it fully competitive.

[Program guidelines](#)

ExporTech™ Program

FY22 program activity

The program administered through WCMP assisted 21 businesses and was awarded \$153,000.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Fabrication Laboratories Grant Program

FY22 program activity

Total awards: 21

Award amount: \$508,029

Notes: In FY22, the program budget was amended up to \$508,050.

Recommended changes

Revise the program to a continuous application process.

[Program guidelines](#)

Global Business Development Program

FY22 program activity

Total awards: 54

Award amount: \$1,071,100

Collaborative Market Access Grant

Total awards: 3

Businesses to be assisted: 41

Notes: In FY22, the program budget was amended down to \$1,088,880.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Global Trade Venture Program

FY22 program activity

Number of trade ventures: 5

Businesses assisted: 32

Recommended changes

No substantive changes

[Program guidelines](#)

Historic Preservation Tax Credit Program

FY22 program activity

Total awards: 16

Award amount: \$22,844,762

Leverage ratio: 5:1

Notes: Complete CY22 results not available at publication; FY22 results shown.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Idle Sites Redevelopment Program

FY22 program activity

Total awards: 7

Award amount: \$1,750,000

Leverage ratio: 7:1

Notes: In FY22, the program budget was amended up to \$2,250,000.

Recommended changes

Provide reduced match for projects located in an Economically Distressed area.

[View Program Guidelines](#)

Industrial Revenue Bonding Program

FY22 program activity

Total awards: 3

Award amount: \$53,357,500

Notes: Complete CY22 results not available at publication; FY22 results shown

Recommended changes

No substantive changes

[View Program Guidelines](#)

Main Street and Connect Communities Programs

FY22 program activity

Main Street communities: 34

Connect Communities: 84

Businesses assisted: 136

Recommended changes

No substantive changes

[View Program Guidelines](#)

Qualified New Business Venture Certification/Early Stage Business Investment Program

FY22 program activity

Total awards: 37

Award amount: \$95,100,380

Qualified Venture Fund Certifications: 7

Notes: Complete CY22 results not available at publication; FY22 results shown. Effective December 2022, WEDC updated the certification and recertification amounts to follow the allowable statutory maximum credit amount of \$3,000,000.

Recommended changes

No substantive changes

[View Program Guidelines](#)

SBIR/STTR Matching Grant Program

FY22 program activity

The program administered through CTC assisted 18 businesses and was awarded \$1,500,000.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Targeted Industry Projects Program

FY22 program activity

Total awards: 12

Award amount: \$1,597,600

Businesses to be assisted: 30

Leverage ratio: 3:1

Notes: In FY22, the program budget was amended down to \$1,660,000. Seven cooperative feasibility awards totaling \$152,600 were made in FY22. The FY21-23 Biennial Budget required WEDC to make available up to \$200,000 in each year of the biennium for such studies.

Recommended changes

Reduce initial budget to target funding to cooperative feasibility studies.

[View Program Guidelines](#)

Technology Development Loan Program

FY22 program activity

Total awards: 15

Award amount: \$4,844,400

Leverage ratio: 7:1

Notes: In FY22, the program budget was amended up to \$6,212,500.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Wisconsin Tomorrow Main Street Bounceback Grant Program

FY22 program activity

Total awards: 9

Award amount: \$67,680,000

Businesses assisted: 5,128

Notes: In FY22, the program budget was increased to \$75,000,000.

Recommended changes

This COVID-19 response program is expected to sunset during FY23.

[View Program Guidelines](#)

Wisconsin Investment Pilot Program

FY22 program activity

Total awards: 1

Award amount: \$37,500

Recommended changes

No substantive changes

[View Program Guidelines](#)

Workforce Training Grant Program

FY22 program activity

No awards were executed.

Recommended changes

Sunset the program.

[View Program Guidelines](#)



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Brownfields Grant Program
Program Inception: 1997 Wisconsin Act 27
Lead Division: Business and Community Development
 New **Revised**
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

The goal of the Brownfields Grant Program is to support community re-development in the state of Wisconsin.

Program Description:

Under the program outlined in § 238.13, Wis. Stats. WEDC will grant funds to local governments, businesses, non-profits and individuals for redeveloping commercial and industrial sites that have been adversely impacted by environmental contamination.

Eligibility Requirements:

Definitions:

- “Brownfields” means abandoned, idle or underused industrial or commercial facilities or sites, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.¹
- “Brownfields redevelopment” means any work or undertaking by a person to acquire a brownfields facility or site and to raze, demolish, remove, reconstruct, renovate, or rehabilitate the facility or existing buildings, structures, or other improvements at the site for the purpose of promoting the use of the facility or site for commercial, industrial, or other purposes. “Brownfields redevelopment” does not include construction of new facilities on the site for any purpose other than environmental remediation activities.²
- “Economically Distressed” means a county or municipality so designated by WEDC by considering the most current area and state data available for the following indicators:
 - Unemployment rate
 - Percentage of families with incomes below the poverty line
 - Median family income
 - Median per capita income
 - Average annual wage
 - Manufacturing assessment values by county

¹ Wis. Stat. § 238.13(1)(a).

² Wis. Stat. § 238.13(1)(b).



- Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs
- “Environmental remediation activities” means investigation, analysis and monitoring of a brownfields facility or site to determine the existence and extent of actual or potential environmental pollution; abating, removing or containing environmental pollution at a brownfields facility or site; or restoring soil or groundwater at a brownfields facility or site.³
- “Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.

The Applicant:

Any individual, partnership, limited liability company, corporation, nonprofit organization, city, village, town, county, or trustee, including a trustee in bankruptcy,⁴ may apply for funds provided that the party that caused the environmental contamination and any person who possessed or controlled the environmental contaminant is unknown, cannot be located or is financially unable to pay for the remediation of the soil and / or groundwater.⁵

Phase I and Phase II Environmental Reports must be completed no greater than five years prior to the application submittal date, unless:

- Subsequent environmental reports and site ownership history provide sufficient information to demonstrate current environmental conditions; or
- The applicant demonstrates that no activities likely occurred on the site since the Phase I and Phase II that would adversely impact the environmental conditions.

Prior to contracting, the applicant must have obtained WDNR assistance in, or comments on, the planning and implementation of an environmental investigation or the environmental cleanup of a property through WDNR Technical Assistance services.⁶

Qualified Uses:

Brownfields funds may be used for brownfield redevelopment or associated environmental remediation activities.⁷ Grant funds may typically be used for the following activities:

- The environmental investigation, remediation and/or monitoring of the site
- The removal of hazardous waste containers
- Soil removal, capping, barrier installation and vapor intrusion systems
- Demolition activities that will facilitate redevelopment in a brownfield project

³ Wis. Stat. § 238.13(1)(d).

⁴ Wis. Stat. § 238.13(1)(g).

⁵ Wis. Stat. § 238.13(2)(a)2.

⁶ Wis. Stat. § 238.13(5).

⁷ Wis. Stat. § 238.13(2)(a)(1); Wis. Stat. § 238.13(1)(b); Wis. Stat. § 238.13(1)(d)



The recipient may not use the grant to pay lien claims of DNR or the federal Environmental Protection Agency based on investigation or remediation activities or to pay delinquent real estate taxes or interest or penalties related to those taxes.⁸

Investment Matching:

The matching investment for requested grant funds is derived from the following activities:

- The acquisition cost of the brownfield site
- Site clearance, building demolition or building renovation
- Asbestos and lead paint abatement
- Infrastructure improvements

Activities ineligible for grant assistance or match include but are not limited to:

- Past costs
- Indirect construction costs (a.k.a. “soft” costs)
- Costs of new construction, including geopiers or other foundational support systems

Grant Criteria:

WEDC may take the following into account when considering a Brownfields award:

- The potential of the project to promote economic development in the area⁹
- A written financial commitment¹⁰ by a lending institution or government entity to the applicant enabling the project to reach fruition
- Documentation of ownership or future ownership of the project site by the submittal of the most recent executed real estate transaction
- The extent and degree of soil and groundwater contamination at the project site¹¹
- The need for a vapor intrusion system
- The adequacy and completeness of the site investigation and remediation plan¹²
- The eligible costs projected to be utilized for grant funds and matching investments in the application’s budget are supported by estimates from qualified and independent third parties clearly demonstrating how project costs were derived
- The determination of the future higher use of the property as it will impact the extent of the environmental clean-up
- Project consistency with community planning documents and whether a developer’s agreement was concluded
- The favorable impact of the project on human health and the environment
- The size of the property and its relationship to the downtown area and economic centers of the community
- Whether the project is located in an Economically Distressed community

⁸ Wis. Stat. § 238.13(2)(a)1m

⁹ Wis. Stat. § 238.13(3)(a)

¹⁰ Wis. Stat. § 238.13(3)(c)

¹¹ Wis. Stat. § 238.13(3)(d)

¹² Wis. Stat. § 238.13(3)(e)



- The project demonstrates involvement of diverse businesses, including women and veteran-owned contractors, in eligible project costs
- Any other factors considered by WEDC to be relevant to assessing project readiness and viability

Incentives and Available Funding (FY22): \$2,500,000

The recipient shall contribute matching funds equal to at least 50% of the grant.¹³ Due to program demand, generally WEDC requires a minimum of 2:1 in matching investment(s), unless the project is located in an Economically Distressed community or Opportunity Zone, in which case the investment(s) may be reduced to a 1:1 match.

The maximum award generally does not exceed \$250,000 unless the request for funds is for a project that, due to the size of the brownfield and the degree and extent of contamination, clearly justifies an award beyond normal parameters.

Activities and Expected Outcomes:

Assist ten communities or businesses and achieve a 35:1 leverage of other investment.

Performance Reporting:

Recipients will be required to annually submit a performance report documenting capital investment, environmental remediation, assessed taxable property values, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup documentation to the performance report is required to be maintained for the life of the award.

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

Application and Award Process:

The Brownfields Grant Program has a continuous application process. Applicants for Brownfields Grants should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through the award review process. All awards will be made in consultation with the DNR¹⁴.

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

¹³ Wis. Stat. § 238.13(2)(b)3

¹⁴ Wis. Stat. § 238.13(5)



Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2017 | Aligned environmental conditions reporting requirements to DNR standard practices |
| 7/1/2017 | Clarified activities ineligible for grant assistance or match |
| 7/1/2018 | Clarified requirements for Phase I and Phase II Environmental Reports |
| 7/1/2018 | Decreased match requirement for projects located in a Designated Rural County |
| 7/1/2018 | Removed Tribal entities as eligible program applicants in accordance with § 238.13(1)(g) |
| 7/1/2019 | Added statutory definitions and citations; decreased match requirement for projects in an Opportunity Zone; clarified performance reporting requirements |
| 7/1/2020 | Clarified matching funds requirement |
| 7/1/2021 | Replaced Designated Rural County with Economically Distressed; added consideration for diverse businesses; decreased maximum grant amount |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____
enter a date.

Date Click or tap to

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Brownfield Site Assessment Grants (SAG)
Program Inception: 1999 Wisconsin Act 9
Lead Division: Business and Community Development
 New **Revised** [Click here to enter a date.](#)
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

Program Description:

The program under § 238.133 Wis. Stats. provides grants of up to \$150,000 to local governments seeking to redevelop sites with economic or community development potential that are or may be adversely impacted by environmental contamination.

Eligibility Requirements:

Definitions:

Definitions:

“Economically Distressed” means a county or municipality so designated by WEDC by considering the most current area and state data available for the following indicators:

- Unemployment rate
- Percentage of families with incomes below the poverty line
- Median family income
- Median per capita income
- Average annual wage
- Manufacturing assessment values by county
- Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs

“Eligible site or facility” means one or more contiguous industrial or commercial facilities or sites with common or multiple ownership that are abandoned, idle, or underused, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.¹

“Local governmental unit” means a city, village, town, county, redevelopment authority created under § 66.1333, community development authority created under § 66.1333, or housing authority.²

¹ Wis. Stat. § 238.133 (1)(a)

² Wis. Stat. § 238.133 (1)(b)



“Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.

“Petroleum product” has the meaning given in § 292.63(1).³

“Underground hazardous substance storage tank system” means an underground storage tank used for storing a hazardous substance other than a petroleum product together with any on-site integral piping or dispensing system with at least 10% of its total volume below the surface of the ground.⁴

“Underground petroleum product storage tank” has the meaning given in § 292.63(1)(i).⁵

Grant Conditions:

Actual award amounts are dependent on documented eligible and matching costs. Projects seeking funding for demolition activities should demonstrate that clearing the site will facilitate and provide greater access for environmental site investigation.

SAG applications may be awarded for projects meeting the following criteria:

- The property or properties being redeveloped must be one or more contiguous industrial or commercial facilities or sites that are abandoned, idle or underused.
- Potential expansion or redevelopment of the property is adversely impacted by actual or perceived contamination.
- The local governmental unit cannot have caused the environmental contamination that is the basis for the grant request.⁶
- The person that caused the contamination must be unknown, cannot be located or is financially unable to pay the cost of the eligible activities.⁷
- The community has provided documentation it has access to the project site to conduct SAG activities.
- A financial commitment has been provided to cover the eligible matching project investment.

WEDC may award grants to local governmental units to cover the costs of the following activities:

- The investigation of environmental contamination on an eligible site or facility for the purposes of reducing or eliminating environmental contamination,⁸ such as Phase I and II Environmental Assessments.
- The demolition of any structures, buildings or other improvements located on an eligible site or facility.⁹
- The removal of abandoned containers, as defined in § 292.41(1), from an eligible site or facility.¹⁰

³ Wis. Stat. § 238.133 (1)(c)

⁴ Wis. Stat. § 238.133 (1)(d)

⁵ Wis. Stat. § 238.133 (1)(e)

⁶ Wis. Stat. § 238.133(2)(b).

⁷ Wis. Stat. § 238.133(2)(c).

⁸ Wis. Stat. § 238.133(3)(a).

⁹ Wis. Stat. § 238.133(3)(b).

¹⁰ Wis. Stat. § 238.133(3)(c).



- Asbestos abatement activities, as defined in § 254.11(2), conducted as part of eligible activities listed above on an eligible site or facility.¹¹
- Removal of underground hazardous substance storage tank systems.¹²
- Removal of underground petroleum product storage tank systems.¹³

Activities ineligible for grant assistance or match include, but are not limited to:

- Past costs
- Costs of new construction
- Indirect construction costs (a.k.a. “soft” costs)

WEDC may consider the following criteria when determining whether to award a grant:

- The local governmental unit's demonstrated commitment to performing and completing necessary environmental activities on the eligible site including the local governmental unit's financial commitment¹⁴
- The degree to which the project will have a positive impact on public health and the environment¹⁵
- The relative size of a property and its relationship to the downtown or other economic centers of the community (e.g. industrial parks)
- The economic distress of the community (e.g. recent lay-offs) and the degree to which the property has contributed to the economic distress
- The extent to which the site demonstrates potential for redevelopment and includes considerations such as the interest demonstrated by private investors, location of the property, and access to existing utility and transportation infrastructure
- Project readiness and viability demonstrated through financing commitments, established access to the property and documentation of property acquisition, if applicable
- The degree to which the applicant can delineate the anticipated costs of the proposed project as demonstrated by third party cost estimates
- The project demonstrates involvement of diverse businesses, including women and veteran-owned contractors, in eligible project costs
- Whether the project is located in an Economically Distressed community
- Other criteria that WEDC finds necessary to calculate the amount of a grant¹⁶

WEDC requires a minimum of 20 percent of eligible project costs in matching investment(s). Match investment may include TIF funds, private party contributions or other grant sources. The matching investment should include eligible costs and, at WEDC's discretion, may also include acquisition costs.

¹¹ Wis. Stat. § 238.133(3)(d).

¹² Wis. Stat. § 238.133(3)(e).

¹³ Wis. Stat. § 238.133(3)(f).

¹⁴ Wis. Stat. § 238.133(5)(a).

¹⁵ Wis. Stat. § 238.133(5)(b).

¹⁶ Wis. Stat. § 238.133(5)(c).



Incentives and Available Funding (FY22): \$1,000,000

The incentives in this program are grants up to \$150,000 per recipient per fiscal year (may be more than one grant but not exceeding the \$150,000 threshold), or 15% of the available funds appropriated for the fiscal year,¹⁸ whichever is less.

Activities and Expected Outcomes:

Assist seven communities and achieve a 6:1 leverage of other investment.

Performance Reporting:

Recipients will be required to annually submit a performance report documenting site work as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2017 | Corrected inaccurate statutory reference for abandoned containers |
| 7/1/2018 | Reduced match requirement for projects in a Designated Rural County |
| 7/1/2019 | Added statutory citations; reduced match requirement for projects in an Opportunity Zone; clarified performance reporting requirements |
| 7/1/2021 | Clarified program description; replaced Designated Rural County with Economically Distressed; added consideration for diverse businesses; simplified requirements for matching funds |

¹⁸ Wis. Stat. § 238.133(6).



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____
enter a date.

Date Click or tap to

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Business Development Loan Program
Program Inception: WEDC FY18
Lead Division: Business and Community Development
 New **Revised**
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

Program Description:

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

Eligibility Requirements:

Definitions:

“Designated Rural County” means a county with a population density of less than 155 residents per square mile as of the 2010 Census.

“Economically Distressed” means a county or municipality so designated by WEDC by considering the most current area and state data available for the following indicators:

- Unemployment rate
- Percentage of families with incomes below the poverty line
- Median family income
- Median per capita income
- Average annual wage
- Manufacturing assessment values by county
- Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs

“Financial Institution” means a bank, as defined in s. 214.01 (1) (c), a savings bank, as defined in s. 214.01 (1) (t), a savings and loan association, a trust company, a credit union, as defined in s. 186.01 (2), a mortgage banker, as defined in s. 224.71 (3) , or a mortgage broker, as defined in s. 224.71 (4), whether chartered under the laws of this state, another state or territory, or under the laws of the United States; a company that controls, is controlled by, or is under common control with a bank, a savings bank, a savings and loan association, a trust company, a credit union, a mortgage banker, or a mortgage broker; or a



person licensed under s. 138.09, other than a person who agrees for a fee to hold a check for a period of time before negotiating or presenting the check for payment and other than a pawnbroker, as defined in s. 138.10 (1) (a).

“Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.

Eligible Recipients:

Eligible businesses may apply for a direct loan to receive financing for eligible projects in the state of Wisconsin. The WEDC loan program is available to businesses meeting the following criteria:

- For-profit enterprises registered to conduct business in the state of Wisconsin
- Less than 500 full-time employees
- Engaged in one of the following industries:
 - Aerospace
 - Bioscience
 - Energy, Power and Control
 - Food and Beverage
 - Forest Products
 - Manufacturing
 - Water Technology
 - Transportation
- Loans require financing from a primary lender

Ineligible Businesses:

“Ineligible Business” means businesses ineligible for loan funds, unless extraordinary circumstances exist, including but not limited to a serious threat of a business leaving the state, significant job creation or retention, or significant capital investment, and such extraordinary circumstances are approved by the Board of Directors’ Awards Administration Committee:

- Payday loan and title companies
- Telemarketing other than inbound call centers
- Pawn shops
- Media outlets
- Retail
- Farms
- Primary care medical facilities
- Financial institutions
- The hospitality industry



Eligible Activities:

WEDC loan funds may typically be used for the following project activities:

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

Ineligible Activities:

Project costs not directly related to project activities will be considered ineligible for WEDC loan funds. Examples of ineligible activities include, but are not limited to:

- Past costs
- Mergers and acquisitions
- Refinancing, consolidation or restructuring of existing debt

Incentives and Available Funding (FY22) The program is not being funded in FY22.

The incentives in this program are loans, typically not less than \$100,000 but not to exceed \$500,000. Priority may be extended to projects based on factors such as job creation or retention, capital investment, location, industry and return on investment. Loans require financing from a primary lender.

Loan Terms, Rates and Fees

Loan terms, interest rates and fees will adhere as closely as practicable to commonly accepted commercial lending practices.¹ Loan terms will vary depending upon the useful life of the asset financed. Rates will be tied to the Wall Street Journal Prime Rate published at the time the application is initially accepted by underwriting and fixed for the term of the loan. There is no penalty for pre-payment.

Term

The term for loans will typically range between 60 and 72 months to match the primary lender, up to a maximum of 84 months for real estate.

Interest Rate

Generally, the interest rate for loans will be the Prime Rate published by the Wall Street Journal bank survey at the time of application. For projects located in an Economically Distressed area, Opportunity Zone, or Designated Rural County, the interest rate shall be 1.5 percent (1.5%) or 150 basis points below the Prime Rate or 3 percent, whichever is lower.

¹ Wis. Stat. 238.124(2).



Fees

Loans have a one percent (1%) loan origination fee of the total loan amount, payable prior to loan disbursement. For projects located in an Economically Distressed area, the loan origination fee shall be waived. Additional fees shall apply for real estate transactions where title letters and commitments become necessary.

Collateral

Security interest in all or specific business assets. Subordination of WEDC's loan to those of the primary lender may be required.

Guarantor(s)

WEDC generally requires personal or corporate guaranties for any owner with ownership in the company equal to or more than 20%. WEDC may also choose to add contingencies for release of these guaranties following additional financing or other milestones.

Activities and Expected Outcomes:

WEDC does not anticipate any program activities or outcomes during FY22.

Performance Reporting:

Recipients will be required to annually submit a performance report documenting job creation, job retention, capital investment, as well as any contract deliverable(s).

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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



Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2018 | Added statutory citations. |
| 7/1/2018 | Decreased applicable interest rate for projects in an Economically Distressed Area or a Designated Rural County. |
| 7/1/2019 | Decreased applicable interest rate for projects in an Opportunity Zone; clarified collateral requirements; clarified performance reporting requirements. |
| 7/1/2020 | Placed temporary suspension on program activities and funding during FY21. |
| 7/1/2021 | Placed temporary suspension on program activities and funding during FY22. |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Calendar Year 2022**

Program Name: Business Development Tax Credits (BTC)

Program Inception: 2015 Wisconsin Act 55

Lead Division: Business and Community Development

New **Revised**

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

Program Goal:

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

Program Description:

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

Eligibility Requirements:

Definitions:

The following definitions supplement those in §§ 238.308, 71.07 (3y), 71.28 (3y), and 71.47 (3y), Wis. Stats.

- “Baseline” means Recipient’s number of Full-Time Jobs during the 12 months immediately preceding the Certification Date. Projects will have a Statewide Baseline, as well as a Project Baseline.
- “Certified Business” means a business certified by WEDC as eligible to earn Tax Credits based on the parameters of this guideline and based on the business’ total number of Eligible Employees in the State of Wisconsin as determined by the Federal Employment Identification Number (“FEIN”) under which the business files its taxes.
- “Certification Date” means the date, designated by WEDC, on which the eligibility to earn Tax Credits begins. No activities occurring prior to the Certification Date will be considered in allocating Tax Credits.
- “Corporate Headquarters” means the office location where staff members or employees are physically employed and where the majority of the company’s financial, personnel, legal, planning, or other related functions are organized at a divisional, regional, national or global basis. In considering an office as a Corporate Headquarters, WEDC will consider the business’ existing locations as of the Certification Date.



- “Economically Distressed” means a county or municipality so designated by WEDC by considering the most current area and state data available for the following indicators:
 - Unemployment rate
 - Percentage of families with incomes below the poverty line
 - Median family income
 - Median per capita income
 - Average annual wage
 - Manufacturing assessment values by county
 - Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs

- “Eligible Employee” means a person employed in a Full-Time Job by a Certified Business.¹

- “Eligible Training Cost” means (1) the cost of the trainer; (2) the cost of the training materials; (3) the wages of the trainee while in a classroom setting; or (4) the costs of the trainer and the wages of the trainee while in an on-the-job or job shadowing setting. Eligible training costs do not include travel expenses, food or lodging.

- “Financial Institution” means a bank, as defined in s. 214.01 (1) (c), a savings bank, as defined in s. 214.01 (1) (t), a savings and loan association, a trust company, a credit union, as defined in s. 186.01 (2), a mortgage banker, as defined in s. 224.71 (3), or a mortgage broker, as defined in s. 224.71 (4), whether chartered under the laws of this state, another state or territory, or under the laws of the United States; a company that controls, is controlled by, or is under common control with a bank, a savings bank, a savings and loan association, a trust company, a credit union, a mortgage banker, or a mortgage broker; or a person licensed under s. 138.09, other than a person who agrees for a fee to hold a check for a period of time before negotiating or presenting the check for payment and other than a pawnbroker, as defined in s. 138.10 (1) (a).

- A “Full-Time Job” means a regular, non-seasonal full-time position in which the annual pay for the position is more than the amount determined by multiplying 2,080 by 150% of the federal minimum wage, and an individual in the position is offered retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year. “Full-Time Job” does not include initial training before an employment position begins.²

Employees that do not meet this definition will not be counted toward headcount or wages. Part-time employees do not count.

- “Ineligible Business” means businesses ineligible for tax credits unless extraordinary circumstances exist, including but not limited to a serious threat of a business leaving the state, significant job creation or retention, or significant capital investment, and such extraordinary circumstances are approved by the Board of Directors’ Awards Administration Committee. Such Ineligible Businesses include:

¹ Wis. Stat. § 238.308(1); Wis. Stat. § 71.07(3y)(a)2; Wis. Stat. § 71.28(3y)(a)2; Wis. Stat. § 71.47(3y)(a)2.

² While there are two statutory definitions of Full-Time Employee, WEDC utilizes the above identified definition in its contracts: Wis. Stat. § 238.30(2m).



- Payday loan and title loan companies
 - Telemarketing other than inbound call centers
 - Pawn shops
 - Media outlets
 - Retail
 - Farms
 - Primary care medical facilities
 - Financial Institutions
 - The hospitality industry
- “Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.
 - “Tax Credits” means the BTCs authorized pursuant to Wisconsin Statutes §§ 238.308, 71.07 (3y), 71.28 (3y), and 71.47 (3y).
 - “Taxable Year” means the taxable period upon the basis of which the taxable income of the taxpayer is computed for federal income tax purposes. The taxable year of a taxpayer who keeps his or her accounting records on the basis of a 52–53 week period ends on the last day of the month closest to the end of the 52–53 week period.³

Certification:

WEDC may certify a business as eligible to earn Tax Credits if (1) the business plans to annually increase its net employment in Wisconsin above the business’ employment in Wisconsin in each year after its Certification Date;⁴ (2) the business is operating, or intends to operate, in the state of Wisconsin;⁵ and (3) the business applies and enters into a contract with WEDC.⁶ There is no limit on the number of businesses that may be certified for Tax Credits under this program. Each certification may exist for up to ten cumulative years.⁷ WEDC may cap the award and/or limit the number of years in which Tax Credits may be claimed by a Certified Business.

WEDC will evaluate Tax Credit applications based on factors including:

- Whether the project would occur without the allocation of Tax Credits;
- The extent to which the project will increase employment in Wisconsin;
- The extent to which the project will contribute to the economic growth of Wisconsin;
- The extent to which the project will increase geographic diversity of available Tax Credits throughout Wisconsin;
- The financial soundness of the business; and
- Any previous financial assistance that the business received from the Department of Commerce or WEDC.

To be eligible for a BTC award, the applicant must offer the employees filling the Full-Time Jobs to be attracted, created or retained as part of the project at least 50% of the health insurance benefit costs to

³ Wis. Stat. § 71.01(12).

⁴ Wis. Stat. § 238.308(3).

⁵ Wis. Stat. § 238.308(2)(a)1.

⁶ Wis. Stat. § 238.308(2)(a)2.

⁷ Wis. Stat. § 238.308(2)(b).



the employees or other equivalent health insurance benefits that are acceptable to WEDC. Recipients will be expected to continue to offer all Eligible Employees retirement, health and other benefits.

Tax Credits may be awarded for any of the following eligible activities: job creation,⁸ training,⁹ capital investment¹⁰ and/or Corporate Headquarters location or retention¹¹. Generally, the maximum amount of Tax Credits awarded for a project will be determined by calculating the greater of the amount a Recipient could earn under either job creation or capital investment. WEDC is not required to award the Recipient the maximum amount allowed by statute. A business may be awarded an additional amount of Tax Credits if the project meets any of the following criteria:

- The project is located in an Economically Distressed area or Opportunity Zone;
- Locating or retaining a Corporate Headquarters;
- Wisconsin is competing for the investment with one or more out-of-state locations;
- Fifty percent of Eligible Employees' wages are greater than 400 percent of the federal minimum wage;
- Industry jobs multiplier is greater than 2.0; or
- Any other criteria as approved by the Awards Administration Committee of the Board of Directors

Once the maximum tax credit award amount is determined, WEDC will evaluate all aspects of the project to determine which eligible activities to incent with tax credits. A project may receive tax credits for multiple eligible activities. A Certified Business may qualify for Tax Credits only for eligible activities that occur after the Certification Date established by WEDC. The amount of tax credits awarded for each activity shall align with the following calculations:

Job Creation

The amount of Tax Credits awarded for job creation may equal up to 10% of the annual wages for Eligible Employees in Full-Time Jobs.¹² In an Economically Distressed area, the amount of Tax Credits may equal up to an additional 5% of the annual wages for Eligible Employees.¹³ Tax Credits may not be earned for wages over \$100,000 per year.

Generally, a business will be initially certified for amounts for job creation based on projected Full-Time Jobs to be created over three years. Certified Businesses may earn these Tax Credits over three years, based on the increase in wages, each year compared to the prior year, at the project location(s) for which the award is made, subject to annual verification. Full-Time Jobs filled by Eligible Employees for which Tax Credits have been verified must be maintained for a period of either five years from the Certification Date, or a period of two years after the final earning period for job creation and retention, whichever is longer, measured as of the last day of the maintenance period. Generally, WEDC will not award tax credits for retained jobs; however, in cases where WEDC does incent retained jobs with job retention tax credits, those credits will be calculated based on the Baseline wages earned on an equal basis over three

⁸ Wis. Stat. § 238.308(4)(a)1, 2; Wis. Stat. § 71.07(3y)(b)1, 2; Wis. Stat. § 71.28(3y)(b)1, 2; Wis. Stat. § 71.47(3y)(b)1, 2.

⁹ Wis. Stat. § 238.308(4)(a)3; Wis. Stat. § 71.07(3y)(b)3; Wis. Stat. § 71.28(3y)(b)3; Wis. Stat. § 71.47(3y)(b)3.

¹⁰ Wis. Stat. § 238.308(4)(a)4; Wis. Stat. § 71.07(3y)(b)4; Wis. Stat. § 71.28(3y)(b)4; Wis. Stat. § 71.47(3y)(b)4.

¹¹ Wis. Stat. § 238.308(4)(a)5; Wis. Stat. § 71.07(3y)(b)5; Wis. Stat. § 71.28(3y)(b)5; Wis. Stat. § 71.47(3y)(b)5.

¹² Wis. Stat. § 238.308(4)(a)1; Wis. Stat. § 71.07(3y)(b)1; Wis. Stat. § 71.28(3y)(b)1; Wis. Stat. § 71.47(3y)(b)1.

¹³ Wis. Stat. § 238.308(4)(a)2; Wis. Stat. § 71.07(3y)(b)2; Wis. Stat. § 71.28(3y)(b)2; Wis. Stat. § 71.47(3y)(b)2.



years. Tax Credits will be released annually, based on the wages of Full-Time Jobs filled by Eligible Employees during the Recipient's taxable year.

Training

The amount of Tax Credits awarded for training may equal up to 50% of Eligible Training Costs incurred to undertake activities to enhance an Eligible Employee's general knowledge, employability, and flexibility in the workplace; to develop skills unique to the business's workplace or equipment; or to develop skills that will increase the quality of the business's product.¹⁴

Those activities must be related to the project that is the subject of the application for Tax Credits, and not for those activities that allow an employee to function within the day-to-day operations of the business or for the general, organic growth of the business. Examples of ineligible activities include orientation, or training on a business process management system.

Capital Investment¹⁵

The amount of Tax Credits awarded for new capital investment may equal up to 3% of the business' personal property investment and up to 5% of its new real property investment.

To qualify for Capital Investment tax credits, the project must involve a total capital investment of at least \$1,000,000 or for projects that involve a total capital investment of less than \$1,000,000, the total investment must be equal to at least \$10,000 per Eligible Employee employed on the project.

Corporate Headquarters

The amount of Tax Credits awarded for the location or retention of a Corporate Headquarters may equal up to 10% of the annual wages of positions created or retained for Eligible Employees if the position in which the Eligible Employee was employed was created or retained in connection with the location or retention of the Corporate Headquarters in Wisconsin, and the job duties associated with the Eligible Employee's position involve the performance of Corporate Headquarters functions.¹⁶ Tax Credits may not be earned for wages over \$100,000 per year. Generally, a business will be initially certified for amounts for Corporate Headquarters job creation based on projected Full-Time Jobs to be created over three years.

Certified Businesses may then earn these Corporate Headquarters job creation credits over a period of three years based on the increase in wages at the project location(s) for which the award is made, year-over-year, subject to annual verification.

Corporate Headquarters retention credits will be calculated based on the Baseline wages earned on an equal basis over three years.

Full-Time Jobs filled by Eligible Employees for which Tax Credits have been verified must be maintained for a period of either five years from the Certification Date, or a period of two years after the final earning period for job creation and retention, whichever is longer, measured as of the last day of the maintenance

¹⁴ Wis. Stat. § 238.308(4)(a)3; Wis. Stat. § 71.07(3y)(b)3; Wis. Stat. § 71.28(3y)(b)3; Wis. Stat. § 71.47(3y)(b)3.

¹⁵ Wis. Stat. § 238.308(4)(a)4; Wis. Stat. § 71.07(3y)(b)4; Wis. Stat. § 71.28(3y)(b)4; Wis. Stat. § 71.47(3y)(b)4.

¹⁶ Wis. Stat. § 238.308(4)(a)5; Wis. Stat. § 71.07(3y)(b)5; Wis. Stat. § 71.28(3y)(b)5; Wis. Stat. § 71.47(3y)(b)5.



period. Tax Credits will be earned annually, based on the wages of Full-Time Jobs filled by Eligible Employees during the Recipient's taxable year.

Eligibility to Claim:

In order to be eligible to claim Tax Credits in any year for which the business is certified, the Certified Business must increase its net employment in Wisconsin above the Certified Business' net employment in Wisconsin in each year after the Certification Date.¹⁷

WEDC will annually calculate the amount of Tax Credits earned¹⁸ and able to be claimed by the Certified Business based on eligible activities, and may request additional information from the Certified Business. WEDC will notify the Certified Business and the Department of Revenue of the amount eligible to be claimed against the Certified Business' taxes each year with a written verification of the Tax Credits earned. A Certified Business must attach appropriate forms to its Wisconsin tax return submitted to the Department of Revenue to obtain the tax benefits.¹⁹ No person may file with the Department of Revenue for Tax Credits without the written certification of WEDC.²⁰

Tax Credits are refundable. If the amount of Tax Credits approved for a taxable year exceeds the amount of tax due for the taxable year, the excess credit amount will be refunded to the Certified Business.²¹ The Tax Credits are non-transferable, and must be claimed in accordance with the statutory requirements.

Incentives and Available Funding (CY 2021): \$22,000,000 tax credit allocation

Subject to reallocation of additional funds up to \$10,000,000,²² and carryforward unused credits, WEDC will allocate no more than \$22,000,000²³ in Tax Credits for Certified Businesses in any calendar year.

Activities and Expected Outcomes:

Assist 30 businesses to support the creation of 1500 jobs, retention of 2500 jobs and achieve a 20:1 leverage of other investment.

Performance Reporting:

Recipients will be required to annually submit a performance report documenting capital investment, job creation, job retention, as well as any other contract deliverables.

WEDC annually selects awards on a sample basis for an audit. All backup documentation to the performance report is required to be maintained for the life of the award.

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

¹⁷ Wis. Stat. § 238.308(3)

¹⁸ Wis. Stat. § 238.308(5)(b).

¹⁹ Wis. Stat. § 71.07(3y)(c)2; Wis. Stat. § 71.28(3y)(c)2; Wis. Stat. § 71.47(3y)(c)2.

²⁰ Wis. Stat. § 71.07(3y)(c)2; Wis. Stat. § 71.28(3y)(c)2; Wis. Stat. § 71.47(3y)(c)2.

²¹ Wis. Stat. § 71.07(3y)(d)2; Wis. Stat. § 71.28(3y)(d)2; Wis. Stat. § 71.47(3y)(d)2.

²² Wis. Stat. § 238.308(4)(c).

²³ Wis. Stat. § 238.308(4)(b).



Application and Awards Process:

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

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

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2017 | Standardized expected outcomes language and added metric for leverage |
| 7/1/2017 | Eliminated unnecessary maintenance period for tax credits awarded for training |
| 9/23/2017 | Pursuant to 2017 Act 59, WEDC may annually request from the Joint Committee on Finance additional allocation authority |
| 7/1/2018 | Added statutory citations |
| 7/1/2018 | Clarified criteria for awarding additional tax credits |
| 7/1/2018 | Clarified maintenance requirements for job creation and retention |
| 7/1/2019 | Expanded criteria for awarding additional tax credits to include Opportunity zones; standardized application process and performance reporting sections for consistency; clarified duration of maintenance period and performance reporting requirements |
| 4/20/2021 | Aligned program guidelines with the annual calendar year credit allocation |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Vice President, Strategic Investment and Policy: _____

Date 3/10/2022

Division Vice President: _____

Date 3/10/2022

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date 3/10/2022



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Capacity Building Grant
Program Inception: WEDC FY13
Lead Division: Business and Community Development
 New **Revised**
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

Program Description:

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

Eligibility Requirements:

Eligible projects include, but are not limited to:

- Planning initiatives or assessments of the economic competitiveness of the area (e.g. workforce, infrastructure, sustainability, export capacity)
- Initiatives that will assist or enhance an organization’s ability to develop or deliver economic development programming that helps to identify or address issues or challenges of an area or the state
- Implementation of pilot programs or economic development best practices
- Marketing by regional economic development organizations. Regional economic development organizations may receive grants not to exceed \$100,000 or the amount of matching funds the organization obtains from sources other than WEDC or the state, whichever is less, to fund marketing activities.¹

Capacity Building funding may not be used for past costs, nor may past costs incurred prior to application be considered for matching funds, if applicable.

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

- The likelihood the proposed effort will result in long-term benefits to the organization, its members, the region or state, or its clients
- The degree to which the organization can influence state or regional economic conditions (e.g. number of localities served, geography, membership size)
- The extent to which the problem has been approached through regional collaboration with other economic development groups and other local jurisdictions
- The extent to which the project will provide an impact to economically distressed communities or

¹ Wis. Stat. §238.135.



- rural areas of Wisconsin
- The financial need demonstrated by the applicant
- The extent to which the proposed effort can be replicated throughout Wisconsin

WEDC may require matching funds depending on the project's attributes.

Incentives and Available Funding (FY22): \$750,000

The amount of funding per project will generally be up to \$50,000. Projects that demonstrate significant regional or statewide impact may receive additional funding.

Activities and Expected Outcomes:

Assist up to 12 organizations

Performance Reporting:

Recipients will be required to periodically submit a performance report documenting specific project activities, as well as any other contract deliverables.

WEDC annually selects awards on a sample basis for an audit. All backup documentation to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

The Capacity Building program has a continuous application process. Applicants for a Capacity Building Grant should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through the award review process.

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



Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2017 | Eliminated pilot status for Entrepreneurship Support track |
| 7/1/2019 | Clarified performance reporting requirements; standardized application and awards process |
| 7/1/2020 | Expanded eligibility and funding for COVID-19 recovery initiatives |
| 7/1/2021 | Transferred Entrepreneurship Support track to the ETA program; eliminated temporary CARES Act provisions |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____
enter a date.

Date Click or tap to

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Capital Catalyst
Program Inception: WEDC FY12
Lead Division: Entrepreneurship & Innovation
 New **Revised** [Click here to enter a date.](#)
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

The goal of the Capital Catalyst program is to incent capital formation and investment in startups and emerging growth companies in the state of Wisconsin.

Program Description:

The program provides matching grants to seed funds managed by local communities and other eligible entities to provide capital to startups and emerging growth companies.

The Capital Catalyst program increases the availability of capital to startups and emerging growth companies to support growth and attract additional private investment.

Eligibility Requirements:

Applicants for Capital Catalyst funds must demonstrate organizational capability and the availability of entrepreneurial support to achieve the goals of their program. Capital Catalyst fund recipients may include units of government, educational institutions, foundations, other nonprofit entities, or investment holding entities established by otherwise eligible entities.

Applicants should have an established investment/selection committee, investment/funding criteria, application process, and intended use of returns. Eligibility for the program requires a 1:1 match of the amount of funding provided by WEDC. This match must be documented prior to the disbursement of funds.

Investment/funding decisions will focus on assistance to companies with a geographic, community, industry, innovation, or other focus area relevant to WEDC strategy.

Use of Funds:

Capital Catalyst recipients are required to make grants, debt, royalty-based investments and/or equity investments in startups, early stage and emerging growth companies that are located in or will locate in Wisconsin. Recipients will agree to establish a segregated account to receive direct grant funding from WEDC that may include the recipient's matching funds.

Funds may not be used to support expenses related to the relocation of a business between communities in Wisconsin.



Returns on loans and/or investments to the fund capitalized by WEDC and matching funds may be used for additional awards to eligible businesses, distribution to WEDC and applicant organization in proportion to the initial match, and/or other purposes approved by WEDC.

Incentives and Available Funding (FY22): \$1,250,000

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

Activities and Expected Outcomes:

Award four organizations to support the financing of 25 startup and emerging growth companies. Recipients will maintain an average co-investment ratio of 1:1, and a 3:1 leverage of other investment in companies assisted by the recipient.

Performance Reporting:

Recipients will be required to periodically submit a performance report documenting the number of organizations assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

Capital Catalyst has a continuous application process. Applicants for a Capital Catalyst Grant should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through the award review process.

Applicants for Capital Catalyst program funding are required to provide to WEDC, in writing, information on the applicant organization, investment fund management and strategies, and the process for approving awards made from the fund.

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



Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Increased flexibility of the use of funds |
| 7/1/2018 | Clarified applicant eligibility criteria |
| 7/1/2018 | Clarified use of returns on investment funds |
| 7/1/2019 | Removed administrative expenses as an eligible use of returns; clarified performance reporting requirements |
| 7/1/2021 | Clarified and expanded eligibility focus |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Certified Sites Program
Program Inception: WEDC FY12
Lead Division: Global Trade and Investment
 New **Revised** [Click here to enter a date.](#)
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

Program Description:

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

Eligibility Requirements:

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

Incentives and Available Funding (FY22): \$82,500

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

Activities and Expected Outcomes:

Provide site search technical assistance to 6 businesses and promote the existing 20 Certified Sites. Create two new site certifications in FY22.

Performance Reporting:

Annual program performance is measured by a count of the number of sites that are certified through the program. Site search technical assistance provided to businesses by WEDC will also be documented.

Application and Awards Process:

1. Municipalities, economic development agencies, and private land-owners or developers can be site representatives and apply to the program during the established program application period.



Site representatives must send an email to the project lead requesting an application. The email must contain the representative's contact information and the community where the site is located and / or the site name. The project lead will respond with information on how to apply. Once an application is received, it goes through the following steps. More information on each step can be provided by the Program Manager.

- 1. Desktop Review
- 2. Field Visit
- 3. Gap Mitigation
- 4. Announcement and Marketing

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2020 | Placed temporary suspension on new site certifications and funding during FY21; clarified activities and expected outcomes |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Community Development Investment (CDI) Grant Program

Program Inception: WEDC FY13

Lead Division: Business and Community Development

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

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

Program Description:

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

Eligibility Requirements:

Definitions:

“Economically Distressed” means a county or municipality so designated by WEDC by considering the most current area and state data available for the following indicators:

- Unemployment rate
- Percentage of families with incomes below the poverty line
- Median family income
- Median per capita income
- Average annual wage
- Manufacturing assessment values by county
- Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs

“Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.

Municipalities (including counties, cities, villages, and towns), tribal entities, and other governmental authorities designated by a municipality to apply on its behalf will be eligible to receive grant assistance under the following conditions:

- Grant recipients must provide a minimum 3:1 matching investment in project costs; projects located in an Economically Distressed community or Opportunity Zone may provide a minimum 1:1 matching funds.



- No more than 50% of eligible project costs may consist of other state and/or federal grant sources, excluding federal ARPA funds; exceptions can be made for projects utilizing federal ARPA funds.
- Applicants must provide a signed resolution by the governing elected body authorizing the submittal of an application to the CDI Grant Program
- Generally, applicants may only receive one CDI grant per fiscal year.
- An applicant that was impacted by an event that has resulted in a State or Federal Disaster Declaration within the 24 months prior to submitting an application may receive funds for mitigation or preparedness planning and will receive additional considerations including the following:
 - WEDC may reduce or waive the match requirements
 - Applicants must demonstrate that other funding mechanisms (CDBG, WI Disaster Fund, FEMA, etc.) have been evaluated and fully utilized before applying for WEDC CDI Grant funding

Eligible activities are:

- Building renovation
- Historic preservation
- Demolition
- New construction
- Infrastructure investment

Eligible projects may qualify under one or more of the following:

- Development of significant destination attractions
- Rehabilitation and reuse of underutilized or landmark buildings
- Infill development
- Historic preservation
- Infrastructure efforts, including disaster prevention measures, providing substantial benefits to downtown residents or property owners
- Mixed-use development (not exclusively residential)

Activities ineligible for grant assistance or match include, but are not limited to:

- Past costs
- In-kind contributions
- Indirect construction costs (a.k.a. “soft” costs)

WEDC may take the following into account when considering a CDI Grant:

- Impact on the community
- Located in an Economically Distressed community
- Financial justification
- Previous planning efforts
- Readiness to proceed
- Involvement of public-private partnerships



- Demonstrates involvement of diverse businesses, including women and veteran-owned contractors, in eligible project costs
- Primary building occupant is a diverse-, woman-, or veteran-owned business
- Primary building purpose serves the communities of diverse-, women-, veteran-, or low and moderate income individuals
- Other factors determined by WEDC

Incentives and Available Funding (FY22): \$8,250,000

The maximum award generally does not exceed \$250,000 unless the request for funds is for a project that, due to the size and scope of the investment, clearly justifies an award beyond normal parameters.

No more than one grant per year shall be located within the boundary of a municipality.

At least 50% of the funds will be awarded to Economically Distressed communities.

Activities and Expected Outcomes:

Assist 35 communities and achieve a 15:1 leverage of other investment.

Performance Reporting:

Recipients will be required to annually submit a performance report documenting capital investment, assessed taxable property values, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup documentation to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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



Revision History:

| Effective Date | Description of Change |
|-----------------------|---|
| 7/1/2017 | Consideration of multiple applications per community per fiscal year when funding is available |
| 7/1/2017 | Remove limitation of one CDI or BF grant per project |
| 7/1/2017 | Added project or site development planning as eligible activity |
| 7/1/2018 | Allow applicants in a Designated Rural County to receive more than one grant per fiscal year |
| 7/1/2018 | Reserve 50 percent of program funding for projects in a Designated Rural County |
| 7/1/2019 | Allow applicants in an Opportunity Zone to receive more than one grant per fiscal year; allow recipients to submit performance reports annually; clarify performance reporting requirements |
| 7/1/2020 | Expanded eligibility and funding for COVID-19 recovery initiatives |
| 7/1/2021 | Eliminated temporary CARES Act provisions; removed eligibility for planning projects; replaced Designated Rural County with Economically Distressed; added consideration for diverse businesses |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____
enter a date.

Date Click or tap to

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Disaster Recovery Microloan
Program Inception: WEDC FY19
Lead Division: Business and Community Development
 New **Revised**
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

The goal of the Disaster Recovery Microloan (DRM) program is to provide short-term assistance to businesses affected by disaster events in the state of Wisconsin.

Program Description:

The program will provide grants to pre-approved regional entities with the capacity to deploy rapid response microloans to businesses affected by disasters, either natural or manmade. The microloans are to assist the business with necessary restoration and operating expenses until more long-term recovery funding can be secured. Providing immediate recovery funding in this manner is a best practice in community economic disaster recovery and leads to improved odds of a business reopening and remaining open long-term. WEDC will contract with regional entities to distribute and administer these loans in their respective geographic areas of the state, as applicable.

Eligibility Requirements:

DRM program grants will only be made available to regional entities where WEDC has an agreement in place outlining the grant obligations and terms and conditions of the microloan program. Within 30 days following a natural or man-made disaster event, which may or may not include a corresponding State of Emergency or Disaster Declaration, the pre-approved regional entity will request allocation of funding to make microloans in its respective region. WEDC will expedite review and approval of the request.

Eligible Microloan Recipients:

DRM program funds are available to businesses meeting the following criteria:

- Must be located in or directly adjacent to a region where the authorized regional entity has received an allocation
- Must have suffered measurable physical damage because of the disaster event
- Must attest to intent to resume business operations in the community as quickly as possible

Ineligible Businesses:

The following businesses are ineligible for DRM microloan funding:



- Payday loan and title companies
- Telemarketing other than inbound call centers
- Pawn shops
- Liquor stores
- Adult entertainment venues
- Home-based businesses
- Farms

Eligible Activities:

DRM program funds may be used for the following activities:

- Procurement of cleanup and restoration services
- Operating expenses such as payroll
- Temporary space
- Repair and reconstruction

Incentives and Available Funding (FY22): \$1,000,000

The program budget will be determined based upon a disaster event, the number of businesses in need of financial assistance, and the availability of funds. The incentives in this program are grants to pre-approved regional entities based on need related to the disaster event to provide microloans to affected businesses under the following conditions:

- Amount: Up to \$20,000
- Term: 24 months with no early repayment penalty
- Deferral: Minimum of six months
- Interest Rate: The interest rates for loans will be 0%
- Collateral and guarantees should be considered

Loan repayments may be retained by the regional entity for other economic development uses, such as economic development programming, matching funds to partner programs, small business education programs, revolving loan funds, etc. The regional entity has the authority to make forgivable loans, as long as the provision for such is stipulated in the loan agreement. As part of the grant award the regional entity may receive up to \$5,000 for the cost to prepare a schedule of expenditures in accordance with § 238.03(3)(a).

Activities and Expected Outcomes:

Nine regional organizations approved to administer the program covering all 72 counties.

Performance Reporting:

Recipients of DRM grants will be required to periodically submit a performance report documenting the businesses assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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



Application and Awards Process:

Pre-approved regional entities should complete an application through an Account Manager. The completed application will be assigned to an underwriter for expedited review and approval. For more information on application review, internal process, and award distribution, please refer to WEDC’s award administration policies and procedures.

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 9/18/18 | <ul style="list-style-type: none"> Increase maximum loan amount; authorize regional entities to make forgivable loans; provide funding up to \$5,000 to regional entities for cost to prepare schedule of expenditures. |
| 7/1/2019 | <ul style="list-style-type: none"> Clarify available funding; clarify performance reporting requirements |
| 8/13/2019 | <ul style="list-style-type: none"> Revised available funding to reflect Board approval of \$1 million in DRM funds to assist disaster recovery from the extreme severe weather July 18-20, 2019. |
| 7/1/2020 | <ul style="list-style-type: none"> Clarified conditions when regional organization may retain loan repayments |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Diverse Business Development (DBD) Program

Program Inception: WEDC FY12

Lead Division: Business and Community Development

New

Revised

Aid

Pass-thru Aid

Technical Assistance

Program Goal:

The goal of the Diverse Business Development Program (DBD) is to support existing, new and expanding minority, women, LGBT, and veteran owned businesses in the state of Wisconsin.

Program Description:

The program is designed to support minority, women, LGBT, and veteran business development through direct assistance to nonprofit organizations in Wisconsin. The funding is intended to promote investment and job retention and creation in diverse communities and underserved markets by increasing access to capital and business development training opportunities.

Eligibility Requirements:

Eligible nonprofit grant applicants are organizations that provide business financing, training or technical assistance to the diverse business community. The recipient must demonstrate professional capacity, financial stability and viability, and a demonstrated need.

Incentives and Available Funding (FY22): \$500,000

The incentives in this program are grants to eligible nonprofit entities to provide technical assistance, training, and/or micro-loans to minority, women, LGBT, and veteran owned businesses.

Activities and Expected Outcomes:

Award seven organizations to support 80 businesses.

Performance Reporting:

Recipients will be required to submit periodic reports on the number of businesses assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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



Application and Awards Process:

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

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

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Simplified program due to transition of Minority Business Chambers to Key Strategic Partners during FY18 |
| 7/1/2018 | Simplified eligibility criteria to expand qualifying organizations |
| 7/1/2019 | Clarified performance reporting requirements |
| 4/23/2020 | Authorized use of grant funds to provide direct financial assistance to businesses during the public health emergency |
| 7/1/2020 | Changed program name; eliminated temporary provisions of public health emergency initiative |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Director of Public Policy: _____

Date Click or tap to enter a date.

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Calendar Year 2022**

Program Name: Enterprise Zone (EZ)
Program Inception: 2005 Act 361
Lead Division: Business and Community Development
 New **Revised** Click here to enter date
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

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

Business Development: Business and Investment Attraction

Program Description:

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

Eligibility Requirements:

A business may qualify for EZ certification where the business: (1) Begins operation in EZ¹; (2) Relocates to EZ from out of state²; (3) Expands operation in EZ³; (4) Retains Jobs in the EZ⁴; or (5) Purchases items or services through a Wisconsin Supply Chain⁵.

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

Each EZ may exist for up to 12 years.⁶ WEDC may cap the award and/or limit the number of years in which credits may be claimed by a Certified Business within the EZ. But there is no statutory cap on allocated Tax Credits per award, or on the overall program.

¹ Wis. Stat. § 238.399(5)(a)

² Wis. Stat. § 238.399(5)(b)

³ Wis. Stat. § 238.399(5)(c)

⁴ Wis. Stat. § 238.399(5)(d)

⁵ Wis. Stat. § 238.399(5)(e)

⁶ Wis. Stat. Sec. 238.399(4)(a).



Definitions:

The following definitions supplement those in §§ 238.399, 71.07 (3w), 71.28 (3w), 71.47 (3w) Wis Stats.

- “Base Year” means the taxable year beginning during the calendar year prior to the calendar year in which the enterprise zone in which the Certified Business is located takes effect.⁷
- “Certified Business” means a business certified by WEDC as eligible to earn Tax Credits based on the parameters of this guideline and based on the business’ total number of Eligible Employees in the State of Wisconsin as determined by the Federal Employment Identification Number (“FEIN”) under which the business files its taxes.
- “Certification Date” means the date, designated by WEDC, on which the eligibility to earn Tax Credits begins. No activities occurring prior to the Certification Date will be considered in allocating Tax Credits.
- “Eligible Training Cost” means (1) the cost of the trainer; (2) the cost of the training materials; (3) the wages of the trainee while in a classroom setting; or (4) the costs of the trainer and the wages of the trainee while in an on-the-job or job shadowing setting.⁸ Eligible training costs do not include travel expenses, food or lodging.
- A “Full-Time Employee”: means an individual who is employed in a regular, nonseasonal job for which the annual pay is more than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage, and an individual in the position is offered the retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year.⁹

Employees that do not meet the definition will not be counted toward headcount or wages.

- A “Partial-Year Employee” means an individual who only worked part of the year due to their hiring or termination dates, who would have met the Full-Time Employee definition had they worked the full year. Part-time or seasonal employees do not count as Partial-Year Employees.
- “Ineligible Business” means businesses ineligible for Tax Credits unless extraordinary circumstances exist, including but not limited to a serious threat of a business leaving the state, significant job creation or retention, or Significant Capital Investment, and such extraordinary circumstances are approved by the Board of Directors’ Awards Administration Committee. Such Ineligible Businesses include:
 - Payday loan and title loan companies

⁷ Wis. Stat. Sec. 71.07(3w)(a)1; Wis. Stat. Sec. 71.28(3w)(a)1; Wis. Stat. Sec. 71.47(3w)(a)1.

⁸ Wis. Stat. Sec. 71.07(3w)(bm)1; Wis. Stat. Sec. 71.28(3w)(bm)1; Wis. Stat. Sec. 71.47(3w)(bm)1.

⁹ While there are two statutory definitions of Full-Time Employee, WEDC utilizes the above identified definition in its contracts: Wis. Stat. Sec. 238.399(1)(am)2.



- Telemarketing other than inbound call centers
 - Pawn shops
 - Media outlets
 - Retail
 - Farms
 - Primary care medical facilities
 - Financial Institutions
 - The hospitality industry
-
- “Significant Capital Expenditure” means a capital investment in a WEDC-designated EZ, beyond a Certified Business’s normal capital expenditures, that is needed to achieve a specific purpose agreed to by WEDC.¹⁰
 - “Significant Capital Investment” means a capital investment in excess of \$10 million in a WEDC-designated EZ, beyond a Certified Business’s normal capital expenditures, that is needed to achieve a specific purpose agreed to by WEDC.¹¹
 - “Significant Supply Chain” means a business that has a supply chain in the state which is designated by WEDC as significant. In determining whether the chain is significant, WEDC may consider any of the following factors:
 - The number of employees throughout the supply chain
 - The number of suppliers in the supply chain
 - The total cost of the components purchased from the supply chain
 - The number of units purchased from the chain
 - “Tax Credits” means the EZ Tax Credits authorized pursuant to Wisconsin Statutes §§ 238.399, 71.07 (3w), 71.28 (3w), 71.47 (3w)
 - “Taxable Year” means the taxable period upon the basis of which the taxable income of the taxpayer is computed for federal income tax purposes.¹²
 - “Tier I county or municipality” and “Tier II county or municipality” means a county or municipality so designated by WEDC. In designating either a Tier I county or municipality or a Tier II county or municipality, WEDC will consider the most current data available for the area and state using the following indicators:
 - Unemployment rate
 - Percentage of families with incomes below the poverty line
 - Median family income
 - Median per capita income
 - Average annual wage
 - Manufacturing assessment values by county
 - Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs¹³

¹⁰ Wis. Stat. Sec. 238.399(6)(g)3.

¹¹ Wis. Stat. Sec. 238.399(6)(g)2m.

¹² Wis. Stat. Sec. 71.01(12),

¹³ Wis. Stat. § 238.399(6)(g)(1)



In determining a distressed county (Tier 1), each category above will annually be assigned a value between 1-72 with 72 being the highest distress ranking and an aggregate score for each county considering the 7 factors. The counties are ranked by their aggregate score with the highest-ranked one-third (24) counties considered distressed. Additionally, the City of Milwaukee and any county with two top-ten distress rankings in any given category will also be considered distressed.

- “Zone Payroll” means the amount of state payroll that is attributable to wages paid to Full-Time Employees for services that are performed in an EZ. Zone Payroll does not include the amount of wages paid to any Full-Time Employees that exceeds \$100,000.¹⁴

Enterprise Zone Designation

Designation of Enterprise Zone is based on the following factors.¹⁵

- Indicators of the area's economic need, data regarding household income, average wages, the condition of property, housing values, population decline, job losses, infrastructure and energy support, the rate of business development, and the existing resources available to the area.¹⁶
- The effect of designation on other initiatives and programs to promote economic and community development in the area, including job retention, job creation, job training, and creating high-paying jobs.¹⁷
- Preference is given based on the greatest economic need to the extent possible.¹⁸

WEDC designates Enterprise Zones based on company specific projects. In determining whether to designate an EZ, WEDC may evaluate a wide range of factors including the following:

- Whether the project might not occur without the allocation of Tax Credits.
- The extent to which the project will increase employment in this state.
- The extent to which the project will contribute to the economic growth of this state.
- The extent to which the project will increase geographic diversity of available Tax Credits throughout this state.
- The financial soundness of the business.
- Whether the business offers health, retirement and other benefits.
- Any previous financial assistance that the business received from the Department of Commerce/WEDC.

WEDC shall designate at least three Enterprise Zones in political subdivisions of less than 5,000 and at least two in political subdivisions with populations between 5,000 and 30,000.¹⁹ WEDC shall specify whether an Enterprise Zone is located in a Tier I county or municipality or a Tier II county or municipality.²⁰

¹⁴ Wis. Stat. Sec. 71.07(3w)(a)6; Wis. Stat. Sec. 71.28(3w)(a)6; Wis. Stat. Sec. 71.47(3w)(a)6. “State Payroll” is defined in Wis. Stat. Sec. 71.07(3w)(a)5; Wis. Stat. Sec. 71.28(3w)(a)5; Wis. Stat. Sec. 71.47(3w)(a)5.

¹⁵ Wis. Stat. Sec. 238.399(3)(b).

¹⁶ Wis. Stat. § 238.399(3)(b)(1)

¹⁷ Wis. Stat. § 238.399(3)(b)(2)

¹⁸ Wis. Stat. § 238.399(3)(c)

¹⁹ Wis. Stat. Sec. 238.399(3)(d).

²⁰ Wis. Stat. Sec. 238.399(3)(bm).



Certification

A business may qualify for EZ certification in the following five circumstances where the business:

- 1. Begins operation in EZ²¹**
- 2. Relocates to EZ from out of state²²**
 - a. The business must offer compensation and benefits to employees in the EZ that are at least as favorable as those offered to employees working outside the zone for the same type of work.
- 3. Expands operation in EZ (Must meet either sub. a or sub. b)**
 - a. Increase Personnel by 10%²³
 - i. The business enters into an agreement to claim benefit only for years in which the business maintains increased level of personnel;
and
 - ii. Compensation and benefit for employees in the EZ that are at least as favorable as those offered to employees working in Wisconsin but outside zone
“Personnel” defined to include both (1) A business' employees in an enterprise zone and (2) Individuals who provide services to a business as independent contractors in this state.²⁴
 - b. Significant Capital Investment²⁵
 - i. The business enters into an agreement to claim benefit only for years in which the business maintains increased level of capital investment;
and
 - ii. Compensation and benefit for employees in the EZ that are at least as favorable as those offered to employees working in Wisconsin but outside zone
- 4. Retains Jobs in the EZ²⁶**
 - a. But must also make a Significant Capital Investment in property located in enterprise zone and, unless EZ located in Rural Zone, must either:
 - i. Qualify as a manufacturer with Significant Supply Chain in state;
or
 - ii. Or have more than 500 Full-Time Employees in EZ
- 5. Wisconsin Supply Chain²⁷**
 - a. Business located in the EZ purchases substantial amounts of tangible personal property, items, property or goods or services from Wisconsin vendors

²¹ Wis. Stat. Sec. 238.399(5)(a).

²² Wis. Stat. Sec. 238.399(5)(b).

²³ Wis. Stat. Sec. 238.399(5)(c)1.

²⁴ Wis. Stat. Sec. 238.399(1)(bm).

²⁵ Wis. Stat. Sec. 238.399(5)(c)2.

²⁶ Wis. Stat. Sec. 238.399(5)(d).

²⁷ Wis. Stat. Sec. 238.399(5)(e).



The corporation shall revoke the certification²⁸ to claim tax benefits if the person does any of the following:

- Supplies false or misleading information to obtain tax benefits.
- Leaves the enterprise zone to conduct substantially the same business outside of the enterprise zone.
- Ceases operations in the enterprise zone and does not renew operation of the business or a similar business in the enterprise zone within 12 months.

Tax Credits Calculation

A Certified Business may qualify for Tax Credits only for eligible activities that occur after the Certification Date established by WEDC. A Certified Business may be eligible to earn Tax Credits for multiple eligible activities. The amount of Tax Credits earned for each activity shall align with the following calculations, capped at amounts determined by WEDC to be reflective of the economic impact the project will have in the state of Wisconsin.

A Certified Business may qualify for EZ Tax Credits in one or more of the following categories: Job Creation, Job Retention, Training Tax Credit, Capital Investments, and Wisconsin Supply Chain. Each are described in detail herein.

Job Creation Tax Credit Calculation:²⁹

Business would be entitled to a credit of up to seven percent (7%) as identified in the following 5 step calculation.

Step 1: Identify “New Full-Time Employees.”³⁰ For calculation purposes, the New Full-Time Employees are identified as the lesser of:³¹

- **New Full-Time Employees in the EZ:** The number of Full-Time Employees in the EZ in the taxable year minus the number of Full-Time Employees in the EZ in the base year; or
- **New Full-Time Employees in the State:** The number of Full-Time Employees in the state in the taxable year minus the number of Full-Time Employees in the state in the base year.

Partial Year Employees are included in the calculation as follows:

- Partial-Year Employees whose employment was terminated prior to the end of the taxable year will not be counted as a New Full-Time Employee.
- Partial-Year Employees employed as of the end of the taxable year will be counted as a New Full-Time Employee.

Step 2: Identify “Average Zone Payroll.” Determine the recipient’s average Zone Payroll by dividing the total wages of Full-Time Employees employed in the EZ in the taxable year by the number of Full-Time Employees employed in the EZ in the taxable year.³² Any wages earned by a Full-Time employee in excess of one hundred thousand dollars (\$100,000) will not be counted in this calculation;³³

²⁸ Wis. Stat. Sec. 238.399(6)(b).

²⁹ Wis. Stat. Sec. 71.07(3w)(b); Wis. Stat. Sec. 71.28(3w)(b); Wis. Stat. Sec. 71.47(3w)(b).

³⁰ Wis. Stat. Sec. 238.399 (1) (am).

³¹ Wis. Stat. Sec. 71.07(3w)(b)1; Wis. Stat. Sec. 71.28(3w)(b)1; Wis. Stat. Sec. 71.47(3w)(b)1.

³² Wis. Stat. Sec. 71.07(3w)(b)2; Wis. Stat. Sec. 71.28(3w)(b)2; Wis. Stat. Sec. 71.47(3w)(b)2.

³³ Wis. Stat. Sec. 71.07(3w)(a)6; Wis. Stat. Sec. 71.28(3w)(a)6; Wis. Stat. Sec. 71.47(3w)(a)6.



Step 3: Calculate “Average Eligible Wage Amount.” Subtract the minimum threshold (depending on the Tier) as identified below from the Average Zone Payroll.³⁴

- Tier 1: 2,080 multiplied by 150 percent of the federal minimum wage
- Tier 2: \$30,000

Step 4: Calculate “Creditable Wage Amount.” Multiply the Average Eligible Wage Amount by the New Full-Time Employees in the zone.³⁵ After identifying the total wages for all New Full-Time Employees, add the qualified wages for all Partial-Year Employees.

Step 5: Job Creation Credit Determination. Multiply the Creditable Wage Amount by the credit percentage (which cannot exceed 7 percent).³⁶

Full-Time Employees created and awarded Job Creation Tax Credits shall be maintained for the duration of the EZ, measured as of the last day of the maintenance period, and may be subject to additional contractual requirements as required by WEDC.

Job Retention Tax Credit Calculation:³⁷

Business would be entitled to a credit of up to seven percent (7%) as identified in the following calculation.

To qualify, the total number of Full-Time Employees must be equal to or greater than the total number of Full-Time Employees in the base year to earn retention credits. The calculation of Job Retention credits cannot include wages paid to any Full-Time Employee that exceeds \$100,000.³⁸

Step 1: Confirm “Retained Employees.” The number of Retained Employees must be equal to or greater than the Full-Time Employees identified in the base year.

Partial-Year Employees are included in this calculation as follows:

- Partial-Year Employees whose employment was terminated prior to the end of the taxable year will not be counted as a Full-Time Employee.
- Partial-Year Employees employed as of the end of the taxable year will be counted as a Full-Time Employee.

Step 2: Confirm “Base Year Zone Payroll.” Current Zone Payroll must be the same or more than Base Year Zone Payroll. Wages for all Partial-Year Employees are included in these calculations.

Step 3: Job Retention Credit Determination. Multiply the Base Year Zone Payroll by the credit percentage (which cannot exceed seven percent (7%)).

³⁴ Wis. Stat. Sec. 71.07(3w)(b)3; Wis. Stat. Sec. 71.28(3w)(b)3; Wis. Stat. Sec. 71.47(3w)(b)3.

³⁵ Wis. Stat. Sec. 71.07(3w)(b)4; Wis. Stat. Sec. 71.28(3w)(b)4; Wis. Stat. Sec. 71.47(3w)(b)4.

³⁶ Wis. Stat. Sec. 71.07(3w)(b)5; Wis. Stat. Sec. 71.28(3w)(b)5; Wis. Stat. Sec. 71.47(3w)(b)5.

³⁷ Wis. Stat. Sec. 71.07(3w)(bm)2; Wis. Stat. Sec. 71.28(3w)(bm)2; Wis. Stat. Sec. 71.47(3w)(bm)2.

³⁸ Wis. Stat. Sec. 71.07(3w)(a)6; Wis. Stat. Sec. 71.28(3w)(a)6; Wis. Stat. Sec. 71.47(3w)(a)6.



Job retention credits may only be earned in years in which the Certified Business has maintained the number of Full-Time Employees employed in the Base Year and may only be earned for 5 consecutive taxable years.

Training Tax Credit Calculation:³⁹

Business would be entitled to a credit of up to 100% of the amount paid in a taxable year for any of the following activities:

- Upgrade or improve the job-related skills of any of the claimant's full-time employees;
- Train any of the claimant's full-time employees on the use of job-related new technologies; or
- Provide job-related training to any full-time employee whose employment with the claimant represents the employee's first full-time job.

This credit only applies to employees who work in an enterprise zone.

Wisconsin Supply Chain Tax Credit Calculation:⁴⁰

The amount of Tax Credits earned may equal up to 1% of the amount that the Certified Business will pay to purchase tangible personal property, items, property, or goods under s. 77.52(1)(b), (c), or (d), or services directly from Wisconsin vendors, as determined by WEDC, except that the Certified Business may not be awarded supply chain and capital investment Tax Credits for the same expenditures.

Significant Capital Expenditure Tax Credit Calculation:⁴¹

Business entitled to up to 10 percent of the Certified Business' Significant Capital Expenditures.

Capital Expenditures are generally defined as depreciable, tangible assets such as land, buildings, and equipment. Credit will be allowed for both capital leases or purchased property.

Significant Capital Expenditures made for which Capital Investment Tax Credits are earned shall be maintained for the duration of the zone and may be subject to additional contractual requirements as required by WEDC.

Eligibility to Claim:

Certified Businesses will be required to submit documentation outlining the eligible activities, actual wages and expenditures to be awarded its designated EZ Tax Credits. WEDC may request additional information from the Certified Business.

WEDC will annually determine the amount of Tax Credits earned and able to be claimed by the Certified Business based on eligible activities, actual wages and expenditures pursuant to ss. 71.07 (3w), 71.28 (3w), or 71.47 (3w).⁴²

WEDC will notify the Certified Business and the Department of Revenue of the amount eligible to be claimed against the Certified Business' taxes each year with a written verification of the Tax Credits

³⁹ Wis. Stat. Sec. 71.07(3w)(bm)1; Wis. Stat. Sec. 71.28(3w)(bm)1; Wis. Stat. Sec. 71.47(3w)(bm)1.

⁴⁰ Wis. Stat. Sec. 71.07(3w)(bm)4; Wis. Stat. Sec. 71.28(3w)(bm)4; Wis. Stat. Sec. 71.47(3w)(bm)4.

⁴¹ Wis. Stat. Sec. 71.07(3w)(bm)3; Wis. Stat. Sec. 71.28(3w)(bm)3; Wis. Stat. Sec. 71.47(3w)(bm)3.

⁴² Wis. Stat. Sec. 238.399(6)(f).



earned.⁴³ A Certified Business must attach appropriate forms to its Wisconsin tax return submitted to the Department of Revenue to obtain the tax benefits. No person may file with the Department of Revenue for Tax Credits without the written verification of WEDC.⁴⁴

Tax Credits are refundable and non-transferable. If the amount of Tax Credits approved for a tax year exceeds the amount of tax due for the tax year, the excess credit amount will be refunded to the Certified Business.⁴⁵

The corporation may require a business to repay any tax benefits the business claims for a year in which the business failed to maintain employment levels or a Significant Capital Investment in property required by its agreement.⁴⁶

Incentives and Available Funding (CY21):

Subject to passive review by the Joint Committee on Finance⁴⁷, WEDC may designate any number of Enterprise Zones in Wisconsin⁴⁸. WEDC shall designate at least five (5) zones subject to population limits in a political subdivision.⁴⁹ Currently, WEDC has one (1) undesignated statutorily required zone available for a political subdivision with a population of 5,000 or less.

The incentives under this program are refundable Tax Credits according to the following stipulations:

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

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

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

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

⁴³ Wis. Stat. Sec. 238.399(6)(e).

⁴⁴ Wis. Stat. Sec. 71.07(3w)(c)3; Wis. Stat. Sec. 71.28(3w)(c)3; Wis. Stat. Sec. 71.47(3w)(c)3.

⁴⁵ Wis. Stat. Sec. 71.07(3w)(c); Wis. Stat. Sec. 71.28(3w)(c); Wis. Stat. Sec. 71.47(3w)(c).

⁴⁶ Wis. Stat. Sec. 238.399(6)(d).

⁴⁷ Wis. Stat. Sec. 238.399(3)(am).

⁴⁸ Wis. Stat. Sec. 238.399(3)(a).

⁴⁹ Wis. Stat. Sec. 238.399(3)(d).



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

Wisconsin Supply Chain Credit: The business may also claim up to 1% of the amount it paid to purchase tangible personal property, items, property, goods or services from Wisconsin vendors. Businesses may not claim the Wisconsin Supply Chain Credit and the Investment Credit for the same expenditures. This benefit may be awarded for up to 12 years.

Activities and Expected Outcomes:

Assist 3 businesses to support the creation of 500 jobs, retention of 800 jobs, and achieve a 10:1 leverage of other investment.

Performance Reporting:

Recipients will be required to annually submit a performance report documenting capital investment, job creation, job retention, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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



Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Added "Base Year" and "Zone Payroll" definitions to clarify eligibility requirements |
| 7/1/2017 | Clarified definition of "Full-Time Employee" to reflect standard WEDC contract language |
| 7/1/2017 | Eliminated redundant language related to benefits offered by the business |
| 7/1/2017 | Added statutory references to clarify business certification requirements |
| 7/1/2017 | Added statutory references to calculation of tax credits to clarify methodology used for eligible activities |
| 7/1/2017 | Added statutory references to verification of tax credits to clarify the required documentation |
| 9/18/2017 | Added "Financial Services Technology Corporate Headquarters Retention Addendum" per the statutory revisions in 2017 Act 58 (approved 9/28/2017) |
| 9/23/2017 | Pursuant to 2017 Act 59, WEDC may reuse expired or revoked zones |
| 11/7/2017 | Added and clarified some definitions |
| 12/16/2018 | Pursuant to 2017 Wisconsin Act 369, eliminated statutory cap on zone designations and clarified new designations may be subject to approval by the Joint Committee on Finance |
| 7/1/2019 | Added statutory citations; clarified duration of maintenance period; clarified performance reporting requirements |
| 4/20/2021 | Aligned program guidelines with the calendar year |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Director of Public Policy: *Shirley Jones*

Date 3/10/2022

Division Vice President: *Mary Gage*

Date 3/10/2022

AUTHORIZED APPROVAL:

CEO or Designee: *[Signature]*

Date 3/10/2022



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Entrepreneurial Micro-Grant (EMG) Program

Program Inception: WEDC FY13

Lead Division: Entrepreneurship & Innovation

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

The goal of the Entrepreneurial Micro-Grant (EMG) Program is to support business planning and strategy for entrepreneurs and small business owners in the state of Wisconsin.

Program Description:

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

WEDC provides funding to the Center for Technology Commercialization (CTC) to deliver micro-grants to clients for the services below:

- Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) Assistance program, providing up to \$4,500 for assistance to prepare and submit an SBIR/STTR or other federal funding proposal. Applicants awarded federal funding may receive an additional \$1,000 funding bonus through the program.
- Commercialization Planning Assistance, providing individual and small business applicants up to \$4,500 for assistance in completing business validation activities and a comprehensive market study or business plan or commercialization plan to procure Phase II SBIR/STTR funding or to prepare for angel or venture capital funding. Applicants must utilize an eligible professional services provider.
- Entrepreneurial Training Program, providing a grant of up to \$750 to entrepreneurs upon successful completion of start-up coursework provided by the SBDC in the University of Wisconsin-System. Eligible applicants must provide at least a \$250 match. Eligible coursework may focus on either business modeling or business planning.

Eligibility Requirements:

To administer the EMG program, CTC must continue to demonstrate the expertise and capability of serving a statewide network of entrepreneurs.

The SBIR/STTR Assistance and Commercialization Planning Assistance micro-grants are available to those starting or expanding a technology-based or research-oriented business or to firms located in Wisconsin that rely on the use of technology. Eligible projects include:



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

The Entrepreneurship Training Program is an 8- to 12-week course offered periodically by SBDCs that provides assistance with business plan development to current or prospective business owners.

Incentives and Available Funding (FY22): \$250,000

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

Activities and Expected Outcomes:

Award one organization to assist 100 businesses.

Performance Reporting:

CTC will be required to quarterly submit a performance report documenting the assistance provided through the SBIR/STTR, Commercialization Planning Assistance and Entrepreneurial Training Program grants, the number of organizations assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

CTC meets with WEDC to review capacity, expertise, and past performance; discuss future opportunities; develop a list of deliverables; and discuss funding. The proposal must advance the mission to promote entrepreneurship and small business owners. The application will be assigned to an underwriter and go through the award review process.

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

Applicants for SBIR/STTR Assistance and Commercialization Planning Assistance complete an online application at wisconsinsbir.org. Entrepreneurship Training Program schedules vary but are promoted by the SBDC on their website www.wisconsinsbdc.org and other outreach efforts.



Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Simplified funding tiers for client services provided |
| 7/1/2019 | Clarified performance reporting requirements |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Entrepreneurship Partner Grant (EPG)

Program Inception: WEDC FY22

Lead Division: Entrepreneurship and Innovation

New

Revised

Aid

Pass-thru Aid

Technical Assistance

Program Goal:

The goal of the Entrepreneurship Partner Grant is to encourage the formation of entrepreneurship support programs and to develop startup and emerging growth companies in the state of Wisconsin.

Program Description:

The technical assistance model for entrepreneurial development is designed to accelerate and improve outcomes, growth, and scaling of new and early-stage businesses. In a technical assistance model, entrepreneurs and business teams enroll in a defined program over a certain period of time or receive custom technical assistance. Participants may be provided with financing, experienced hands-on mentorship, educational programming, visibility to investors and other resources, along with processes for market and customer validation, and for developing and testing the commercial viability of an idea.

The program provides an entity operating a not-for-profit technical assistance program with grant funding used to support the direct operational expenses of the program. Program funds may also be used for eligible financial support of participant companies/individuals related to technical assistance program participation.

The program has two related grants available; one focused on new or pilot projects through a competitive selection process, and one for established programs with demonstrated results with an open application period.

Eligibility Requirements:

The program supports business assistance programs for entrepreneurs, startups, and emerging growth companies. Entities eligible for Entrepreneurship Partner Grant funds may include communities, organizations or other entities that operate a not-for-profit entrepreneurship assistance program in Wisconsin.

Eligible applicants will provide information on program management, operating plans, entrepreneurship resources and use of funds. Applicants will identify matching funds to funding provided by WEDC according to amount requested. Matching funds may be from cash or valid program expenses and may be dedicated to operating expenses.

Applicants are generally required to demonstrate a minimum of one year of program results for the traditional grant. Those with a new program will generally apply through a competitive application process.

Use of Funds:



Recipients may be eligible to receive funding for expenses directly related to the administration of the assistance program.

Entrepreneurship Partner Grant recipients may provide grants, loans, royalty-based investments and/or equity investments to companies participating in the assistance program. WEDC must approve the type of funding being provided to participating companies and individuals. Loan repayments and/or investment returns to the recipient may only be used to support direct program costs or to provide capital to companies participating in a current or future cohort of the assistance. Recipients will be required to match WEDC funds 1:1 with cash funds or eligible expenses.

Incentives and Available Funding (FY22): \$2,000,000

Entrepreneurship Partner Grant – Competitive Selection (EPG-C) \$350,000

Generally intended to support new and pilot programs through a competitive application process. The amount of funding per project will generally be between \$10,000 and \$50,000.

Entrepreneurship Partner Grant – Open Application (EPG): \$1,650,000

Generally intended to support established entrepreneurship support programs with demonstrated results. Well established applicants with a demonstrated track record of successful program implementation may be considered for the open application for new programs. Awards will generally not exceed \$200,000.

Factors determining the level of grant funding for company capital:

- The number of companies/individuals served per program
- Historical performance results of program
- Operational expenses related to the overall intensity, duration, or rigor of the program
- Historical funding by WEDC
- Other factors may include but are not limited to industry sector, local economic considerations, rural areas and DEI targets

Activities and Expected Outcomes:

Entrepreneurship Partner Grant – Competitive Selection:

Assist 10 organizations and 125 individuals, entrepreneurs, startups and early stage companies

Entrepreneurship Partner Grant – Open Application:

Assist 15 organizations and 100 individuals, startups and early stage companies



Performance Reporting:

Recipient organizations will be required to periodically submit a performance report documenting the number of organizations assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

Entrepreneurship Partner Grant – Competitive Selection

This subprogram has a competitive application process. Applicants should complete an application through an Account Manager. The completed applications will be assigned to a committee for review and recommendation. An underwriter will be assigned to review each recommended award and go through the award review process

Entrepreneurship Partner Grant – Open Application

Applicants for this subprogram funding are required to provide to WEDC, in writing, information on the applicant organization, accelerator program management and operations, and the process for accepting companies into the program.

Applicants must provide information to the satisfaction of WEDC staff before being approved for program funds. The completed application will be assigned to an underwriter and go through the award review process.

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

Revision History:

| Effective Date | Description of Change |
|----------------|-----------------------|
| | |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: ExporTech™
Program Inception: April 2010
Lead Division: Global Trade and Investment
 New **Revised** [Click here to enter a date.](#)
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

Program Description:

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

ExporTech™ is managed and deployed nationally by the National Institute of Standards and Technology's Manufacturing Extension Partnership (NIST MEP) in collaboration with other federal/state export partners and promotion organizations. Through a contractual agreement, ExporTech™ is coordinated by WCMP, with financial and technical support from WEDC.

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

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

The key to success in international markets is preparedness and the goal of ExporTech™ is to better position companies for success in the global economy. In order to further assist and provide Wisconsin companies with hands-on strategic export development, ExporTech™ is designed to help companies take a more proactive approach to export markets. As the driving force in job creation and economic growth, small business growth is imperative to the health of the Wisconsin economy.

Eligibility Requirements:

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



Incentives and Available Funding (FY22): \$153,000

Scholarship Funding

The FY22 ExporTech™ contract will run from July 1, 2021 through June 30, 2022. Through this agreement, WEDC will fund scholarships for eligible participants for 50% of ExporTech™ costs, up to \$5,000.

Market Assessment Funding

In order to further support export plan implementation, in-market research/due diligence, and utilization of our Global Trade Network, ExporTech™ graduate companies will receive a formal market assessment, in one of their target markets by WEDC's Global Network. These funds will be administered as a pass-thru by WCMP.

Activities and Expected Outcomes:

Award one organization to support 25 businesses.

Performance Reporting:

WCMP will be required to quarterly submit a performance report documenting the number of companies assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

As the authorized administrative entity for ExporTech™ in Wisconsin, all applications and participation agreements are handled, approved and processed by WCMP. All applications are shared with WEDC for reference and review. Prior to making the award to WCMP, the program proposal will be assigned to an underwriter and go through the award review process.



Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2019 | Clarified performance reporting requirements |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Fabrication Laboratories (Fab Labs) Grant

Program Inception: WEDC FY17

Lead Division: Business and Community Development

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

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

Program Description:

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

Eligibility Requirements:

Definitions:

“CESA” means Cooperative Education Service Agencies, as defined by § 116.01 Wis. Stats.

“Fab Lab” means a high technology workshop equipped with computer controlled additive and subtractive manufacturing components, such as 3-dimensional printers, laser engravers, computer numerical control routers, and/or plasma cutters. A fully functioning Fab Lab has active engagement with the business community, is accessible to multiple departments within a school or schools, provides community access, and is integrated with the network of Wisconsin-based Fab Labs.

“Public School District” means the territorial unit for school administration as defined by § 115.01(3) Wis. Stats or a tribal school as defined by § 115.001(15m) Wis. Stats.

Grant Conditions:

Wisconsin public school districts may apply for a grant to purchase equipment to be used for instructional and educational purposes in one or more fabrication laboratories by elementary, middle, junior or high school students. Either a CESA, or a lead public school district, may apply on behalf of a consortium of two or more public school districts. All applicants must match 50% of the grant amount provided by WEDC. During FY22, WEDC is continuing a moratorium on applicants who have already received three Fab Lab grants. This does not apply to Milwaukee Public Schools or if an applicant is seeking a one-time grant to establish a Fab Lab for use by K-8 students.

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



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

Activities ineligible for grant assistance or match include, but are not limited to:

- Past costs
- In-kind contributions
- Indirect construction costs (a.k.a. “soft” costs)

Incentives and Available Funding (FY22): \$500,000

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

Activities and Expected Outcomes:

Assist 20 public school districts or consortiums.

Performance Reporting:

Recipients will be required to submit a performance report documenting the number of unique students who accessed the lab as part of a curriculum-based learning environment, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

The Fab Labs program has a competitive application process. Applicants for a Fab Lab grant should complete an application through an Account Manager. The completed applications will be assigned to a committee for review and recommendation. An underwriter will be assigned to review each recommended award and go through the award review process.

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



Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2018 | Moratorium on applicants who have already received three Fab Lab grants. |
| 7/1/2019 | Clarified performance reporting requirements |
| 7/1/2020 | Expand eligibility for school districts establishing Fab Labs to be used by K-8 students; decrease match requirement; include standard list of ineligible grant or match activities. |
| 11/10/2020 | Expand eligibility to include tribal schools. |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy _____

Date Click or tap to enter a date.

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.

**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Global Business Development (GBD) Program

Program Inception: WEDC FY12

Lead Division: Global Trade and Investment

New

Revised

Aid

Pass-thru Aid

Technical Assistance

Program Goal:

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

Program Description:

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

Eligibility Requirements:

IMAG

- Be an established business operating for not less than one year that manufactures, processes, assembles and/or distributes a product or performs a service with a potential to be exported. The company does not need to be headquartered in Wisconsin but must have export-related operations located within the state and provide economic benefit to the state.
- Self-certify that at least 35% of the value of the product or of the service is composed of Wisconsin cost inputs. Program staff provide an Excel tool to help determine eligibility upon request.
- The company must be new-to-exporting (no significant export sales or novice/accidental exports) or participating in market expansion. International market is defined as a country, region, or market channel within a country.
- The company agrees to a minimum cost-match of 30% of the total grant awarded.
- Grant funds may not be used for past costs or costs associated with activities funded by a CMAG.
- [ExporTech™](#) graduate companies generally may receive no more than six IMAG grants. Non-[ExporTech™](#) graduate companies generally may receive no more than three IMAG grants.

IMAG assistance categories are generally:

- Trade Shows/Ventures: Assistance may be provided to attend a US Department of Commerce, WEDC approved domestic trade show, an international-based trade show, conference, or business meetings. The IMAG grant may not be used to pay for any cost to attend WEDC sponsored trade ventures and missions.
- Marketing & Promotion: Assistance may be granted for translation of web/printed materials for a targeted foreign market, design services, advertising, and/or printing. Grants may also be used for company/product/foreign trade zone certification, registration, and marketing within the

foreign market. Grant funds may not be utilized for product development or modification of an existing product.

- Export Education: Assistance may be approved to support international and export related conferences, seminars, meetings, webinars, and courses. These educational opportunities are for staff who will be implementing the company's international export strategy. Educational courses and seminars also qualify.
- Consulting Services: Assistance may be funded for services with WEDC's Global Business Network Providers, match maker services, Gold Keys, consultants, or brokers.

CMAG

- Eligible recipients of a CMAG include industry associations, alliances, agencies, non-profits, regional economic development organizations, or other state/local departments located in Wisconsin working with Wisconsin companies to increase exports.
- Collaborators must provide a compelling case for how the project will benefit Wisconsin companies with international exports, demonstrate organizational support for the administration of the project, and provide an explanation for why their services are needed and how these grant funds will make an impact.
- The companies benefiting from these funds must comply with the eligible business requirements of the IMAG.
- Eligible expenses allowed for CMAGs may include, but are not limited to, those eligible under the IMAG.
- Recipients may be eligible for administrative costs to support the project. If applicable, administrative costs must be clearly outlined in the contract.

Incentives and Available Funding (FY22): \$1,200,000

The incentives in this program are grants of up to \$25,000 for IMAG applicants or up to \$150,000 for CMAG applicants.

IMAG: Eligible Wisconsin businesses may be awarded up to \$10,000 per WEDC fiscal year. Eligible ExporTech™ graduates may qualify for grants up to \$25,000.

CMAG: Eligible recipients may be awarded up to \$150,000 per WEDC fiscal year. Pass-thru assistance is capped at \$15,000 per company.

Activities and Expected Outcomes:

Assist businesses

- IMAG: Assist 60 businesses
- CMAG: Award 2 organizations to assist 30 businesses

Performance Reporting:

Recipients will be required to submit a performance report documenting project completion, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

The GBD program has a continuous application process. Applicants for an IMAG or CMAG grant should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through the award review process.

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

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 10/1/2017 | Eliminated federal STEP funding as available source |
| 7/1/2019 | Established limits on the number of grants per applicant; added eligibility requirement for IMAG applicants; clarified performance reporting requirements |
| 7/1/2020 | Temporarily eliminated match requirement due to COVID-19 pandemic; clarified Incentives and Available Funding |
| 7/1/2021 | Clarified eligible activities |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____

Date Click or tap to enter a date.

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Global Trade Ventures
Program Inception: WEDC FY15
Lead Division: Global Trade and Investment
 New **Revised** [Click here to enter a date.](#)
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

Program Description:

The program provides Wisconsin companies access to expertise in target markets to realize export opportunities and to accelerate a company's export sales. The program supports Wisconsin's business growth by increasing collaboration between companies within our key industries and our target countries.

WEDC's Market Development Directors (MDD) lead Wisconsin companies on virtual or in-country Trade Ventures, providing each participating company a suite of in-market services that are executed by one of WEDC's Authorized Trade Representatives. The services of the US Commercial Service and/or other independent contractors may be required to execute services for a Trade Venture. Program funds will help support the cost of country-specific business services to eligible Wisconsin companies by offsetting the cost of the venture.

Eligibility Requirements:

Participants must be an established business operating in Wisconsin that manufactures, processes, assembles and/or distributes a product or performs a service with a potential to be exported. The company does not need to be headquartered in Wisconsin but must have export-related operations located within the state. Service companies such as engineering, architectural, information technology, scientific research and other traded services are eligible for support under this program.

International professional business service providers or economic development entities seeking to build their international network or to support client companies attending the Trade Venture may also participate. Service providers unable to demonstrate the potential to expand traded international exports will not be eligible for the funding that supports the in-market service package and will pay full-price to participate in the venture.

If the market warrants a subject matter expert or an industry representative, WEDC may invite appropriate representatives to join the Trade Venture at the expense of WEDC or the subsidized rate.

Incentives and Available Funding (FY22): \$672,070 (non-aids)

The FY22 budget encompasses the total costs of program implementation, including administrative, marketing, in-market services and other costs associated with staff and subject matter experts. WEDC



may subsidize a portion of the business service package cost to eligible Wisconsin companies. WEDC may negotiate a reduced rate package for eligible businesses depending on the specific services to be offered. Ineligible companies may participate by paying the full market price of the Trade Venture package.

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

- o Market Assessment
- o Partner Search (Customer, Dealer, Distributor, Rep, Agent, Licensee, Employee)
- o Translation/Interpreting
- o Activities to foster cultural understanding of customers or consumers

Activities and Expected Outcomes:

Support six Global Trade Ventures in WEDC’s target markets in seven countries and assist 35 businesses.

Performance Reporting:

Participants will be required to submit an evaluation form documenting event satisfaction, trade venture results, as well as any other relevant feedback, within six months of completing a Trade Venture.

WEDC may impose additional reporting requirements to evaluate project performance and to ensure compliance with program objectives.

Application and Awards Process:

Applicants for GTV assistance should complete an interest form on the WEDC Global Trade Ventures [website](#). An Account Manager will review the applicant’s interest form and coordinate a conference call with a Trade Representative. The in-market Trade Representative will provide the applicant with a scope of work and a schedule of appointments for company approval. The company and individual participants will be subject to background checks as part of the application process.

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Standardized Activities & Expected Outcomes by moving explanatory language to Program Description |
| 7/1/2019 | Clarified performance reporting requirements; simplified application and awards process |
| 7/1/2020 | Expanded program scope to allow for virtual trade ventures |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ **Date** Click or tap to enter a date.

Division Vice President: _____ **Date** Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ **Date** Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Calendar Year 2022**

Program Name: Historic Preservation Tax Credit (HTC)

Program Inception: 2013 Wisconsin Act 62

Lead Division: Business and Community Development

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

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

Program Description:

The Historic Preservation Tax Credit program provides transferable tax credits to eligible entities rehabilitating certified historic buildings. The state program acts as a supplement to the federal program, allowing for a state credit of 20 percent of qualified rehabilitation expenditures for certified historic structures. A “certified historic structure” is a building that is listed individually in the National Register of Historic Places or is located in a registered historic district and is certified by the National Park Service as contributing to the historic significance of that district.

Eligibility Requirements:

Definitions:

- “Parcel” is defined as a real property parcel number as identified on the tax bill.
- “Project” is defined as a Part 1/Part 2 tax credit application as identified by the State Historic Preservation Office (SHPO) pursuant to Wisconsin Statutes.
- “Certification date” is defined as the date on which the SHPO recommends conditional approval of the project (by forwarding the Part 2 application to the National Park Service) unless the tax credit recipient selects a later date and is the first date on which the eligibility to earn historic preservation tax credits begins.

Nonprofits are not eligible for certification unless 1) the entity is a 501(c)(3), and the entity intends to sell or otherwise transfer the credit¹, or 2) the entity is a nonprofit other than a 501(c)(3) as described above, and WEDC receives approval of the proposed Project from the Joint Committee on Finance under 14-day passive review.²

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

¹ Wis. Stat. §238.17(3)(a)

² Wis. Stat. § 238.17(3)(b).



Certification requires that the claimant provide the following to the WEDC:

- Evidence that the rehabilitation was recommended by the State Historic Preservation Officer (SHPO) for approval by the secretary of the interior before the physical work of construction, or destruction in preparation for construction, began.³
- Evidence that the taxpayer obtained written certification from SHPO that the property qualifies under any of the following:
 - Listed in the National Register of Historic Places in Wisconsin or the State Register of Historic Places;
 - Determined by the Wisconsin Historical Society (WHS) to be eligible for listing in the National Register of Historic Places or the State Register of Historic Places;
 - Located in a historic district that is listed in the National Register of Historic Places or the State Register of Historic Places and is certified by the SHPO as being of historic significance to the district; or
 - An outbuilding of an otherwise eligible property certified by the SHPO as contributing to the historic significance of the property.⁴
- The costs were not incurred before the state historical society approved the proposed preservation or rehabilitation plan.⁵
- The cost of the person's qualified rehabilitation expenditure, as defined in section 47 (c)(2) of the Internal Revenue Code, is at least \$50,000.⁶
- The rehabilitated property is placed in service after December 31, 2013.⁷
- The proposed preservation or rehabilitation plan complies with standards promulgated under § 44.02 (24), Wis. Stats. and the completed preservation or rehabilitation substantially complies with the proposed plan.⁸
- No physical work of construction or destruction began prior to the recommendation of the proposed preservation or rehabilitation by the SHPO.⁹
- The eligible costs are not incurred to acquire any building or interest in a building or to enlarge an existing building.¹⁰

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

If a person who claims a credit under this subsection and a credit under section 47 of the Internal Revenue Code for the same qualified rehabilitation expenditures is required to repay any amount of the credit claimed under section 47 of the Internal Revenue Code, the person shall repay to the Department of Revenue a proportionate amount of the credit claimed under this subsection.¹¹

³ Wis. Stat. §§ 71.07(9m)(c)1; 71.28(6)(c)1; 71.47(6)(c)1.

⁴ Wis. Stat. §71.07(9m)(c)2.a.; 71.28(6)(c)2.a.; 71.47(6)(c)2.a.

⁵ Wis. Stat. §71.07(9m)(c)2.d.; 71.28(6)(c)2.d.; 71.47(6)(c)2.d.

⁶ Wis. Stat. §71.07(9m)(a)2m; 71.07(9m)(a)3; 71.28(6)(a)2m; 71.28(6)(a)3; 71.47(6)(a)2m; 71.47(6)(a)3

⁷ Wis. Stat. §71.07(9m)(a)2m; 71.07(9m)(a)3; 71.28(6)(a)2m; 71.28(6)(a)3; 71.47(6)(a)2m; 71.47(6)(a)3

⁸ Wis. Stat. §71.07(9m)(c)2.b.; 71.28(6)(c)2.b.; 71.47(6)(c)2.b.

⁹ Wis. Stat. § 71.07(9m)(c)1; 71.28(6)(c)1; 71.47(6)(c)1

¹⁰ Wis. Stat. §71.07(9m)(c)2.c.; 71.28(6)(c)2.c.; 71.47(6)(c)2.c.

¹¹ Wis. Stat. §71.07(9m)(i); 71.28(6)(i); 71.47(6)(i)



Incentives and Available Funding (CY22):

The incentive through this program is a 20% transferable tax credit of qualified rehabilitation expenses. Fund certifications are awarded on a rolling basis, at the discretion of WEDC. In accordance with 2017 Wisconsin Act 280, the maximum amount of credits for all Projects undertaken on the same Parcel may not exceed \$3,500,000.¹²

Activities and Expected Outcomes:

Assist 20 community Projects and achieve a 5:1 leverage of other investment.

Performance Reporting:

Recipients will be required to submit a performance report upon Project completion.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

The HTC program has a continuous application process. WEDC certifications for Certified Historic Buildings will adhere to the following process:

1. Applicant must submit Part I and II of the Historic Preservation Certification Application to WHS.
2. WHS will provide to WEDC evidence that the planned rehabilitation is recommended by the SHPO.
3. WEDC, upon review, may issue a Historic Preservation Tax Credit Certification.

Certifications may be amended by submitting the Project through SHPO's Part II amendment process or upon completion of the Part III Historic Preservation Certification Application. WEDC will determine if the amendment warrants an increase in certified funds.

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

¹² Wis. Stat. § 238.17(2).



Revision History:

| Effective Date | Description of Change |
|-----------------------|--|
| 7/1/2017 | Revised reporting requirements to use DOR Schedule HR instead of IRS form 3468 |
| 7/1/2017 | Clarified eligibility requirements for certified historic structures and qualified rehabilitated buildings |
| 9/23/2017 | Pursuant to 2017 Act 59, prohibited nonprofits from eligibility for certification except under certain circumstances |
| 9/23/2017 | Pursuant to 2017 Act 59, recipients are required to repay a proportionate amount of the state credits in cases where claimants were required to repay any portion of the federal credits |
| 7/1/2018 | Pursuant to 2017 Wisconsin Act 280, the maximum amount of credits for all projects undertaken on the same parcel may not exceed \$3,500,000 |
| 7/1/2018 | Pursuant to 26 U.S.C. § 47 (2017) (as amended in 2017 by Pub. L. No. 115-97), eliminated eligibility for qualified rehabilitated buildings |
| 7/1/2018 | Added statutory citations |
| 7/1/2019 | Clarified definitions in consultation with the Wisconsin State Historic Preservation Office; added statutory citations; clarified performance reporting requirements; removed unnecessary language from the application and awards process |
| 7/1/2020 | Eliminated NPS Part III performance reporting requirement |
| 4/20/2021 | Aligned program guidelines with the calendar year |
| 7/22/2021 | Revised the duration of the certification period per guidance from the State Historic Preservation Office |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Vice President, Strategic Investment and Policy: *[Signature]*

Date 3/10/2022

Division Vice President: *[Signature]*

Date 3/10/2022

AUTHORIZED APPROVAL:

CEO or Designee: *[Signature]*

Date 3/10/2022



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Idle Sites Redevelopment Program

Program Inception: WEDC FY14

Lead Division: Business and Community Development

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

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

Program Description:

The program generally offers grants to Wisconsin communities for the redevelopment of sites that have been idle, abandoned, or underutilized for a period of at least five years. Blighted properties may be perceived as eyesores that can lead to decreased property tax revenue for a community. The Idle Sites Redevelopment Program provides incentives to help rejuvenate abandoned blighted sites and assistance in elevating local economies. Approved projects can use funds for demolition, environmental remediation, infrastructure or site-specific improvements to advance the site to shovel ready status or enhance the site's market attractiveness.

Eligibility Requirements:

Definitions:

“Economically Distressed” means a county or municipality so designated by WEDC by considering the most current area and state data available for the following indicators:

- Unemployment rate
- Percentage of families with incomes below the poverty line
- Median family income
- Median per capita income
- Average annual wage
- Manufacturing assessment values by county
- Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs

“Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.

The Applicant:

- Any city, village, town, county, government entity, or tribal entity that has one of the following:



- If a private developer is participating in the project, an officially approved development agreement that describes the project and its goals, anticipated outcomes, project timeline, and actions, obligations and investments to be made by each party; or
- If the project does not have a private developer, an officially approved resolution that describes the project and its goals, anticipated outcomes, project timeline, and actions, obligations and investments necessary to achieve redevelopment.

The Project Site:

- May be:
 - one or more contiguous industrial parcels that exceed 5 acres and had long term (over 25 years) industrial usage; or
 - one or more contiguous commercial parcels that exceed 10 acres and had long term (over 25 years) commercial usage; for projects in an Economically Distressed community or Opportunity Zone, parcels need to exceed 5 acres; or
 - one or more contiguous institutional parcels that exceed 5 acres and had long term (over 25 years) institutional usage
- Applicants must own the targeted site or demonstrate the legal ability to access the property and perform the work proposed in the application

Eligible Costs:

- Grant and matching funds can be used for demolition, environmental remediation, rehabilitation or infrastructure improvements.
- Match may also include acquisition costs.
- WEDC funds cannot exceed 30% of eligible project costs

Activities ineligible for grant assistance or matching funds include, but are not limited to:

- Past costs
- In-kind contributions
- Costs of new construction
- Indirect construction costs (a.k.a. “soft” costs)
- Environmental work occurring on properties in which the current owner is also a causer who possessed or controlled the contaminant(s) on the site

Applicants must provide a signed resolution by the governing elected body authorizing the submittal of an application to the ISR Program.

WEDC may take the following into account when considering an ISR grant:

- The potential of the project to promote economic and community development in the area
- A written financial commitment by a lending institution and / or government entity to the applicant enabling the project to reach fruition
- The adequacy and completeness of the site investigation and remediation effort
- The extent to which costs are budgeted and itemized by qualified parties
- The size and location of the property and the site’s relationship to economic centers
- Increase of taxable property values
- Reduction of urban sprawl
- Use of existing infrastructure



- Reduction of environmental risks
- Creation of full-time jobs
- Located in an Economically Distressed community
- Demonstrates involvement of diverse businesses, including women and veteran-owned contractors, in eligible project costs
- Feasibility and readiness of the proposed project

Incentives and Available Funding (FY22): \$2,000,000

The maximum award generally does not exceed \$250,000 unless the request for funds is for a project that, due to the size and scope of the redevelopment, clearly justifies an award beyond normal parameters. Applicants may receive one award per fiscal year.

Activities and Expected Outcomes:

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

Performance Reporting:

Recipients will be required to annually submit a performance report documenting capital investment, assessed taxable property values, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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



Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Changed to an ongoing application process |
| 7/1/2017 | Added requirement for signed resolution of support from local government unit submitting application |
| 7/1/2017 | Added limitation for one award per fiscal year per community |
| 7/1/2018 | Clarified the terms development agreement and redevelopment plan |
| 7/1/2018 | Expanded types of eligible sites and reduced acreage requirements in a Designated Rural County |
| 7/1/2019 | Clarified eligible costs; reduced acreage requirements for projects in an Opportunity Zone; clarified performance reporting requirements |
| 7/1/2021 | Clarified eligibility requirements; replaced Designated Rural County with Economically Distressed; added consideration for diverse businesses; reduced maximum grant. |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____
enter a date.

Date Click or tap to

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Calendar Year 2022**

Program Name: Industrial Revenue Bonding (IRB)
Program Inception: 1969 Wisconsin Act 278
Lead Division: Business and Community Development
 New **Revised** Click here to insert date
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

Program Description:

WEDC is responsible for allocating volume cap on the issuance of private activity bonds¹. The volume cap limits the amount of bonding authority that can be issued in a year. Once the annual cap is established under federal law, WEDC allocates bonding authority pursuant to Section 238.10 and the Policy on the Allocation of Volume Cap².

Generally, the volume cap allocated by WEDC is for Industrial Revenue Bonds (IRBs). At the federal level, Industrial Revenue Bonds are covered by Sections 103 and 141 through 149 of the Internal Revenue Code and Income Tax Regulations, which establish the nature and size of projects which qualify for federal tax exemption of interest.³

IRB bonds are tax-exempt bonds that can be used to stimulate capital investment and job creation by providing private borrowers with access to financing at interest rates that are lower than conventional bank loans. The IRB process involves five separate entities – the borrower, lender, bond attorney, issuer, and WEDC. Each year, federal law establishes a "volume cap" which applies at the state level. The municipalities and counties sell the IRBs and loan the proceeds to eligible businesses undertaking eligible projects.

Eligibility Requirements:

Manufacturers can use the IRB proceeds for building, land or equipment but not working capital. There are restrictions on bond size and total capital expenditures. Manufacturing includes nearly every type of processing that results in a change in the condition of tangible personal property. The facility being financed must be located in the state of Wisconsin unless otherwise allowed by law.⁴

According to federal tax law, the maximum size of a IRB issue is \$10 million.⁵ For IRB issues exceeding \$1 million, capital expenditures in the municipality where the project is located cannot exceed \$20 million during the three years before and the three years after the date the IRBs are issued.⁶ The \$20

¹ Wis. Stat. § 238.10

² Wis. Stat. § 238.10

³ I.R.C. § 103; I.R.C. § 141-149.

⁴ 26 USC § 146(k)

⁵ I.R.C. § 144(a)(4).

⁶ I.R.C. § 144 (a)(4)



million capital expenditure limitation includes any principal user of the facility and also related persons⁷. Also, the total amount of IRBs outstanding at all related operations of the business, in all states, may not exceed \$40 million.⁸ Exempt Facility Bonds are bonds issued for one of the following project type, and are not subject to the same rules as other private activity bonds:⁹

- airports
- docks and wharves
- mass-commuting facilities such as high-speed rail
- facilities for furnishing water
- sewage facilities
- solid waste disposal facilities
- facilities for the local furnishing of electric energy or gas
- facilities for local district heating and cooling
- qualified hazardous waste facilities.

WEDC can allocate volume cap for any private activity bond, including both exempt and non-exempt projects.

To qualify for an IRB volume cap allocation, the following must be satisfied:

- **Notice of intent:** At least 30 days prior to entering into a revenue agreement with a municipality or county, the business benefitting from the bonds must give WEDC a notice of intent to enter into the agreement, on a form prescribed by WEDC.¹⁰ No later than 20 days after receipt of this notice, WEDC will issue a **Job Impact** to the municipality or county, estimating whether the project is expected to eliminate, create, or maintain jobs on the project site and elsewhere in the state and the net number of jobs expected to be eliminated, created, or maintained as a result of the project.¹¹
- **Good faith estimate:** Prior to adoption of an initial resolution, WEDC must receive a good faith estimate of attorney fees which will be paid from bond proceeds.¹²
- **Initial resolution:** Within 20 days following publication of notice, WEDC must be provide a copy of the initial resolution together with a statement indicating when the public notice required under s. 66.1103(10)(b) was published.¹³
- **Notice of closing:** After the closing of the bond issue, WEDC shall be notified of the closing date, any substantive changes made to documents previously filed with WEDC, and the principal amount of the financing.¹⁴ This notice must be filed with WEDC within five business days from the date of the closing. The notice must also include the following information: buyer/underwriter, type of sale (public or private), term, and interest rates.

Incentives and Available Funding (CY22):

⁷ I.R.C. § 144 (a)(3)

⁸ I.R.C. § 144 (a)(10)(A)

⁹ I.R.C. § 142

¹⁰ Wis. Stat. §§ 66.1103(4m)(a)1 & 238.11(1).

¹¹ Wis. Stat. §§ 238.11(2) &(5).

¹² Wis. Stat. § 66.1103(10)(g).

¹³ Wis. Stat. § 66.1103(10)(c).

¹⁴ Wis. Stat. § 66.1103(10)(c).



Volume Cap is allocated on a calendar year basis. The total amount for WEDC for calendar year 2022 is \$ **\$319,274,940**. The federal tax code allows each state to establish by law its own formula for allocating its volume cap.¹⁵ Volume cap is allocated on a state-wide basis pursuant to § 238.10, Wis. Stats. and the Policy on the Allocation of Volume Cap.¹⁶

Specifically, WEDC must:

- (a) Ensure that the amount of private activity bonds issued in a calendar year does not exceed WEDC's volume cap for such calendar year.¹⁷
- (b) Calculate the state ceiling which is calculated using information published in the federal register each year. State population is to be determined on the basis of the most recent census estimate of the resident population of the state released by the Bureau of Census before the beginning of the calendar year.¹⁸
- (c) WEDC may elect to carryforward excess volume cap from a calendar year to the following calendar year if it identifies the amount and use of such excess.¹⁹

Activities and Expected Outcomes:

Assist 6 businesses through the authorization of tax-exempt municipal bond sales.

Performance Reporting:

Performance is measured by the number of bond issues that occur each year as a result of the volume cap being allocated, as documented by the number of bond closings.

For each allocation of volume cap for an IRB, the following must occur:

- Employers that do not certify to the municipality or county prior to entering into the revenue agreement that their project is not expected to result in lost jobs must submit a quarterly report every three months during the first year after the construction of the project is completed, providing information about new jobs, lost jobs, and offers of employment made to persons who were formerly at lost jobs.²⁰
- Within 12 months after the project is completed or 2 years after a revenue bond is issued to finance the project, whichever is sooner, the business benefitting from the bonds must submit to WEDC, on a form prescribed by WEDC, the net number of jobs eliminated, created, or maintained on the project site and elsewhere in the state as a result of the project.²¹

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

¹⁵ I.R.C. § 146

¹⁶ Wis. Stat. § 238.10

¹⁷ 26 USC § 146(a)

¹⁸ 26 USC § 146(j)

¹⁹ 26 USC § 146(f)

²⁰ Wis. Stat. § 66.1103(4s)(b).

²¹ Wis. Stat. § § 66.1103(4m)(b) & 238.11(1)



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

Volume cap issued by WEDC for bonds other than an IRB do not require performance reports.

Application and Awards Process:

The IRB program has a continuous application process. Applicants for an Industrial Revenue Bond volume cap allocation should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through the award review process.

If bonds are not sold within 30 days from the certification date or by December 1, whichever comes first, the applicant must submit a deposit of 0.5% of the allocation (a 1.0% deposit if the allocation is requested on or after October 1) to WEDC.²² The deposit reserves the allocation for a period equal to the lesser of 90 days from the certification date or the remainder of the calendar year. The deposit is refundable following the bond closing, but is forfeited if the bonds are not sold. However, the deposit and forfeiture may be waived if circumstances warrant. In addition, a non-refundable fee equal to 0.10% of the amount of the bond issue must be submitted with the notice of bond issuance²³.

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

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2018 | Added statutory citations |
| 7/1/2018 | Clarified eligibility and performance reporting requirements |
| 7/1/2019 | Aligned eligibility requirements, incentives and available funding, and performance reporting with federal Internal Revenue Code and Income Tax Regulations; eliminated cap on bond issuance fees; clarified performance reporting requirements |
| 4/20/2021 | Aligned program guidelines with the annual calendar year volume cap allocation |

²² Wis. Stat. 238.10(3).

²³ Wis. Stat. 238.10(3)



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Vice President, Strategic Investment and Policy: *[Signature]*

Date 3/10/2022

Division Vice President: *Mary Gage*

Date 3/10/2022

AUTHORIZED APPROVAL:

CEO or Designee: *[Signature]*

Date 3/10/2022



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Main Street and Connect Communities
Program Inception: 1987 Wisconsin Main Street Act; WEDC FY13
Lead Division: Business and Community Development
 New **Revised** [Click here to enter a date.](#)
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

Program Description:

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

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

WEDC will annually develop a plan that describes the objectives of the state Main Street Program and the methods for 1) coordinating with public and private sector, 2) soliciting private sector funds for revitalization of business areas, and 3) helping municipalities engage in revitalization with help from interested individuals and organizations.¹ WEDC matches technical assistance from our own staff, the National Main Street Center and outside consultants to needs of respective municipalities and non-profit organizations. WEDC will also work with local communities to set strategies to solicit funding from the private sector in those communities to support the local downtown revitalization effort.

Eligibility Requirements:

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

WEDC will take the following into account when considering Main Street or Connect Communities applications²:

- 1) **Organizational capability:** An applicant's ability to bring financial and volunteer resources together according to the National Main Street Center's four-point approach to downtown revitalization.

¹ Wis. Stat. § 238.127(2)(c)

² Wis. Stat. § 238.127(2)(f)



- 2) Public Sector Commitment³: The participation from local government in the form of financial and staff commitment to the local downtown revitalization effort.
- 3) Private Sector Commitment⁴: The participation from local businesses and individuals in the form of financial⁵ and volunteer commitment to the local downtown revitalization effort.
- 4) Financial Capacity: The ability of the community to bring together comprehensive financial resources to adequately support the downtown revitalization program. For Main Street Communities, this includes funds to employ a local program manager to manage the effort for at least 5 years.⁶ Communities with populations of 5,000 or more must employ a full-time, paid program manager and meet a minimum budget requirement. Communities of less than 5,000 must employ a half-time program manager and meet a minimum budget requirement. A community's ability and commitment to hiring design consultants⁷ and providing training⁸ will also be taken into consideration.
- 5) Need: Applicants must show that they need the Connect Communities or Main Street Program. This need is exhibited by vacancy rate, excessive competition from competing areas, blight, building deterioration, and business mix issues.
- 6) Physical Capacity: An applicant's ability to show that they have sufficient building stock, businesses and a recognizable downtown district.
- 7) Historic Integrity: An applicant's existing historic resources in the downtown and genuine interest in saving and restoring their historic structures. WEDC will employ a Design Specialist to assist Main Street communities with design plans.

In addition to these criteria, local Main Street communities must commit to training and sharing downtown revitalization information with communities that do not participate in the Main Street Program.⁹

Incentives and Available Funding (FY22): \$250,000 (staff and non-aids contracting)

This is a technical assistance program; therefore no funding is provided directly. This technical assistance is given in the form of training, façade renderings, small business consultations, and hiring of outside consultants to address topics such as business recruitment & retention, branding, historic preservation planning and event development. Per § 238.127(2)(j) Wis. Stat., WEDC expends at least \$250,000 annually on the Main Street Program, which covers administration, staff resources and outside consulting services.

Activities & Expected Outcomes:

Assist 34 Main Street communities, no new community in FY22; 77 Connect Communities, plus 18 new communities in FY22, and 150 small businesses.

³ Wis. Stat. § 238.127(2)(f)1.

⁴ Wis. Stat. § 238.127(2)(f)1.

⁵ Wis. Stat. § 238.127(2)(f)2.

⁶ Wis. Stat. § 238.127(2)(f)3.

⁷ Wis. Stat. § 238.127(2)(f)4.

⁸ Wis. Stat. § 238.127(2)(f)5.

⁹ Wis. Stat. § 238.127(2)(h).



Performance Reporting:

Main Street participants will be required to submit a periodic performance report documenting new businesses, new jobs, buildings rehabilitated, public improvements, attendance at promotional events, new downtown housing units, volunteer hours, as well as any other contract deliverable.

Connect Communities will report annually on local activities including investment, businesses, jobs, volunteer activity and accomplishments for the duration of their program participation.

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

Application and Awards Process:

Main Street

The Wisconsin Economic Development Corporation will annually select up to three new Main Street communities based on applications submitted to WEDC. Main Street applicants must be an active Connect Communities participant for at least one year prior to applying for Main Street. Eligible applicants must submit a letter of intent to apply for Main Street to the Program Manager by December 1st of the prior year. Applicants will then host an on-site workshop with local stakeholders to discuss the application process, followed by completion of the written application and in-person interview. The Main Street application process is competitive. When applications are received they go to an outside committee that is selected annually. Committee members have backgrounds related to downtown development. The committee will review applications and in-person presentations from applicants and make a recommendation to management. As this is a technical assistance program, no funds are awarded.

Connect Communities

Communities interested in the Connect Communities program submit an application through one or more announced application periods. Applications are reviewed by WEDC staff and the recommendations are approved by management. Selected communities must pay an annual fee of \$200 to WEDC.

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



Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2019 | Added statutory citations; simplified Program Description; clarified Expected Outcomes. |
| 7/1/2020 | Clarified awards and application process and performance reporting requirements |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____

Date Click or tap to enter a date.

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.

**Wisconsin Economic Development Corporation
Program Guidelines for Calendar Year 2022**

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

Program Inception: 2003 Wisconsin Act 255

Lead Division: Entrepreneurship and Innovation

New **Revised** 7/1/2022

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

Program Goal:

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

Program Description:

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

Eligibility Requirements:

Definitions:

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

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

- "Bona fide angel investment" means a purchase of an equity interest, or any other expenditure, as further defined under "Investment",¹ that is made by any of the following:
 - A partnership or limited liability company that is a non-operating entity, as determined by WEDC, a natural person, or fiduciary who reviews new businesses or proposed new businesses for potential investment of their money.
 - A network of partnerships or limited liability companies that are a non-operating entity, as determined by WEDC, natural persons, or fiduciaries that reviews new businesses or proposed new businesses for potential investment of the network's money.
- "Bona fide liquidity event" means any of the following events: (i) the reorganization, merger, dissolution, or consolidation of the company where substantially all of its assets are distributed or otherwise paid out to shareholders, partners, or beneficial owners; (ii) the sale of all or substantially all of the assets of the company in one transaction or in a series of related transactions to a person who is not affiliated with the company; (iii) the sale of more than 50% of the outstanding equity interests in the company where following such sale the former owners of the outstanding equity interests in the company no longer beneficially control, directly or indirectly, the ability to control management decisions of the company or (iv) the first time the company sells shares of its common or preferred stock to the public on the open market, excluding crowd-funding exchanges.
- "Business" means an entity and all its affiliates.
- "Business merger or acquisition" means the QNBV company acquires the assets and or personnel of another business through consolidation, stock sale, asset purchase or some other legal means.
- "Corporate Headquarters" means the location where the majority of the company's financial, personnel, legal, planning, or other headquarters functions are handled on a divisional, regional, national, or global basis.
- "Crowdfunding" means a legal securities offering conducted in accordance with Wisconsin's Crowdfunding exemption as regulated by the Wisconsin Department of Financial Institutions.
- "Differentiating technology" means a specialized product or process that demonstrates distinct and significant technological differences and advantages over potential competitors.
- "Eligible to claim a credit" means an investor has made an investment that has received tax credits as identified by a verification form issued by WEDC.
- "In operation" means in existence and running a business.
- "Investment" means the investment of cash in a qualified new business venture that is used for legitimate business purposes in exchange for any one of the following:
 - Common stock.
 - Partnership or membership interest.
 - Preferred stock.

¹ Wis. Stat. § 71.07(5d)(a)1.

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

This policy has been reviewed and updated in consultation with the Department of Revenue.²

Qualified New Business Venture Certification

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

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

- It has its headquarters in this state.³
- At least 51 percent of the employees employed by the business are employed in this state.⁴
- It has the potential for increasing jobs in this state, increasing capital investment in this state, or both, and any of the following apply:
 - It is engaged in, or has committed to engage in, innovation in any of the following:
 - Manufacturing, biotechnology, nanotechnology, communications, agriculture, or clean energy creation or storage technology.

² Wis. Stat. § 238.15(3)(d).

³ Wis. Stat. § 238.15(1)(a).

⁴ Wis. Stat. § 238.15(1)(b).

- Processing or assembling products, including medical devices, pharmaceuticals, computer software, computer hardware, semiconductors, any other innovative technology products, or other products that are produced using manufacturing methods that are enabled by applying differentiating technology.
- Services that are enabled by applying differentiating technology.⁵
- It is undertaking pre-commercialization activity related to differentiating technology that includes conducting research, developing a new product or business process, or developing a service that is principally reliant on applying differentiating technology.⁶
- It is not primarily engaged (being “primarily engaged” means having greater than 50 percent of projected or reported revenue generated from) in real estate development, insurance, banking, lending, lobbying, political consulting, professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants, wholesale or retail trade, leisure, hospitality, transportation, or construction, except construction of power production plants that derive energy from a renewable resource, as defined in § [196.378 \(1\) \(h\), Wis Stats.](#)⁷
- It has less than 100 employees at the time of initial certification.⁸
- It has been in operation in this state for not more than 10 consecutive years at the time of initial certification.⁹
- For taxable years beginning before January 1, 2008, it has not received more than \$1,000,000 in Investments that have qualified for tax credits under s. 71.07 (5d).¹⁰
- It has not received aggregate private equity Investment in cash of more than \$10,000,000 at the time of initial certification.¹¹
- For taxable years beginning after December 31, 2007 and before January 1, 2011, it has not received more than \$4,000,000 in Investments that have qualified for tax credits under the program.¹²
- For taxable years beginning after December 31, 2010, and before January 1, 2018, it has not received more than \$8,000,000 in Investments that have qualified for tax credits under the program.¹³
- For taxable years beginning after December 31, 2017, it has not received more than \$12,000,000 in Investments that have qualified for tax credits under the program.¹⁴
- Companies whose certification has expired or lapsed due to meeting or approaching \$8 million in qualified Investments prior to January 1, 2018 may qualify for additional funds under the following:
 - If the company is within the required three-year reporting period following the receipt of qualifying Investments and in good standing with WEDC, it may be eligible for re-certification in the program under program limits established for tax years after December 31, 2017.
 - If the company is outside its reporting period, the company must go through the full application process.

⁵ Wis. Stat. § 238.15(1)(f)1.

⁶ Wis. Stat. § 238.15(1)(f)2.

⁷ Wis. Stat. § 238.15(1)(g).

⁸ Wis. Stat. § 238.15(1)(h).

⁹ Wis. Stat. § 238.15(1)(j).

¹⁰ Wis. Stat. § 238.15(1)(k).

¹¹ Wis. Stat. § 238.15(1)(km).

¹² Wis. Stat. § 238.15(1)(kn).

¹³ Wis. Stat. § 238.15(1)(L).

¹⁴ Wis. Stat. § 238.15(1)(Lg).

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

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

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

For the purposes of determining if the company has at least 51% of their employees in WI, WEDC may make up to a 12 month exception in the case that a certified company has fallen below that threshold due to a merger or acquisition. The conditions of this exception are as follows:

- The business maintains its headquarters in this state.
- After the merger or acquisition, the business increases the number of employees the business employs in this state
- The corporation determines that the merger or acquisition was not for the purpose of relocating the business's operations or employees from this state to another state or for the purpose of ceasing the business's efforts to further grow and expand in this state.
- No later than the first day of the 13th month beginning after the date of the merger or acquisition, at least 51 percent of the employees employed by the business are employed in this state.

Each qualified business must be recertified in each taxable year in which it desires certification. If applicable, WEDC will consider the information contained in the company's annual performance report as an application for recertification. The company will also be required to provide a final report when it is determined that the company will not be pursuing recertification or is decertified by WEDC.

Penalties:

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

- The business's employees.
- The business's total payroll.
- The activities of the business's headquarters, as determined by WEDC.¹⁵

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

¹⁵ Wis. Stat. § 238.15(1)(m)1.

- If the relocation occurs less than 12 months after the Investment, 100% of the tax credit that was claimed as the result of the Investment.
- If the relocation occurs 12 months or more after the Investment but less than 24 months after the Investment, 80% of the tax credit that was claimed as the result of the Investment.
- If the relocation occurs 24 months or more after the Investment but less than 36 months after the Investment, 60% of the tax credit that was claimed as the result of the Investment.¹⁶

A business is not considered to have relocated outside of this state if WEDC determines that Investment and employment levels have not diminished in Wisconsin, regardless of whether a business meets the penalty thresholds shown above for employees or payroll.¹⁷ Companies maintaining certification must continue to meet other program requirements including headquarters location.¹⁸ In addition, the penalty does not apply if WEDC certified a company prior to April 20, 2012, and the company converted a note or bond to an equity interest in reliance upon that certification.¹⁹

Fund Manager Certification/Qualified Venture Fund (QVF)

A certified fund manager is eligible for Early Stage Seed tax credits when making Investments in QNBV certified companies.²⁰ An investment fund manager desiring certification for a specific fund shall submit an application to WEDC.

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

- The investment fund manager's experience in managing venture capital funds.
- The past performance of investment funds managed by the applicant.
- The expected level of investment in the investment fund to be managed by the applicant.
- Any other relevant factors as determined by WEDC.²¹

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

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

- The applicant's experience in investing in high growth, early stage businesses.
- The past performance of businesses assisted by the applicant.
- The portion of the investment fund's capital the fund manager expects to invest in Qualified New Business Ventures.
- Geographic distribution of funds.
- Focus on targeted industries or target group members, as determined by WEDC.
- Ability to access follow-on funding.
- Services provided.
- Commitment to Wisconsin.

¹⁶ Wis. Stat. § 238.15(1)(m)2.

¹⁷ Wis. Stat. § 238.15(3)(dm).

¹⁸ Wis. Stat. § 238.15(3)(dm).

¹⁹ Wis. Stat. § 238.15(1)(m)3.

²⁰ Wis. Stat. § 238.15(2).

²¹ Wis. Stat. § 238.15(2).

- Administrative and management fees.

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

Eligibility for Tax Credits:

An Angel, Angel Network, and QVF are each eligible for a 25% tax credit for making Investments in Qualified New Business Ventures.²² Tax Credit Request Forms can be found on WEDC's website.

Tax Credit qualifications:

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

Process for requesting Tax Credits:

The QNBV certified company in cooperation with the investor will complete the necessary forms. The tax credit request forms and required documentation shall be submitted to WEDC no later than 90 days following the end of the taxable year in which Investment was made that qualifies for credits. Upon review and approval of the required forms and documentation, WEDC will issue a verification form to the angel investor, angel investment network or certified fund manager stating the amount and type of tax credits that may be claimed.

Revocation:

²² Wis. Stat. §§ 71.07(5d)(b)2; 71.07(5b)(b)1; 71.28(5b)(b)1; 71.47(5b)(b)1; 76.638(2).

Revocation of Certification

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

Revocation of Tax Credits

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

- Upon review, WEDC determines that the Investment becomes worthless prior to the end of the three-year period.
- The Angel, Angel investment network, or certified fund manager has held an Investment for at least 12 months and upon review the WEDC determines that a Bona Fide Liquidity Event has occurred prior to the end of the holding period.²³

Repayment of Revoked Tax Credits

A claimant shall pay the amount of the tax credit claimed and used by the claimant, along with any interest and penalties as provided for the recovery of tax credits under Chapter 71, Wis. Stats., to the Wisconsin Department of Revenue. "Used" for purposes of this paragraph means the claimant used the credit to offset their Wisconsin income or franchise tax liability or transferred the credit to another qualifying person.

Transfer²⁴:

Those eligible to claim a credit under the Early Stage Seed Investment Credit may sell or otherwise transfer the credit (subject to all applicable taxes and fees) no more than once in a 12-month period to another person who is subject to the applicable taxes and fees under Wis. Stat. § 71.02, 71.23, 71.47, or subchapter III of chapter 76.

Credit transfers up to \$200,000 will be subject to a five percent fee; transfers in excess of \$200,000 will be charged a fee of at least \$10,000 or one percent of the credit amount transferred, whichever is greater.

To effectuate a transfer, the fund manager must approve the transfer, then the certified fund manager must notify WEDC and the Department of Revenue of the transfer and must submit the following information to WEDC:

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

²³ Wis. Stat. §§ 71.07(5d)(d)1; 71.07(5b)(d)3; 71.28(5b)(d)3; 71.47(5b)(d)3.

²⁴ Wis. Stat. § 238.15(3)(e).



Incentives and Available Funding: \$30,000,000 allocated for CY22

The aggregate amount of Investment in any one qualified new business venture that may qualify for tax credits under the program is limited to \$12,000,000²⁵ or a different amount determined by WEDC at the time of certification or recertification.

The aggregate amount of Angel and Early Stage Seed tax credits that may be claimed for Investments in businesses is limited to \$30,000,000 per calendar year.²⁶

Activities and Expected Outcomes:

Certify 45 new businesses, 8 fund managers, and achieve a 4:1 leverage.

Performance Reporting:

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

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

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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

²⁵ Wis. Stat. § 238.15(1)(Lg).

²⁶ Wis. Stat. § 238.15(3)(d).

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Added statutory references to clarify eligibility requirements |
| 7/1/2017 | Reorganized the penalties and revocation sections for logical consistency |
| 9/23/2017 | Pursuant to 2017 Act 59, unused QNBV tax credits can no longer be transferred to the Business Development Tax Credit Program |
| 4/20/2018 | Pursuant to 2017 Act 234, raised the aggregate investment limit from \$8 million to \$12 million |
| 7/1/2019 | Clarified definitions and eligibility requirements; eliminated obsolete statutory reference; clarified performance reporting requirements |
| 4/20/2021 | Aligned program guidelines with the annual calendar year credit allocation |
| 7/1/2022 | Accommodates statutory changes related to percentages of employees located outside the state |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Vice President, Strategic Investment and Policy: _____

Date Click or tap to enter a date.

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: SBIR/STTR Matching Grant
Program Inception: WEDC FY15
Lead Division: Entrepreneurship & Innovation
 New **Revised** [Click here to enter a date.](#)
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

The goal of the SBIR/STTR Matching Grant program is to stimulate technological innovation by supporting technology-based small businesses in the state of Wisconsin.

Program Description:

The program provides funds to technology-based businesses that qualify as a small business concern as defined by SBA in or relocating to Wisconsin by matching a portion of Phase I and/or Phase II awards under the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs provided through periodic competitions. The program will be administered by the Center for Technology Commercialization (CTC).

Eligibility Requirements:

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

- Phase I awards range from \$100,000 to \$225,000 to support feasibility study
- Phase II awards range from about \$750,000 to \$1,500,000 to support full research and development
- Phase III entails commercialization supported by funding outside of the federal program

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

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

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

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



Incentives and Available Funding (FY22): \$1,500,000

The SBIR/STTR Matching Grant program will provide award matches of 50% up to \$75,000 of the amount of federal Phase I or up to \$100,000 for up to two years for Phase II funding awards. The grant must be used for new and additional work tasks that relate to the project granted the federal award.

It is anticipated that the number of federal awards eligible for matching grants will exceed the funding level of the matching grant program. Projects will be evaluated as part of a competitive scoring process and awards will be made based on funding availability and project merit.

Activities and Expected Outcomes:

Award one organization to support 13 businesses and achieve a leverage to federal grants of 3:1.

Performance Reporting:

CTC will be required to quarterly submit a performance report documenting the number of businesses receiving grants, the amount of each grant, the amount of federal funding leveraged, as well as any other contract deliverable, for four years after receiving an award. CTC will report annual employment, wage and outside investment information submitted by each business.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

CTC meets with WEDC to review capacity, past performance and future goals. The completed application will be assigned to an underwriter and go through the award review process.

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

Applications for the SBIR/STTR Matching Grant program compete an online application at wisconsinsbir.org.

Revision History:

| Effective Date | Description of Change |
|-----------------------|--|
| 7/1/2019 | Clarified performance reporting requirements |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ **Date** Click or tap to enter a date.

Division Vice President: _____ **Date** Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ **Date** Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Targeted Industry Projects (TIP)

Program Inception: WEDC FY12

Lead Division: Global Trade and Investment

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

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

Program Description:

The program offers assistance to targeted economic driver industries culminating over time in the development, diversification, competitiveness, and growth in sectors that provide sustained high-quality jobs, continued innovation and increase in GDP in Wisconsin.

Applicants must be actively engaged in distinct industry or sector development, or engaged in efforts to enhance cross-industry competitiveness, such as workforce development, market development, new investments, business attraction and acquisition of specialized competitive assets or facilities. These investments are generally intended to support strategic industry initiatives and investments, develop shared-use infrastructure, help fund industry-related pilot projects, expand successful initiatives, increase geographic reach, or allow for expansion of consortia efforts.

Eligibility Requirements:

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

- Impact on the industry
- Financial justification
- Previous planning efforts
- Readiness to proceed
- Involvement of public-private partnerships
- Other factors determined by WEDC

It is not the intention of this program to provide funds for ongoing operational needs over the long-term. WEDC generally requires matching funds and, depending on the project budget, may require additional documentation from other project participants. TIP funds and matching funds may not be used for past costs.

Incentives and Available Funding (FY22): \$2,800,000

Individual grants will typically not exceed \$1,000,000.



Activities and Expected Outcomes:

Assist nine organizations and achieve a 3:1 leverage of other investment.

Performance Reporting:

Recipients will be required to periodically submit a performance report documenting specific project activities, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Eliminated minimum grant award amount. |
| 7/1/2019 | Clarified that program is not intended for fund operations long-term; identified potential match requirement; clarified performance reporting requirements. |
| 7/1/2020 | Clarified program description and intent; standardized grant application factors; simplified expected outcomes. |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ **Date** Click or tap to enter a date.

Division Vice President: _____ **Date** Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ **Date** Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Technology Development Loan (TDL)

Program Inception: WEDC FY12

Lead Division: Entrepreneurship and Innovation

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

The goal of the Technology Development Loan (TDL) program is to support technology-based startup and emerging growth companies in the state of Wisconsin.

Program Description:

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

Eligibility Requirements:

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

1. Product / Process development
 - Supports R&D, proof of concept, and prototype development
 - Company should generally be an early-stage company or spinout with fewer than 25 employees
 - Demonstrates financial need and potential for business growth
 - Product/Process Development phase funding is generally limited to \$250,000 per company
2. Product / Service Commercial Launch
 - Company is raising funds for initial launch of a developed product into the primary market after proof of concept and development testing
 - Product / Service Commercial Launch phase is generally limited to \$500,000 per company
 - A lower limit may be imposed for moving into test markets if the technology or industry requires incremental steps to commercialization
3. Growth / Expansion Stage
 - Company is in growth mode with recurring sales of fully developed product into the intended market



- Company should have strong and growing market traction and have a clear path to sustainability
- Intended to provide capital for increasing production and approaching profitability
- Growth / Expansion Stage phase is generally limited to \$750,000 per company

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

WEDC will consider the circumstances of each loan and will limit its liability to the greatest extent possible.

Terms

USE: Working capital or equipment financing.

FEE: An origination fee of two (2.0) percent of the award amount.

AMORTIZED REPAYMENT:

INTEREST RATE: 6 percent fixed interest rate.

REPAYMENT: The loan shall generally have a term of up to 7 years with a deferral of principal and interest payments of up to 36 months, an option for an additional 12 months of interest only payments, followed by equal monthly payments of principal and interest. The deferral period will be based on the company's expected time to market and regulatory barriers. For loans with more than 12 months of principal and interest payment deferral WEDC may require an annual renewal of the deferment period.

REVENUE-BASED REPAYMENT:

TOTAL RETURN: Fixed multiple of principal disbursed, typically 1.15 – 1.5x dependent on anticipated financing duration, equivalent interest rate, risk, and other relevant factors.

PAYMENT: 1.5 - 3 percent of monthly gross revenue

LIMITATIONS: WEDC may set a maximum duration of repayment period, establish minimum payments, or insert other financing requirements on a case-by-case basis.

COLLATERAL: Security interest in all or specific business assets.

In cases where WEDC feels it necessary, it may additionally require assignment of a life insurance policy(ies) for key founders/managers in an amount up to the maximum value of the loan.



GUARANTOR(S): WEDC may require limited or unlimited personal guaranties for any owner with ownership in the company equal to or more than 20%. Guarantees should be considered under the following conditions:

- Company has substantial ties to other states through location of founding partners, majority individual ownership, underlying technologies, related companies, or similar factors.
- The majority of funding is from founder, friends and family, federal grant funds, related corporations, and there is relatively lower amounts of outside bank, angel or VC match to validate the investment.
- Ownership for the founders remains above 50% combined after the close of match funding and are expected to retain controlling interest in the company either through continued reinvestments or because additional equity financing is not expected or required to advance the company.
- The company has failed to substantially meet benchmarks established in prior funding reviews, failed to meet objectives leading up to the current funding round, or there have been significant pivots that are unproven.
- The Applicant has close or fundamental ties to closely related companies through technology licensing agreements, servicing agreements, operating agreements, individual ownership, or other factors where or Applicant's corporate structure adds risks or uncertainty.
- The company is predominantly debt financed and guarantees are required by other lenders.
- As recommended by WEDC.

In cases where WEDC feels it is necessary, it may require corporate guarantees from related entities, holding companies, or subsidiaries

MATCH REQUIREMENT: The Borrower shall provide a minimum of 4:1 match of private investment funds to TDL loan proceeds. This requirement shall be met prior to the disbursement of TDL funds.*

CONVERSION TO EQUITY: WEDC frequently includes the option to convert a portion of its loan amount to equity in the Borrower company. WEDC's ability to convert to equity shall not exceed the term of the note unless there is an initial public offering, and conversion will generally be tied to an anticipated liquidity or other event. WEDC will include safeguards for its interest to include: (1) WEDC will not convert to equity if it would result in an ownership interest of 20% or more; (2) WEDC will have discretion to abstain or waive voting rights, and will not have/exercise any indicia of control; (3) WEDC will not be required to purchase securities or convert to equity; (4) WEDC will not accept any liabilities as a holder of warrant rights or



an equity position; and (4) WEDC will require a company to repurchase any equity held by WEDC if the company relocates out of Wisconsin within five years, in accordance with Wis. Stat. §238.12.

*WEDC may consider previous funding as part of the initial leverage if the previous funding is part of the funding required for the project under consideration. In general, previous funding should be characterized as part of the current “funding round” and should not have occurred more than 12 months prior to the application date and is part of an active funding raise effort. WEDC may, in certain circumstances, elect to count founder funding as a portion of eligible match if the funding under consideration is part the initial company capitalization or seed round.

In addition to the factors outlined above WEDC will evaluate applications based on factors that will include:

Growth Potential - The Company’s overall growth potential

Timeline – The Company’s development and commercialization timeline

Funding – The Company’s ability to identify and secure sufficient capital

Technology – Technology risk

Market – Size and anticipated acceptance of the idea by customers

Execution – Management, plan, and performance to date

Cash flow - Company’s repayment capacity and timeline

Secondary Benefits – Income taxes, payroll taxes, supply chain, real estate taxes, other economic benefits

Need and Business Impact – The company’s need for funding and the impact that funding is likely to have on future success

Benchmarks - The company's ability to meet benchmarks set during the underwriting of any prior TDL loan

Incentives and Available Funding (FY22): \$5,750,000

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

Activities and Expected Outcomes:

Assist 16 businesses and achieve a 4:1 leverage of other investment.

Performance Reporting:

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



WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Eliminated obsolete restrictions for past costs |
| 7/1/2017 | Eliminated obsolete reference to federal SSBCI funding source |
| 7/1/2018 | Added option for revenue-based loan repayments |
| 7/1/2018 | Clarified criteria for execution of convertible notes |
| 7/1/2019 | Added clarifying language and evaluation criteria; clarified performance reporting requirements |
| 7/1/2020 | Clarified conditions warranting applicant guarantees |
| 7/1/2021 | Further clarified convertible note/warrant coverage conditions |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ **Date** Click or tap to enter a date.

Division Vice President: _____ **Date** Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ **Date** Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Wisconsin Tomorrow Main Street Bounceback Grant

Program Inception: WEDC FY22

Lead Division: Business and Community Development

New **Revised** 7/22/2021

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

Program Goal:

The goal of the Wisconsin Tomorrow Main Street Bounceback Grant (DBA Brick and Mortar Bounceback) is to provide one-time assistance to new and existing businesses opening a new location or expanding operations in a vacant commercial space.

Program Description:

The program will provide grants to approved entities with the capacity to deploy rapid response grants to businesses opening locations in vacant commercial spaces. The grants are to assist the business with costs associated with leases, mortgages, operational expenses and other business costs related to the newly opened location. Grants to businesses provide immediate recovery funding from the American Recovery Plan Act (ARPA) and lead to improved odds of a business opening or expanding and remaining open long-term. WEDC will contract with approved entities to distribute and administer these grants in their respective geographic areas of the state.

Eligibility Requirements:

The Wisconsin Tomorrow Main Street Bounceback Grant program will only be made available to approved entities where WEDC has an agreement in place outlining the grant obligations and terms and conditions of the grant program.

Eligible Grant Recipients:

The Wisconsin Tomorrow Main Street Bounceback Grant program funds are available to for-profit businesses and non-profit organizations meeting the following criteria:

- Must be located in a region where approved entity has received an allocation.
- Must certify that the business has not or will not vacate a commercial space in Wisconsin to become eligible to claim this grant

Ineligible Businesses:

The following businesses are ineligible for the Wisconsin Tomorrow Main Street Bounceback Grant:

- The business is part of a national or regional chain, unless the business is an independently owned and operated franchise
- Dead Storage
- Governmental units (except for tribal enterprises/corporations)



- Home-based businesses unless the business unit is moving into a vacant commercial space to support functions of the business
- Residential uses and lessors of residential units/property (landlords) unless the business unit of the lessor is moving into a vacant commercial space to support functions of the business
- Real estate investment firms, when the real property will be held for investment purposes as opposed to otherwise eligible small business concerns for the purpose of occupying the real estate being acquired.
- Businesses engaged in any illegal activity under federal, state, or local law.

Eligible Activities:

Eligible uses of the grant funds include, but are not limited to the following activities:

- Commercial lease/mortgage payments
- Business operating expenses
- Commercial building repair and tenant improvements

Incentives and Available Funding (FY22): \$75,000,000

The incentives in this program will be deployed in two or more rounds of grants to approved entities. Grants to eligible businesses will be in the amount of \$10,000 each.

Each approved entity will receive \$10,000 upon award and an additional 2.5% of the granted amount for program administration; an additional amount up to \$10,000 will be provided for the cost to prepare schedule of expenditures in accordance with § 238.03(3)(a).

Activities and Expected Outcomes:

Assist nine approved entities administering the program covering all 72 counties to assist up to 7500 businesses.

Performance Reporting:

Recipients of Wisconsin Tomorrow Main Street Bounceback grants will be required to submit semi-annual performance reports documenting the businesses assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award. WEDC may impose additional reporting requirements to evaluate project performance and to ensure compliance with contract deliverables.

Application and Awards Process:

Approved entities should complete an application through an Account Manager. The completed application will be assigned to an underwriter for review and approval.

To expedite the deployment of funds to make the most impact for the businesses, as an exception to WEDC's standard awards approval thresholds outlined in WEDC's COEC, each award to an approved entity may be approved by WEDC's CEO and does not require any approval by either the Awards



Administration Committee or the Board, regardless of award amount under this program or based on cumulative awards to the approved entity.

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

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2021 | Added provision allowing for expedited deployment of program funds |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP, Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Wisconsin Investment Pilot (WIP)
Program Inception: WEDC FY21
Lead Division: Entrepreneurship & Innovation
 New **Revised**
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

The goal of the Wisconsin Investment Pilot (WIP) program is to support technology-based startup and emerging growth companies in the state of Wisconsin. This program was initiated by the Entrepreneurship & Innovation Committee to support early or seed stage companies trying to raise initial capital rounds or additional or bridge capital to maintain and expand operations during the economic crisis caused by COVID-19 and serve as a demonstration of how WEDC can implement a co-investment fund strategy long-term to assist investor-backed Wisconsin companies.

The goal of this pilot program is to invest in Wisconsin early stage companies along-side other investors.

Program Description:

The program provides up to \$100,000 in direct financial assistance to businesses certified by WEDC as Qualified New Business Ventures (QNBV) in the form of an investment utilizing a Simple Agreement for Future Equity (“SAFE”). The WIP program is intended to provide capital to those companies that have the potential to add to Wisconsin’s economic base over the long-term by attracting and training a high-wage, high-skill workforce and establishing a unique competitive advantage. The expectation is that this investment by WEDC will be matched by experienced investors. The funds can be used as working capital and require leverage from outside funding for the business development project or funding round under consideration.

Eligibility Requirements:

Businesses certified by WEDC as QNBVs as of the time of application for WIP are eligible for the WIP program. Businesses delinquent in reporting or other obligations with WEDC are not eligible for this program.

Eligible businesses must have matching funds at a rate of 4:1. The WIP program will generally be looking for matching funds to be in the form of a convertible instrument but may consider direct equity investment as part of the matching funds. Matching funds must have been invested in the 9 months prior to the execution of the SAFE or are to be invested just prior to the release of WIP funds.



Incentives and Available Funding (FY22): \$600,000

Eligible businesses will be provided an investment of up to \$100,000.

Activities & Expected Outcomes:

Assist up to 11 businesses and achieve a 4:1 leverage of other investment.

Performance Reporting:

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

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

The WIP Program has a continuous application process. Applicants for the WIP Program should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through an expedited award review process.

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2021 | <ul style="list-style-type: none">• Clarified eligibility requirements |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ **Date** Click or tap to enter a date.

Division Vice President: _____ **Date** Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ **Date** Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2022**

Program Name: Workforce Training Grants (WTG)

Program Inception: WEDC FY12

Lead Division: Business and Community Development

New **Revised**

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

Program Goal:

The goal of the Workforce Training Grant (WTG) Program is to incent new and expanding businesses to attract, develop and retain talent in the state of Wisconsin.

Program Description:

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

Eligibility Requirements:

Definitions

“Designated Rural County” means a county with a population density of less than 155 residents per square mile as of the 2010 Census.

“Financial Institution” means a bank, as defined in s. 214.01 (1) (c), a savings bank, as defined in s. 214.01 (1) (t), a savings and loan association, a trust company, a credit union, as defined in s. 186.01 (2), a mortgage banker, as defined in s. 224.71 (3) (a), or a mortgage broker, as defined in s. 224.71 (4) (a), whether chartered under the laws of this state, another state or territory, or under the laws of the United States; a company that controls, is controlled by, or is under common control with a bank, a savings bank, a savings and loan association, a trust company, a credit union, a mortgage banker, or a mortgage broker; or a person licensed under s. 138.09, other than a person who agrees for a fee to hold a check for a period of time before negotiating or presenting the check for payment and other than a pawnbroker, as defined in s. 138.10 (1) (a).

“Ineligible Business” means businesses ineligible for WTG funds, unless extraordinary circumstances exist, including but not limited to a serious threat of a business leaving the state, significant job creation or retention, or significant capital investment, and such extraordinary circumstances are approved by the Board of Directors' Awards Administration Committee:

- Payday loan and title loan companies
- Telemarketing other than inbound call centers
- Pawn shops
- Media outlets
- Retail
- Farms



- Primary care medical facilities
- Financial Institutions
- The hospitality industry

“Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.

Activities

The program incents job training that focuses on new technology, industrial skills, manufacturing processes, or leadership development. The training must not be currently available through other resources such as Wisconsin Technical College System, Microsoft Office training, OSHA courses, or DWD Fast Forward, unless the program timeline does not coincide with business needs.

Eligibility Factors

Evaluation of all WEDC training grant applications will include, but are not limited to, the following factors:

- Training shall be related to a specific project that is not part of routine operations
- Whether the project will be located in an economically distressed area
- Whether the project will be located in a rural area
- The financial soundness of the business

Eligible grant and matching training costs may include the wages of employees participating in the training, training materials, and trainer costs.

Ineligible training costs (both grant and match) include travel, meals, lodging and training that addresses any of the following:

- Orientation
- Non job-related training
- State or federally mandated programs
- Routine training not related to a specific project

Grant Award Conditions

- Training may be on- or off-site
- Grant funds may not be used for past costs.

Incentives and Available Funding (FY22): This program is not being funded in FY22.

The incentives in this program are grants of 50% of eligible training costs, or up to 75% in Designated Rural Counties or Opportunity Zones. The maximum grant amount is calculated by multiplying the number of employees expected to be trained by \$5,000.

Activities and Expected Outcomes:

WEDC does not anticipate any program activities or outcomes during FY22.



Performance Reporting:

Recipients will be required to annually submit a performance report documenting job training as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2017 | Expanded eligible training activities to include leadership development |
| 7/1/2017 | Simplified eligibility factors and ineligible training costs |
| 7/1/2017 | Eliminated unnecessary position maintenance period requirement and jobs references |
| 7/1/2019 | Clarified method to calculate grant amount; reduced match in a Designated Rural County or Opportunity Zone; clarified performance reporting requirements |
| 7/1/2020 | Placed temporary suspension on program activities and funding during FY21 |
| 7/1/2021 | Placed temporary suspension on program activities and funding during FY22 |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ **Date** Click or tap to enter a date.

Division Vice President: _____ **Date** Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ **Date** Click or tap to enter a date.

WISCONSIN
ECONOMIC DEVELOPMENT

IMPACT MAP



• Single award
• Multiple awards

Number of Awards

- 0 - 10 awards
- 10 - 50
- 50 - 100
- More than 100

2 Select your impact

Type of Impact

Variable: Number of Awards

The total number of awards within the currently selected regions.

3 Filter your data

Agency: All

Fiscal Year: All

Industry: All

Award Type: All

4 Generate your report

Create Report

Clicking the following will create reports for the whole state using the current filters. Click on a project or region for focused reports.

Create PDF file

Details

Welcome to the Impact Map

Using the map is as easy as 1, 2, 3, 4

Click anywhere to go to the map

Esri, HERE, Garmin, USGS, EPA, NPS | Esri, HERE, NPS

While WEDC strives to provide the most accurate information available, the data on this map has been compiled from multiple sources and the location of some awards is approximate, sometimes appearing in the center of an identified geography.

<https://wedc.org/inside-wedc/program-outcomes/impact-map/>

WISCONSIN
ECONOMIC DEVELOPMENT

ANNUAL REPORT



ANNUAL REPORT ON ECONOMIC DEVELOPMENT SEARCHABLE DATA

Active records

This page lists active and recently finalized awards. After one year, recently finalized WEDC awards are retired to [the archived awards page](#).

Search: Show entries First Previous 1 2 3 4 5 ... 387 Next Last

| Award Status | Agency <small>Select...</small> | Year <small>Select...</small> | Recipient | Municipality | County | Program | Amount | Industry - NAICS | Links |
|--------------|------------------------------------|----------------------------------|--------------------------------------|--------------|----------|--|----------|------------------|----------------------------|
| | DATCP | 2021 | 45 Mercantile | Antigo | Langlade | Buy Local, Buy Wisconsin Grant Program | \$35,000 | | See on Map |
| | DATCP | 2022 | Adams County Fair | Friendship | Adams | County & District Fairs State Aid | \$3,604 | | See on Map |
| | DATCP | 2021 | Agropur Dairy Cooperative | Luxemburg | Kewaunee | Grow Wisconsin Dairy Processor Grants | \$30,800 | | See on Map |
| | DATCP | 2022 | Alpine Slicing and Cheese Conversion | Monroe | Green | Grow Wisconsin Dairy Processor Grants | \$15,000 | | See on Map |
| | DATCP | 2019 | Anderson's Maple Syrup | Cumberland | Barron | Buy Local, Buy Wisconsin Grant Program | \$48,000 | | See on Map |
| | DATCP | 2020 | Apiary Outreach | Madison | Dane | Specialty Crop Block Grant | \$60,775 | | See on Map |
| | DATCP | 2021 | Arena Cheese Inc | Arena | Iowa | Grow Wisconsin Dairy Processor Grants | \$10,000 | | See on Map |
| | DATCP | 2022 | Ashland County Fair Association | Marengo | Ashland | County & District Fairs State Aid | \$3,272 | | See on Map |

<https://wedc.org/inside-wedc/program-outcomes/annual-report/>

WISCONSIN
ECONOMIC DEVELOPMENT

COMMERCE AWARDS



ANNUAL REPORT ON ECONOMIC DEVELOPMENT SEARCHABLE DATA

Active Commerce records

This page lists active and recently finalized awards. After one year, recently finalized Commerce awards are retired to [the archived awards page](#).

| Award Status | Recipient | Recipient AKA | Award Date | Municipality | County | Program | Award Type | Amount | Industry | Deliverables | Planned Jobs Created | Actual Jobs Created | Planned Jobs Retained |
|--------------|---------------------------|---------------|--------------------|--------------|-----------|--------------------------------|---------------------|--------------|-------------------------------------|---------------------------|----------------------|---------------------|-----------------------|
| Active | 1stGiG.com | | October 17, 2010 | Madison | Dane | Qualified New Business Venture | Investor Tax Credit | \$250,000 | Technology - Information Technology | Private Sector Investment | 0 | 0 | 0 |
| Active | 2452 KK, LLC | | April 17, 2011 | Milwaukee | Milwaukee | Midwestern Disaster Area Bond | Bonding Authority | \$10,920,000 | Real Estate | Bond Issuance | 13 | 0 | 0 |
| Active | 4imprint, Inc. | | August 4, 2008 | Oshkosh | Winnebago | Enterprise Development Zone | Tax Credit | \$460,000 | Retail | Job Creation/Retention | 107 | 35 | 0 |
| Active | 524 N Koeller Street, LLC | | June 2, 2010 | Oshkosh | Winnebago | Midwestern Disaster Area Bond | Bonding Authority | \$1,400,000 | Real Estate | Bond Issuance | 13 | 0 | 0 |
| Active | 5D Research Inc. | Sharendipity | September 20, 2009 | Madison | Dane | Qualified New Business Venture | Investor Tax Credit | \$175,000 | Technology - Information Technology | Private Sector Investment | 0 | 0 | 0 |

<https://wedc.org/inside-wedc/program-outcomes/commerce-awards/>

DEPARTMENT OF ADMINISTRATION (DOA) PROGRAM NARRATIVES

Secretary: Kathy Blumenfeld
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Program

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)-COMMUNITY DEVELOPMENT

Inception

Title I of the Housing and Community Development Act of 1974

Program goal

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

To achieve these goals, CDBG regulations define eligible activities and the national objectives that each activity must meet. For each CDBG project that it funds, the Division of Energy, Housing and Community Resources (DEHCR) must ensure that it meets at least one of the following national objectives and that each project is an eligible activity as defined by the U.S. Department of Housing and Urban Development (HUD).

The HUD national objective category must be identified in the application prior to the award of funding. The three national objectives are:

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

Program description

CDBG - Community Development programs include:

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

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

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

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

Program

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)-COMMUNITY DEVELOPMENT (CONTINUED)

Program activity

CDBG - PF:

- 35 communities assisted
- 48,245 persons served

CDBG - PLNG:

- 2 communities assisted
- 8,445 persons served

Since CDBG data are compiled at contract closeout and reported on the program-year basis, performance data do not reflect the time period covered by the state fiscal year, but rather are based on HUD's program year of April 1, 2021 to March 31, 2022.

Eligibility requirements

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

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

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

Recommended changes

None

Program

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) – ECONOMIC DEVELOPMENT

Inception

Title I of the Housing and Community Development Act of 1974

Expected outcomes

15 jobs created/retained

Program goal

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

To achieve these goals, CDBG regulations define eligible activities and the national objectives that each activity must meet. For each CDBG project that it funds, DEHCR must ensure that it meets at least one of the national objectives and that each project is an eligible activity, as defined by the HUD national objective category must be identified in the application prior to the award of funding.

The three national objectives are:

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

Incentives and available funding
\$2,570,548 in total funding available

Program description

CDBG - Economic Development programs include:

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

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

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

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

Program

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) – ECONOMIC DEVELOPMENT (CONTINUED)

Program activity

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

CDBG - ED:

- 0 communities assisted
- 0 jobs created

CDBG - PFED:

- 1 community assisted
- 15 jobs created

Since CDBG data are compiled at contract closeout and reported on a program-year basis, performance data do not reflect the time period covered by the state fiscal year, but rather are based on HUD's program year of April 1, 2021, to March 31, 2022.

Eligibility requirements

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

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

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

Recommended changes

None

DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION (DATCP) PROGRAM NARRATIVES

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Program

BEGINNING, MINORITY AND UNDERSERVED FARMER ASSISTANCE

Inception

2008

Expected outcomes

New program activities are under development.

Program goal

Provide beginning and minority farmers with outreach and referrals to technical assistance and resources for business development and risk management in order to improve their sustainability, resilience and profitability.

Incentives and available funding

General purpose revenue, federal grants

Program description

Entity served: Individual beginning and minority farmers

Type of assistance: Technical and referral

Program activity

Beginning and underserved farmers have increased access to existing programs and services. New program activities are being considered for development as funding and resources become available.

Partnership development, farmer engagement and network building have been a main focus over this past fiscal year. However, in addition to these efforts, many new programs have been developed and implemented, including listening sessions, informational webinars, and workshops and field days organized and promoted to beginning, minority and underserved growers, with presenters speaking in Hmong or interpretation services provided. Topics of events include: organic certification and the new OTECP program; business planning and farm financials, accessing grants and loans; and high tunnel production and the Environmental Quality Incentives Program. In total, 67 beginning, minority and underserved farmers attended in-person events held in FY22 and more than 100 attended virtual webinars in FY22.

In addition to educational opportunities, this program has provided support to learn about and attend conferences including the Midwest Organic Conference and the Organic Vegetable Production Conference. This program sponsored and assisted 10 Hmong farmers in attending conferences, with plans to increase the number in future years.

Future programming includes field days on produce safety with mock audits, rice production in Wisconsin, cover crops, use of small machinery, mushroom production and weed control.

Eligibility requirements

Eligibility requirements are under development and planned for implementation.

Recommended changes

Establishment of an appropriation for development of program services and administration is needed to fully resource this initiative.

Program

BUY LOCAL, BUY WISCONSIN GRANT PROGRAM

Inception

2008

Expected outcomes

- Project demonstrates that it will increase the purchase of Wisconsin food products for sale to local purchasers and includes a way to measure the increase that is directly related to project work
- Project demonstrates economic development in the form of new/retained jobs, new investment, increased sales, etc.
- Project shows broad impact by benefiting the local food industry and/or the public rather than a single organization, institution, individual or commercial product
- Project directly impacts community development through expanded community leadership, increased social capital, more effective nonprofit and/or community-based organizations and/or improved quality of life
- Project clearly demonstrates a return on project investment by providing a direct benefit to local food producers and local markets
- Will build supply chain infrastructure for strengthening Wisconsin's local food system
- Builds a competitive advantage for Wisconsin agriculture

Program goal

The Buy Local, Buy Wisconsin Grant Program is an economic development grant program designed to help the Wisconsin agricultural and food industry find ways to improve food production, processing, marketing and distribution with the ultimate goal of expanding Wisconsin's local food system. The grant program seeks to increase awareness and consumption of locally produced foods and related products and to increase the production and improve the distribution of local foods and related products.

Incentives and available funding

The program had \$200,000 allocated for grant awards in fiscal year 2022. Projects must be concluded within three years of contract start date. The maximum grant award is \$50,000 per project.

Program description

Funding source: general purpose revenues

Since 2008, 90 projects have been funded in the areas of infrastructure development, market development, agriculture tourism, producer development and many more. The average grant award is \$25,000-\$30,000 and goes to entities with a defined project that will increase sales of local foods and benefit the local food industry as a whole.

Program

BUY LOCAL, BUY WISCONSIN GRANT PROGRAM (CONTINUED)

Program activity

In FY22, 12 projects were chosen with \$200,000 in awarded funds.

- More than \$13.5 million in new local food sales
- More than \$5.9 million in new investments
- Return on investment greater than 9:1
- 158 new jobs created
- 189 jobs retained
- 4,883 producers and 4,909 Wisconsin markets benefited

Eligibility requirements

Proposals are accepted from individuals, groups, businesses and organizations involved in Wisconsin agriculture, Wisconsin food processing, Wisconsin food distribution, Wisconsin food warehousing, Wisconsin retail food establishments or Wisconsin agricultural tourism. Proposals may involve collaborations or partnerships among producers, food businesses, industry, academia or organizations. Applicants may cooperate with any public or private organization. Projects with broad-reaching impacts will receive higher consideration. Projects should benefit the local food industry and/or the public rather than a single organization, institution, individual or commercial product. Proposed projects should be driven by or supported by local food producers. DATCP may not make more than one grant award to the same person in the same state fiscal biennium. Grant applicants must provide cash or in-kind match equivalent to or greater than 50% of total project cost (1:1 match).

Recommended changes

None

Program

COUNTY & DISTRICT FAIRS STATE AID

Inception

1950

Expected outcomes

All 74 eligible fairs will request and receive state aid.

Program goal

Provide aid to county and district fairs that pay premiums to exhibitors.

Incentives and available funding

\$456,400 was available for equitable distribution among the eligible county and district fairs.

Program description

State aid is paid based on a formula established by the Legislature in Wis. Stat. §93.23(1) (a). Premiums are paid to Junior, Open, and Senior Citizen classes, with a \$10,000 maximum for each fair. The money is to be paid to eligible fairs by request only.

Program activity

73 county and district fairs received state aid in FY22.

Eligibility requirements

State aid paid to each fair is based on premiums paid in the current fair season. One fair per county receives funding, as designated by the county board. Also eligible is any fair that received state aid in 1950, as long as they continue to operate a fair each year in conformity with the applicable law and regulations.

Recommended changes

None

Program

EXPORT EXPANSION GRANT

Inception

2021 funding was distributed in accordance with the provisions in Wisconsin 2021 Act 92.

Expected outcomes

Projects must meet one or more of the following objectives:

- Cultivate new-to-export and emerging export agribusinesses
- Build exporting capacity and knowledge of the industry
- Increase understanding of foreign markets and consumers
- Make products export ready or develop products for specific export markets
- Promote Wisconsin products in foreign markets

Program goal

The objective of the grant program is to accelerate export growth of Wisconsin dairy, meat and crop products through export expansion projects.

Incentives and available funding

In FY22, \$564,584 was awarded to 13 organizations.

Program description

Projects are selected based on scope, impact and export growth potential for milk and dairy products; meat, including poultry, fish and meat products; and crop and crop products.

The intent is for agribusiness industry organizations, economic development organizations and academic institutions to develop innovative and impactful projects to provide strategic and long-term growth of Wisconsin agricultural exports and exporters.

Program activity

17 applications were received in 2022 and 13 projects were selected for funding.

Eligibility requirements

An applicant must:

- be a nonprofit organization located in Wisconsin currently serving or demonstrating the ability to serve Wisconsin agribusiness companies; and
- demonstrate the capacity to receive, manage and report on the projects that meet the grant objectives

Recommended changes

Increase dairy grants to \$100,000

Program

FARM TO SCHOOL AND INSTITUTIONS (F2S)

Inception

2009 (Act 293)

Expected outcomes

Increased resiliency in food supply chains to communities through essential institutions: educational, medical, early childhood care and elderly care feeding programs, food banks and food pantries; increased and equitable local food access through school and institutional meal and snack programs and increased access to this market for Wisconsin's food producers; increase in market share of school and institution meals for local food producers and processors

Program goal

The F2S program strengthens local economies by increasing the purchases of Wisconsin-grown and produced food products for sale to Wisconsin schools, either directly from the producer or through traditional distribution channels, thereby expanding markets for Wisconsin agricultural producers and food entrepreneurs. The F2S program connects Wisconsin food businesses to school food buyers to provide children with locally produced fresh fruits and vegetables, dairy products, proteins and grains to be served in breakfast, lunch and snack programs; helps children develop healthy eating habits; provides nutritional and agricultural education; and improves farmers' incomes and access to markets.

Incentives and available funding

Specialty Crop Block Grant: \$25,000

Researching value-added produce supply chains for school and institutional markets: Project completed in June 2022 to pilot processing and sampling of 8,000 pounds of school-friendly products to 15,000 students in 119 schools. The project resulted in several schools transitioning potato purchases to Wisconsin from Idaho. UW Extension Food Wise Harvest of the Month partnered to share best practices, educational materials and services. UW Extension Food Wise provided the F2S education; DATCP provided the procurement connections.

Program administration: \$90,600

Appropriated under s. 20.115 (3) (at), Stats. s. 93.49, Stats. to fund one full-time equivalent staff at DATCP for program administration.

Program

FARM TO SCHOOL AND INSTITUTIONS (F2S) (CONTINUED)

Program description

- Serves food purchasing organizations and institutional markets
- Offers technical assistance and coordination
- Funding source: General purpose revenue for program expenses, Wis. Stat. §20.115(3) (at). Appropriation for FTE to manage program administration and oversight
- Targets producers, processors, distributors, food service management companies, school food service, early care centers, food assistance organizations
- Eligible activities: Local procurement for institutional cafeterias, institutional gardens, nutrition and agriculture education and activities that engage the public, supply chain development

The F2S program engages with industry partners including the Farm to School Advisory Council, which includes standing members from the Department of Public Instruction (DPI), the Department of Health Services and DATCP.

Program activity

FY22 F2S activities:

- 181,000 Wisconsin students participated in the Great Lakes apple crunch.
- 64,500 chili lunch participants
- Supported the Tribal Elder Food Box Program: With the support of federal funding, a pilot Tribal Elder Food Box program sourced 192,000 pounds of produce and 21,000 pounds of proteins and delivered the boxes to elders in nine Wisconsin tribal nations. Indigenous producers provided 41% of the food. DATCP participated to better understand needs and opportunities specific to tribal communities. Knowledge gained will inform future programming.
- Supported supply chain connections for Feeding Wisconsin's network in the implementation of federally funded programs.
- Worked with key supply chain and school food service stakeholders to create partnerships in local supply chain development and procurement.
- Hosted Marketplace meetings: A collaboration between DATCP and DPI provided technical assistance, introductions and connections around relationship-based procurement for more than 100 local food businesses and Wisconsin food service directors.
- Engaged processors and distributors with a \$25,000 Specialty Crop Block Grant to develop minimally processed Wisconsin fruit and vegetable products to assist school food service in meeting the food and service needs in response to the COVID-19 pandemic. Sampled 8,000 pounds of Wisconsin organic potatoes and sweet potatoes to 119 Wisconsin schools, providing samples to more than 15,000 students.
- Provided education to farmers, food bank and pantry partners and school food service directors on opportunities in Wisconsin for farm-to-school and institution developments.

Program

FARM TO SCHOOL AND INSTITUTIONS (F2S) (CONTINUED)

Eligibility requirements

Eligible activities:

F2S technical assistance for:

- Wisconsin local food producers and local food businesses working with school and institutional markets
 - School and institutional food buyers
 - State agencies, nonprofit organizations, for-profit businesses working in child health, community wellness, as well as food production, processing, distribution and packaging and storing,
1. Identify needs and opportunities, seek to reduce impediments to farm-to-school and institution activities and develop equitable supply chains to schools and institutions providing food for Wisconsin children.
 2. Advise and collaborate with other state agencies and local agencies on actions to promote farm-to-school.
 3. Promote communication between Wisconsin producers, processors, distributors, buyers for schools, hospitals, early care and senior care, feeding programs, food banks and pantries, and college campus kitchens.
 4. Conduct training and provide technical assistance for institutional food service personnel and directors, school staff partners, producers, processors, food distributors, buyers, and supply chain development projects.
 5. Promote farm-to-school programs through public education.
 6. Provide information on the internet pertaining to Wisconsin F2S.
 7. Administer the Farm to School Advisory Council.

Recommended changes

Provide \$200,000 for Wis. Stat. §20.115(4)(as), farm-to-school grants. These grants would serve approximately 855,000 students annually, promoting supply chain partnerships, supporting infrastructure needed to increase statewide procurement, and incentivizing purchases of Wisconsin foods. Grant funds will support schools in establishing sustainable local food purchasing practices and help meet the rapidly increasing needs of food insecure communities for which school meal programs are an essential source of fresh, locally grown food.

Program

GROW WISCONSIN DAIRY PROCESSOR GRANTS

Inception

The former 20x20 program was transferred to DATCP from the Department of Commerce in 2012. Funding for the Dairy Processing Plant Grant Program is under Wis. Stat. §20.115(4)(dm), and the authority is under §93.40. The program is under § ATCP ch. 161, Subch. VI

Expected outcomes

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

Program goal

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

Incentives and available funding

A total of \$400,000 was available for grants in FY22. Grants of up to \$50,000 were available.

Program description

The Dairy Processor Grant is designed to provide access to services and resources for proposed dairy processing plant projects that enhance or develop the current business, solve an existing problem or concern at the plant, improve production or profitability and/or help the processor innovate.

Projects could include multiple aspects from the following areas:

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

Program activity

43 applications were received in 2022 and 19 projects were selected for funding.

Eligibility requirements

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

Recommended changes

None

Program

MEAT PROCESSOR GRANT

Inception

Funding for the Meat Processor Infrastructure Grant Program is under Wis. Stat. §20.115(4)(f), and the authority is under §93.68(1).

Expected outcomes

- Expand efforts to provide assistance with professional services costs related to siting, engineering, design, layout of new facilities or production lines
- Any project that can be shown to increase an establishment's harvest capacity by 20% or more per year
- Any project that can be proven to increase meat or meat product production that shows a benefit to harvest capacity within the supply chain

Program goal

The overall goal of the Meat Processor Infrastructure Grant is to grow Wisconsin's meat industry and improve the long-term viability of the livestock sector through services to meat processing establishments.

Incentives and available funding

A total of \$200,000 was available for grants within the program for FY22. Grants of up to \$50,000 were available.

Program description

DATCP's Meat Processor Infrastructure Grants are available to new or existing processors. The grant is designed to provide access to services and resources for proposed meat processing establishment projects that grow or develop the current business's harvest or throughput capacity, improve production or profitability, and/or help the processor answer capacity and/or production bottlenecks and challenges.

Program activity

100 applications were received and five projects were selected for funding.

Eligibility requirements

An applicant must or will operate a licensed meat processing establishment, be engaged in livestock harvest and/or further processing (sausage, cured meats or other value-added meat manufacturing) which is located in Wisconsin.

Recommended changes

None

Program

ORGANIC CERTIFICATION COST-SHARE PROGRAM

Inception

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

Expected outcomes

DATCP provides outreach with the goal of receiving applications from at least 50% of the state's certified producers and processors.

Program goal

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

Incentives and available funding

\$552,206 was available for rebates in FY22.

Program description

The USDA National Organic Program provides each state with funds to reimburse organic certified farmers and processing companies for up to 50% of their certification costs. Rebates cannot exceed \$500 per scope of certification.

Program activity

754 entities received a rebate in FY22.

- \$483,075 was distributed in rebates
- 42% of Wisconsin's 1,789 certified organic operations* received a rebate in FY22.

*USDA Organic Integrity Database year-to-date, July 2022

Eligibility requirements

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

Recommended changes

None

Program

SPECIALTY CROP BLOCK GRANT

Inception

Federal Specialty Crop Competitiveness Act of 2004

Expected outcomes

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

- Increasing consumption and consumer purchasing of specialty crops
- Increasing access to specialty crops and expanding specialty crop production and distribution
- Increasing food safety knowledge and processes
- Improving pest and disease control processes
- Developing new seed varieties and specialty crops
- Expanding specialty crop research and development
- Improving environmental sustainability of specialty crops

Program goal

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

Incentives and available funding

Funding is allocated annually to states through the federal Farm Bill and changes each year based on each state's sales and planted acreage of specialty crops. Projects range from \$10,000 to \$100,000 annually. In FY22, 14 awards were given, totaling more than \$1.2 million.

Program description

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

Program activity

During FY22, 63 grants were open and managed. About 73% of projects are research-based, with about 16% education and 11% market development. The majority of projects are run by the University of Wisconsin System and Wisconsin's larger growers association groups, with some smaller nonprofit and private entities implementing projects as well.

Eligibility requirements

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

Recommended changes

None

Program

WISCONSIN INTERNATIONAL AGRIBUSINESS CENTER (IABC)

Inception

1986, authorizing statute §93.42

2022, Agricultural Export Program - Wisconsin Initiative for Agricultural Exports (WIAE) §93.425

2022, Funding for Dairy Export Grants - §20.115 (3) (h), loans for rural development

Expected outcomes

- Export sales and anticipated sales generated by Wisconsin companies as a result of IABC services: \$20 million
- The IABC assisted Wisconsin companies in accessing federal funding to defray international marketing expenditures. (Funding allocations are on a calendar year basis; however, actual federal funds utilized as part of the program are based on fiscal year): \$1 million
- Number of companies expected to receive export development services from IABC staff: 150
- WIAE: Total of 35 companies and four organizations
 - Trade promotion activities: three events, 23 Wisconsin companies participating
 - International market access grant support: 12 companies
 - Export expansion grants: four organizations

Program goal

The IABC accesses federal and state funds to help Wisconsin food, forestry and agricultural companies grow their exports. WIAE per Wisconsin Statute 93.425 – Beginning in 2022, the IABC:

“shall cooperate with the Wisconsin Economic Development Corporation to achieve all of the following export objectives by June 30, 2026:

- *Increase the value of this state’s milk and other dairy product exports by at least 25% over the value as of Dec. 31, 2021.*
- *Increase the value of this state’s meat, including poultry, fish, and meat product exports by at least 25% over the value as of Dec. 31, 2021.*
- *Increase the value of this state’s crop and crop product exports by at least 25% over the value as of Dec. 31, 2021.*

Of the funds appropriated under §20.115 (3) (b), the center for international agribusiness marketing shall ensure that \$2,500,000 is expended for the objective specified in sub. (2) (a), \$1,250,000 is expended for the objective specified in sub. (2) (b), and \$1,250,000 is expended for the objective specified in sub. (2). The center may not expend more than \$1,000,000 under the program in any fiscal year.”

Program

WISCONSIN INTERNATIONAL AGRIBUSINESS CENTER (IABC) (CONTINUED)

Incentives and available funding

Eligible businesses can access numerous programs including:

- One-on-one consultations to identify strategies to reach out to customers in other countries
- Education workshops that cover a wide range of topics, from exporter basics and market characteristics to detailed sessions on trade regulation, tariffs and insurance
- Customized export assistance on export regulations, product and facility registration and other issues affecting exporting food, forestry and agricultural products
- Scheduling one-on-one meetings with interested buyers
- Trade show enhancement services, which may include pre-show feedback on competitors, translation of company profile, on-site interpreters, prearranged meetings with potential buyers, site visits to local retailers, in-market seminars and follow-up assistance
- Trade missions that provide the opportunity to develop firsthand market knowledge through coordinated individual and group programs and to attend scheduled one-on-one meetings with qualified buyers and government officials
- WIAE support for the WEDC International Market Access Grants to food, forestry and agriculture companies, of \$10,000 to \$25,000 per state fiscal year
- DATCP Export Expansion Grants – WIAE funded: up to \$50,000 for nonprofit organizations for projects to assist food, forestry and agriculture companies to grow exports

Program description

- Serves Wisconsin's food, forestry and agricultural product companies
- Program offers technical expertise and market development initiatives
- Funding sources: state and federal
- Target: Wisconsin agribusinesses interested in or already exporting
- Eligible activities: technical assistance, market research, trade promotion activities, market development
- WIAE financial support: Support for food, forestry and agriculture companies applying for WEDC International Market Access Grants (IMAGs), ExporTech™ tuition support for agriculture companies in NAICS category 11 (agriculture, hunting and fishing), Export Expansion Grants for nonprofit organizations to assist food, forestry and agriculture producers and processors that grow Wisconsin's exports of dairy, meat and crop products.

IABC provides technical expertise, trade promotion activities (international trade shows, trade missions, inbound buyer missions and social media campaigns) supporting Wisconsin's food, forestry and agricultural companies to aid the growth of Wisconsin agriculture through increased exports and the development of trade-enhancing partnerships. Funding sources are WIAE and federal funding sources including but not limited to: USDA (Food Export Association, U.S. Livestock Genetics Export Association, Federal-State Marketing Improvement Program, American Hardwood Export Council, Soft Wood Export Council) and the Small Business Administration State Trade Expansion Program Grants made available through WEDC.

The IABC staff uses client feedback, global trends and market and export data to establish criteria for identifying target markets and activities. The IABC works with its counterparts on the WEDC Global Trade and Investment team on mutually beneficial projects.

Program

WISCONSIN INTERNATIONAL AGRIBUSINESS CENTER (IABC) (CONTINUED)

Program activity

- Total export sales and anticipated sales generated by Wisconsin companies as a result of IABC services: \$8,237,623
- Export sales reported by Wisconsin companies as a result of IABC services: \$1,268,823
- Anticipated increase in export sales (within 12 months of date reported) generated by Wisconsin companies as a result of IABC services: \$6,968,800
- The IABC assisted 20 Wisconsin food and food processing companies in accessing federal funding to defray international marketing expenditures. (Funding allocations are on a calendar year basis; however, actual federal funds utilized as part of the program are based on fiscal year): \$1,315,352.79
- Anticipated number of jobs created or retained as a result of services: 69 based on actual and anticipated export sales
 - (Calculation: \$1 million in agricultural exports creates or retains 8.4 jobs source: USDA's Economic Research Service)
- Additional economic activity: \$10.71 million based on actual and anticipated export sales
 - (Calculation: \$1 million in agricultural exports generates \$1.3 million in additional domestic economic activity; source: USDA's Economic Research Service)
- Number of companies receiving export development services from IABC staff: 159 companies received more than 1,007 services.
- Agricultural industry stakeholder engagements: 1,205
- WIAE outcomes
 - Trade promotion activities - four, assisting 20 companies
 - IMAG - 11 companies assisted, \$110,000* granted
 - Export Expansion Grants - 13 nonprofit organizations assisting multiple companies, \$564,584* granted

**Note: \$20,000 funding for IMAG and \$277,098 for export expansion is from funding for grants to promote dairy exports from §20.115 (3) (h), loans for rural development.*

Eligibility requirements

Wisconsin-based businesses producing, processing or distributing for export food, forestry and agricultural products

Recommended changes

The IABC will continue outreach efforts to Wisconsin food and agriculture companies and collaborate with industry, state and federal organizations to increase awareness of programs and participation in export activities.

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June 7, 2022

Melissa L. Hughes, Secretary and CEO
Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703

Subject: FY 2022 Report on Economic Development

Dear Secretary Hughes,

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

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

Please let us know if you have any questions.

For Preston D. Cole
Secretary

cc: Sarah Barry
Steven Little
Jim Ritchie
Cheryl Heilman
Sean Kennedy

WISCONSIN DEPARTMENT OF TOURISM (TOURISM) PROGRAM NARRATIVES

Secretary: Anne Sayers

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Program

JOINT EFFORT MARKETING (JEM) GRANT

Inception

1975

Expected outcomes

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

Program goal

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

Incentives and available funding

\$1,130,000 per fiscal year

Program description

JEM Grants provide partnership funding to help nonprofit Wisconsin organizations promote tourism in their areas, e.g., destination marketing, new events, sales promotions, existing events and one-time/one-of-a-kind events. Projects must show that they will generate an increase in visitors and make a positive economic impact in the local area. The advertising plan must be consistent with the current statewide marketing plan and target markets beyond the local area. Applications are reviewed five times a year. Destination marketing deadlines are April 1 and Sept. 1. All other categories adhere to application deadlines of Feb. 1, April 1, Aug. 1 and Nov. 1.

Program activity

49 projects received awards in FY22.

Eligibility requirements

Statutory requirements (Ch. 41.17)

Program

JOINT EFFORT MARKETING (JEM) GRANT (CONTINUED)

At least \$1.13 million must be awarded annually.

Any public or private nonprofit organization, including a tribal organization of a federally recognized American Indian tribe or band in Wisconsin, is eligible to apply.

Tourism can reimburse up to 75% of a project's first-year promotional costs, but no more than 50% of the total budget. In subsequent years, up to 50% of the promotional costs for the second year and 25% for the third year may be allowed in some categories.

A certain percentage of the grants must be matched through cash or in-kind contributions.

Grants fund only marketing expenses, e.g., email marketing, print and broadcast ads, direct mail, publicity and billboards. Grant funds may not be used for operational costs.

Administrative rulemaking (Ch. Tour 1)

- An eligible applicant may submit an application no less than 90 days prior to the first date advertising is scheduled to begin.
- The JEM Committee reviews all applications and makes funding recommendations to the department's secretary.
- An applicant shall submit a written evaluation of the project within 45 days of completion of all project activity in such form as the department may require. Of the total award amount, 10% is withheld until a suitable evaluation is submitted.
- Contracts are terminated if evaluations and project invoices are past due.

Underwriting criteria

- Applicant originations must be tourism-related Wisconsin nonprofit organizations.
- The application process is competitive.
- Contractual obligations for ongoing JEM projects must be met before any new contracts will be issued.

Recommended changes

None

Program

MEETINGS MEAN BUSINESS (MMB) GRANT PROGRAM

Inception

2010

Expected outcomes

More than \$5.27in projected visitor expenditures for FY22 grants.

Program goal

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

Incentives and available funding

\$110,000 annually

Program description

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

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

The fund has \$110,000 per year available for matching grants. Destinations may apply for 50% of the costs for convention facility rental, in-community convention transportation and/or host costs, up to a maximum of \$30,000 per fiscal year (July 1-June 30). Applications are reviewed three times annually. The deadlines are January 1, April, 1 and September 1 at 11:59 PM.

Program activity

7 MMB grants were awarded in FY22.

Eligibility requirements

- Applications must be submitted to the Wisconsin Department of Tourism through a recognized Wisconsin destination marketing organization (e.g., convention and visitors' bureau or chamber of commerce) and must be signed by the director or president of that organization.
- Organizations receiving funding through this program may not also request funding from the JEM Grant Fund for the same event during the same fiscal year.
- This grant does not fund in-state events that are regularly scheduled or that routinely rotate to destinations within the state.

Recommended changes

None

Program

READY, SET, GO! (RSG) GRANT PROGRAM

Inception

2006

Expected outcomes

FY22 RSG grants are projected to generate approximately \$14.6 million in visitor expenditures.

Program goal

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

Incentives and available funding

\$110,000 annually

Program description

The RSG grant program generates visitor spending by securing or creating competitive sporting events with a structure that both draws a spectator/athlete base for the event and creates an economic impact for the area.

The program is designed to assist destinations in securing competition-related events that require an up-front financial commitment. Grant funding may be used for bid/commitment fees paid directly to the event holder, financial commitments needed to secure a venue or municipal services for an event.

The department provides \$110,000 for RSG grants each fiscal year (July 1-June 30).

Applications are reviewed three times annually. The deadlines are January 1, April 1 and September 1 at 11:59 PM.

Program activity

7 awards were funded in FY22.

Eligibility requirements

- Destinations may request 50% of the bid/commitment fee or 50% of the venue/municipal fees, up to a maximum of \$30,000 per fiscal year.
- Applications must be submitted to the Wisconsin Department of Tourism through a recognized Wisconsin destination marketing organization (e.g., convention and visitors bureau or chamber of commerce) and must be signed by the director or president of that organization. Events that have been secured prior to the written grant application must be submitted at least 180 days prior to event. Organizations or events that are currently funded through statutorily required expenditures are not eligible for funding through RSG. Organizations requesting funding from the RSG Grant Fund are not eligible to also request funding from the JEM Grant Program for the same event during the same fiscal year.
- Events that have been hosted in Wisconsin previously will be considered for grant funding based on prior event evaluation and documented economic impact.

Recommended changes

None

DEPARTMENT OF TRANSPORTATION PROGRAM NARRATIVES

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Program

DISADVANTAGED BUSINESS ENTERPRISE (DBE) MOBILIZATION LOAN GUARANTY PROGRAM

Inception

As authorized by Wis. Stat. §85.25 (4), as created by 1987 Wisconsin Act 399, the purpose is to establish a program to assist disadvantaged businesses in obtaining working capital in order to participate in construction contracts with the Wisconsin Department of Transportation (WisDOT).

Expected outcomes

Secure one to five mobilization loans and guarantees for one to five DBE firms in 2022.

Program goal

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

Incentives and available funding

The initial grant made by the department is for \$406,963, providing that \$300,000 of this grant is to guarantee obligations entered by the American Indian Chamber of Commerce of Wisconsin (AICCW). Allowable expenses to be reimbursed are costs incurred with the development of the program and a one-time facility fee payable to the contractor in the amount of \$5,000. Program development costs shall not exceed \$15,000 and program delivery costs incurred through Dec. 31, 2022 shall not exceed \$30,000.

Program description

Conditions for the guarantee of a mobilization loan:

1. The total loan qualifies as a mobilization loan.
2. The total of the principal amounts of all loans extended to the borrower during a single year may not exceed 100% of the contract amount.
3. The rate of interest on the loan, including any origination fees or other charges relating to the loan, may not exceed a rate to be determined by the business development organization.
4. Upon completion of a contract with the department, the proceeds shall be co-paid to the lender and the disadvantaged business by the department. If the disadvantaged business is a subcontractor, the prime contractor shall co-pay the disadvantaged business and the lender.
5. The term of the loan shall be for a maximum of six months. If requested, an extension shall be considered on a case-by-case basis.
6. The proceeds of the loan shall only be used for new contract work with the department. Refinancings of prior contract work with the department are not eligible. Loans to any disadvantaged business may not exceed a total of \$250,000 within a 180-day period.
7. The business development organization shall guarantee repayment up to 90% of the principal of any mobilization loan eligible for guarantee. Any origination fees or other charges related to the loan can be financed; however, they may not be guaranteed by the business development organization.
8. The participating lender obtains a security interest in any machinery and equipment resulting from the use of the loan proceeds and an assignment of the contract proceeds from the department and the prime contractor for repayment of the loan.
9. A participating lender shall determine when a guaranteed loan is in default.

Program

**DISADVANTAGED BUSINESS ENTERPRISE
(DBE) MOBILIZATION LOAN GUARANTY
PROGRAM (CONTINUED)**

Program activity

As of Nov. 1, 2021, WisDOT retained First American Capital Corporation Inc. as the contractor and eligible lender/community development financial institution to provide businesses development services and the AICCW serving as the business development organization and providing the written guaranty on behalf of WisDOT for the bank providing the loan to the WisDOT DBEs seeking mobilization assistance.

Eligibility requirements

Conditions for eligibility of a disadvantaged business for a guarantee loan:

- (1) Any business applying for a guaranteed loan must be certified as a disadvantaged business by the department.
- (2) Any business applying for a guaranteed loan must have a current contract with the department or a current subcontract for work let by the department.
- (3) Any business applying for a guaranteed loan must have a demonstrated ability to perform the work of the contract or subcontract.

Recommended changes

None

Program

TRANSPORTATION FACILITIES ECONOMIC ASSISTANCE AND DEVELOPMENT (TEA) PROGRAM

Inception

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

Expected outcomes

The average cost per job cannot exceed the \$5,000 program maximum. Program compliance reporting also requires the submission of jobs reports to monitor and track actual job creation and retention versus promised/expected job numbers. This accountability goal must be at 100% compliance for the number of approved and awarded grants.

Program goal

The goal of the TEA Program is to create and retain jobs in Wisconsin by helping attract new businesses to the state and encouraging expansions at existing firms. The TEA Program allows for a flexible and expedited process of evaluating and approving road, rail, harbor and airport improvements that are essential to economic development projects. The TEA Program provides local units of government with grants of up to \$5,000 per job created or retained by a business to assist with the construction of public transportation infrastructure related to an economic development project.

Incentives and available funding

The TEA Program awards grants in the lesser amount of:

- 50% of the total project cost;
- \$5,000 per job created/retained; or
- \$1 million (maximum TEA award).

The biennial budget appropriation for the TEA Program is \$6,805,200.

Program description

Project costs not covered by the TEA grant are paid by the local unit of government. The annual budget for the TEA Program is \$3,402,500. Funding assistance is provided to communities in exchange for the guarantee of job creation or job retention for a seven-year period.

Applications are accepted year-round on a first-come, first-served basis. The TEA Program is a reimbursement program whereby the community (the sponsor) must cover 100% of all project costs up front before seeking reimbursement from WisDOT. The business development cannot be speculative.

From receipt of a complete application to approval, the grant review process takes up to 30 days to formally complete and make an award. Once a project has been approved and awarded, project construction needs to commence within three years of the date when the project agreement is executed.

Program

TRANSPORTATION FACILITIES ECONOMIC ASSISTANCE AND DEVELOPMENT (TEA) PROGRAM

Program activity

- Two grants were awarded totaling \$600,000.
- 120 jobs were created or retained.
- The average cost per job amounted to \$5,000.
- Total capital investment was nearly \$68 million.
- The total capital investment per grant dollar awarded was \$113.28.

Eligibility requirements

The TEA Program provides up to \$5,000 for each new job created. The job type must meet eligibility requirements to proceed to the application stage. Certain job types, such as retail stores, eating and drinking establishments, recreation and entertainment facilities, hotels and motels, are excluded from funding consideration.

The following transportation project improvements are eligible for funding assistance: street, road, highway, intersection and interchange improvements that are open to the public for travel and come under the jurisdiction or ownership of a public authority (all private roads, parking lanes or parking lots are excluded); rail projects to include an industrial lead, a spur, team track or trackside intermodal transfer facility; harbor/port improvements, to consist of dredging, dock walls, piers, intermodal connections and lighting; and airport improvements consisting of runway, taxiway, aprons and access service roads (airport hangars are excluded).

Recommended changes

None

DEPARTMENT OF WORKFORCE DEVELOPMENT (DWD) PROGRAM NARRATIVES

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Program

WISCONSIN FAST FORWARD (WFF)

Inception

2013 Act 9

Expected outcomes

The Office of Skills Development (OSD) has issued contracts for more than \$40 million in WFF grants to date, supporting more than 384 workforce training projects that are benefiting more than 794 businesses and more than 30,000 trainees at a low average cost of \$1,361 per trainee.

Program goal

WFF standard grant programs fund customized skills training for currently employed workers and job seekers through Wisconsin employers and their partners. The goals of WFF include:

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

The 2021-2023 Biennial Budget set aside funds for several grant programs. These programs were funded during FY22. Descriptions of these programs are included in the program activity section of this report.

Incentives and available funding

Grant awards for all sector grants range from \$5,000 to \$400,000 and require cash or in-kind match equal to 50% of the award amount. All grantees are limited to \$400,000 in WFF funds per calendar year.

Program description

The standard WFF program is designed to provide demand-driven worker training grants to employers in collaboration with training providers and their local workforce and economic development partners. The program accepts grant proposals for customized, short- and medium-term skilled worker training projects for all sectors. Qualifying proposals must be supported by current and projected labor market information, demonstrate the need for training, and state the intent to hire trainees or raise incumbent worker wages. The long-term goal of the program is to encourage statewide economic growth by assisting employers to train workers and fill positions, as well as to ensure meaningful economic advancement for trainees. The OSD administers the WFF program through a transparent and accountable process. Since program inception, OSD has awarded grants to support worker training demands in the following industry sectors and occupational areas:

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

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

Program

WISCONSIN FAST FORWARD (WFF)

Program activity

During FY22, OSD awarded standard WFF grant contracts totaling:

- Amount: \$4,866,179
- Number of grants: 36
- Number of trainees: 2,638
- Number of businesses: 64

In 2022, the University of Wisconsin System (UWS) was awarded a grant in the amount of \$1,133,821 to promote and coordinate internships in high-demand fields throughout the state. UWS will use WFF funds to incentivize private sector businesses in those fields to provide paid internships for students in Wisconsin.

EXPANDED WISCONSIN FAST FORWARD

During FY22, OSD also awarded grants under the programs initiated through the 2021-2023 state budget. These awards included:

- Technical Education Equipment Grant Program: This grant program was made available to Wisconsin school districts for the acquisition of equipment used in advanced manufacturing fields in the workplace, together with any software necessary for the operation of the equipment and any instructional material necessary to train pupils in the operation of the equipment. Grant amounts varied from \$5,000 to \$50,000. A total of 29 grants were awarded to school districts, for a total of \$1 million in awards.
- Teacher Training and Recruitment Grants: This grant opportunity was made available to organizations that operate under 501(c)(3) or 501(c)(4) of the Internal Revenue Code and are exempt from taxation that can demonstrate a critical need to recruit, train and prepare individuals to teach in low-income or urban Wisconsin schools. Three grants were awarded, totaling \$981,108.

Eligibility requirements

WFF grant opportunities are available to any public or private organization with documented workforce training needs in all industry sectors. Allowable expenditures include, but are not limited to, curriculum development, instructor/trainer costs, instructional materials and supplies, consultant fees, contractual services, facility costs, and administration costs up to 5% of the total project budget.

Recommended changes

The program continues to evolve as new funding is earmarked in the state budget and as the DWD leadership team develops its vision for Wisconsin Fast Forward. There are no other recommended changes at this time.



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August 24, 2022

Melissa Hughes, Secretary and CEO
Wisconsin Economic Development Corporation
P.O. Box 1687
Madison, WI 53701

Dear Secretary Hughes,

The University of Wisconsin (UW) System values its partnership with the Wisconsin Economic Development Corporation (WEDC) in advancing economic and talent development statewide. This strong collaboration is reflected in WEDC's section of the Annual Report on Economic Development (ARED), in which award and outcomes data are noted for initiatives enabled by WEDC funding, including those of UW System's Institute for Business & Entrepreneurship and other UW-led projects.

While the remaining UW System activity falls outside the scope of ARED, we appreciate the opportunity to highlight just a few of our additional contributions to economic development in Wisconsin.

In the most recent academic year, UW System institutions awarded degrees to nearly 37,000 graduates. With the average lifetime earnings of a bachelor's degree holder exceeding those of a high school graduate by \$1 million, a UW System education directly promotes an increase in household incomes and community prosperity. Nearly 90 percent of in-state UW System graduates stay in Wisconsin for at least five years after earning a degree, with a median salary of more than \$66,000.

UW System universities also contribute to the richness of Wisconsin's culture and economy with groundbreaking research, new companies and patents, and boundless creative intellectual energy. Overall, UW System research in FY20 totaled \$1.17 billion. Additionally, nearly one in three UW degrees are conferred in science, technology, engineering, mathematics, and health disciplines.

Furthermore, UW System is committed to connecting business and industry with university faculty, staff, and students to foster internships, innovation, and entrepreneurship, and to build stronger, more resilient communities. Information on UW System efforts in support of its mission of outreach and community service are highlighted in the [UW System Accountability Dashboard](#) and through the [UW System Office of Corporate Relations and Economic Engagement](#).

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Rothman".

Jay O. Rothman
President, UW System

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY (WHEDA) PROGRAM NARRATIVES

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Program

CHAPTER 234.65 – ECONOMIC DEVELOPMENT CONDUIT BOND ISSUE PROGRAM

Inception

Chapter 234

Expected outcomes

In FY23, no new originations are expected.

Program goal

WHEDA's Economic Development Conduit Bond Issue Program is intended to provide Wisconsin businesses financing that will create and retain jobs in the state of Wisconsin, and promote economic development in both rural and urban communities.

Incentives and available funding

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

Program description

WHEDA has the authority to issue up to \$150 million of economic development bonds in aggregate over the next four fiscal years. Sources of tax-exempt bond financing include Industrial Revenue Bonds.

Program activity

No bonds were issued for FY22.

Program

CHAPTER 234.65 – ECONOMIC DEVELOPMENT CONDUIT BOND ISSUE PROGRAM (CONTINUED)

Eligibility requirements

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

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

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

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

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

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

WHEDA shall also give preference to businesses:

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

Recommended changes

On Jan. 1, 2013, the Midwest Disaster Area Relief Bond Program expired, eliminating the primary resource for federal tax-exempt bonding using this bond issuance capacity.

WHEDA does not expect to see much activity in this program until another tax-exempt program can be matched with it.

Program

WISCONSIN DEVELOPMENT RESERVE FUND (WDRF) – AGRIBUSINESS PROGRAM

Expected outcomes

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

Program goal

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

Incentives and available funding

\$29.97 million in guarantee authority is available for all WDRF programs, including agribusiness guarantees.

Program description

Assist in the startup, acquisition or expansion of a business that develops products using Wisconsin's raw agricultural commodities. The term "raw agricultural commodity" refers to any agricultural, aquacultural, horticultural, viticultural, vegetable, poultry or livestock product produced in Wisconsin, including milk and milk products, bees and honey products, timber and wood products, or any class, variety or utilization of the products in their natural state.

Program activity

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

Program

WISCONSIN DEVELOPMENT RESERVE FUND (WDRF) – AGRIBUSINESS PROGRAM (CONTINUED)

Eligibility requirements

The business must start with a Wisconsin-grown, raw agricultural commodity and do one of the following:

- Create a product new to the business
- Expand production of an existing product that will increase the use of a raw agricultural commodity
- Enhance the efficiency of the business

The business must be unable to obtain conventional financing on reasonable terms.

The business must be located in Wisconsin in an area with a population of less than 50,000.

The business owner must be current in any child support payments and not in default on any WHEDA loans.

Loan proceeds can be used for any of these purposes:

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

The maximum guarantee is the lesser of 50% or \$600,000. The maximum guarantee terms are:

- Fixed assets, inventory and permanent working capital: Five years
- Amortization term may exceed the guarantee term but cannot exceed the useful life of the collateral
- Interest rate is set by the lending institution and is subject to WHEDA approval; variable rate loan may not exceed prime plus 2.75%
- Loan must be secured by assets being financed; additional collateral and personal guarantees may be required

The lender must first complete and submit an Agribusiness Guarantee Eligibility Form (Form 3). WHEDA will determine eligibility status and will issue a decision within one business day. If found eligible, the lender shall complete and submit a Loan Guarantee Application (Form 4) within 90 days. WHEDA will then review the complete application and render a decision when its underwriting process is complete.

Recommended changes

None

Program

WDRF – CREDIT RELIEF OUTREACH PROGRAM (CROP)

Inception

Chapter 234

Expected outcomes

Budgeted volume for FY22: \$1.7 million

Actual approved guarantees: \$1.05 million

Program goal

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

Incentives and available funding

\$28.4 million in guarantee authority is available for all WDRF programs, which include CROP guarantees.

Program description

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

Program activity

For FY22, there were 11 applications submitted and 11 applications approved.

Eligibility requirements

Eligibility requirements for farmers include:

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

Recommended changes

None

Program

WDRF – FARM ASSET REINVESTMENT MANAGEMENT (FARM) GUARANTEE PROGRAM

Inception

Chapter 234

Expected outcomes

\$800,000 was expected in new originations for FY22, with \$100,000 budgeted for guarantee payments.

Program goal

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

Incentives and available funding

\$29.97 million in guarantee authority is available for all WDRF programs, including FARM guarantees.

Program description

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

Program activity

No applications were received for FY22.

Program

WDRF – FARM ASSET REINVESTMENT MANAGEMENT (FARM) GUARANTEE PROGRAM (CONTINUED)

Eligibility requirements

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

The loan can be used for:

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

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

The maximum guarantee term is 10 years for land and buildings and five years for equipment, machinery and livestock.

The lender completes a Farm Guarantee Application (Form 2) and the borrower signs the Farmer's Affidavit (Form 3). Applications and fees are submitted to WHEDA and a decision is issued within one business day.

Recommended changes

None

Program

WDRF - SMALL BUSINESS GUARANTEE PROGRAM

Inception

Chapter 234

Expected outcomes

\$2.5 million is budgeted for new originations and \$0 in guarantee payments. The jobs created and retained benchmark is one for every \$30,000 in guarantees.

Program goal

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

Incentives and available funding

\$29.97 in guarantee authority is available for all WDRF programs, including small business guarantees.

Program description

Assist with the expansion or acquisition of an existing small business that has been in operation for at least 12 months.

An expansion may involve a new line complementary to the existing business, such as a landscaping business expanding into retail floral or a lodging facility adding a restaurant. Assist in the startup of a day-care business for adults or children.

Assist in the startup of a small business located in a vacant storefront in the traditional downtown area of a community.

Program activity

No guarantees were approved for the fiscal year and there was one guarantee payout of \$65,500.

Program

WDRF - SMALL BUSINESS GUARANTEE PROGRAM

Eligibility requirements

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

The loan can be used to

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

The maximum guarantee is the lesser of 50% or \$750,000 for all uses of proceeds except revolving working capital whose maximum guarantee is the lesser of 50% or \$200,000.

The maximum guarantee for businesses in the Transform Milwaukee area is the lesser of 80% or \$750,000 for all uses of proceeds.

The maximum guarantee term is five years for fixed assets, inventory and permanent working capital and two years for revolving working capital. The amortization term may exceed the guarantee term but cannot exceed the useful life of the collateral. The interest rate is set by the lending institution and is subject to WHEDA approval; variable rate loans may not exceed prime plus 2.75%. The loan must be secured by assets being financed, and personal guarantees may be required.

To apply for a loan, the borrower and lender must complete and submit a Loan Guarantee Application (Form 4). WHEDA reviews the complete application and renders a decision upon completion of its underwriting.

Recommended changes

None

WISCONSIN TECHNICAL COLLEGE SYSTEM (WTCS) PROGRAM NARRATIVES

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Program

WORKFORCE ADVANCEMENT TRAINING (WAT) GRANTS

Inception

2005 Act 25
Authorizing Statute 38.41
Administrative Rule TCS 17

Expected outcomes

Percent of business partners who thought the employee skill gains produced by the training met or exceeded their expectations: expected 90%, actual 97%

Percent of businesses that sought to improve the work environment through training and felt that their expectations were met or exceeded: expected 90%, actual 100%

Percent of business partners who said they were satisfied or very satisfied with the technical college's services: expected 90%, actual 96%

Percent of business partners who said they probably or definitely would recommend the college's services to others: expected 90%, actual 98%

Percent of business partners who said they probably or definitely would use the college's services again: expected 90%, actual 98%

These measures reflect customer satisfaction information for 2020-21 WAT grant projects, as information for 2021-22 is not yet available.

Program goal

Wisconsin statute authorizes the WTCS Office to make grant awards to technical colleges for worker skills training. Grants in this category are awarded to promote increased investment in the development of incumbent workers, improve Wisconsin businesses' productivity and competitiveness, augment the state's economic base and expand technical college training services to businesses and industry. Grants are awarded to upgrade the skills and productivity of employees of established businesses operating in Wisconsin, with the additional objective of supporting regional workforce and economic development efforts.

Incentives and Available Funding

In FY22, the program was funded at a level of GPR \$3.97 million in general purpose revenue. \$500,000 was set aside for grants serving small businesses. The remaining \$3.47 million was available for grants serving businesses of any size.

Program description

WAT Grants are made to technical college districts as directed by statute, and the colleges submit applications in partnership with employers or consortia of employers. WAT Grants promote increased investment in the development of incumbent workers, improve Wisconsin businesses' productivity and competitiveness, augment the state's economic base, support career pathways and expand technical college training services to businesses and industry throughout the state. Training under these grants must focus on occupational skills but can include a combination of occupational, academic and employability topics or courses.

Program

WORKFORCE ADVANCEMENT TRAINING (WAT) GRANTS (CONTINUED)

Program activity

In FY22, the WAT Grants funded 44 projects and served 8,473 individuals.

Measures reflect customer satisfaction information for 2020-21 WAT Grant projects, as information for 2021-22 is not yet available.

Eligibility requirements

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

Recommended changes

None

WISCONSIN'S ANNUAL REPORT ON ECONOMIC DEVELOPMENT

FISCAL YEAR 2023





ANNUAL REPORT ON ECONOMIC DEVELOPMENT

The intent of the Annual Report on Economic Development is to provide transparency and guide fiscal and programmatic management toward measurable and reportable results. Wisconsin's economic development programs are designed to retain and attract businesses, strengthen communities and encourage economic growth. Recognizing the importance of measuring these programs, the Legislature crafted 2007 Wisconsin Act 125, requiring specified state agencies to report annually by October 1 on the economic development programs they administered during the prior fiscal year.

This report includes program information from all participating state agencies; information from agencies other than WEDC is current as of June 30, 2023. WEDC's online data generally will be updated quarterly and is currently updated through June 30, 2023.



About this report

[LEARN MORE](#)



Program Deliverables

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Key Strategic Partners

[LEARN MORE](#)



Program Summaries

[LEARN MORE](#)



Impact Map

[View an interactive map representing participating agencies' economic development impact](#)



Searchable Electronic Databases

[Click here for a searchable electronic database of WEDC and other agency data on which the report is based](#)

[Click here for a searchable electronic database of the Wisconsin Department of Commerce data](#)



Spreadsheets

[Download an Excel workbook of the WEDC data on which the report is based](#)

[Download an Excel workbook of the updated Wisconsin Department of Commerce award information](#)

WEDC COVID-19 Pandemic Response

Beginning with the publication of the fiscal year 2020 Annual Report on Economic Development, specific data reflecting the Wisconsin Economic Development Corporation's investments aimed at Wisconsin's COVID-19 pandemic response and recovery is available.



Program Map

[View an interactive map representing recipients of WEDC COVID-19 program funds.](#)



Spreadsheet

[Click here for an Excel workbook of the updated COVID-19 award information](#)



THE ANNUAL REPORT ON ECONOMIC DEVELOPMENT

The purpose of this Annual Report on Economic Development is to provide objective data to assist policymakers and other interested stakeholders in evaluating the effectiveness of economic development programs of the Wisconsin Economic Development Corporation (WEDC) and other Wisconsin state agencies. The origin of this report is 2007 Wisconsin Act 125. Recognizing the importance of measuring the success of programs deploying taxpayer resources, the Legislature crafted Act 125 to require specified state agencies to report annually by October 1 on the economic development programs they administered during the prior fiscal year.

This report recognizes the contributions of economic development partner organizations throughout the state whose work at a local, regional and statewide level contributes to Wisconsin's economic vibrancy. The agencies participating in this fiscal year 2023 (FY23) report are WEDC; the Department of Administration; the Department of Agriculture, Trade and Consumer Protection; the Department of Transportation; the Department of Tourism; the Department of Workforce Development; the Wisconsin Housing and Economic Development Authority; the Wisconsin Technical College System; and the University of Wisconsin System.

WEDC, the state's lead economic development organization, works with each of these agencies to appropriately identify their economic development programs as defined by state statute and to report on those programs' performance goals.

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

For FY23, each agency was required to provide the following information about its economic development programs:

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

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

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



WEDC collaborates with more than 600 economic development partners throughout the state in fulfillment of its mission:

To advance and maximize opportunities for businesses, communities and people to thrive in a globally competitive environment.

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ECONOMIC DEVELOPMENT

WEDC PROGRAM DELIVERABLES



WEDC PROGRAM DELIVERABLES (KPIs)

WEDC employs a variety of measures to gauge the effects of its economic development investments, which range from tax credits for investments in early-stage companies to export readiness programs, industry cluster advancement strategies and downtown redevelopment financing. Tallied here are the total measurable outcomes of WEDC’s FY23 economic development investments, including capital investment and job impact data as required in this report:

| RECIPIENT | ASSISTED BY WEDC | ASSISTED BY WEDC KEY STRATEGIC PARTNERS | TOTAL | FY22 GOAL |
|-----------------------|------------------|---|-------|-----------|
| Businesses | 4,805** | 3,571* | 8,376 | 3,741 |
| Communities | 181 | – | 181 | 213 |
| Partner Organizations | 79 | | | 85 |

* The number was reduced by 20% to account for potential overlap with WEDC businesses assisted. **

Numbers of businesses assisted and grants awarded include one-time COVID-19 programs.

FINANCIAL AWARDS

| Award Type | # of Awards | Award Amount | Leverage Ratio* |
|--------------------|-------------|---------------|-----------------|
| Bonds | 1 | \$2,800,000 | |
| Grants*** | 225** | \$20,245,874 | 23:1 |
| Investor Credits | 44 | \$95,572,278 | 4:1 |
| Loans | 8 | \$2,706,000 | 5:1 |
| Tax Credits | 49 | \$41,390,854 | 30:1 |
| Total | 327 | \$162,715,006 | 13:1 |
| FY23 LEVERAGE GOAL | | | 8:1 |

* 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.

** Numbers of businesses assisted and grants awarded include one-time COVID-19 programs.



Capital investment supported by WEDC awards
\$1.5 billion

A note about capital investment:

The benefits of WEDC’s investments do not end with the capital investment made by the company receiving financial assistance. When a company spends millions of dollars on an expansion project, for example, much money is pumped into the local economy through the direct purchasing of contractor services.

JOB IMPACT

| YEAR | JOBS TO BE CREATED | JOBS TO BE RETAINED | TOTAL JOBS IMPACTED* | FY23 GOAL |
|------|--------------------|---------------------|----------------------|-----------|
| FY23 | 3,653 | 9,755 | 13,408 | 7,325 |

* Jobs impacted totals are derived from contracts executed between July 1, 2022, and June 30, 2023. These include executed contracts from both current and previous year commitments and agreements with Key Strategic Partners.

A note about job impact:

Not all WEDC financial assistance contracts include a job impact requirement. For those that do, this measure reflects the number of jobs that will be either created or retained as a direct result of the investment. That job impact number is recorded in the contract and the award is contingent upon its attainment.

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



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WEDC KEY STRATEGIC PARTNERS



WEDC KEY STRATEGIC PARTNERS

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

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

REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS – \$775,000

WEDC provides funding for nine Wisconsin regional economic development organizations (EDOs): 7 Rivers Alliance, Centergy, Grow North, Madison Region Economic Partnership, Milwaukee 7, Momentum West, New North, Prosperity Southwest, and Visions Northwest. While the regional EDOs are organized differently to meet the needs of their respective communities, they all demonstrate regional collaboration with county economic development organizations, municipal economic development organizations, regional planning commissions, workforce development representatives, educators, and private sector stakeholders.

WEDC works closely with the regional EDOs around the state to facilitate communication and coordinate support for local businesses and communities. Examples of such cooperation in FY23 include the following:

- Holding regular meetings with local and county EDOs and chambers of commerce
- Engaging, educating, and leveraging the local economic development partners within each region
- Establishing regional roundtables with key industry leaders to discuss key drivers, needs, and issues facing the region
- Employing a regular communication vehicle such as a newsletter or scheduled emails
- Issuing an annual state of the region report
- Educating elected officials and boards of directors on economic development
- Conducting, causing to be conducted, or coordinating the regular business retention and expansion initiatives throughout the region and coordinating the input of results to be shared with WEDC
- Conducting a marketing effort on behalf of the region and its partners; coordinating with WEDC on business and marketing initiatives incorporating the Wisconsin brand
- Reaching out to rural portions of the region and helping them develop economic growth strategies, addressing any housing, broadband, and/or child care activities
- Hosting and coordinating discussions on entrepreneurship resources and assisting in promoting WEDC's digital entrepreneurship platform
- Leading and working with local partners to develop and enhance diverse business development strategies for the region
- Worked with local partners to identify what each region is doing to encourage investment in renewable energy systems or energy efficiency

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

WISCONSIN PROCUREMENT INSTITUTE – \$350,000

The Wisconsin Procurement Institute (WPI) helps companies sell products and services to federal, state, and local agencies as well as prime contractors. WPI navigates the government procurement process for small firms and helps them develop competitive processes and technical capabilities to earn federal, state and local government contracts. In FY23, WPI engaged with 962 unique companies, helping them obtain \$1.2 billion in contracts, resulting in 135 jobs created and 878 jobs retained.

DIVERSE CHAMBERS OF COMMERCE – \$900,000

WEDC financially supports three statewide diverse chambers of commerce and their affiliated entities:

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

In FY23, a total of 111 loans were processed by the chambers, providing more than \$5.0 million in funding. This helped create 80 jobs and retain 387 jobs. In total, 1,040 businesses were supported by impactful technical assistance.

WISCONSIN CENTER FOR MANUFACTURING & PRODUCTIVITY – \$1,250,000

The Wisconsin Center for Manufacturing & Productivity (WCMP), working through the Wisconsin Manufacturing Extension Partnership and the UW-Stout Manufacturing Outreach Center, provides advisory and implementation services to small and midsize manufacturers throughout Wisconsin to implement next-generation manufacturing strategies, increase business performance, and improve competitiveness and profitability through programs such as ExporTech™ and the Transformational Productivity Initiative, the outcomes of which are included within the respective program listings in this report. In FY23, WCMP reached 693 companies with services resulting in \$28.2 million in cost savings, \$110.9 million in new sales, \$160.8 million in retained sales, \$145.8 million in new investment, 594 jobs to be created, and 1,327 jobs retained.

CENTER FOR TECHNOLOGY COMMERCIALIZATION – \$540,000

The Center for Technology Commercialization (CTC) provides services delivered by staff and a statewide network of partners that includes review and analysis of business models and commercialization plans; advice concerning patent, trademark, and copyright issues; and assistance to businesses in obtaining federal SBIR/STTR grants. In FY23, CTC provided counseling to 306 distinct business clients—activity expected to assist in the creation of 112 new jobs and the retention of an additional 320.5.

Note: In addition to this one-on-one assistance, CTC provides significant, in-depth consultation to numerous other businesses in its administration of WEDC's Entrepreneurial Micro-grant Program, SBIR/STTR Matching Grant Program, and the Ideadvance Seed Fund, which is supported through WEDC's Capital Catalyst Program. Outcomes of those activities are included within the respective program listings in this report.

WISCONSIN WOMEN'S BUSINESS INITIATIVE CORPORATION – \$350,000

WWBIC provides small business owners and aspiring entrepreneurs with an array of educational programming, individual consulting, and microloan assistance. In FY23, WWBIC provided 1,089 clients with impactful counseling services averaging more than seven hours per client. WWBIC's microloan program provided more than \$8.7 million in loan financing to small businesses, including 41 startups. Of the total loan amount, more than \$865,000 served businesses in rural Wisconsin. WWBIC's assistance is expected to facilitate the creation of 276 and retention of 215 positions.

WISCONSIN TECHNOLOGY COUNCIL – \$310,000

The Wisconsin Technology Council (WTC) contributes to the state's high-tech and entrepreneurial economy through its policy work, hands-on work with investors and companies, educational forums, and networking events. In FY23, key WTC events—with combined attendance of 2,257 entrepreneurs, investors, service providers, and others—provided select entrepreneurs with unique opportunities and training to advance their ventures.

The 2022 Early Stage Symposium featured 38 young firms showcasing their companies to an audience of investors and other advisors, while the 2023 Governor’s Business Plan Contest provided 44 of the 156 entrants with intensive “pitch” training and culminated in finalists presenting at the Wisconsin Entrepreneurs’ Conference. In addition, the Wisconsin Technology Summit facilitated 205 meetings for 47 emerging companies.

Through the Wisconsin Angel Network (WAN), housed within WTC, the organization held six educational seminars for angel and venture investors throughout Wisconsin and is assisting ongoing efforts to develop additional investment groups in the state. WTC/WAN leadership assisted 53 distinct companies in navigating channels for accessing investment capital, not including support rendered through the aforementioned event-based activities.

BRIGHTSTAR WISCONSIN FOUNDATION – \$50,000

BrightStar is a 501(c)(3)-designated nonprofit foundation that manages an equity investment fund capitalized by private donations. BrightStar invests primarily in technology-based, high-growth early-stage businesses to facilitate job creation and increase economic activity statewide. In FY23, BrightStar made four investments in startup and early-stage companies totaling \$492,000.

GLOBAL NETWORK OF WEDC'S AUTHORIZED TRADE REPRESENTATIVES – \$183,502

WEDC has authorized trade representatives located in high-volume and high-growth-potential markets for Wisconsin companies. In FY23, the Global Network covered 116 countries and consisted of 15 independent contractors, 13 of which fell under an umbrella contract managed by the Council of Great Lakes and St. Lawrence Governors and Premiers. In FY23, the Global Network provided 61 in-country assistances and served 36 unique Wisconsin companies with WEDC export support services.

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ECONOMIC DEVELOPMENT

PROGRAM SUMMARIES



HOW TO READ THE ECONOMIC DEVELOPMENT PROGRAM SUMMARIES

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

STATUS – Active or inactive

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

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

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

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

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

EXPECTED OUTCOMES – The agency’s goal for the program for the fiscal year

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

RECOMMENDED CHANGES – Changes to program specifications that are being considered

PROGRAMS

□ Brownfields Grant Program

□ Brownfield Site Assessment Grant Program

□ Business Development Loan Program

□ Business Development Tax Credit Program

□ Capacity Building Grant Program

□ Capital Catalyst Program

□ Certified Sites Program

- Community Development Investment Grant Program
- Disaster Recovery Microloan Program
- Diverse Business Development Program
- Enterprise Zone Program
- Entrepreneurial Micro-grant Program
- Entrepreneurship Partner Grant Program
- ExporTech™ Program
- Fabrication Laboratories Grant Program
- Global Business Development Program
- Global Trade Venture Program
- Historic Preservation Tax Credit Program
- Idle Sites Redevelopment Program

Industrial Revenue Bonding Program

Main Street and Connect Communities Programs

Qualified New Business Venture Certification/Early Stage Business Investment Program

SBIR/STTR Matching Grant Program

Targeted Industry Projects Program

Technology Development Loan Program

Wisconsin Tomorrow Main Street Bounceback Grant Program

Wisconsin Investment Pilot Program

Workforce Training Grant Program

REPORTS FROM OTHER STATE AGENCIES

- Department of Administration
- Department of Agriculture, Trade and Consumer Protection
- Department of Natural Resources
- Department of Tourism
- Department of Transportation
- Department of Workforce Development
- UW System
- Wisconsin Housing & Economic Development Authority
- Wisconsin Technical College System

PROGRAMS

Brownfields Grant Program

FY23 program activity

Total awards: 8

Award amount: \$1,600,000

Leverage ratio: 184:1

Notes: In FY23, guidelines were updated to provide reduced match requirements for projects located in an Economically Distressed area, and the program budget was amended down to \$2,053,312.

Recommended changes

No substantive changes.

[View Program Guidelines](#)

Brownfield Site Assessment Grant Program

FY23 program activity

Total awards: 6

Award amount: \$865,600

Leverage ratio: 2:1

Recommended changes

No substantive changes

[View Program Guidelines](#)

Business Development Loan Program

FY23 program activity

No awards were executed.

Recommended changes:

No substantive changes

[View Program Guidelines](#)

Business Development Tax Credit Program

FY23 program activity

Total awards: 26

Award amount: \$23,675,000

Jobs to be created: 2,456

Jobs to be retained: 6,627

Leverage ratio: 47:1

Notes: Complete CY23 results not available at publication; FY23 results shown

Recommended changes

No substantive changes

[View Program Guidelines](#)

Capacity Building Grant Program

FY23 program activity

Total awards: 13

Award amount: \$721,709

Recommended changes

No substantive changes

[View Program Guidelines](#)

Capital Catalyst Program

FY23 program activity

Total awards: 4

Award amount: \$850,000

Businesses to be assisted: 25

Leverage ratio: 1:1

Notes: In FY23, guidelines were updated to accommodate SSBCI funding, and the non-SSBCI program budget was amended down to \$850,000.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Certified Sites Program

FY23 program activity

No new sites were certified.

Recommended changes

No longer considered to be a program as it does not provide financial or technical assistance. It is part of WEDC's Extended Enterprise (operations).

[View Program Guidelines](#)

Community Development Investment Grant Program

FY23 program activity

Total awards: 31

Award amount: \$7,166,800

Leverage ratio: 14:1

Vibrant Spaces Pilot

Total awards: 33

Award amount: \$1,458,488

Leverage ratio: 9:1

Notes: In FY23, guidelines were updated to expand considerations when determining whether to make a CDI Grant, and the Vibrant Spaces Pilot was added with a budget of \$750,0000 which was then amended up to \$1,508,488. The main program budget was amended down to \$7,168,000.

Recommended changes

Define Rural Community; reduce match requirement for rural communities and projects with key components of providing childcare or expanding housing availability; allow for developers to be the applicant/recipient entity.

[View Program Guidelines](#)

Disaster Recovery Microloan Program

FY23 program activity

No awards were executed.

Recommended changes

No substantive changes

[View Program guidelines](#)

Diverse Business Development Program

FY23 program activity

Total awards: 4

Award amount: \$175,000

Businesses to be assisted: 160

Ally Pilot

Total awards: 10

Award amount: \$250,000

Businesses to be assisted: 15

Notes: In FY23, guidelines were updated to expand program description to include disabled and capacity-building for nonprofits and to add the Ally Grant Pilot with a budget of \$250,000.

Recommended changes

Remove Ally Grant Pilot.

[View Program Guidelines](#)

Enterprise Zone Program

FY23 program activity

No new awards in FY23

Recommended changes

No substantive changes

[View Program Guidelines](#)

Entrepreneurial Micro-grant Program

FY23 program activity

The program administered through CTC assisted 55 businesses and was awarded \$250,000.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Entrepreneurship Partner Grant Program

FY23 program activity

Total awards: 20

Award amount: \$2,120,200

Businesses to be assisted: 133

Notes: In FY23, guidelines were updated to clarify program description, expand eligibility, and add factors that WEDC may take into account when considering funding as it shifted to be a fully competitive program. The program budget was also amended down to \$2,220,200.

Recommended changes

No substantive changes

[View Program Guidelines](#)

ExporTech™ Program

FY23 program activity

The program administered through WCMP assisted 13 businesses and was awarded \$192,000.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Fabrication Laboratories Grant Program

FY23 program activity

Total awards: 25

Award amount: \$560,053

Notes: In FY23, guidelines were updated to change to a non-competitive program, and the program budget was amended up to \$560,053.

Recommended changes

Set a minimum grant amount.

[View Program Guidelines](#)

Global Business Development Program

FY23 program activity

Total awards: 53

Award amount: \$1,010,624

Collaborative Market Access Grant

Total awards: 1

Businesses to be assisted: 9

Notes: In FY23, guidelines were updated to clarify eligible activities.

Recommended changes

Add gross revenue cap.

[View Program Guidelines](#)

Global Trade Venture Program

FY23 program activity

Number of trade ventures: 8

Businesses assisted: 26

Recommended changes

No substantive changes

[View Program Guidelines](#)

Historic Preservation Tax Credit Program

FY23 program activity

Total awards: 23

Award amount: \$ 17,715,854

Leverage ratio: 5:1

Notes: Complete CY23 results not available at publication; FY23 results shown.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Idle Sites Redevelopment Program

FY23 program activity

Total awards: 6

Award amount: \$1,367,900

Leverage ratio: 28:1

Notes: In FY23, guidelines were updated to clarify that obligations and investments made by each party must be executed prior to the first draw of funds, reduce acreage requirements for certain projects in commercial corridor, and provide reduced match for projects located in an Economically Distressed County. The program budget was also amended down to \$1,994,000.

Recommended changes

Reduce time required for site to be vacant; Reduce acreage requirement for certain projects.

[View Program Guidelines](#)

Industrial Revenue Bonding Program

FY23 program activity

Total awards: 1

Award amount: \$2,800,000

Notes: Complete CY23 results not available at publication; FY23 results shown

Recommended changes

No substantive changes

[View Program Guidelines](#)

Main Street and Connect Communities Programs

FY23 program activity

Main Street communities: 32

Connect Communities: 96

Businesses assisted: 130

Notes: In FY23, guidelines were updated to expand eligibility for regional entities to apply for Connect Community status on behalf of smaller communities.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Qualified New Business Venture Certification/Early Stage Business Investment Program

FY23 program activity

Total awards: 33

Award amount: \$95,572,278

Qualified Venture Fund Certifications: 11

Notes: Complete CY23 results not available at publication; FY23 results shown.

Recommended changes

No substantive changes

[View Program Guidelines](#)

SBIR/STTR Matching Grant Program

FY23 program activity

The program administered through CTC assisted 17 businesses and was awarded \$1,500,000.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Targeted Industry Projects Program

FY23 program activity

Total awards: 9

Award amount: \$157,500

Notes: Legislative mandates for the FY2021-23 budget required WEDC to award up to \$200,000 during each year of the 2021-23 biennium to award grants for cooperative feasibility studies from its state appropriations for operations and programs.

Recommended changes

Sunset the program.

[View Program Guidelines](#)

Technology Development Loan Program

FY23 program activity

Total awards: 8

Award amount: \$2,706,000

Leverage ratio: 5:1

Notes: In FY23, guidelines were updated to accommodate SSBCI funding, and the non-SSBCI program budget was amended up to \$2,706,000.

Recommended changes

No substantive changes

[View Program Guidelines](#)

Wisconsin Tomorrow Main Street Bounceback Grant Program

FY23 program activity

There were no new awards under this program.

Notes: In FY23, WEDC increased funding for the nine regional entities awarded in FY22 by \$29,085,750 bringing the total amount awarded to \$96,765,750 for the two years. These awards assisted 9,423 total businesses (4,295 additional businesses were assisted in FY23).

Recommended changes

Sunset the program.

[View Program Guidelines](#)

Wisconsin Investment Pilot Program

FY23 program activity

No awards were executed.

Recommended changes

Sunset the program.

[View Program Guidelines](#)



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Brownfields Grant Program
Program Inception: 1997 Wisconsin Act 27
Lead Division: Business and Community Development
 New **Revised**
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

The goal of the Brownfields Grant Program is to support community re-development in the state of Wisconsin.

Program Description:

Under the program outlined in § 238.13, Wis. Stats. WEDC will grant funds to local governments, businesses, non-profits and individuals for redeveloping commercial and industrial sites that have been adversely impacted by environmental contamination.

Eligibility Requirements:

Definitions:

- “Brownfields” means abandoned, idle or underused industrial or commercial facilities or sites, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.¹
- “Brownfields redevelopment” means any work or undertaking by a person to acquire a brownfields facility or site and to raze, demolish, remove, reconstruct, renovate, or rehabilitate the facility or existing buildings, structures, or other improvements at the site for the purpose of promoting the use of the facility or site for commercial, industrial, or other purposes. “Brownfields redevelopment” does not include construction of new facilities on the site for any purpose other than environmental remediation activities.²
- “Economically Distressed” means a county or municipality so designated by WEDC by considering the most current area and state data available for the following indicators:
 - Unemployment rate
 - Percentage of families with incomes below the poverty line
 - Median family income
 - Median per capita income

¹ Wis. Stat. § 238.13(1)(a).

² Wis. Stat. § 238.13(1)(b).

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- Average annual wage
 - Manufacturing assessment values by county
 - Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs
- “Environmental remediation activities” means investigation, analysis and monitoring of a brownfields facility or site to determine the existence and extent of actual or potential environmental pollution; abating, removing or containing environmental pollution at a brownfields facility or site; or restoring soil or groundwater at a brownfields facility or site.³
 - “Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.

The Applicant:

Any individual, partnership, limited liability company, corporation, nonprofit organization, city, village, town, county, or trustee, including a trustee in bankruptcy,⁴ may apply for funds provided that the party that caused the environmental contamination and any person who possessed or controlled the environmental contaminant is unknown, cannot be located or is financially unable to pay for the remediation of the soil and / or groundwater.⁵

Phase I and Phase II Environmental Reports must be completed no greater than five years prior to the application submittal date, unless:

- Subsequent environmental reports and site ownership history provide sufficient information to demonstrate current environmental conditions; or
- The applicant demonstrates that no activities likely occurred on the site since the Phase I and Phase II that would adversely impact the environmental conditions.

Prior to contracting, the applicant must have obtained WDNR assistance in, or comments on, the planning and implementation of an environmental investigation or the environmental cleanup of a property through WDNR Technical Assistance services.⁶

Qualified Uses:

Brownfields funds may be used for brownfield redevelopment or associated environmental remediation activities.⁷ Grant funds may typically be used for the following activities:

- The environmental investigation, remediation and/or monitoring of the site
- The removal of hazardous waste containers
- Soil removal, capping, barrier installation and vapor intrusion systems
- Demolition activities that will facilitate redevelopment in a brownfield project

³ Wis. Stat. § 238.13(1)(d).

⁴ Wis. Stat. § 238.13(1)(g).

⁵ Wis. Stat. § 238.13(2)(a)2.

⁶ Wis. Stat. § 238.13(5).

⁷ Wis. Stat. § 238.13(2)(a)(1); Wis. Stat. § 238.13(1)(b); Wis. Stat. § 238.13(1)(d)



The recipient may not use the grant to pay lien claims of DNR or the federal Environmental Protection Agency based on investigation or remediation activities or to pay delinquent real estate taxes or interest or penalties related to those taxes.⁸

Investment Matching:

The matching investment for requested grant funds is derived from the following activities:

- The acquisition cost of the brownfield site up to 50% of the total acquisition cost, except for a project located in distressed counties or an opportunity zone, for which 100% may be used as match.
- Site clearance, building demolition or building renovation
- Asbestos and lead paint abatement
- Infrastructure improvements

Activities ineligible for grant assistance or match include but are not limited to:

- Past costs
- Indirect construction costs (a.k.a. “soft” costs)
- Costs of new construction, including geopiers or other foundational support systems

Grant Criteria:

WEDC may take the following into account when considering a Brownfields award:

- The potential of the project to promote economic development in the area⁹
- A written financial commitment¹⁰ by a lending institution or government entity to the applicant enabling the project to reach fruition
- Documentation of ownership or future ownership of the project site by the submittal of the most recent executed real estate transaction
- The extent and degree of soil and groundwater contamination at the project site¹¹
- The need for a vapor intrusion system
- The adequacy and completeness of the site investigation and remediation plan¹²
- The eligible costs projected to be utilized for grant funds and matching investments in the application’s budget are supported by estimates from qualified and independent third parties clearly demonstrating how project costs were derived
- The determination of the future higher use of the property as it will impact the extent of the environmental clean-up
- Project consistency with community planning documents and whether a developer’s agreement was concluded
- The favorable impact of the project on human health and the environment

⁸ Wis. Stat. § 238.13(2)(a)1m

⁹ Wis. Stat. § 238.13(3)(a)

¹⁰ Wis. Stat. § 238.13(3)(c)

¹¹ Wis. Stat. § 238.13(3)(d)

¹² Wis. Stat. § 238.13(3)(e)



- The size of the property and its relationship to the downtown area and economic centers of the community
- Whether the project is located in an Economically Distressed community
- The project demonstrates involvement of diverse businesses, including women and veteran-owned contractors, in eligible project costs
- Any other factors considered by WEDC to be relevant to assessing project readiness and viability

Incentives and Available Funding (FY23): \$2,500,000

The recipient shall contribute matching funds equal to at least 50% of the grant.¹³ Due to program demand, generally WEDC requires a minimum of 3:1 in matching investment(s), unless the project is located in an Economically Distressed community or Opportunity Zone, in which case the investment(s) may be reduced to a 1:1 match.

The maximum award generally does not exceed \$250,000 unless the request for funds is for a project that, due to the size of the brownfield and the degree and extent of contamination, clearly justifies an award beyond normal parameters.

Activities and Expected Outcomes:

Assist ten communities or businesses and achieve a 40:1 leverage of other investment.

Performance Reporting:

Recipients will be required to annually submit a performance report documenting capital investment, environmental remediation, assessed taxable property values, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup documentation to the performance report is required to be maintained for the life of the award.

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

Application and Award Process:

The Brownfields Grant Program has a continuous application process. Applicants for Brownfields Grants should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through the award review process. All awards will be made in consultation with the DNR¹⁴.

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

¹³ Wis. Stat. § 238.13(2)(b)3

¹⁴ Wis. Stat. § 238.13(5)

Revision History:

| Effective Date | Description of Change |
|-----------------------|--|
| 7/1/2017 | Aligned environmental conditions reporting requirements to DNR standard practices |
| 7/1/2017 | Clarified activities ineligible for grant assistance or match |
| 7/1/2018 | Clarified requirements for Phase I and Phase II Environmental Reports |
| 7/1/2018 | Decreased match requirement for projects located in a Designated Rural County |
| 7/1/2018 | Removed Tribal entities as eligible program applicants in accordance with § 238.13(1)(g) |
| 7/1/2019 | Added statutory definitions and citations; decreased match requirement for projects in an Opportunity Zone; clarified performance reporting requirements |
| 7/1/2020 | Clarified matching funds requirement |
| 7/1/2021 | Replaced Designated Rural County with Economically Distressed; added consideration for diverse businesses; decreased maximum grant amount |
| 7/1/2022 | Adjusts match requirements |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____
enter a date.

Date Click or tap to

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Brownfield Site Assessment Grants (SAG)
Program Inception: 1999 Wisconsin Act 9
Lead Division: Business and Community Development
 New **Revised** [Click here to enter a date.](#)
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

Program Description:

The program under § 238.133 Wis. Stats. provides grants of up to \$150,000 to local governments seeking to redevelop sites with economic or community development potential that are or may be adversely impacted by environmental contamination.

Eligibility Requirements:

Definitions:

Definitions:

“Economically Distressed” means a county or municipality so designated by WEDC by considering the most current area and state data available for the following indicators:

- Unemployment rate
- Percentage of families with incomes below the poverty line
- Median family income
- Median per capita income
- Average annual wage
- Manufacturing assessment values by county
- Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs

“Eligible site or facility” means one or more contiguous industrial or commercial facilities or sites with common or multiple ownership that are abandoned, idle, or underused, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.¹

¹ Wis. Stat. § 238.133 (1)(a)



“Local governmental unit” means a city, village, town, county, redevelopment authority created under § 66.1333, community development authority created under § 66.1333, or housing authority.²

“Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.

“Petroleum product” has the meaning given in § 292.63(1).³

“Underground hazardous substance storage tank system” means an underground storage tank used for storing a hazardous substance other than a petroleum product together with any on-site integral piping or dispensing system with at least 10% of its total volume below the surface of the ground.⁴

“Underground petroleum product storage tank” has the meaning given in § 292.63(1)(i).⁵

Grant Conditions:

Actual award amounts are dependent on documented eligible and matching costs. Projects seeking funding for demolition activities should demonstrate that clearing the site will facilitate and provide greater access for environmental site investigation.

SAG applications may be awarded for projects meeting the following criteria:

- The property or properties being redeveloped must be one or more contiguous industrial or commercial facilities or sites that are abandoned, idle or underused.
- Potential expansion or redevelopment of the property is adversely impacted by actual or perceived contamination.
- The local governmental unit cannot have caused the environmental contamination that is the basis for the grant request.⁶
- The person that caused the contamination must be unknown, cannot be located or is financially unable to pay the cost of the eligible activities.⁷
- The community has provided documentation it has access to the project site to conduct SAG activities.
- A financial commitment has been provided to cover the eligible matching project investment.

WEDC may award grants to local governmental units to cover the costs of the following activities:

- The investigation of environmental contamination on an eligible site or facility for the purposes of reducing or eliminating environmental contamination,⁸ such as Phase I and II Environmental Assessments.

² Wis. Stat. § 238.133 (1)(b)

³ Wis. Stat. § 238.133 (1)(c)

⁴ Wis. Stat. § 238.133 (1)(d)

⁵ Wis. Stat. § 238.133 (1)(e)

⁶ Wis. Stat. § 238.133(2)(b).

⁷ Wis. Stat. § 238.133(2)(c).

⁸ Wis. Stat. § 238.133(3)(a).

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ECONOMIC DEVELOPMENT

- The demolition of any structures, buildings or other improvements located on an eligible site or facility.⁹
- The removal of abandoned containers, as defined in § 292.41(1), from an eligible site or facility.¹⁰
- Asbestos abatement activities, as defined in § 254.11(2), conducted as part of eligible activities listed above on an eligible site or facility.¹¹
- Removal of underground hazardous substance storage tank systems.¹²
- Removal of underground petroleum product storage tank systems.¹³

Activities ineligible for grant assistance or match include, but are not limited to:

- Past costs
- Costs of new construction
- Indirect construction costs (a.k.a. “soft” costs)

WEDC may consider the following criteria when determining whether to award a grant:

- The local governmental unit's demonstrated commitment to performing and completing necessary environmental activities on the eligible site including the local governmental unit's financial commitment¹⁴
- The degree to which the project will have a positive impact on public health and the environment¹⁵
- The relative size of a property and its relationship to the downtown or other economic centers of the community (e.g. industrial parks)
- The economic distress of the community (e.g. recent lay-offs) and the degree to which the property has contributed to the economic distress
- The extent to which the site demonstrates potential for redevelopment and includes considerations such as the interest demonstrated by private investors, location of the property, and access to existing utility and transportation infrastructure
- Project readiness and viability demonstrated through financing commitments, established access to the property and documentation of property acquisition, if applicable
- The degree to which the applicant can delineate the anticipated costs of the proposed project as demonstrated by third party cost estimates
- The project demonstrates involvement of diverse businesses, including women and veteran-owned contractors, in eligible project costs
- Whether the project is located in an Economically Distressed community
- Other criteria that WEDC finds necessary to calculate the amount of a grant¹⁶

WEDC requires a minimum of 20 percent of eligible project costs in matching investment(s). Match investment may include TIF funds, private party contributions or other grant sources. The matching investment should include eligible costs and, at WEDC's discretion, may also include acquisition costs.

⁹ Wis. Stat. § 238.133(3)(b).

¹⁰ Wis. Stat. § 238.133(3)(c).

¹¹ Wis. Stat. § 238.133(3)(d).

¹² Wis. Stat. § 238.133(3)(e).

¹³ Wis. Stat. § 238.133(3)(f).

¹⁴ Wis. Stat. § 238.133(5)(a).

¹⁵ Wis. Stat. § 238.133(5)(b).

¹⁶ Wis. Stat. § 238.133(5)(c).



Incentives and Available Funding (FY23): \$1,205,124

The incentives in this program are grants up to \$150,000 per recipient per fiscal year (may be more than one grant but not exceeding the \$150,000 threshold), or 15% of the available funds appropriated for the fiscal year,¹⁷ whichever is less.

Activities and Expected Outcomes:

Assist eight communities and achieve a 6:1 leverage of other investment.

Performance Reporting:

Recipients will be required to annually submit a performance report documenting site work as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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

¹⁷ Wis. Stat. § 238.133(6).



Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2017 | Corrected inaccurate statutory reference for abandoned containers |
| 7/1/2018 | Reduced match requirement for projects in a Designated Rural County |
| 7/1/2019 | Added statutory citations; reduced match requirement for projects in an Opportunity Zone; clarified performance reporting requirements |
| 7/1/2021 | Clarified program description; replaced Designated Rural County with Economically Distressed; added consideration for diverse businesses; simplified requirements for matching funds |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____
enter a date.

Date Click or tap to

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



| |
|--|
| <p style="text-align: center;">Wisconsin Economic Development Corporation Program Guidelines for Fiscal Year 2023</p> |
| <p>Program Name: Business Development Loan Program Program Inception: WEDC FY18 Lead Division: Business and Community Development <input checked="" type="checkbox"/> New <input type="checkbox"/> Revised <input checked="" type="checkbox"/> Aid <input type="checkbox"/> Pass-thru Aid <input type="checkbox"/> Technical Assistance</p> |

Program Goal:

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

Program Description:

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

Eligibility Requirements:

Definitions:

“Economically Distressed” means a county or municipality so designated by WEDC by considering the most current area and state data available for the following indicators:

- Unemployment rate
- Percentage of families with incomes below the poverty line
- Median family income
- Median per capita income
- Average annual wage
- Manufacturing assessment values by county
- Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs

“Financial Institution” means a bank, as defined in s. 214.01 (1) (c), a savings bank, as defined in s. 214.01 (1) (t), a savings and loan association, a trust company, a credit union, as defined in s. 186.01 (2), a mortgage banker, as defined in s. 224.71 (3) , or a mortgage broker, as defined in s. 224.71 (4), whether chartered under the laws of this state, another state or territory, or under the laws of the United States; a company that controls, is controlled by, or is under common control with a bank, a savings bank, a savings and loan association, a trust company, a credit union, a mortgage banker, or a mortgage broker; or a person licensed under s. 138.09, other than a person who agrees for a fee to hold a check



for a period of time before negotiating or presenting the check for payment and other than a pawnbroker, as defined in s. 138.10 (1) (a).

“Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.

Eligible Recipients:

Eligible businesses may apply for a direct loan to receive financing for eligible projects in the state of Wisconsin. The WEDC loan program is available to businesses meeting the following criteria:

- For-profit enterprises registered to conduct business in the state of Wisconsin
- Less than 500 full-time employees
- Engaged in one of the following industries:
 - Aerospace
 - Bioscience
 - Energy, Power and Control
 - Food and Beverage
 - Forest Products
 - Manufacturing
 - Water Technology
 - Transportation
- Loans require financing from a primary lender

Ineligible Businesses:

“Ineligible Business” means businesses ineligible for loan funds, unless extraordinary circumstances exist, including but not limited to a serious threat of a business leaving the state, significant job creation or retention, or significant capital investment, and such extraordinary circumstances are approved by the Board of Directors’ Awards Administration Committee:

- Payday loan and title companies
- Telemarketing other than inbound call centers
- Pawn shops
- Media outlets
- Retail
- Farms
- Primary care medical facilities
- Financial institutions
- The hospitality industry

Eligible Activities:

WEDC loan funds may typically be used for the following project activities:



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

Ineligible Activities:

Project costs not directly related to project activities will be considered ineligible for WEDC loan funds. Examples of ineligible activities include, but are not limited to:

- Past costs
- Mergers and acquisitions
- Refinancing, consolidation or restructuring of existing debt

Incentives and Available Funding (FY23) The program is not being funded in FY23.

The incentives in this program are loans, typically not less than \$100,000 but not to exceed \$500,000. Priority may be extended to projects based on factors such as job creation or retention, capital investment, location, industry and return on investment. Loans require financing from a primary lender.

Loan Terms, Rates and Fees

Loan terms, interest rates and fees will adhere as closely as practicable to commonly accepted commercial lending practices.¹ Loan terms will vary depending upon the useful life of the asset financed. Rates will be tied to the Wall Street Journal Prime Rate published at the time the application is initially accepted by underwriting and fixed for the term of the loan. There is no penalty for pre-payment.

Term

The term for loans will typically range between 60 and 72 months to match the primary lender, up to a maximum of 84 months for real estate.

Interest Rate

Generally, the interest rate for loans will be the Prime Rate published by the Wall Street Journal bank survey at the time of application. For projects located in an Economically Distressed area or Opportunity Zone, the interest rate shall be 1.5 percent (1.5%) or 150 basis points below the Prime Rate or 3 percent, whichever is lower.

Fees

Loans have a one percent (1%) loan origination fee of the total loan amount, payable prior to loan disbursement. For projects located in an Economically Distressed area, the loan

¹ Wis. Stat. 238.124(2).



origination fee shall be waived. Additional fees shall apply for real estate transactions where title letters and commitments become necessary.

Collateral

Security interest in all or specific business assets. Subordination of WEDC’s loan to those of the primary lender may be required.

Guarantor(s)

WEDC generally requires personal or corporate guaranties for any owner with ownership in the company equal to or more than 20%. WEDC may also choose to add contingencies for release of these guaranties following additional financing or other milestones.

Activities and Expected Outcomes:

WEDC does not anticipate any program activities or outcomes during FY23.

Performance Reporting:

Recipients will be required to annually submit a performance report documenting job creation, job retention, capital investment, as well as any contract deliverable(s).

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2018 | Added statutory citations. |
| 7/1/2018 | Decreased applicable interest rate for projects in an Economically Distressed Area or a Designated Rural County. |
| 7/1/2019 | Decreased applicable interest rate for projects in an Opportunity Zone; clarified collateral requirements; clarified performance reporting requirements. |
| 7/1/2020 | Placed temporary suspension on program activities and funding during FY21. |
| 7/1/2021 | Placed temporary suspension on program activities and funding during FY22. |
| 7/1/2022 | Placed temporary suspension on program activities and funding during FY23 |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Calendar Year 2023**

Program Name: Business Development Tax Credits (BTC)

Program Inception: 2015 Wisconsin Act 55

Lead Division: Business and Community Development

New **Revised**

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

Program Goal:

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

Program Description:

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

Eligibility Requirements:

Definitions:

The following definitions supplement those in §§ 238.308, 71.07 (3y), 71.28 (3y), and 71.47 (3y), Wis. Stats.

- "Baseline" means Recipient's number of Full-Time Jobs during the 12 months immediately preceding the Certification Date. Projects will have a Statewide Baseline, as well as a Project Baseline.
- "Certified Business" means a business certified by WEDC as eligible to earn Tax Credits based on the parameters of this guideline and based on the business' total number of Eligible Employees in the State of Wisconsin as determined by the Federal Employment Identification Number ("FEIN") under which the business files its taxes.
- "Certification Date" means the date, designated by WEDC, on which the eligibility to earn Tax Credits begins. No activities occurring prior to the Certification Date will be considered in allocating Tax Credits.
- "Corporate Headquarters" means the office location where staff members or employees are physically employed and where the majority of the company's financial, personnel, legal, planning, or other related functions are organized at a divisional, regional, national or global

basis. In considering an office as a Corporate Headquarters, WEDC will consider the business' existing locations as of the Certification Date.

- “Economically Distressed” means a county or municipality so designated by WEDC by considering the most current area and state data available for the following indicators:
 - Unemployment rate
 - Percentage of families with incomes below the poverty line
 - Median family income
 - Median per capita income
 - Average annual wage
 - Manufacturing assessment values by county
 - Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs
- “Eligible Employee” means a person employed in a Full-Time Job by a Certified Business.¹
- “Eligible Training Cost” means (1) the cost of the trainer; (2) the cost of the training materials; (3) the wages of the trainee while in a classroom setting; or (4) the costs of the trainer and the wages of the trainee while in an on-the-job or job shadowing setting. Eligible training costs do not include travel expenses, food or lodging.
- “Financial Institution” means a bank, as defined in s. 214.01 (1) (c), a savings bank, as defined in s. 214.01 (1) (t), a savings and loan association, a trust company, a credit union, as defined in s. 186.01 (2), a mortgage banker, as defined in s. 224.71 (3), or a mortgage broker, as defined in s. 224.71 (4), whether chartered under the laws of this state, another state or territory, or under the laws of the United States; a company that controls, is controlled by, or is under common control with a bank, a savings bank, a savings and loan association, a trust company, a credit union, a mortgage banker, or a mortgage broker; or a person licensed under s. 138.09, other than a person who agrees for a fee to hold a check for a period of time before negotiating or presenting the check for payment and other than a pawnbroker, as defined in s. 138.10 (1) (a).
- A “Full-Time Job” means a regular, non-seasonal full-time position in which the annual pay for the position is more than the amount determined by multiplying 2,080 by 150% of the federal minimum wage, and an individual in the position is offered retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year. “Full-Time Job” does not include initial training before an employment position begins.²

Employees that do not meet this definition will not be counted toward headcount or wages. Part-time employees do not count.

¹ Wis. Stat. § 238.308(1); Wis. Stat. § 71.07(3y)(a)2; Wis. Stat. § 71.28(3y)(a)2; Wis. Stat. § 71.47(3y)(a)2.

² While there are two statutory definitions of Full-Time Employee, WEDC utilizes the above identified definition in its contracts: Wis. Stat. § 238.30(2m).

- “Ineligible Business” means businesses ineligible for tax credits unless extraordinary circumstances exist, including but not limited to a serious threat of a business leaving the state, significant job creation or retention, or significant capital investment, and such extraordinary circumstances are approved by the Board of Directors’ Awards Administration Committee. Such Ineligible Businesses include:
 - Payday loan and title loan companies
 - Telemarketing other than inbound call centers
 - Pawn shops
 - Media outlets
 - Retail
 - Farms
 - Primary care medical facilities
 - Financial Institutions
 - The hospitality industry
- “Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.
- “Tax Credits” means the BTCs authorized pursuant to Wisconsin Statutes §§ 238.308, 71.07 (3y), 71.28 (3y), and 71.47 (3y).
- “Taxable Year” means the taxable period upon the basis of which the taxable income of the taxpayer is computed for federal income tax purposes. The taxable year of a taxpayer who keeps his or her accounting records on the basis of a 52–53 week period ends on the last day of the month closest to the end of the 52–53 week period.³

Certification:

WEDC may certify a business as eligible to earn Tax Credits if (1) the business plans to annually increase its net employment in Wisconsin above the business’ employment in Wisconsin in each year after its Certification Date;⁴ (2) the business is operating, or intends to operate, in the state of Wisconsin;⁵ and (3) the business applies and enters into a contract with WEDC.⁶ There is no limit on the number of businesses that may be certified for Tax Credits under this program. Each certification may exist for up to ten cumulative years.⁷ WEDC may cap the award and/or limit the number of years in which Tax Credits may be claimed by a Certified Business.

WEDC will evaluate Tax Credit applications based on factors including:

- Whether the project would occur without the allocation of Tax Credits;
- The extent to which the project will increase employment in Wisconsin;
- The extent to which the project will contribute to the economic growth of Wisconsin;

³ Wis. Stat. § 71.01(12).

⁴ Wis. Stat. § 238.308(3).

⁵ Wis. Stat. § 238.308(2)(a)1.

⁶ Wis. Stat. § 238.308(2)(a)2.

⁷ Wis. Stat. § 238.308(2)(b).

- The extent to which the project will increase geographic diversity of available Tax Credits throughout Wisconsin;
- The financial soundness of the business; and
- Any previous financial assistance that the business received from the Department of Commerce or WEDC.

To be eligible for a BTC award, the applicant must offer the employees filling the Full-Time Jobs to be attracted, created or retained as part of the project at least 50% of the health insurance benefit costs to the employees or other equivalent health insurance benefits that are acceptable to WEDC. Recipients will be expected to continue to offer all Eligible Employees retirement, health and other benefits.

Tax Credits may be awarded for any of the following eligible activities: job creation,⁸ training,⁹ capital investment¹⁰ and/or Corporate Headquarters location or retention¹¹. Generally, the maximum amount of Tax Credits awarded for a project will be determined by calculating the greater of the amount a Recipient could earn under either job creation or capital investment. WEDC is not required to award the Recipient the maximum amount allowed by statute. A business may be awarded an additional amount of Tax Credits if the project meets any of the following criteria:

- The project is located in an Economically Distressed area or Opportunity Zone;
- Locating or retaining a Corporate Headquarters;
- Wisconsin is competing for the investment with one or more out-of-state locations;
- Fifty percent of Eligible Employees' wages are greater than 400 percent of the federal minimum wage;
- Industry jobs multiplier is greater than 2.0; or
- Any other criteria as approved by the Awards Administration Committee of the Board of Directors

Once the maximum tax credit award amount is determined, WEDC will evaluate all aspects of the project to determine which eligible activities to incent with tax credits. A project may receive tax credits for multiple eligible activities. A Certified Business may qualify for Tax Credits only for eligible activities that occur after the Certification Date established by WEDC. The amount of tax credits awarded for each activity shall align with the following calculations:

Job Creation

The amount of Tax Credits awarded for job creation may equal up to 10% of the annual wages for Eligible Employees in Full-Time Jobs.¹² In an Economically Distressed area, the amount of Tax Credits may equal up to an additional 5% of the annual wages for Eligible Employees.¹³ Tax Credits may not be earned for wages over \$100,000 per year.

⁸ Wis. Stat. § 238.308(4)(a)1, 2; Wis. Stat. § 71.07(3y)(b)1, 2; Wis. Stat. § 71.28(3y)(b)1, 2; Wis. Stat. § 71.47(3y)(b)1, 2.

⁹ Wis. Stat. § 238.308(4)(a)3; Wis. Stat. § 71.07(3y)(b)3; Wis. Stat. § 71.28(3y)(b)3; Wis. Stat. § 71.47(3y)(b)3.

¹⁰ Wis. Stat. § 238.308(4)(a)4; Wis. Stat. § 71.07(3y)(b)4; Wis. Stat. § 71.28(3y)(b)4; Wis. Stat. § 71.47(3y)(b)4.

¹¹ Wis. Stat. § 238.308(4)(a)5; Wis. Stat. § 71.07(3y)(b)5; Wis. Stat. § 71.28(3y)(b)5; Wis. Stat. § 71.47(3y)(b)5.

¹² Wis. Stat. § 238.308(4)(a)1; Wis. Stat. § 71.07(3y)(b)1; Wis. Stat. § 71.28(3y)(b)1; Wis. Stat. § 71.47(3y)(b)1.

¹³ Wis. Stat. § 238.308(4)(a)2; Wis. Stat. § 71.07(3y)(b)2; Wis. Stat. § 71.28(3y)(b)2; Wis. Stat. § 71.47(3y)(b)2.

Generally, a business will be initially certified for amounts for job creation based on projected Full-Time Jobs to be created over three years. Certified Businesses may earn these Tax Credits over three years, based on the increase in wages, each year compared to the prior year, at the project location(s) for which the award is made, subject to annual verification. Full-Time Jobs filled by Eligible Employees for which Tax Credits have been verified must be maintained for a period of either five years from the Certification Date, or a period of two years after the final earning period for job creation and retention, whichever is longer, measured as of the last day of the maintenance period. Generally, WEDC will not award tax credits for retained jobs; however, in cases where WEDC does incent retained jobs with job retention tax credits, those credits will be calculated based on the Baseline wages earned on an equal basis over three years. Tax Credits will be released annually, based on the wages of Full-Time Jobs filled by Eligible Employees during the Recipient's taxable year.

Training

The amount of Tax Credits awarded for training may equal up to 50% of Eligible Training Costs incurred to undertake activities to enhance an Eligible Employee's general knowledge, employability, and flexibility in the workplace; to develop skills unique to the business's workplace or equipment; or to develop skills that will increase the quality of the business's product.¹⁴

Those activities must be related to the project that is the subject of the application for Tax Credits, and not for those activities that allow an employee to function within the day-to-day operations of the business or for the general, organic growth of the business. Examples of ineligible activities include orientation, or training on a business process management system.

Capital Investment¹⁵

The amount of Tax Credits awarded for new capital investment may equal up to 3% of the business' personal property investment and up to 5% of its new real property investment.

To qualify for Capital Investment tax credits, the project must involve a total capital investment of at least \$1,000,000 or for projects that involve a total capital investment of less than \$1,000,000, the total investment must be equal to at least \$10,000 per Eligible Employee employed on the project.

Corporate Headquarters

The amount of Tax Credits awarded for the location or retention of a Corporate Headquarters may equal up to 10% of the annual wages of positions created or retained for Eligible Employees if the position in which the Eligible Employee was employed was created or retained in connection with the location or retention of the Corporate Headquarters in Wisconsin, and the job duties associated with the Eligible Employee's position involve the performance of Corporate Headquarters functions.¹⁶ Tax Credits may not be earned for wages over \$100,000 per year. Generally, a business will be initially certified for amounts for Corporate Headquarters job creation based on projected Full-Time Jobs to be created over three years.

¹⁴ Wis. Stat. § 238.308(4)(a)3; Wis. Stat. § 71.07(3y)(b)3; Wis. Stat. § 71.28(3y)(b)3; Wis. Stat. § 71.47(3y)(b)3.

¹⁵ Wis. Stat. § 238.308(4)(a)4; Wis. Stat. § 71.07(3y)(b)4; Wis. Stat. § 71.28(3y)(b)4; Wis. Stat. § 71.47(3y)(b)4.

¹⁶ Wis. Stat. § 238.308(4)(a)5; Wis. Stat. § 71.07(3y)(b)5; Wis. Stat. § 71.28(3y)(b)5; Wis. Stat. § 71.47(3y)(b)5.



Certified Businesses may then earn these Corporate Headquarters job creation credits over a period of three years based on the increase in wages at the project location(s) for which the award is made, year-over-year, subject to annual verification.

Corporate Headquarters retention credits will be calculated based on the Baseline wages earned on an equal basis over three years.

Full-Time Jobs filled by Eligible Employees for which Tax Credits have been verified must be maintained for a period of either five years from the Certification Date, or a period of two years after the final earning period for job creation and retention, whichever is longer, measured as of the last day of the maintenance period. Tax Credits will be earned annually, based on the wages of Full-Time Jobs filled by Eligible Employees during the Recipient's taxable year.

Eligibility to Claim:

In order to be eligible to claim Tax Credits in any year for which the business is certified, the Certified Business must increase its net employment in Wisconsin above the Certified Business' net employment in Wisconsin in each year after the Certification Date.¹⁷

WEDC will annually calculate the amount of Tax Credits earned¹⁸ and able to be claimed by the Certified Business based on eligible activities, and may request additional information from the Certified Business. WEDC will notify the Certified Business and the Department of Revenue of the amount eligible to be claimed against the Certified Business' taxes each year with a written verification of the Tax Credits earned. A Certified Business must attach appropriate forms to its Wisconsin tax return submitted to the Department of Revenue to obtain the tax benefits.¹⁹ No person may file with the Department of Revenue for Tax Credits without the written certification of WEDC.²⁰

Tax Credits are refundable. If the amount of Tax Credits approved for a taxable year exceeds the amount of tax due for the taxable year, the excess credit amount will be refunded to the Certified Business.²¹ The Tax Credits are non-transferable, and must be claimed in accordance with the statutory requirements.

Incentives and Available Funding (CY 2023): \$22,000,000 tax credit allocation

Subject to reallocation of additional funds up to \$10,000,000,²² and carryforward unused credits, WEDC will allocate no more than \$22,000,000²³ in Tax Credits for Certified Businesses in any calendar year.

Activities and Expected Outcomes:

Assist 30 businesses to support the creation of 1500 jobs, retention of 2500 jobs and achieve a 20:1 leverage of other investment.

¹⁷ Wis. Stat. § 238.308(3)

¹⁸ Wis. Stat. § 238.308(5)(b).

¹⁹ Wis. Stat. § 71.07(3y)(c)2; Wis. Stat. § 71.28(3y)(c)2; Wis. Stat. § 71.47(3y)(c)2.

²⁰ Wis. Stat. § 71.07(3y)(c)2; Wis. Stat. § 71.28(3y)(c)2; Wis. Stat. § 71.47(3y)(c)2.

²¹ Wis. Stat. § 71.07(3y)(d)2; Wis. Stat. § 71.28(3y)(d)2; Wis. Stat. § 71.47(3y)(d)2.

²² Wis. Stat. § 238.308(4)(c).

²³ Wis. Stat. § 238.308(4)(b).



Performance Reporting:

Recipients will be required to annually submit a performance report documenting capital investment, job creation, job retention, as well as any other contract deliverables.

WEDC annually selects awards on a sample basis for an audit. All backup documentation to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2017 | Standardized expected outcomes language and added metric for leverage |
| 7/1/2017 | Eliminated unnecessary maintenance period for tax credits awarded for training |
| 9/23/2017 | Pursuant to 2017 Act 59, WEDC may annually request from the Joint Committee on Finance additional allocation authority |
| 7/1/2018 | Added statutory citations |
| 7/1/2018 | Clarified criteria for awarding additional tax credits |
| 7/1/2018 | Clarified maintenance requirements for job creation and retention |
| 7/1/2019 | Expanded criteria for awarding additional tax credits to include Opportunity zones; standardized application process and performance reporting sections for consistency; clarified duration of maintenance period and performance reporting requirements |
| 4/20/2021 | Aligned program guidelines with the annual calendar year credit allocation |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Vice President, Strategic Investment and Policy: _____

Date Click or tap to enter a date.

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Capacity Building Grant

Program Inception: WEDC FY13

Lead Division: Business and Community Development

New

Revised

Aid

Pass-thru Aid

Technical Assistance

Program Goal:

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

Program Description:

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

Eligibility Requirements:

Eligible projects include, but are not limited to:

- Planning initiatives or assessments of the economic competitiveness of the area (e.g. workforce, infrastructure, sustainability, export capacity)
- Initiatives that will assist or enhance an organization's ability to develop or deliver economic development programming that helps to identify or address issues or challenges of an area or the state
- Implementation of pilot programs or economic development best practices
- Marketing by regional economic development organizations. Regional economic development organizations may receive grants not to exceed \$100,000 or the amount of matching funds the organization obtains from sources other than WEDC or the state, whichever is less, to fund marketing activities.¹

Capacity Building funding may not be used for past costs, nor may past costs incurred prior to application be considered for matching funds, if applicable.

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

- The likelihood the proposed effort will result in long-term benefits to the organization, its

¹ Wis. Stat. §238.135.



members, the region or state, or its clients

- The degree to which the organization can influence state or regional economic conditions (e.g. number of localities served, geography, membership size)
- The extent to which the problem has been approached through regional collaboration with other economic development groups and other local jurisdictions
- The extent to which the project will provide an impact to economically distressed communities or rural areas of Wisconsin
- The financial need demonstrated by the applicant
- The extent to which the proposed effort can be replicated throughout Wisconsin

WEDC may require matching funds depending on the project's attributes.

Incentives and Available Funding (FY23): \$750,000

The amount of funding per project will generally be up to \$50,000. Projects that demonstrate significant regional or statewide impact may receive additional funding.

Activities and Expected Outcomes:

Assist up to ten organizations

Performance Reporting:

Recipients will be required to periodically submit a performance report documenting specific project activities, as well as any other contract deliverables.

WEDC annually selects awards on a sample basis for an audit. All backup documentation to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

The Capacity Building program has a continuous application process. Applicants for a Capacity Building Grant should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through the award review process.

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

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2017 | Eliminated pilot status for Entrepreneurship Support track |
| 7/1/2019 | Clarified performance reporting requirements; standardized application and awards process |
| 7/1/2020 | Expanded eligibility and funding for COVID-19 recovery initiatives |
| 7/1/2021 | Transferred Entrepreneurship Support track to the ETA program; eliminated temporary CARES Act provisions |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____
enter a date.

Date Click or tap to

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Capital Catalyst

Program Inception: WEDC FY12

Lead Division: Entrepreneurship & Innovation

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

The goal of the Capital Catalyst program is to incent capital formation and investment in startups and emerging growth companies in the state of Wisconsin.

Program Description:

The program provides matching grants to seed funds managed by local communities and other eligible entities to provide capital to startups and emerging growth companies.

The Capital Catalyst program increases the availability of capital to startups and emerging growth companies to support growth and attract additional private investment.

Eligibility Requirements:

Applicants for Capital Catalyst funds must demonstrate organizational capability and the availability of entrepreneurial support to achieve the goals of their program. Capital Catalyst fund recipients may include units of government, educational institutions, foundations, other nonprofit entities, or investment holding entities established by otherwise eligible entities.

Applicants should have an established investment/selection committee, investment/funding criteria, application process, and intended use of returns. Eligibility for the program requires a 1:1 match of the amount of funding provided by WEDC. This match must be documented prior to the disbursement of funds.

Investment/funding decisions will focus on assistance to companies with a geographic, community, industry, innovation, or other focus area relevant to WEDC strategy.

Use of Funds:

Capital Catalyst recipients are required to make grants, debt, royalty-based investments and/or equity investments in startups, early stage and emerging growth companies that are located in or will locate in Wisconsin. Recipients will agree to establish a segregated account to receive direct grant funding from WEDC that may include the recipient's matching funds.

Funds may not be used to support expenses related to the relocation of a business between communities in Wisconsin.



Returns on loans and/or investments to the fund capitalized by WEDC and matching funds may be used for additional awards to eligible businesses, distribution to WEDC and applicant organization in proportion to the initial match, and/or other purposes approved by WEDC.

Incentives and Available Funding (FY23): \$3,000,000

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

WEDC: \$1,000,000

SSBCI: \$2,000,000

Federal SSBCI funding has specific requirements for the company eligibility, private funding participation, reporting requirements, and other factors. The funding source utilized will be based on the ability of the proposed project and funding structure to meet federal funding eligibility requirements, policy guidance, and program objectives established by the U.S. Department of Treasury.

Activities and Expected Outcomes:

Award six organizations to support the financing of 25 startup and emerging growth companies. Recipients will maintain an average co-investment ratio of 1:1, and a 3:1 leverage of other investment in companies assisted by the recipient.

Performance Reporting:

Recipients will be required to periodically submit a performance report documenting the number of organizations assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

Capital Catalyst has a continuous application process. Applicants for a Capital Catalyst Grant should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through the award review process.

Applicants for Capital Catalyst program funding are required to provide to WEDC, in writing, information on the applicant organization, investment fund management and strategies, and the process for approving awards made from the fund.



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

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Increased flexibility of the use of funds |
| 7/1/2018 | Clarified applicant eligibility criteria |
| 7/1/2018 | Clarified use of returns on investment funds |
| 7/1/2019 | Removed administrative expenses as an eligible use of returns; clarified performance reporting requirements |
| 7/1/2021 | Clarified and expanded eligibility focus |
| 7/1/2022 | Accommodates SSBCI funding |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Certified Sites Program
Program Inception: WEDC FY12
Lead Division: Global Trade and Investment
 New **Revised** [Click here to enter a date.](#)
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

Program Description:

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

Eligibility Requirements:

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

Incentives and Available Funding (FY23): \$56,500 (non-aids)

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

Activities and Expected Outcomes:

Provide site search technical assistance to 10 businesses and Create three new site certifications in FY23.

Performance Reporting:

Annual program performance is measured by a count of the number of sites that are certified through the program. Site search technical assistance provided to businesses by WEDC will also be documented.



Application and Awards Process:

1. Municipalities, economic development agencies, and private land-owners or developers can be site representatives and apply to the program during the established program application period. Site representatives must send an email to the project lead requesting an application. The email must contain the representative’s contact information and the community where the site is located and / or the site name. The project lead will respond with information on how to apply. Once an application is received, it goes through the following steps. More information on each step can be provided by the Program Manager.
2. Desktop Review
3. Field Visit
4. Gap Mitigation
5. Announcement and Marketing

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2020 | Placed temporary suspension on new site certifications and funding during FY21; clarified activities and expected outcomes |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Community Development Investment (CDI) Grant Program

Program Inception: WEDC FY13

Lead Division: Business and Community Development

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

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

Program Description:

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

Eligibility Requirements:

Definitions:

“Economically Distressed” means a county or municipality so designated by WEDC by considering the most current area and state data available for the following indicators:

- Unemployment rate
- Percentage of families with incomes below the poverty line
- Median family income
- Median per capita income
- Average annual wage
- Manufacturing assessment values by county
- Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs

“Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.

Municipalities (including counties, cities, villages, and towns), tribal entities, and other governmental authorities designated by a municipality to apply on its behalf will be eligible to receive grant assistance under the following conditions:

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ECONOMIC DEVELOPMENT

- Grant recipients must provide a minimum 3:1 matching investment in project costs; projects located in an Economically Distressed community or Opportunity Zone may provide a minimum 1:1 matching funds.
- No more than 50% of eligible project costs may consist of other state and/or federal grant sources, excluding federal ARPA funds; exceptions can be made for projects utilizing federal ARPA funds.
- Applicants must provide a signed resolution by the governing elected body authorizing the submittal of the application(s) to the CDI Grant Program, including the Vibrant Spaces Pilot.
- An applicant that was impacted by an event that has resulted in a State or Federal Disaster Declaration within the 24 months prior to submitting an application may receive funds for mitigation or preparedness planning and will receive additional considerations including the following:
 - WEDC may reduce or waive the match requirements
 - Applicants must demonstrate that other funding mechanisms (CDBG, WI Disaster Fund, FEMA, etc.) have been evaluated and fully utilized before applying for WEDC CDI Grant funding

Eligible activities are:

- Building renovation
- Historic preservation
- Demolition
- New construction
- Infrastructure investment

Eligible projects may qualify under one or more of the following:

- Development of significant destination attractions
- Rehabilitation and reuse of underutilized or landmark buildings
- Infill development
- Historic preservation
- Infrastructure efforts, including disaster prevention measures, providing substantial benefits to downtown residents or property owners
- Mixed-use development (not exclusively residential)

Costs ineligible for grant assistance or match include, but are not limited to:

- Past costs
- In-kind contributions
- Indirect construction costs (a.k.a. "soft" costs)

WEDC may take the following into account when considering a CDI Grant:

- Impact on the community
- Located in an Economically Distressed community
- Financial justification
- Previous planning efforts
- Readiness to proceed demonstrated by financial commitments in place

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ECONOMIC DEVELOPMENT

- Involvement of public-private partnerships and public/community support and collaboration
- Demonstrates involvement of diverse businesses, including women and veteran-owned contractors, in eligible project costs
- Primary building occupant is a diverse-, woman-, or veteran-owned business(es)
- Primary building purpose serves the communities of diverse-, women-, veteran-, or low- and moderate-income individuals
- Clean energy technology investments included in the project (ex. solar panels, electric vehicle charging stations, etc.)
- Quality Urban Design: balancing preservation of existing heritage structures and streetscapes with new development
- Other factors determined by WEDC

Vibrant Spaces Pilot

The Vibrant Spaces Pilot funds are awarded through a competitive application process for communities to invest in public projects that will enhance the community as an attractive place to live. The project must demonstrate a collaborative, community-driven effort, such as identified in a community plan or community document that has identified the project as a positive community investment in order to be considered eligible. A minimum 1:1 match of other funds will be required.

Eligible activities include:

- Public Space Enhancements (including, but not limited to alleys, programmable park spaces)
- Public Signage (limited to: wayfinding, interpretative signage, kiosks)
- Seasonal equipment with the intent to use annually (such as tables, chairs, bike racks, etc.)
- Parklets
- Public infrastructure projects (including public restrooms to serve public spaces)

Ineligible activities include (but are not limited to):

- Events
- Private spaces that are not open to the public
- Activities that are otherwise eligible to be funded through other programs offered by WEDC

Ineligible costs for grant assistance or match include, but are not limited to:

- Past costs
- In-kind contributions
- Indirect expenses (a.k.a. “soft costs”)

Incentives and Available Funding (FY23) \$8,250,000

CDI Grant - \$7,500,000

The maximum award generally does not exceed \$250,000 unless the request for funds is for a project that, due to the size and scope of the investment, clearly justifies an award beyond normal parameters.

No more than one grant per fiscal year shall be located within the boundary of a municipality, unless the applicant is located in an economically distressed community; then applicants can apply for two CDI grants per fiscal year.



Vibrant Spaces Pilot - \$750,000

Awards will generally be between \$25,000 and \$50,000. Funds will be awarded through a competitive application process. Applicant may receive one Vibrant Spaces Grant in any fiscal year. Receiving a Vibrant Spaces grant does not preclude a community from applying for one (or two, if in an economically distressed community) CDI grant(s).

Activities and Expected Outcomes:

CDI Grant: Assist 30 communities and achieve a 15:1 leverage of other investment.

Vibrant Spaces Pilot: Assist 20 communities and achieve a 1:1 leverage of other investment.

Performance Reporting:

Recipients will be required to annually submit a performance report documenting capital investment, assessed taxable property values, as well as any other contract deliverable. Vibrant Spaces Pilot recipients will submit one performance report at the completion of the project.

WEDC annually selects awards on a sample basis for an audit. All backup documentation to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

Vibrant Spaces Pilot has a competitive application process.

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

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Consideration of multiple applications per community per fiscal year when funding is available |
| 7/1/2017 | Remove limitation of one CDI or BF grant per project |
| 7/1/2017 | Added project or site development planning as eligible activity |
| 7/1/2018 | Allow applicants in a Designated Rural County to receive more than one grant per fiscal year |
| 7/1/2018 | Reserve 50 percent of program funding for projects in a Designated Rural County |
| 7/1/2019 | Allow applicants in an Opportunity Zone to receive more than one grant per fiscal year; allow recipients to submit performance reports annually; clarify performance reporting requirements |
| 7/1/2020 | Expanded eligibility and funding for COVID-19 recovery initiative. |
| 7/1/2021 | Eliminated temporary CARES Act provisions; removed eligibility for planning projects; replaced Designated Rural County with Economically Distressed; added consideration for diverse businesses |
| 7/1/2022 | Expands considerations to determine making a CDI Grant; Adds Vibrant Spaces Pilot |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____
enter a date.

Date Click or tap to

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Disaster Recovery Microloan
Program Inception: WEDC FY19
Lead Division: Business and Community Development

New **Revised**
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

The goal of the Disaster Recovery Microloan (DRM) program is to provide short-term assistance to businesses affected by disaster events in the state of Wisconsin.

Program Description:

The program will provide grants to pre-approved regional entities with the capacity to deploy rapid response microloans to businesses affected by disasters, either natural or manmade. The microloans are to assist the business with necessary restoration and operating expenses until more long-term recovery funding can be secured. Providing immediate recovery funding in this manner is a best practice in community economic disaster recovery and leads to improved odds of a business reopening and remaining open long-term. WEDC will contract with regional entities to distribute and administer these loans in their respective geographic areas of the state, as applicable.

Eligibility Requirements:

DRM program grants will only be made available to regional entities where WEDC has an agreement in place outlining the grant obligations and terms and conditions of the microloan program. Within 30 days following a natural or man-made disaster event, which may or may not include a corresponding State of Emergency or Disaster Declaration, the pre-approved regional entity will request allocation of funding to make microloans in its respective region. WEDC will expedite review and approval of the request.

Eligible Microloan Recipients:

DRM program funds are available to businesses meeting the following criteria:

- Must be located in or directly adjacent to a region where the authorized regional entity has received an allocation
- Must have suffered measurable physical damage because of the disaster event
- Must attest to intent to resume business operations in the community as quickly as possible



Ineligible Businesses:

The following businesses are ineligible for DRM microloan funding:

- Payday loan and title companies
- Telemarketing other than inbound call centers
- Pawn shops
- Liquor stores
- Adult entertainment venues
- Home-based businesses
- Farms

Eligible Activities:

DRM program funds may be used for the following activities:

- Procurement of cleanup and restoration services
- Operating expenses such as payroll
- Temporary space
- Repair and reconstruction

Incentives and Available Funding (FY23): The program is not being initially funded in FY23.

The program budget will be determined based upon a disaster event, the number of businesses in need of financial assistance, and the availability of funds. The incentives in this program are grants to pre-approved regional entities based on need related to the disaster event to provide microloans to affected businesses under the following conditions:

- Amount: Up to \$20,000
- Term: 24 months with no early repayment penalty
- Deferral: Minimum of six months
- Interest Rate: The interest rates for loans will be 0%
- Collateral and guarantees should be considered

Loan repayments may be retained by the regional entity for other economic development uses, such as economic development programming, matching funds to partner programs, small business education programs, revolving loan funds, etc. The regional entity has the authority to make forgivable loans, as long as the provision for such is stipulated in the loan agreement. As part of the grant award the regional entity may receive up to \$5,000 for the cost to prepare a schedule of expenditures in accordance with § 238.03(3)(a).

Activities and Expected Outcomes:

Nine regional organizations approved to administer the program covering all 72 counties.



Performance Reporting:

Recipients of DRM grants will be required to periodically submit a performance report documenting the businesses assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

Pre-approved regional entities should complete an application through an Account Manager. The completed application will be assigned to an underwriter for expedited review and approval. For more information on application review, internal process, and award distribution, please refer to WEDC's award administration policies and procedures.

Revision History:

| Effective Date | Description of Change |
|-----------------------|--|
| 9/18/18 | <ul style="list-style-type: none">• Increase maximum loan amount; authorize regional entities to make forgivable loans; provide funding up to \$5,000 to regional entities for cost to prepare schedule of expenditures. |
| 7/1/2019 | <ul style="list-style-type: none">• Clarify available funding; clarify performance reporting requirements |
| 8/13/2019 | <ul style="list-style-type: none">• Revised available funding to reflect Board approval of \$1 million in DRM funds to assist disaster recovery from the extreme severe weather July 18-20, 2019. |
| 7/1/2020 | <ul style="list-style-type: none">• Clarified conditions when regional organization may retain loan repayments |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ **Date** Click or tap to enter a date.

Division Vice President: _____ **Date** Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ **Date** Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Diverse Business Development (DBD) Program

Program Inception: WEDC FY12

Lead Division: Business and Community Development

New

Revised

Aid

Pass-thru Aid

Technical Assistance

Program Goal:

The goal of the Diverse Business Development Program (DBD) is to support existing, new and expanding minority, women, disabled, LGBT, and veteran owned businesses in the state of Wisconsin.

Program Description:

The program is designed to support capacity building of diverse non-profit organizations and minority, women, disabled, LGBT, and veteran business development through direct assistance to nonprofit organizations as well as providing capacity building of diverse non-profit organizations in Wisconsin. The funding is intended to promote investment and job retention and creation in diverse communities and underserved markets by increasing access to capital and business development training opportunities.

Eligibility Requirements:

Eligible nonprofit grant applicants are organizations that provide business financing, training or technical assistance to the diverse business community. The recipient must demonstrate professional capacity, financial stability and viability, and a demonstrated need.

Ally Grant Pilot – WEDC plans to conduct a competitive round of funding to support development of new and/or emerging diverse non-profit organizations that support diverse business communities. This pilot focuses specifically on organizations WEDC has not previously funded to build operating sustainability of the organizations and to be better prepared to provide technical assistance to its members and communities.

Eligible Applicants for the Ally Grant must:

- Be a diverse-based non-profit organization
- Have received no prior WEDC funding

Applicants will be evaluated based on demonstration of plans to develop and grow organizational competencies, strategies, systems, and/or structures in order to improve stability and build sustainability of the organization. An organization is eligible to be considered for no more than three grants through this program.



Incentives and Available Funding (FY23): \$500,000

The incentives in this program are grants to eligible nonprofit entities to provide technical assistance, training, and/or micro-loans to minority, women, disabled, LGBT, and veteran owned businesses, as well as providing capacity building to diverse non-profit organizations.

DBD Program - \$275,000

Ally Grant Pilot - \$225,000

Activities and Expected Outcomes:

DBD Program - Award six organizations to support 50 businesses.

Ally Grant Pilot – Assist nine organizations

Performance Reporting:

Recipients will be required to submit periodic reports on project activities and the number of businesses assisted where applicable, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

The Ally Grant Pilot has a competitive application process.

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



Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Simplified program due to transition of Minority Business Chambers to Key Strategic Partners during FY18 |
| 7/1/2018 | Simplified eligibility criteria to expand qualifying organizations |
| 7/1/2019 | Clarified performance reporting requirements |
| 4/23/2020 | Authorized use of grant funds to provide direct financial assistance to businesses during the public health emergency |
| 7/1/2020 | Changed program name; eliminated temporary provisions of public health emergency initiative |
| 7/1/2022 | Expands program description to include disabled and capacity-building for nonprofits; Adds Ally Grant Pilot |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Director of Public Policy: _____

Date Click or tap to enter a date.

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Calendar Year 2023**

Program Name: Enterprise Zone (EZ)
Program Inception: 2005 Act 361
Lead Division: Business and Community Development
 New **Revised** Click here to enter date
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

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

Business Development: Business and Investment Attraction

Program Description:

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

Eligibility Requirements:

A business may qualify for EZ certification where the business: (1) Begins operation in EZ¹; (2) Relocates to EZ from out of state²; (3) Expands operation in EZ³; (4) Retains Jobs in the EZ⁴; or (5) Purchases items or services through a Wisconsin Supply Chain⁵.

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

Each EZ may exist for up to 12 years.⁶ WEDC may cap the award and/or limit the number of years in which credits may be claimed by a Certified Business within the EZ. But there is no statutory cap on allocated Tax Credits per award, or on the overall program.

¹ Wis. Stat. § 238.399(5)(a)
² Wis. Stat. § 238.399(5)(b)
³ Wis. Stat. § 238.399(5)(c)
⁴ Wis. Stat. § 238.399(5)(d)
⁵ Wis. Stat. § 238.399(5)(e)
⁶ Wis. Stat. Sec. 238.399(4)(a).

Definitions:

The following definitions supplement those in §§ 238.399, 71.07 (3w), 71.28 (3w), 71.47 (3w) Wis Stats.

- “Base Year” means the taxable year beginning during the calendar year prior to the calendar year in which the enterprise zone in which the Certified Business is located takes effect.⁷
- “Certified Business” means a business certified by WEDC as eligible to earn Tax Credits based on the parameters of this guideline and based on the business’ total number of Eligible Employees in the State of Wisconsin as determined by the Federal Employment Identification Number (“FEIN”) under which the business files its taxes.
- “Certification Date” means the date, designated by WEDC, on which the eligibility to earn Tax Credits begins. No activities occurring prior to the Certification Date will be considered in allocating Tax Credits.
- “Eligible Training Cost” means (1) the cost of the trainer; (2) the cost of the training materials; (3) the wages of the trainee while in a classroom setting; or (4) the costs of the trainer and the wages of the trainee while in an on-the-job or job shadowing setting.⁸ Eligible training costs do not include travel expenses, food or lodging.
- A “Full-Time Employee”: means an individual who is employed in a regular, nonseasonal job for which the annual pay is more than the amount determined by multiplying 2,080 by 150 percent of the federal minimum wage, and an individual in the position is offered the retirement, health, and other benefits that are equivalent to the retirement, health, and other benefits offered to an individual who is required to work at least 2,080 hours per year.⁹

Employees that do not meet the definition will not be counted toward headcount or wages.

- A “Partial-Year Employee” means an individual who only worked part of the year due to their hiring or termination dates, who would have met the Full-Time Employee definition had they worked the full year. Part-time or seasonal employees do not count as Partial-Year Employees.
- “Ineligible Business” means businesses ineligible for Tax Credits unless extraordinary circumstances exist, including but not limited to a serious threat of a business leaving the state, significant job creation or retention, or Significant Capital Investment, and such extraordinary circumstances are approved by the Board of Directors’ Awards Administration Committee. Such Ineligible Businesses include:
 - Payday loan and title loan companies
 - Telemarketing other than inbound call centers

⁷ Wis. Stat. Sec. 71.07(3w)(a)1; Wis. Stat. Sec. 71.28(3w)(a)1; Wis. Stat. Sec. 71.47(3w)(a)1.

⁸ Wis. Stat. Sec. 71.07(3w)(bm)1; Wis. Stat. Sec. 71.28(3w)(bm)1; Wis. Stat. Sec. 71.47(3w)(bm)1.

⁹ While there are two statutory definitions of Full-Time Employee, WEDC utilizes the above identified definition in its contracts: Wis. Stat. Sec. 238.399(1)(am)2.

- Pawn shops
 - Media outlets
 - Retail
 - Farms
 - Primary care medical facilities
 - Financial Institutions
 - The hospitality industry
-
- “Significant Capital Expenditure” means a capital investment in a WEDC-designated EZ, beyond a Certified Business’s normal capital expenditures, that is needed to achieve a specific purpose agreed to by WEDC.¹⁰
 - “Significant Capital Investment” means a capital investment in excess of \$10 million in a WEDC-designated EZ, beyond a Certified Business’s normal capital expenditures, that is needed to achieve a specific purpose agreed to by WEDC.¹¹
 - “Significant Supply Chain” means a business that has a supply chain in the state which is designated by WEDC as significant. In determining whether the chain is significant, WEDC may consider any of the following factors:
 - The number of employees throughout the supply chain
 - The number of suppliers in the supply chain
 - The total cost of the components purchased from the supply chain
 - The number of units purchased from the chain
 - “Tax Credits” means the EZ Tax Credits authorized pursuant to Wisconsin Statutes §§ 238.399, 71.07 (3w), 71.28 (3w), 71.47 (3w)
 - “Taxable Year” means the taxable period upon the basis of which the taxable income of the taxpayer is computed for federal income tax purposes.¹²
 - “Tier I county or municipality” and “Tier II county or municipality” means a county or municipality so designated by WEDC. In designating either a Tier I county or municipality or a Tier II county or municipality, WEDC will consider the most current data available for the area and state using the following indicators:
 - Unemployment rate
 - Percentage of families with incomes below the poverty line
 - Median family income
 - Median per capita income
 - Average annual wage
 - Manufacturing assessment values by county

¹⁰ Wis. Stat. Sec. 238.399(6)(g)3.

¹¹ Wis. Stat. Sec. 238.399(6)(g)2m.

¹² Wis. Stat. Sec. 71.01(12),

- Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs¹³

In determining a distressed county (Tier 1), each category above will annually be assigned a value between 1-72 with 72 being the highest distress ranking and an aggregate score for each county considering the 7 factors. The counties are ranked by their aggregate score with the highest-ranked one-third (24) counties considered distressed. Additionally, the City of Milwaukee and any county with two top-ten distress rankings in any given category will also be considered distressed.

- “Zone Payroll” means the amount of state payroll that is attributable to wages paid to Full-Time Employees for services that are performed in an EZ. Zone Payroll does not include the amount of wages paid to any Full-Time Employees that exceeds \$100,000.¹⁴

Enterprise Zone Designation

Designation of Enterprise Zone is based on the following factors.¹⁵

- Indicators of the area's economic need, data regarding household income, average wages, the condition of property, housing values, population decline, job losses, infrastructure and energy support, the rate of business development, and the existing resources available to the area.¹⁶
- The effect of designation on other initiatives and programs to promote economic and community development in the area, including job retention, job creation, job training, and creating high-paying jobs.¹⁷
- Preference is given based on the greatest economic need to the extent possible.¹⁸

WEDC designates Enterprise Zones based on company specific projects. In determining whether to designate an EZ, WEDC may evaluate a wide range of factors including the following:

- Whether the project might not occur without the allocation of Tax Credits.
- The extent to which the project will increase employment in this state.
- The extent to which the project will contribute to the economic growth of this state.
- The extent to which the project will increase geographic diversity of available Tax Credits throughout this state.
- The financial soundness of the business.
- Whether the business offers health, retirement and other benefits.
- Any previous financial assistance that the business received from the Department of Commerce/WEDC.

¹³ Wis. Stat. § 238.399(6)(g)(1)

¹⁴ Wis. Stat. Sec. 71.07(3w)(a)6; Wis. Stat. Sec. 71.28(3w)(a)6; Wis. Stat. Sec. 71.47(3w)(a)6. “State Payroll” is defined in Wis. Stat. Sec. 71.07(3w)(a)5; Wis. Stat. Sec. 71.28(3w)(a)5; Wis. Stat. Sec. 71.47(3w)(a)5.

¹⁵ Wis. Stat. Sec. 238.399(3)(b).

¹⁶ Wis. Stat. § 238.399(3)(b)(1)

¹⁷ Wis. Stat. § 238.399(3)(b)(2)

¹⁸ Wis. Stat. § 238.399(3)(c)

WEDC shall designate at least three Enterprise Zones in political subdivisions of less than 5,000 and at least two in political subdivisions with populations between 5,000 and 30,000.¹⁹ WEDC shall specify whether an Enterprise Zone is located in a Tier I county or municipality or a Tier II county or municipality.²⁰

Certification

A business may qualify for EZ certification in the following five circumstances where the business:

- 1. Begins operation in EZ²¹**
- 2. Relocates to EZ from out of state²²**
 - a. The business must offer compensation and benefits to employees in the EZ that are at least as favorable as those offered to employees working outside the zone for the same type of work.
- 3. Expands operation in EZ (Must meet either sub. a or sub. b)**
 - a. Increase Personnel by 10%²³
 - i. The business enters into an agreement to claim benefit only for years in which the business maintains increased level of personnel;
and
 - ii. Compensation and benefit for employees in the EZ that are at least as favorable as those offered to employees working in Wisconsin but outside zone
 - “Personnel” defined to include both (1) A business' employees in an enterprise zone and (2) Individuals who provide services to a business as independent contractors in this state.²⁴
 - b. Significant Capital Investment²⁵
 - i. The business enters into an agreement to claim benefit only for years in which the business maintains increased level of capital investment;
and
 - ii. Compensation and benefit for employees in the EZ that are at least as favorable as those offered to employees working in Wisconsin but outside zone
- 4. Retains Jobs in the EZ²⁶**
 - a. But must also make a Significant Capital Investment in property located in enterprise zone and, unless EZ located in Rural Zone, must either:
 - i. Qualify as a manufacturer with Significant Supply Chain in state;
or
 - ii. Or have more than 500 Full-Time Employees in EZ

¹⁹ Wis. Stat. Sec. 238.399(3)(d).

²⁰ Wis. Stat. Sec. 238.399(3)(bm).

²¹ Wis. Stat. Sec. 238.399(5)(a).

²² Wis. Stat. Sec. 238.399(5)(b).

²³ Wis. Stat. Sec. 238.399(5)(c)1.

²⁴ Wis. Stat. Sec. 238.399(1)(bm).

²⁵ Wis. Stat. Sec. 238.399(5)(c)2.

²⁶ Wis. Stat. Sec. 238.399(5)(d).



5. Wisconsin Supply Chain²⁷

- a. Business located in the EZ purchases substantial amounts of tangible personal property, items, property or goods or services from Wisconsin vendors

The corporation shall revoke the certification²⁸ to claim tax benefits if the person does any of the following:

- Supplies false or misleading information to obtain tax benefits.
- Leaves the enterprise zone to conduct substantially the same business outside of the enterprise zone.
- Ceases operations in the enterprise zone and does not renew operation of the business or a similar business in the enterprise zone within 12 months.

Tax Credits Calculation

A Certified Business may qualify for Tax Credits only for eligible activities that occur after the Certification Date established by WEDC. A Certified Business may be eligible to earn Tax Credits for multiple eligible activities. The amount of Tax Credits earned for each activity shall align with the following calculations, capped at amounts determined by WEDC to be reflective of the economic impact the project will have in the state of Wisconsin.

A Certified Business may qualify for EZ Tax Credits in one or more of the following categories: Job Creation, Job Retention, Training Tax Credit, Capital Investments, and Wisconsin Supply Chain. Each are described in detail herein.

Job Creation Tax Credit Calculation:²⁹

Business would be entitled to a credit of up to seven percent (7%) as identified in the following 5 step calculation.

Step 1: Identify “New Full-Time Employees.”³⁰ For calculation purposes, the New Full-Time Employees are identified as the lesser of:³¹

- **New Full-Time Employees in the EZ:** The number of Full-Time Employees in the EZ in the taxable year minus the number of Full-Time Employees in the EZ in the base year; or
- **New Full-Time Employees in the State:** The number of Full-Time Employees in the state in the taxable year minus the number of Full-Time Employees in the state in the base year.

Partial Year Employees are included in the calculation as follows:

- Partial-Year Employees whose employment was terminated prior to the end of the taxable year will not be counted as a New Full-Time Employee.
- Partial-Year Employees employed as of the end of the taxable year will be counted as a New Full-Time Employee.

²⁷ Wis. Stat. Sec. 238.399(5)(e).

²⁸ Wis. Stat. Sec. 238.399(6)(b).

²⁹ Wis. Stat. Sec. 71.07(3w)(b); Wis. Stat. Sec. 71.28(3w)(b); Wis. Stat. Sec. 71.47(3w)(b).

³⁰ Wis. Stat. Sec. 238.399 (1) (am).

³¹ Wis. Stat. Sec. 71.07(3w)(b)1; Wis. Stat. Sec. 71.28(3w)(b)1; Wis. Stat. Sec. 71.47(3w)(b)1.

Step 2: Identify “Average Zone Payroll.” Determine the recipient’s average Zone Payroll by dividing the total wages of Full-Time Employees employed in the EZ in the taxable year by the number of Full-Time Employees employed in the EZ in the taxable year.³² Any wages earned by a Full-Time employee in excess of one hundred thousand dollars (\$100,000) will not be counted in this calculation;³³

Step 3: Calculate “Average Eligible Wage Amount.” Subtract the minimum threshold (depending on the Tier) as identified below from the Average Zone Payroll.³⁴

- Tier 1: 2,080 multiplied by 150 percent of the federal minimum wage
- Tier 2: \$30,000

Step 4: Calculate “Creditable Wage Amount.” Multiply the Average Eligible Wage Amount by the New Full-Time Employees in the zone.³⁵ After identifying the total wages for all New Full-Time Employees, add the qualified wages for all Partial-Year Employees.

Step 5: Job Creation Credit Determination. Multiply the Creditable Wage Amount by the credit percentage (which cannot exceed 7 percent).³⁶

Full-Time Employees created and awarded Job Creation Tax Credits shall be maintained for the duration of the EZ, measured as of the last day of the maintenance period, and may be subject to additional contractual requirements as required by WEDC.

Job Retention Tax Credit Calculation:³⁷

Business would be entitled to a credit of up to seven percent (7%) as identified in the following calculation.

To qualify, the total number of Full-Time Employees must be equal to or greater than the total number of Full-Time Employees in the base year to earn retention credits. The calculation of Job Retention credits cannot include wages paid to any Full-Time Employee that exceeds \$100,000.³⁸

Step 1: Confirm “Retained Employees.” The number of Retained Employees must be equal to or greater than the Full-Time Employees identified in the base year.

Partial-Year Employees are included in this calculation as follows:

- Partial-Year Employees whose employment was terminated prior to the end of the taxable year will not be counted as a Full-Time Employee.
- Partial-Year Employees employed as of the end of the taxable year will be counted as a Full-Time Employee.

³² Wis. Stat. Sec. 71.07(3w)(b)2; Wis. Stat. Sec. 71.28(3w)(b)2; Wis. Stat. Sec. 71.47(3w)(b)2.

³³ Wis. Stat. Sec. 71.07(3w)(a)6; Wis. Stat. Sec. 71.28(3w)(a)6; Wis. Stat. Sec. 71.47(3w)(a)6.

³⁴ Wis. Stat. Sec. 71.07(3w)(b)3; Wis. Stat. Sec. 71.28(3w)(b)3; Wis. Stat. Sec. 71.47(3w)(b)3.

³⁵ Wis. Stat. Sec. 71.07(3w)(b)4; Wis. Stat. Sec. 71.28(3w)(b)4; Wis. Stat. Sec. 71.47(3w)(b)4.

³⁶ Wis. Stat. Sec. 71.07(3w)(b)5; Wis. Stat. Sec. 71.28(3w)(b)5; Wis. Stat. Sec. 71.47(3w)(b)5.

³⁷ Wis. Stat. Sec. 71.07(3w)(bm)2; Wis. Stat. Sec. 71.28(3w)(bm)2; Wis. Stat. Sec. 71.47(3w)(bm)2.

³⁸ Wis. Stat. Sec. 71.07(3w)(a)6; Wis. Stat. Sec. 71.28(3w)(a)6; Wis. Stat. Sec. 71.47(3w)(a)6.

Step 2: Confirm “Base Year Zone Payroll.” Current Zone Payroll must be the same or more than Base Year Zone Payroll. Wages for all Partial-Year Employees are included in these calculations.

Step 3: Job Retention Credit Determination.” Multiply the Base Year Zone Payroll by the credit percentage (which cannot exceed seven percent (7%)).

Job retention credits may only be earned in years in which the Certified Business has maintained the number of Full-Time Employees employed in the Base Year and may only be earned for 5 consecutive taxable years.

Training Tax Credit Calculation:³⁹

Business would be entitled to a credit of up to 100% of the amount paid in a taxable year for any of the following activities:

- Upgrade or improve the job-related skills of any of the claimant’s full-time employees;
- Train any of the claimant’s full-time employees on the use of job-related new technologies; or
- Provide job-related training to any full-time employee whose employment with the claimant represents the employee’s first full-time job.

This credit only applies to employees who work in an enterprise zone.

Wisconsin Supply Chain Tax Credit Calculation:⁴⁰

The amount of Tax Credits earned may equal up to 1% of the amount that the Certified Business will pay to purchase tangible personal property, items, property, or goods under s. 77.52(1)(b), (c), or (d), or services directly from Wisconsin vendors, as determined by WEDC, except that the Certified Business may not be awarded supply chain and capital investment Tax Credits for the same expenditures.

Significant Capital Expenditure Tax Credit Calculation:⁴¹

Business entitled to up to 10 percent of the Certified Business’ Significant Capital Expenditures.

Capital Expenditures are generally defined as depreciable, tangible assets such as land, buildings, and equipment. Credit will be allowed for both capital leases or purchased property.

Significant Capital Expenditures made for which Capital Investment Tax Credits are earned shall be maintained for the duration of the zone and may be subject to additional contractual requirements as required by WEDC.

Eligibility to Claim:

³⁹ Wis. Stat. Sec. 71.07(3w)(bm)1; Wis. Stat. Sec. 71.28(3w)(bm)1; Wis. Stat. Sec. 71.47(3w)(bm)1.

⁴⁰ Wis. Stat. Sec. 71.07(3w)(bm)4; Wis. Stat. Sec. 71.28(3w)(bm)4; Wis. Stat. Sec. 71.47(3w)(bm)4.

⁴¹ Wis. Stat. Sec. 71.07(3w)(bm)3; Wis. Stat. Sec. 71.28(3w)(bm)3; Wis. Stat. Sec. 71.47(3w)(bm)3.



Certified Businesses will be required to submit documentation outlining the eligible activities, actual wages and expenditures to be awarded its designated EZ Tax Credits. WEDC may request additional information from the Certified Business.

WEDC will annually determine the amount of Tax Credits earned and able to be claimed by the Certified Business based on eligible activities, actual wages and expenditures pursuant to ss. 71.07 (3w), 71.28 (3w), or 71.47 (3w).⁴²

WEDC will notify the Certified Business and the Department of Revenue of the amount eligible to be claimed against the Certified Business' taxes each year with a written verification of the Tax Credits earned.⁴³ A Certified Business must attach appropriate forms to its Wisconsin tax return submitted to the Department of Revenue to obtain the tax benefits. No person may file with the Department of Revenue for Tax Credits without the written verification of WEDC.⁴⁴

Tax Credits are refundable and non-transferable. If the amount of Tax Credits approved for a tax year exceeds the amount of tax due for the tax year, the excess credit amount will be refunded to the Certified Business.⁴⁵

The corporation may require a business to repay any tax benefits the business claims for a year in which the business failed to maintain employment levels or a Significant Capital Investment in property required by its agreement.⁴⁶

Incentives and Available Funding (CY23):

Subject to passive review by the Joint Committee on Finance⁴⁷, WEDC may designate any number of Enterprise Zones in Wisconsin⁴⁸. WEDC shall designate at least five (5) zones subject to population limits in a political subdivision.⁴⁹ Currently, WEDC has one (1) undesignated statutorily required zone available for a political subdivision with a population of 5,000 or less.

The incentives under this program are refundable Tax Credits according to the following stipulations:

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

EZ Job Retention Credit: A Tax Credit equal to no more than 7% of the taxpayer's EZ payroll in a Tier I county or municipality that is paid to full-time employees who earn more than 150% times the Federal

⁴² Wis. Stat. Sec. 238.399(6)(f).

⁴³ Wis. Stat. Sec. 238.399(6)(e).

⁴⁴ Wis. Stat. Sec. 71.07(3w)(c)3; Wis. Stat. Sec. 71.28(3w)(c)3; Wis. Stat. Sec. 71.47(3w)(c)3.

⁴⁵ Wis. Stat. Sec. 71.07(3w)(c); Wis. Stat. Sec. 71.28(3w)(c); Wis. Stat. Sec. 71.47(3w)(c).

⁴⁶ Wis. Stat. Sec. 238.399(6)(d).

⁴⁷ Wis. Stat. Sec. 238.399(3)(am).

⁴⁸ Wis. Stat. Sec. 238.399(3)(a).

⁴⁹ Wis. Stat. Sec. 238.399(3)(d).



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

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

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

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

Wisconsin Supply Chain Credit: The business may also claim up to 1% of the amount it paid to purchase tangible personal property, items, property, goods or services from Wisconsin vendors. Businesses may not claim the Wisconsin Supply Chain Credit and the Investment Credit for the same expenditures. This benefit may be awarded for up to 12 years.

Activities and Expected Outcomes:

Assist 3 businesses to support the creation of 500 jobs, retention of 800 jobs, and achieve a 10:1 leverage of other investment.

Performance Reporting:

Recipients will be required to annually submit a performance report documenting capital investment, job creation, job retention, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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

Revision History:

| Effective Date | Description of Change |
|-----------------------|---|
| 7/1/2017 | Added "Base Year" and "Zone Payroll" definitions to clarify eligibility requirements |
| 7/1/2017 | Clarified definition of "Full-Time Employee" to reflect standard WEDC contract language |
| 7/1/2017 | Eliminated redundant language related to benefits offered by the business |
| 7/1/2017 | Added statutory references to clarify business certification requirements |
| 7/1/2017 | Added statutory references to calculation of tax credits to clarify methodology used for eligible activities |
| 7/1/2017 | Added statutory references to verification of tax credits to clarify the required documentation |
| 9/18/2017 | Added "Financial Services Technology Corporate Headquarters Retention Addendum" per the statutory revisions in 2017 Act 58 (approved 9/28/2017) |
| 9/23/2017 | Pursuant to 2017 Act 59, WEDC may reuse expired or revoked zones |
| 11/7/2017 | Added and clarified some definitions |
| 12/16/2018 | Pursuant to 2017 Wisconsin Act 369, eliminated statutory cap on zone designations and clarified new designations may be subject to approval by the Joint Committee on Finance |
| 7/1/2019 | Added statutory citations; clarified duration of maintenance period; clarified performance reporting requirements |
| 4/20/2021 | Aligned program guidelines with the calendar year |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Director of Public Policy: _____

Date

Click or tap to enter a date.

Division Vice President: _____

Date

Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date

Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Entrepreneurial Micro-Grant (EMG) Program

Program Inception: WEDC FY13

Lead Division: Entrepreneurship & Innovation

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

The goal of the Entrepreneurial Micro-Grant (EMG) Program is to support business planning and strategy for entrepreneurs and small business owners in the state of Wisconsin.

Program Description:

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

WEDC provides funding to the Center for Technology Commercialization (CTC) to deliver micro-grants to clients for the services below:

- Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) Assistance program, providing up to \$4,500 for assistance to prepare and submit an SBIR/STTR or other federal funding proposal. Applicants awarded federal funding may receive an additional \$1,000 funding bonus through the program.
- Commercialization Planning Assistance, providing individual and small business applicants up to \$4,500 for assistance in completing business validation activities and a comprehensive market study or business plan or commercialization plan to procure Phase II SBIR/STTR funding or to prepare for angel or venture capital funding. Applicants must utilize an eligible professional services provider.
- Entrepreneurial Training Program, providing a grant of up to \$750 to entrepreneurs upon successful completion of start-up coursework provided by the SBDC in the University of Wisconsin-System. Eligible applicants must provide at least a \$250 match. Eligible coursework may focus on either business modeling or business planning.

Eligibility Requirements:

To administer the EMG program, CTC must continue to demonstrate the expertise and capability of serving a statewide network of entrepreneurs.



The SBIR/STTR Assistance and Commercialization Planning Assistance micro-grants are available to those starting or expanding a technology-based or research-oriented business or to firms located in Wisconsin that rely on the use of technology. Eligible projects include:

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

The Entrepreneurship Training Program is an 8- to 12-week course offered periodically by SBDCs that provides assistance with business plan development to current or prospective business owners.

Incentives and Available Funding (FY23): \$250,000

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

Activities and Expected Outcomes:

Award one organization to assist 150 businesses.

Performance Reporting:

CTC will be required to quarterly submit a performance report documenting the assistance provided through the SBIR/STTR, Commercialization Planning Assistance and Entrepreneurial Training Program grants, the number of organizations assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

CTC meets with WEDC to review capacity, expertise, and past performance; discuss future opportunities; develop a list of deliverables; and discuss funding. The proposal must advance the mission to promote entrepreneurship and small business owners. The application will be assigned to an underwriter and go through the award review process.

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

Applicants for SBIR/STTR Assistance and Commercialization Planning Assistance complete an online application at wisconsinsbir.org. Entrepreneurship Training Program schedules vary but are promoted by the SBDC on their website www.wisconsinsbdc.org and other outreach efforts.



Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Simplified funding tiers for client services provided |
| 7/1/2019 | Clarified performance reporting requirements |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Entrepreneurship Partner Grant (EPG)

Program Inception: WEDC FY22

Lead Division: Entrepreneurship and Innovation

New

Revised

Aid

Pass-thru Aid

Technical Assistance

Program Goal:

The goal of the Entrepreneurship Partner Grant (EPG) is to encourage the formation of entrepreneurship support programs and to develop startup and emerging growth companies in the state of Wisconsin.

Program Description:

The EPG program is intended to increase opportunities for entrepreneurship across the state of Wisconsin. Utilizing community building, capacity building, business financing, technical assistance, and other similar support, the program will strengthen the entrepreneurial ecosystem. Those served by the funded programs may be provided with a wide range of support including, but not limited to, financing, experienced hands-on mentorship, educational programming, visibility to investors, community building, leadership training, entrepreneurship and networking events, idea validation, and business development strategies.

The program provides an entity operating a not-for-profit entrepreneurship program with grant funding used to support the direct operational expenses of the program. Program funds may also be used for eligible financial support of participant companies/individuals related to technical assistance program participation.

Eligibility Requirements:

Entities eligible for Entrepreneurship Partner Grant funds may include nonprofits, communities, organizations, educational institutions, and units of government.

Eligible applicants will provide information on program management, operating plans, entrepreneurship resources and use of funds. Applicants will identify matching funds equal to funding provided by WEDC according to amount requested. Matching funds may be from cash or valid program expenses and may be dedicated to operating expenses.

WEDC may take the following into account when evaluating applicants:

- The number of companies/individuals served per program
- Historical performance results of program
- Operational expenses related to the overall intensity, duration, or rigor of the program
- Historical funding by WEDC



- Other factors may include but are not limited to industry sector, local economic considerations, rural areas and DEI targets
- Novel and innovative ways to address entrepreneurial access and growth
- Replicability and sustainability of program
- Matching resources
- Partnering/collaborating organizations

Use of Funds:

Recipients may receive funding for expenses directly related to the administration and implementation of the project.

Entrepreneurship Partner Grant recipients may utilize WEDC funds to provide direct cash funding to companies participating in the assistance program. WEDC must approve the type of funding being provided to participating companies and individuals.

Incentives and Available Funding (FY23): \$2,250,000

The grant will be offered through solicitations held periodically throughout the year. Each offering will be competitive and may have a focus such as expanding existing programs, pilot programs, and programs focused on identified themes. Applicants may receive one grant per fiscal year.

The amount of funding per award will generally not exceed \$200,000. WEDC may exceed that amount to address unanticipated opportunities, needs, project scope and project budget.

Activities and Expected Outcomes:

Assist 20 organizations and 250 individuals, startups and early-stage companies

Performance Reporting:

Recipient organizations will be required to periodically submit a performance report documenting the number of individuals/companies assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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



Application and Awards Process:

The program has a competitive application process with differing focuses offered periodically throughout the year. Applicants should complete an application through an Account Manager. The completed applications will be assigned to a committee for review and recommendation. An underwriter will be assigned to review each recommended award and go through the award review process.

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

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2022 | Clarifies program description; Expands eligibility; Adds factors that WEDC may take into account when considering funding; Shifts to fully competitive program |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: ExporTech™

Program Inception: April 2010

Lead Division: Global Trade and Investment

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

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

Program Description:

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

ExporTech™ is managed and deployed nationally by the National Institute of Standards and Technology's Manufacturing Extension Partnership (NIST MEP) in collaboration with other federal/state export partners and promotion organizations. Through a contractual agreement, ExporTech™ is coordinated by WCMP, with financial and technical support from WEDC.

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

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

The key to success in international markets is preparedness and the goal of ExporTech™ is to better position companies for success in the global economy. In order to further assist and provide Wisconsin companies with hands-on strategic export development, ExporTech™ is designed to help companies take a more proactive approach to export markets. As the driving force in job creation and economic growth, small business growth is imperative to the health of the Wisconsin economy.

Eligibility Requirements:



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

Incentives and Available Funding (FY23): \$192,000

Scholarship Funding

Through this agreement, WEDC will fund scholarships for eligible participants for 50% of ExporTech™ costs, up to \$5,000.

Market Assessment Funding

In order to further support export plan implementation, in-market research/due diligence, and utilization of our Global Trade Network, ExporTech™ graduate companies will receive a formal market assessment, in one of their target markets by WEDC's Global Network. These funds will be administered as a pass-thru by WCMP.

Activities and Expected Outcomes:

Award one organization to support 32 businesses.

Performance Reporting:

WCMP will be required to quarterly submit a performance report documenting the number of companies assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

As the authorized administrative entity for ExporTech™ in Wisconsin, all applications and participation agreements are handled, approved and processed by WCMP. All applications are shared with WEDC for reference and review. Prior to making the award to WCMP, the program proposal will be assigned to an underwriter and go through the award review process.



Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2019 | Clarified performance reporting requirements |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Fabrication Laboratories (Fab Labs) Grant

Program Inception: WEDC FY17

Lead Division: Business and Community Development

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

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

Program Description:

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

Eligibility Requirements:

Definitions:

“CESA” means Cooperative Education Service Agencies, as defined by § 116.01 Wis. Stats.

“Fab Lab” means a high technology workshop equipped with computer controlled additive and subtractive manufacturing components, such as 3-dimensional printers, laser engravers, computer numerical control routers, and/or plasma cutters. A fully functioning Fab Lab has active engagement with the business community, is accessible to multiple departments within a school or schools, provides community access, and is integrated with the network of Wisconsin-based Fab Labs.

“Public School District” means the territorial unit for school administration as defined by § 115.01(3) Wis. Stats or a tribal school as defined by § 115.001(15m) Wis. Stats.

Grant Conditions:

Wisconsin public school districts may apply for a grant to purchase equipment to be used for instructional and educational purposes in one or more fabrication laboratories by elementary, middle, junior or high school students. Either a CESA, or a lead public school district, may apply on behalf of a consortium of two or more public school districts. All applicants must match 50% of the grant amount



provided by WEDC. During FY23, WEDC is continuing a moratorium on applicants who have already received three Fab Lab grants. This does not apply to Milwaukee Public Schools or if an applicant is seeking a one-time grant to establish a Fab Lab for use by K-8 students.

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

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

Activities ineligible for grant assistance or match include, but are not limited to:

- Past costs
- In-kind contributions
- Indirect construction costs (a.k.a. "soft" costs)

Incentives and Available Funding (FY23): \$500,000

The incentives in this program are grants of up to \$25,000 for individual school districts or up to \$50,000 for consortium applications to reimburse recipients for equipment purchases. Applicants may only be awarded one grant per fiscal year.

Activities and Expected Outcomes:

Assist 20 public school districts or consortiums.

Performance Reporting:

Recipients will be required to submit a performance report documenting the number of unique students who accessed the lab as part of a curriculum-based learning environment, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

The Fab Labs program has a continuous application process with a deadline of January 15 for receipt of completed applications. Applicants for a grant should complete an application through an Account Manager. The completed application will be assigned to an underwriter and will go through the award review process.



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

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2018 | Moratorium on applicants who have already received three Fab Lab grants. |
| 7/1/2019 | Clarified performance reporting requirements |
| 7/1/2020 | Expand eligibility for school districts establishing Fab Labs to be used by K-8 students; decrease match requirement; include standard list of ineligible grant or match activities. |
| 11/10/2020 | Expand eligibility to include tribal schools. |
| 07/1/2022 | Changed to non-competitive program |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy _____

Date Click or tap to enter a date.

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Global Business Development (GBD) Program

Program Inception: WEDC FY12

Lead Division: Global Trade and Investment

New

Revised

Aid

Pass-thru Aid

Technical Assistance

Program Goal:

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

Program Description:

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

Eligibility Requirements:

IMAG

- Be an established business operating for not less than one year that manufactures, processes, assembles and/or distributes a product or performs a service with a potential to be exported. The company does not need to be headquartered in Wisconsin but must have export-related operations located within the state and provide economic benefit to the state.
- Self-certify that at least 35% of the value of the product or of the service is composed of Wisconsin cost inputs. Program staff provide an Excel tool to help determine eligibility upon request.
- The company must be new-to-exporting (no significant export sales or novice/accidental exports) or participating in market expansion. International market is defined as a country, region, or market channel within a country.
- The company agrees to a minimum cost-match of 30% of the total grant awarded.
- Grant funds may not be used for past costs or costs associated with activities funded by a CMAG.
- ExporTech™ graduate companies generally may receive no more than six IMAG grants. Non-ExporTech™ graduate companies generally may receive no more than three IMAG grants.

IMAG assistance categories are generally:

- Trade Shows/Ventures: Assistance may be provided to attend a US Department of Commerce, WEDC approved domestic trade show, an international-based trade show, conference, or business meetings. The IMAG grant may not be used to pay for any cost to attend WEDC sponsored trade ventures and missions.



- Marketing & Promotion: Assistance may be granted for translation of web/printed materials for a targeted foreign market, design services, advertising, and/or printing. Grants may also be used for company/product/foreign trade zone certification, registration, and marketing within the foreign market.
- Export Education: Assistance may be approved to support international and export related conferences, seminars, meetings, webinars, and courses. These educational opportunities are for staff who will be implementing the company's international export strategy. Educational courses and seminars also qualify.
- Consulting Services: Assistance may be funded for services with WEDC's Global Business Network Providers, match maker services, Gold Keys, consultants, or brokers.

CMAG

- Eligible recipients of a CMAG include industry associations, alliances, agencies, non-profits, regional economic development organizations, or other state/local departments located in Wisconsin working with Wisconsin companies to increase exports.
- Collaborators must provide a compelling case for how the project will benefit Wisconsin companies with international exports, demonstrate organizational support for the administration of the project, and provide an explanation for why their services are needed and how these grant funds will make an impact.
- The companies benefiting from these funds must comply with the eligible business requirements of the IMAG.
- Eligible expenses allowed for CMAGs may include, but are not limited to, those eligible under the IMAG.
- Recipients may be eligible for administrative costs to support the project. If applicable, administrative costs must be clearly outlined in the contract.

Incentives and Available Funding (FY23): \$1,410,000

The incentives in this program are grants of up to \$25,000 for IMAG applicants or up to \$150,000 for CMAG applicants.

IMAG: Eligible Wisconsin businesses may be awarded up to \$10,000 per WEDC fiscal year. Eligible ExporTech™ graduates may qualify for grants up to \$25,000.

CMAG: Eligible recipients may be awarded up to \$150,000 per WEDC fiscal year. Pass-thru assistance is capped at \$15,000 per company.

Activities and Expected Outcomes:

Assist businesses

- IMAG: Assist 65 businesses
- CMAG: Award 2 organizations to assist 30 businesses

Performance Reporting:

Recipients will be required to submit a performance report documenting project completion, as well as any other contract deliverable.



WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

The GBD program has a continuous application process. Applicants for an IMAG or CMAG grant should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through the award review process.

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

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 10/1/2017 | Eliminated federal STEP funding as available source |
| 7/1/2019 | Established limits on the number of grants per applicant; added eligibility requirement for IMAG applicants; clarified performance reporting requirements |
| 7/1/2020 | Temporarily eliminated match requirement due to COVID-19 pandemic; clarified Incentives and Available Funding |
| 7/1/2021 | Clarified eligible activities |
| 7/1/2022 | Clarified eligible activities |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____

Date [Click or tap to enter a date.](#)



Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Global Trade Ventures

Program Inception: WEDC FY15

Lead Division: Global Trade and Investment

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

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

Program Description:

The program provides Wisconsin companies access to expertise in target markets to realize export opportunities and to accelerate a company's export sales. The program supports Wisconsin's business growth by increasing collaboration between companies within our key industries and our target countries.

WEDC's Market Development Directors (MDD) lead Wisconsin companies on virtual or in-country Trade Ventures, providing each participating company a suite of in-market services that are executed by one of WEDC's Authorized Trade Representatives. The services of the US Commercial Service and/or other independent contractors may be required to execute services for a Trade Venture. Program funds will help support the cost of country-specific business services to eligible Wisconsin companies by offsetting the cost of the venture.

Eligibility Requirements:

Participants must be an established business operating in Wisconsin that manufactures, processes, assembles and/or distributes a product or performs a service with a potential to be exported. The company does not need to be headquartered in Wisconsin but must have export-related operations located within the state. Service companies such as engineering, architectural, information technology, scientific research and other traded services are eligible for support under this program.

International professional business service providers or economic development entities seeking to build their international network or to support client companies attending the Trade Venture may also participate. Service providers unable to demonstrate the potential to expand traded international exports will not be eligible for the funding that supports the in-market service package and will pay full-price to participate in the venture.

If the market warrants a subject matter expert or an industry representative, WEDC may invite appropriate representatives to join the Trade Venture at the expense of WEDC or the subsidized rate.

Incentives and Available Funding (FY23): \$898,427 (non-aids)



The FY23 budget encompasses the total costs of program implementation, including administrative, marketing, in-market services and other costs associated with staff and subject matter experts. WEDC may subsidize a portion of the business service package cost to eligible Wisconsin companies. WEDC may negotiate a reduced rate package for eligible businesses depending on the specific services to be offered. Ineligible companies may participate by paying the full market price of the Trade Venture package.

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

- o Market Assessment
- o Partner Search (Customer, Dealer, Distributor, Rep, Agent, Licensee, Employee)
- o Translation/Interpreting
- o Activities to foster cultural understanding of customers or consumers

Activities and Expected Outcomes:

Support eight Global Trade Ventures in WEDC's target markets in eight countries and assist 64 businesses. Two of the eight trade ventures are virtual.

Performance Reporting:

Participants will be required to submit an evaluation form documenting event satisfaction, trade venture results, as well as any other relevant feedback, within six months of completing a Trade Venture.

WEDC may impose additional reporting requirements to evaluate project performance and to ensure compliance with program objectives.

Application and Awards Process:

Applicants for GTV assistance should complete an interest form on the WEDC Global Trade Ventures [website](#). An Account Manager will review the applicant's interest form and coordinate a conference call with a Trade Representative. The in-market Trade Representative will provide the applicant with a scope of work and a schedule of appointments for company approval. The company and individual participants will be subject to background checks as part of the application process.



Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Standardized Activities & Expected Outcomes by moving explanatory language to Program Description |
| 7/1/2019 | Clarified performance reporting requirements; simplified application and awards process |
| 7/1/2020 | Expanded program scope to allow for virtual trade ventures |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Calendar Year 2023**

Program Name: Historic Preservation Tax Credit (HTC)

Program Inception: 2013 Wisconsin Act 62

Lead Division: Business and Community Development

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

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

Program Description:

The Historic Preservation Tax Credit program provides transferable tax credits to eligible entities rehabilitating certified historic buildings. The state program acts as a supplement to the federal program, allowing for a state credit of 20 percent of qualified rehabilitation expenditures for certified historic structures. A “certified historic structure” is a building that is listed individually in the National Register of Historic Places or is located in a registered historic district and is certified by the National Park Service as contributing to the historic significance of that district.

Eligibility Requirements:

Definitions:

- “Parcel” is defined as a real property parcel number as identified on the tax bill.
- “Project” is defined as a Part 1/Part 2 tax credit application as identified by the State Historic Preservation Office (SHPO) pursuant to Wisconsin Statutes.
- “Certification date” is defined as the date on which the SHPO recommends conditional approval of the project (by forwarding the Part 2 application to the National Park Service) unless the tax credit recipient selects a later date and is the first date on which the eligibility to earn historic preservation tax credits begins.

Nonprofits are not eligible for certification unless 1) the entity is a 501(c)(3), and the entity intends to sell or otherwise transfer the credit¹, or 2) the entity is a nonprofit other than a 501(c)(3) as described above, and WEDC receives approval of the proposed Project from the Joint Committee on Finance under 14-day passive review.²

¹ Wis. Stat. §238.17(3)(a)

² Wis. Stat. § 238.17(3)(b).

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

Certification requires that the claimant provide the following to the WEDC:

- Evidence that the rehabilitation was recommended by the State Historic Preservation Officer (SHPO) for approval by the secretary of the interior before the physical work of construction, or destruction in preparation for construction, began.³
- Evidence that the taxpayer obtained written certification from SHPO that the property qualifies under any of the following:
 - Listed in the National Register of Historic Places in Wisconsin or the State Register of Historic Places;
 - Determined by the Wisconsin Historical Society (WHS) to be eligible for listing in the National Register of Historic Places or the State Register of Historic Places;
 - Located in a historic district that is listed in the National Register of Historic Places or the State Register of Historic Places and is certified by the SHPO as being of historic significance to the district; or
 - An outbuilding of an otherwise eligible property certified by the SHPO as contributing to the historic significance of the property.⁴
- The costs were not incurred before the state historical society approved the proposed preservation or rehabilitation plan.⁵
- The cost of the person's qualified rehabilitation expenditure, as defined in section 47 (c)(2) of the Internal Revenue Code, is at least \$50,000.⁶
- The rehabilitated property is placed in service after December 31, 2013.⁷
- The proposed preservation or rehabilitation plan complies with standards promulgated under § 44.02 (24), Wis. Stats. and the completed preservation or rehabilitation substantially complies with the proposed plan.⁸
- No physical work of construction or destruction began prior to the recommendation of the proposed preservation or rehabilitation by the SHPO.⁹
- The eligible costs are not incurred to acquire any building or interest in a building or to enlarge an existing building.¹⁰

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

³ Wis. Stat. §§ 71.07(9m)(c)1; 71.28(6)(c)1; 71.47(6)(c)1.

⁴ Wis. Stat. §§ 71.07(9m)(c)2.a; 71.28(6)(c)2.a; 71.47(6)(c)2.a.

⁵ Wis. Stat. §§ 71.07(9m)(c)2.d; 71.28(6)(c)2.d; 71.47(6)(c)2.d.

⁶ Wis. Stat. §§ 71.07(9m)(a)2m; 71.07(9m)(a)3; 71.28(6)(a)2m; 71.28(6)(a)3; 71.47(6)(a)2m; 71.47(6)(a)3

⁷ Wis. Stat. §§ 71.07(9m)(a)2m; 71.07(9m)(a)3; 71.28(6)(a)2m; 71.28(6)(a)3; 71.47(6)(a)2m; 71.47(6)(a)3

⁸ Wis. Stat. §§ 71.07(9m)(c)2.b; 71.28(6)(c)2.b; 71.47(6)(c)2.b.

⁹ Wis. Stat. § 71.07(9m)(c)1; 71.28(6)(c)1; 71.47(6)(c)1

¹⁰ Wis. Stat. §§ 71.07(9m)(c)2.c; 71.28(6)(c)2.c; 71.47(6)(c)2.c.



If a person who claims a credit under this subsection and a credit under section 47 of the Internal Revenue Code for the same qualified rehabilitation expenditures is required to repay any amount of the credit claimed under section 47 of the Internal Revenue Code, the person shall repay to the Department of Revenue a proportionate amount of the credit claimed under this subsection.¹¹

Incentives and Available Funding (CY23):

The incentive through this program is a 20% transferable tax credit of qualified rehabilitation expenses. Fund certifications are awarded on a rolling basis, at the discretion of WEDC. In accordance with 2017 Wisconsin Act 280, the maximum amount of credits for all Projects undertaken on the same Parcel may not exceed \$3,500,000.¹²

Activities and Expected Outcomes:

Assist 20 community Projects and achieve a 5:1 leverage of other investment.

Performance Reporting:

Recipients will be required to submit a performance report upon Project completion.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

The HTC program has a continuous application process. WEDC certifications for Certified Historic Buildings will adhere to the following process:

1. Applicant must submit Part I and II of the Historic Preservation Certification Application to WHS.
2. WHS will provide to WEDC evidence that the planned rehabilitation is recommended by the SHPO.
3. WEDC, upon review, may issue a Historic Preservation Tax Credit Certification.

Certifications may be amended by submitting the Project through SHPO's Part II amendment process or upon completion of the Part III Historic Preservation Certification Application. WEDC will determine if the amendment warrants an increase in certified funds.

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

¹¹ Wis. Stat. §71.07(9m)(i); 71.28(6)(i); 71.47(6)(i)

¹² Wis. Stat. § 238.17(2).

Revision History:

| Effective Date | Description of Change |
|-----------------------|--|
| 7/1/2017 | Revised reporting requirements to use DOR Schedule HR instead of IRS form 3468 |
| 7/1/2017 | Clarified eligibility requirements for certified historic structures and qualified rehabilitated buildings |
| 9/23/2017 | Pursuant to 2017 Act 59, prohibited nonprofits from eligibility for certification except under certain circumstances |
| 9/23/2017 | Pursuant to 2017 Act 59, recipients are required to repay a proportionate amount of the state credits in cases where claimants were required to repay any portion of the federal credits |
| 7/1/2018 | Pursuant to 2017 Wisconsin Act 280, the maximum amount of credits for all projects undertaken on the same parcel may not exceed \$3,500,000 |
| 7/1/2018 | Pursuant to 26 U.S.C. § 47 (2017) (as amended in 2017 by Pub. L. No. 115-97), eliminated eligibility for qualified rehabilitated buildings |
| 7/1/2018 | Added statutory citations |
| 7/1/2019 | Clarified definitions in consultation with the Wisconsin State Historic Preservation Office; added statutory citations; clarified performance reporting requirements; removed unnecessary language from the application and awards process |
| 7/1/2020 | Eliminated NPS Part III performance reporting requirement |
| 4/20/2021 | Aligned program guidelines with the calendar year |
| 7/22/2021 | Revised the duration of the certification period per guidance from the State Historic Preservation Office |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Vice President, Strategic Investment and Policy: _____

Date Click or tap to enter a date.

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Idle Sites Redevelopment Program

Program Inception: WEDC FY14

Lead Division: Business and Community Development

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

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

Program Description:

The program generally offers grants to Wisconsin communities for the redevelopment of sites that have been idle, abandoned, or underutilized for a period of at least five years. Blighted properties may be perceived as eyesores that can lead to decreased property tax revenue for a community. The Idle Sites Redevelopment Program provides incentives to help rejuvenate abandoned blighted sites and assistance in elevating local economies. Approved projects can use funds for demolition, environmental remediation, infrastructure or site-specific improvements to advance the site to shovel ready status or enhance the site's market attractiveness.

Eligibility Requirements:

Definitions:

“Economically Distressed” means a county or municipality so designated by WEDC by considering the most current area and state data available for the following indicators:

- Unemployment rate
- Percentage of families with incomes below the poverty line
- Median family income
- Median per capita income
- Average annual wage
- Manufacturing assessment values by county
- Other significant or irregular indicators of economic distress – such as a natural disaster, or plant closings and layoffs

“Opportunity Zone” means a designated qualified opportunity zone in the State of Wisconsin under Internal Revenue Code § 1400Z-1.

The Applicant:

- Any city, village, town, county, government entity, or tribal entity that has one of the following:
 - If a private developer is participating in the project, a draft of a development agreement that describes the project and its goals, anticipated outcomes, project timeline, and actions, obligations and investments to be made by each party that must be executed prior to the first draw of funds; or
 - If the project does not have a private developer, an officially approved resolution that describes the project and its goals, anticipated outcomes, project timeline, and actions, obligations and investments necessary to achieve redevelopment.

The Project Site:

- May be:
 - one or more contiguous industrial parcels that exceed 5 acres and had long term (over 25 years) industrial usage; or
 - one or more contiguous commercial parcels that exceed 10 acres and had long term (over 25 years) commercial usage; for projects in an Economically Distressed community or Opportunity Zone, parcels need to exceed 5 acres; or
- one or more contiguous institutional parcels that exceed 5 acres and had long term (over 25 years) institutional usage; properties of less than 5 acres may be considered when the property is located within a commercial corridor.
- Applicants must own the targeted site or demonstrate the legal ability to access the property and perform the work proposed in the application

Eligible Costs:

- Grant and matching funds can be used for demolition, environmental remediation, rehabilitation or infrastructure improvements.
- Match may also include acquisition costs.

WEDC funds cannot exceed 25% of eligible project costs, unless a project is located in an economically distressed community where WEDC may provide up to 50% of eligible costs. Activities ineligible for grant assistance or matching funds include, but are not limited to:

- Past costs
- In-kind contributions
- Costs of new construction
- Indirect construction costs (a.k.a. "soft" costs)
- Environmental work occurring on properties in which the current owner is also a causer who possessed or controlled the contaminant(s) on the site

Applicants must provide a signed resolution by the governing elected body authorizing the submittal of an application to the ISR Program.

WEDC may take the following into account when considering an ISR grant:

- The potential of the project to promote economic and community development in the area
- A written financial commitment by a lending institution and / or government entity to the applicant enabling the project to reach fruition
- The adequacy and completeness of the site investigation and remediation effort

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ECONOMIC DEVELOPMENT

- The extent to which costs are budgeted and itemized by qualified parties
- The size and location of the property and the site's relationship to economic centers
- Increase of taxable property values
- Reduction of urban sprawl
- Use of existing infrastructure
- Reduction of environmental risks
- Creation of full-time jobs
- Located in an Economically Distressed community
- Demonstrates involvement of diverse businesses, including women and veteran-owned contractors, in eligible project costs
- Feasibility and readiness of the proposed project

Incentives and Available Funding (FY23): \$2,000,000

The maximum award generally does not exceed \$250,000 unless the request for funds is for a project that, due to the size and scope of the redevelopment, clearly justifies an award beyond normal parameters. Applicants may receive one award per fiscal year.

Activities and Expected Outcomes:

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

Performance Reporting:

Recipients will be required to annually submit a performance report documenting capital investment, assessed taxable property values, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Changed to an ongoing application process |
| 7/1/2017 | Added requirement for signed resolution of support from local government unit submitting application |
| 7/1/2017 | Added limitation for one award per fiscal year per community |
| 7/1/2018 | Clarified the terms development agreement and redevelopment plan |
| 7/1/2018 | Expanded types of eligible sites and reduced acreage requirements in a Designated Rural County |
| 7/1/2019 | Clarified eligible costs; reduced acreage requirements for projects in an Opportunity Zone; clarified performance reporting requirements |
| 7/1/2021 | Clarified eligibility requirements; replaced Designated Rural County with Economically Distressed; added consideration for diverse businesses; reduced maximum grant. |
| 07/1/2022 | Clarifies that obligations and investments made by each party must be executed prior to the first draw of funds; Reduces acreage requirements for certain projects in commercial corridor; Provides reduced match for projects located in an Economically Distressed County |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____
enter a date.

Date Click or tap to

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Calendar Year 2023**

Program Name: Industrial Revenue Bonding (IRB)
Program Inception: 1969 Wisconsin Act 278
Lead Division: Business and Community Development
 New **Revised** Click here to insert date
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

Program Description:

WEDC is responsible for allocating volume cap on the issuance of private activity bonds¹. The volume cap limits the amount of bonding authority that can be issued in a year. Once the annual cap is established under federal law, WEDC allocates bonding authority pursuant to Section 238.10 and the Policy on the Allocation of Volume Cap².

Generally, the volume cap allocated by WEDC is for Industrial Revenue Bonds (IRBs). At the federal level, Industrial Revenue Bonds are covered by Sections 103 and 141 through 149 of the Internal Revenue Code and Income Tax Regulations, which establish the nature and size of projects which qualify for federal tax exemption of interest.³

IRB bonds are tax-exempt bonds that can be used to stimulate capital investment and job creation by providing private borrowers with access to financing at interest rates that are lower than conventional bank loans. The IRB process involves five separate entities – the borrower, lender, bond attorney, issuer, and WEDC. Each year, federal law establishes a "volume cap" which applies at the state level. The municipalities and counties sell the IRBs and loan the proceeds to eligible businesses undertaking eligible projects.

Eligibility Requirements:

Manufacturers can use the IRB proceeds for building, land or equipment but not working capital. There are restrictions on bond size and total capital expenditures. Manufacturing includes nearly every type of processing that results in a change in the condition of tangible personal property. The facility being financed must be located in the state of Wisconsin unless otherwise allowed by law.⁴

¹ Wis. Stat. § 238.10

² Wis. Stat. § 238.10

³ I.R.C. § 103; I.R.C. § 141-149.

⁴ 26 USC § 146(k)

According to federal tax law, the maximum size of a IRB issue is \$10 million.⁵ For IRB issues exceeding \$1 million, capital expenditures in the municipality where the project is located cannot exceed \$20 million during the three years before and the three years after the date the IRBs are issued.⁶ The \$20 million capital expenditure limitation includes any principal user of the facility and also related persons⁷. Also, the total amount of IRBs outstanding at all related operations of the business, in all states, may not exceed \$40 million.⁸

Exempt Facility Bonds are bonds issued for one of the following project type, and are not subject to the same rules as other private activity bonds:⁹

- airports
- docks and wharves
- mass-commuting facilities such as high-speed rail
- facilities for furnishing water
- sewage facilities
- solid waste disposal facilities
- facilities for the local furnishing of electric energy or gas
- facilities for local district heating and cooling
- qualified hazardous waste facilities.

WEDC can allocate volume cap for any private activity bond, including both exempt and non-exempt projects.

To qualify for an IRB volume cap allocation, the following must be satisfied:

- Notice of intent: At least 30 days prior to entering into a revenue agreement with a municipality or county, the business benefitting from the bonds must give WEDC a notice of intent to enter into the agreement, on a form prescribed by WEDC.¹⁰ No later than 20 days after receipt of this notice, WEDC will issue a Job Impact to the municipality or county, estimating whether the project is expected to eliminate, create, or maintain jobs on the project site and elsewhere in the state and the net number of jobs expected to be eliminated, created, or maintained as a result of the project.¹¹
- Good faith estimate: Prior to adoption of an initial resolution, WEDC must receive a good faith estimate of attorney fees which will be paid from bond proceeds.¹²
- Initial resolution: Within 20 days following publication of notice, WEDC must be provide a copy of the initial resolution together with a statement indicating when the public notice required under s. 66.1103(10)(b) was published.¹³

⁵ I.R.C. § 144(a)(4).

⁶ I.R.C. § 144 (a)(4)

⁷ I.R.C. § 144 (a)(3)

⁸ I.R.C. § 144 (a)(10)(A)

⁹ I.R.C. § 142

¹⁰ Wis. Stat. § § 66.1103(4m)(a)1 & 238.11(1).

¹¹ Wis. Stat. § § 238.11(2) &(5).

¹² Wis. Stat. § 66.1103(10)(g).

¹³ Wis. Stat. § 66.1103(10)(c).

- **Notice of closing:** After the closing of the bond issue, WEDC shall be notified of the closing date, any substantive changes made to documents previously filed with WEDC, and the principal amount of the financing.¹⁴ This notice must be filed with WEDC within five business days from the date of the closing. The notice must also include the following information: buyer/underwriter, type of sale (public or private), term, and interest rates.

Incentives and Available Funding (CY23):

Volume Cap is allocated on a calendar year basis. The total amount for WEDC for calendar year 2023 is 348,552,340. The federal tax code allows each state to establish by law its own formula for allocating its volume cap.¹⁵ Volume cap is allocated on a state-wide basis pursuant to § 238.10, Wis. Stats. and the Policy on the Allocation of Volume Cap.¹⁶

Specifically, WEDC must:

- (a) Ensure that the amount of private activity bonds issued in a calendar year does not exceed WEDC's volume cap for such calendar year.¹⁷
- (b) Calculate the state ceiling which is calculated using information published in the federal register each year. State population is to be determined on the basis of the most recent census estimate of the resident population of the state released by the Bureau of Census before the beginning of the calendar year.¹⁸
- (c) WEDC may elect to carryforward excess volume cap from a calendar year to the following calendar year if it identifies the amount and use of such excess.¹⁹

Activities and Expected Outcomes:

Assist 6 businesses through the authorization of tax-exempt municipal bond sales.

Performance Reporting:

Performance is measured by the number of bond issues that occur each year as a result of the volume cap being allocated, as documented by the number of bond closings.

For each allocation of volume cap for an IRB, the following must occur:

- Employers that do not certify to the municipality or county prior to entering into the revenue agreement that their project is not expected to result in lost jobs must submit a quarterly report every three months during the first year after the construction of the project is completed, providing information about new jobs, lost jobs, and offers of employment made to persons who were formerly at lost jobs.²⁰

¹⁴ Wis. Stat. § 66.1103(10)(c).

¹⁵ I.R.C. § 146

¹⁶ Wis. Stat. § 238.10

¹⁷ 26 USC § 146(a)

¹⁸ 26 USC § 146(j)

¹⁹ 26 USC § 146(f)

²⁰ Wis. Stat. § 66.1103(4s)(b).



- Within 12 months after the project is completed or 2 years after a revenue bond is issued to finance the project, whichever is sooner, the business benefitting from the bonds must submit to WEDC, on a form prescribed by WEDC, the net number of jobs eliminated, created, or maintained on the project site and elsewhere in the state as a result of the project.²¹

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Volume cap issued by WEDC for bonds other than an IRB do not require performance reports.

Application and Awards Process:

The IRB program has a continuous application process. Applicants for an Industrial Revenue Bond volume cap allocation should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through the award review process.

If bonds are not sold within 30 days from the certification date or by December 1, whichever comes first, the applicant must submit a deposit of 0.5% of the allocation (a 1.0% deposit if the allocation is requested on or after October 1) to WEDC.²² The deposit reserves the allocation for a period equal to the lesser of 90 days from the certification date or the remainder of the calendar year. The deposit is refundable following the bond closing, but is forfeited if the bonds are not sold. However, the deposit and forfeiture may be waived if circumstances warrant. In addition, a non-refundable fee equal to 0.10% of the amount of the bond issue must be submitted with the notice of bond issuance²³.

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

²¹ Wis. Stat. §§ 66.1103(4m)(b) & 238.11(1)

²² Wis. Stat. 238.10(3).

²³ Wis. Stat. 238.10(3)

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2018 | Added statutory citations |
| 7/1/2018 | Clarified eligibility and performance reporting requirements |
| 7/1/2019 | Aligned eligibility requirements, incentives and available funding, and performance reporting with federal Internal Revenue Code and Income Tax Regulations; eliminated cap on bond issuance fees; clarified performance reporting requirements |
| 4/20/2021 | Aligned program guidelines with the annual calendar year volume cap allocation |

PROGRAM REVIEW:


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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Vice President, Strategic Investment and Policy: 
 Date 7/26/2022

Division Vice President: 
 Date 7/26/2022

AUTHORIZED APPROVAL:

CEO or Designee: 
 Date 7/26/2022



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Main Street and Connect Communities
Program Inception: 1987 Wisconsin Main Street Act; WEDC FY13
Lead Division: Business and Community Development
 New **Revised** [Click here to enter a date.](#)
 Aid **Pass-thru Aid** **Technical Assistance**

Program Goal:

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

Program Description:

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

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

WEDC will annually develop a plan that describes the objectives of the state Main Street Program and the methods for 1) coordinating with public and private sector, 2) soliciting private sector funds for revitalization of business areas, and 3) helping municipalities engage in revitalization with help from interested individuals and organizations.¹ WEDC matches technical assistance from our own staff, the National Main Street Center and outside consultants to needs of respective municipalities and non-profit organizations. WEDC will also work with local communities to set strategies to solicit funding from the private sector in those communities to support the local downtown revitalization effort.

Eligibility Requirements:

Eligible entities for Connect Communities and Main Street Communities are communities or urban neighborhoods with a central or core business district and demonstrated local commitment to preservation and revitalization activities. Regional entities may apply for the Connect Communities program on behalf of multiple small communities (1,000 or less in population) within their region. Regional coordinators commit to meeting program attendance, sharing information and collecting annual reporting information from participants.

¹ Wis. Stat. § 238.127(2)(c)



WEDC will take the following into account when considering Main Street or Connect Communities applications²:

- 1) Organizational capability: An applicant's ability to bring financial and volunteer resources together according to the National Main Street Center's four-point approach to downtown revitalization.
- 2) Public Sector Commitment³: The participation from local government in the form of financial and staff commitment to the local downtown revitalization effort.
- 3) Private Sector Commitment⁴: The participation from local businesses and individuals in the form of financial⁵ and volunteer commitment to the local downtown revitalization effort.
- 4) Financial Capacity: The ability of the community to bring together comprehensive financial resources to adequately support the downtown revitalization program. For Main Street Communities, this includes funds to employ a local program manager to manage the effort for at least 5 years.⁶ Communities with populations of 5,000 or more must employ a full-time, paid program manager and meet a minimum budget requirement. Communities of less than 5,000 must employ a half-time program manager and meet a minimum budget requirement. A community's ability and commitment to hiring design consultants⁷ and providing training⁸ will also be taken into consideration.
- 5) Need: Applicants must show that they need the Connect Communities or Main Street Program. This need is exhibited by vacancy rate, excessive competition from competing areas, blight, building deterioration, and business mix issues.
- 6) Physical Capacity: An applicant's ability to show that they have sufficient building stock, businesses and a recognizable downtown district.
- 7) Historic Integrity: An applicant's existing historic resources in the downtown and genuine interest in saving and restoring their historic structures. WEDC will employ a Design Specialist to assist Main Street communities with design plans.

In addition to these criteria, local Main Street communities must commit to training and sharing downtown revitalization information with communities that do not participate in the Main Street Program.⁹

Incentives and Available Funding (FY23): \$250,000 (staff and non-aids contracting)

This is a technical assistance program; therefore no funding is provided directly. This technical assistance is given in the form of training, façade renderings, small business consultations, and hiring of outside consultants to address topics such as business recruitment & retention, branding, historic preservation planning and event development. Per § 238.127(2)(j) Wis. Stat., WEDC expends at least \$250,000 annually on the Main Street Program, which covers administration, staff resources and outside consulting services.

² Wis. Stat. § 238.127(2)(f)

³ Wis. Stat. § 238.127(2)(f)1.

⁴ Wis. Stat. § 238.127(2)(f)1.

⁵ Wis. Stat. § 238.127(2)(f)2.

⁶ Wis. Stat. § 238.127(2)(f)3.

⁷ Wis. Stat. § 238.127(2)(f)4.

⁸ Wis. Stat. § 238.127(2)(f)5.

⁹ Wis. Stat. § 238.127(2)(h).



Activities & Expected Outcomes:

Assist 34 Main Street communities, no new community in FY23; 82 Connect Communities, plus 15 new communities in FY23, and 150 small businesses.

Performance Reporting:

Main Street participants will be required to submit a periodic performance report documenting new businesses, new jobs, buildings rehabilitated, public improvements, attendance at promotional events, new downtown housing units, volunteer hours, as well as any other contract deliverable.

Connect Communities will report annually on local activities including investment, businesses, jobs, volunteer activity and accomplishments for the duration of their program participation.

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

Application and Awards Process:

Main Street

The Wisconsin Economic Development Corporation will annually select up to three new Main Street communities based on applications submitted to WEDC. Main Street applicants must be an active Connect Communities participant for at least one year prior to applying for Main Street. Eligible applicants must submit a letter of intent to apply for Main Street to the Program Manager by December 1st of the prior year. Applicants will then host an on-site workshop with local stakeholders to discuss the application process, followed by completion of the written application and in-person interview. The Main Street application process is competitive. When applications are received they go to an outside committee that is selected annually. Committee members have backgrounds related to downtown development. The committee will review applications and in-person presentations from applicants and make a recommendation to management. As this is a technical assistance program, no funds are awarded.

Connect Communities

Communities interested in the Connect Communities program submit an application to be considered in one of two annual application periods. Applications are reviewed by WEDC staff and the recommendations are approved by management.

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



Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2019 | Added statutory citations; simplified Program Description; clarified Expected Outcomes. |
| 7/1/2020 | Clarified awards and application process and performance reporting requirements |
| 7/1/2022 | Expands eligibility for regional entities to apply for Connect Community status on behalf of smaller communities |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____

Date Click or tap to enter a date.

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.

**Wisconsin Economic Development Corporation
Program Guidelines for Calendar Year 2023**

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

Program Inception: 2003 Wisconsin Act 255

Lead Division: Entrepreneurship and Innovation

New **Revised** [Click here](#) to enter a date.

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

Program Goal:

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

Program Description:

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

Eligibility Requirements:

Definitions:

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

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

- "Bona fide angel investment" means a purchase of an equity interest, or any other expenditure, as further defined under "Investment",¹ that is made by any of the following:
 - A partnership or limited liability company that is a non-operating entity, as determined by WEDC, a natural person, or fiduciary who reviews new businesses or proposed new businesses for potential investment of their money.
 - A network of partnerships or limited liability companies that are a non-operating entity, as determined by WEDC, natural persons, or fiduciaries that reviews new businesses or proposed new businesses for potential investment of the network's money.
- "Bona fide liquidity event" means any of the following events: (i) the reorganization, merger, dissolution, or consolidation of the company where substantially all of its assets are distributed or otherwise paid out to shareholders, partners, or beneficial owners; (ii) the sale of all or substantially all of the assets of the company in one transaction or in a series of related transactions to a person who is not affiliated with the company; (iii) the sale of more than 50% of the outstanding equity interests in the company where following such sale the former owners of the outstanding equity interests in the company no longer beneficially control, directly or indirectly, the ability to control management decisions of the company or (iv) the first time the company sells shares of its common or preferred stock to the public on the open market, excluding crowd-funding exchanges.
- "Business" means an entity and all its affiliates.
- "Business merger or acquisition" means the QNBV company acquires the assets and or personnel of another business through consolidation, stock sale, asset purchase or some other legal means.
- "Corporate Headquarters" means the location where the majority of the company's financial, personnel, legal, planning, or other headquarters functions are handled on a divisional, regional, national, or global basis.
- "Crowdfunding" means a legal securities offering conducted in accordance with Wisconsin's Crowdfunding exemption as regulated by the Wisconsin Department of Financial Institutions.
- "Differentiating technology" means a specialized product or process that demonstrates distinct and significant technological differences and advantages over potential competitors.
- "Eligible to claim a credit" means an investor has made an investment that has received tax credits as identified by a verification form issued by WEDC.
- "In operation" means in existence and running a business.
- "Investment" means the investment of cash in a qualified new business venture that is used for legitimate business purposes in exchange for any one of the following:
 - Common stock.
 - Partnership or membership interest.
 - Preferred stock.

¹ Wis. Stat. § 71.07(5d)(a)1.

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

This policy has been reviewed and updated in consultation with the Department of Revenue.²

Qualified New Business Venture Certification

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

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

- It has its headquarters in this state.³
- At least 51 percent of the employees employed by the business are employed in this state.⁴
- It has the potential for increasing jobs in this state, increasing capital investment in this state, or both, and any of the following apply:
 - It is engaged in, or has committed to engage in, innovation in any of the following:
 - Manufacturing, biotechnology, nanotechnology, communications, agriculture, or clean energy creation or storage technology.

² Wis. Stat. § 238.15(3)(d).

³ Wis. Stat. § 238.15(1)(a).

⁴ Wis. Stat. § 238.15(1)(b).

- Processing or assembling products, including medical devices, pharmaceuticals, computer software, computer hardware, semiconductors, any other innovative technology products, or other products that are produced using manufacturing methods that are enabled by applying differentiating technology.
- Services that are enabled by applying differentiating technology.⁵
- It is undertaking pre-commercialization activity related to differentiating technology that includes conducting research, developing a new product or business process, or developing a service that is principally reliant on applying differentiating technology.⁶
- It is not primarily engaged (being “primarily engaged” means having greater than 50 percent of projected or reported revenue generated from) in real estate development, insurance, banking, lending, lobbying, political consulting, professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants, wholesale or retail trade, leisure, hospitality, transportation, or construction, except construction of power production plants that derive energy from a renewable resource, as defined in § [196.378 \(1\) \(h\), Wis Stats.](#)⁷
- It has less than 100 employees at the time of initial certification.⁸
- It has been in operation in this state for not more than 10 consecutive years at the time of initial certification.⁹
- For taxable years beginning before January 1, 2008, it has not received more than \$1,000,000 in Investments that have qualified for tax credits under s. 71.07 (5d).¹⁰
- It has not received aggregate private equity Investment in cash of more than \$10,000,000 at the time of initial certification.¹¹
- For taxable years beginning after December 31, 2007 and before January 1, 2011, it has not received more than \$4,000,000 in Investments that have qualified for tax credits under the program.¹²
- For taxable years beginning after December 31, 2010, and before January 1, 2018, it has not received more than \$8,000,000 in Investments that have qualified for tax credits under the program.¹³
- For taxable years beginning after December 31, 2017, it has not received more than \$12,000,000 in Investments that have qualified for tax credits under the program.¹⁴
- Companies whose certification has expired or lapsed due to meeting or approaching \$8 million in qualified Investments prior to January 1, 2018 may qualify for additional funds under the following:
 - If the company is within the required three-year reporting period following the receipt of qualifying Investments and in good standing with WEDC, it may be eligible for re-certification in the program under program limits established for tax years after December 31, 2017.
 - If the company is outside its reporting period, the company must go through the full application process.

⁵ Wis. Stat. § 238.15(1)(f)1.

⁶ Wis. Stat. § 238.15(1)(f)2.

⁷ Wis. Stat. § 238.15(1)(g).

⁸ Wis. Stat. § 238.15(1)(h).

⁹ Wis. Stat. § 238.15(1)(j).

¹⁰ Wis. Stat. § 238.15(1)(k).

¹¹ Wis. Stat. § 238.15(1)(km).

¹² Wis. Stat. § 238.15(1)(kn).

¹³ Wis. Stat. § 238.15(1)(L).

¹⁴ Wis. Stat. § 238.15(1)(Lg).

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

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

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

For the purposes of determining if the company has at least 51% of their employees in WI, WEDC may make up to a 12 month exception in the case that a certified company has fallen below that threshold due to a merger or acquisition. The conditions of this exception are as follows:

- The business maintains its headquarters in this state.
- After the merger or acquisition, the business increases the number of employees the business employs in this state
- The corporation determines that the merger or acquisition was not for the purpose of relocating the business's operations or employees from this state to another state or for the purpose of ceasing the business's efforts to further grow and expand in this state.
- No later than the first day of the 13th month beginning after the date of the merger or acquisition, at least 51 percent of the employees employed by the business are employed in this state.

Each qualified business must be recertified in each taxable year in which it desires certification. If applicable, WEDC will consider the information contained in the company's annual performance report as an application for recertification. The company will also be required to provide a final report when it is determined that the company will not be pursuing recertification or is decertified by WEDC.

Penalties:

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

- The business's employees.
- The business's total payroll.
- The activities of the business's headquarters, as determined by WEDC.¹⁵

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

¹⁵ Wis. Stat. § 238.15(1)(m)1.

- If the relocation occurs less than 12 months after the Investment, 100% of the tax credit that was claimed as the result of the Investment.
- If the relocation occurs 12 months or more after the Investment but less than 24 months after the Investment, 80% of the tax credit that was claimed as the result of the Investment.
- If the relocation occurs 24 months or more after the Investment but less than 36 months after the Investment, 60% of the tax credit that was claimed as the result of the Investment.¹⁶

A business is not considered to have relocated outside of this state if WEDC determines that Investment and employment levels have not diminished in Wisconsin, regardless of whether a business meets the penalty thresholds shown above for employees or payroll.¹⁷ Companies maintaining certification must continue to meet other program requirements including headquarters location.¹⁸ In addition, the penalty does not apply if WEDC certified a company prior to April 20, 2012, and the company converted a note or bond to an equity interest in reliance upon that certification.¹⁹

Fund Manager Certification/Qualified Venture Fund (QVF)

A certified fund manager is eligible for Early Stage Seed tax credits when making Investments in QNBV certified companies.²⁰ An investment fund manager desiring certification for a specific fund shall submit an application to WEDC.

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

- The investment fund manager's experience in managing venture capital funds.
- The past performance of investment funds managed by the applicant.
- The expected level of investment in the investment fund to be managed by the applicant.
- Any other relevant factors as determined by WEDC.²¹

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

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

- The applicant's experience in investing in high growth, early stage businesses.
- The past performance of businesses assisted by the applicant.
- The portion of the investment fund's capital the fund manager expects to invest in Qualified New Business Ventures.
- Geographic distribution of funds.
- Focus on targeted industries or target group members, as determined by WEDC.
- Ability to access follow-on funding.
- Services provided.
- Commitment to Wisconsin.

¹⁶ Wis. Stat. § 238.15(1)(m)2.

¹⁷ Wis. Stat. § 238.15(3)(dm).

¹⁸ Wis. Stat. § 238.15(3)(dm).

¹⁹ Wis. Stat. § 238.15(1)(m)3.

²⁰ Wis. Stat. § 238.15(2).

²¹ Wis. Stat. § 238.15(2).

- Administrative and management fees.

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

Eligibility for Tax Credits:

An Angel, Angel Network, and QVF are each eligible for a 25% tax credit for making Investments in Qualified New Business Ventures.²² Tax Credit Request Forms can be found on WEDC's website.

Tax Credit qualifications:

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

Process for requesting Tax Credits:

The QNBV certified company in cooperation with the investor will complete the necessary forms. The tax credit request forms and required documentation shall be submitted to WEDC no later than 90 days following the end of the taxable year in which Investment was made that qualifies for credits. Upon review and approval of the required forms and documentation, WEDC will issue a verification form to the angel investor, angel investment network or certified fund manager stating the amount and type of tax credits that may be claimed.

Revocation:

²² Wis. Stat. §§ 71.07(5d)(b)2; 71.07(5b)(b)1; 71.28(5b)(b)1; 71.47(5b)(b)1; 76.638(2).

Revocation of Certification

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

Revocation of Tax Credits

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

- Upon review, WEDC determines that the Investment becomes worthless prior to the end of the three-year period.
- The Angel, Angel investment network, or certified fund manager has held an Investment for at least 12 months and upon review the WEDC determines that a Bona Fide Liquidity Event has occurred prior to the end of the holding period.²³

Repayment of Revoked Tax Credits

A claimant shall pay the amount of the tax credit claimed and used by the claimant, along with any interest and penalties as provided for the recovery of tax credits under Chapter 71, Wis. Stats., to the Wisconsin Department of Revenue. "Used" for purposes of this paragraph means the claimant used the credit to offset their Wisconsin income or franchise tax liability or transferred the credit to another qualifying person.

Transfer²⁴:

Those eligible to claim a credit under the Early Stage Seed Investment Credit may sell or otherwise transfer the credit (subject to all applicable taxes and fees) no more than once in a 12-month period to another person who is subject to the applicable taxes and fees under Wis. Stat. § 71.02, 71.23, 71.47, or subchapter III of chapter 76.

Credit transfers up to \$200,000 will be subject to a five percent fee; transfers in excess of \$200,000 will be charged a fee of at least \$10,000 or one percent of the credit amount transferred, whichever is greater.

To effectuate a transfer, the fund manager must approve the transfer, then the certified fund manager must notify WEDC and the Department of Revenue of the transfer and must submit the following information to WEDC:

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

²³ Wis. Stat. §§ 71.07(5d)(d)1; 71.07(5b)(d)3; 71.28(5b)(d)3; 71.47(5b)(d)3.

²⁴ Wis. Stat. § 238.15(3)(e).



Incentives and Available Funding: \$30,000,000 allocated for CY23

The aggregate amount of Investment in any one qualified new business venture that may qualify for tax credits under the program is limited to \$12,000,000²⁵ or a different amount determined by WEDC at the time of certification or recertification.

The aggregate amount of Angel and Early Stage Seed tax credits that may be claimed for Investments in businesses is limited to \$30,000,000 per calendar year.²⁶

Activities and Expected Outcomes:

Certify 45 new businesses, 8 fund managers, and achieve a 4:1 leverage.

Performance Reporting:

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

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

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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

²⁵ Wis. Stat. § 238.15(1)(Lg).

²⁶ Wis. Stat. § 238.15(3)(d).

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Added statutory references to clarify eligibility requirements |
| 7/1/2017 | Reorganized the penalties and revocation sections for logical consistency |
| 9/23/2017 | Pursuant to 2017 Act 59, unused QNBV tax credits can no longer be transferred to the Business Development Tax Credit Program |
| 4/20/2018 | Pursuant to 2017 Act 234, raised the aggregate investment limit from \$8 million to \$12 million |
| 7/1/2019 | Clarified definitions and eligibility requirements; eliminated obsolete statutory reference; clarified performance reporting requirements |
| 4/20/2021 | Aligned program guidelines with the annual calendar year credit allocation |
| 7/1/2022 | Accommodates statutory changes related to percentages of employees located outside the state |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior Vice President, Strategic Investment and Policy: _____

Date Click or tap to enter a date.

Division Vice President: _____

Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____

Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: SBIR/STTR Matching Grant

Program Inception: WEDC FY15

Lead Division: Entrepreneurship & Innovation

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

The goal of the SBIR/STTR Matching Grant program is to stimulate technological innovation by supporting technology-based small businesses in the state of Wisconsin.

Program Description:

The program provides funds to technology-based businesses that qualify as a small business concern as defined by SBA in or relocating to Wisconsin by matching a portion of Phase I and/or Phase II awards under the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs provided through periodic competitions. The program will be administered by the Center for Technology Commercialization (CTC).

Eligibility Requirements:

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

- Phase I awards range from \$100,000 to \$225,000 to support feasibility study
- Phase II awards range from about \$750,000 to \$1,500,000 to support full research and development
- Phase III entails commercialization supported by funding outside of the federal program

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

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

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



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

Incentives and Available Funding (FY23): \$1,500,000

The SBIR/STTR Matching Grant program will provide award matches of 50% up to \$75,000 of the amount of federal Phase I or up to \$100,000 for up to two years for Phase II funding awards. The grant must be used for new and additional work tasks that relate to the project granted the federal award.

It is anticipated that the number of federal awards eligible for matching grants will exceed the funding level of the matching grant program. Projects will be evaluated as part of a competitive scoring process and awards will be made based on funding availability and project merit.

Activities and Expected Outcomes:

Award one organization to support 15 businesses and achieve a leverage to federal grants of 3:1.

Performance Reporting:

CTC will be required to quarterly submit a performance report documenting the number of businesses receiving grants, the amount of each grant, the amount of federal funding leveraged, as well as any other contract deliverable, for four years after receiving an award. CTC will report annual employment, wage and outside investment information submitted by each business.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

CTC meets with WEDC to review capacity, past performance and future goals. The completed application will be assigned to an underwriter and go through the award review process.

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

Applications for the SBIR/STTR Matching Grant program compete an online application at wisconsinsbir.org.



Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2019 | Clarified performance reporting requirements |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Targeted Industry Projects (TIP)

Program Inception: WEDC FY12

Lead Division: Global Trade and Investment

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

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

Program Description:

The program offers assistance to targeted economic driver industries culminating over time in the development, diversification, competitiveness, and growth in sectors that provide sustained high-quality jobs, continued innovation and increase in GDP in Wisconsin.

Applicants must be actively engaged in distinct industry or sector development, or engaged in efforts to enhance cross-industry competitiveness, such as workforce development, market development, new investments, business attraction and acquisition of specialized competitive assets or facilities. These investments are generally intended to support strategic industry initiatives and investments, develop shared-use infrastructure, help fund industry-related pilot projects, expand successful initiatives, increase geographic reach, or allow for expansion of consortia efforts.

Eligibility Requirements:

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

- Impact on the industry
- Financial justification
- Previous planning efforts
- Readiness to proceed
- Involvement of public-private partnerships
- Other factors determined by WEDC

It is not the intention of this program to provide funds for ongoing operational needs over the long-term. WEDC generally requires matching funds and, depending on the project budget, may require additional documentation from other project participants. TIP funds and matching funds may not be used for past costs.



Incentives and Available Funding (FY23): \$200,000

Activities and Expected Outcomes:

Assist five organizations

Performance Reporting:

Recipients will be required to periodically submit a performance report documenting specific project activities, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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

Revision History:

| Effective Date | Description of Change |
|-----------------------|---|
| 7/1/2017 | Eliminated minimum grant award amount. |
| 7/1/2019 | Clarified that program is not intended for fund operations long-term; identified potential match requirement; clarified performance reporting requirements. |
| 7/1/2020 | Clarified program description and intent; standardized grant application factors; simplified expected outcomes. |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Technology Development Loan (TDL)

Program Inception: WEDC FY12

Lead Division: Entrepreneurship and Innovation

New **Revised** [Click here to enter a date.](#)

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

Program Goal:

The goal of the Technology Development Loan (TDL) program is to support technology-based startup and emerging growth companies in the state of Wisconsin.

Program Description:

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

Eligibility Requirements:

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

1. Product / Process development
 - Supports R&D, proof of concept, and prototype development
 - Company should generally be an early-stage company or spinout with fewer than 25 employees
 - Demonstrates financial need and potential for business growth
 - Product/Process Development phase funding is generally limited to \$250,000 per company
2. Product / Service Commercial Launch
 - Company is raising funds for initial launch of a developed product into the primary market after proof of concept and development testing
 - Product / Service Commercial Launch phase is generally limited to \$500,000 per company
 - A lower limit may be imposed for moving into test markets if the technology or industry requires incremental steps to commercialization
3. Growth / Expansion Stage

WISCONSIN

ECONOMIC DEVELOPMENT

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

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

WEDC will consider the circumstances of each loan and will limit its liability to the greatest extent possible.

Terms

USE: Working capital or equipment financing.

FEE: An origination fee of two (2.0) percent of the award amount.

AMORTIZED REPAYMENT:

INTEREST RATE: 6 percent fixed interest rate.

REPAYMENT: The loan shall generally have a term of up to 7 years with a deferral of principal and interest payments of up to 36 months, an option for an additional 12 months of interest only payments, followed by equal monthly payments of principal and interest. The deferral period will be based on the company's expected time to market and regulatory barriers. For loans with more than 12 months of principal and interest payment deferral WEDC may require an annual renewal of the deferment period.

REVENUE-BASED REPAYMENT:

TOTAL RETURN: Fixed multiple of principal disbursed, typically 1.15 – 1.5x dependent on anticipated financing duration, equivalent interest rate, risk, and other relevant factors.

PAYMENT: 1.5 - 3 percent of monthly gross revenue

LIMITATIONS: WEDC may set a maximum duration of repayment period, establish minimum payments, or insert other financing requirements on a case-by-case basis.

COLLATERAL: Security interest in all or specific business assets.



ECONOMIC DEVELOPMENT

In cases where WEDC feels it necessary, it may additionally require assignment of a life insurance policy(ies) for key founders/managers in an amount up to the maximum value of the loan.

GUARANTOR(S): WEDC may require limited or unlimited personal guaranties for any owner with ownership in the company equal to or more than 20%. Guarantees should be considered under the following conditions:

- Company has substantial ties to other states through location of founding partners, majority individual ownership, underlying technologies, related companies, or similar factors.
- The majority of funding is from founder, friends and family, federal grant funds, related corporations, and there is relatively lower amounts of outside bank, angel or VC match to validate the investment.
- Ownership for the founders remains above 50% combined after the close of match funding and are expected to retain controlling interest in the company either through continued reinvestments or because additional equity financing is not expected or required to advance the company.
- The company has failed to substantially meet benchmarks established in prior funding reviews, failed to meet objectives leading up to the current funding round, or there have been significant pivots that are unproven.
- The Applicant has close or fundamental ties to closely related companies through technology licensing agreements, servicing agreements, operating agreements, individual ownership, or other factors where or Applicant's corporate structure adds risks or uncertainty.
- The company is predominantly debt financed and guarantees are required by other lenders.
- As recommended by WEDC.

In cases where WEDC feels it is necessary, it may require corporate guarantees from related entities, holding companies, or subsidiaries

MATCH REQUIREMENT: The Borrower shall provide a minimum of 4:1 match of private investment funds to TDL loan proceeds. This requirement shall be met prior to the disbursement of TDL funds.*

CONVERSION TO EQUITY: WEDC frequently includes the option to convert a portion of its loan amount to equity in the Borrower company. WEDC's ability to convert to equity shall not exceed the term of the note unless there is an initial public offering, and conversion will generally be tied to an anticipated liquidity or other event. WEDC



ECONOMIC DEVELOPMENT

will include safeguards for its interest to include: (1) WEDC will not convert to equity if it would result in an ownership interest of 20% or more; (2) WEDC will have discretion to abstain or waive voting rights, and will not have/exercise any indicia of control; (3) WEDC will not be required to purchase securities or convert to equity; (4) WEDC will not accept any liabilities as a holder of warrant rights or an equity position; and (4) WEDC will require a company to repurchase any equity held by WEDC if the company relocates out of Wisconsin within five years, in accordance with Wis. Stat. §238.12.

*WEDC may consider previous funding as part of the initial leverage if the previous funding is part of the funding required for the project under consideration. In general, previous funding should be characterized as part of the current “funding round” and should not have occurred more than 12 months prior to the application date and is part of an active funding raise effort. WEDC may, in certain circumstances, elect to count founder funding as a portion of eligible match if the funding under consideration is part the initial company capitalization or seed round.

In addition to the factors outlined above WEDC will evaluate applications based on factors that will include:

Growth Potential - The Company’s overall growth potential

Timeline – The Company’s development and commercialization timeline

Funding – The Company’s ability to identify and secure sufficient capital

Technology – Technology risk

Market – Size and anticipated acceptance of the idea by customers

Execution – Management, plan, and performance to date

Cash flow - Company’s repayment capacity and timeline

Secondary Benefits – Income taxes, payroll taxes, supply chain, real estate taxes, other economic benefits

Need and Business Impact – The company’s need for funding and the impact that funding is likely to have on future success

Benchmarks - The company's ability to meet benchmarks set during the underwriting of any prior TDL loan

Incentives and Available Funding (FY23): \$10,625,677

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

WEDC: \$2,500,000

SSBCI: \$8,125,677 (total anticipated funding)

Federal SSBCI funding has specific requirements for the company eligibility, private funding participation, reporting requirements, and other factors. The funding source utilized will be based on the ability of the proposed project and funding structure to meet federal funding eligibility requirements, policy guidance, and program objectives established by the U.S. Department of Treasury.



Activities and Expected Outcomes:

Assist 16 businesses and achieve a 4:1 leverage of other investment.

Performance Reporting:

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

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

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

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

Revision History:

| Effective Date | Description of Change |
|----------------|---|
| 7/1/2017 | Eliminated obsolete restrictions for past costs |
| 7/1/2017 | Eliminated obsolete reference to federal SSBCI funding source |
| 7/1/2018 | Added option for revenue-based loan repayments |
| 7/1/2018 | Clarified criteria for execution of convertible notes |
| 7/1/2019 | Added clarifying language and evaluation criteria; clarified performance reporting requirements |
| 7/1/2020 | Clarified conditions warranting applicant guarantees |
| 7/1/2021 | Further clarified convertible note/warrant coverage conditions |
| 7/1/2022 | Accommodates SSBCI funding |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Wisconsin Tomorrow Main Street Bounceback Grant

Program Inception: WEDC FY22

Lead Division: Business and Community Development

New

Revised

Aid

Pass-thru Aid

Technical Assistance

Program Goal:

The goal of the Wisconsin Tomorrow Main Street Bounceback Grant (DBA Brick and Mortar Bounceback) is to provide one-time assistance to new and existing businesses opening a new location or expanding operations in a vacant commercial space.

Program Description:

The program will provide grants to approved entities with the capacity to deploy rapid response grants to businesses opening locations in vacant commercial spaces. The grants are to assist the business with costs associated with leases, mortgages, operational expenses and other business costs related to the newly opened location. Grants to businesses provide immediate recovery funding from the American Recovery Plan Act (ARPA) and lead to improved odds of a business opening or expanding and remaining open long-term. WEDC will contract with approved entities to distribute and administer these grants in their respective geographic areas of the state.

Eligibility Requirements:

The Wisconsin Tomorrow Main Street Bounceback Grant program will only be made available to approved entities where WEDC has an agreement in place outlining the grant obligations and terms and conditions of the grant program.

Eligible Grant Recipients:

The Wisconsin Tomorrow Main Street Bounceback Grant program funds are available to for-profit businesses and non-profit organizations meeting the following criteria:

- Must be located in a region where approved entity has received an allocation.
- Must certify that the business has not or will not vacate a commercial space in Wisconsin to become eligible to claim this grant

Ineligible Businesses:

The following businesses are ineligible for the Wisconsin Tomorrow Main Street Bounceback Grant:

- The business is part of a national or regional chain, unless the business is an independently owned and operated franchise



- Dead Storage
- Governmental units (except for tribal enterprises/corporations)
- Home-based businesses unless the business unit is moving into a vacant commercial space to support functions of the business
- Residential uses and lessors of residential units/property (landlords) unless the business unit of the lessor is moving into a vacant commercial space to support functions of the business
- Real estate investment firms, when the real property will be held for investment purposes as opposed to otherwise eligible small business concerns for the purpose of occupying the real estate being acquired.
- Businesses engaged in any illegal activity under federal, state, or local law.
- Businesses locating in a space of less than 400 square feet.

Eligible Activities:

Eligible uses of the grant funds include, but are not limited to the following activities:

- Commercial lease/mortgage payments
- Business operating expenses
- Commercial building repair and tenant improvements

Incentives and Available Funding (FY23): \$32,320,000

The incentives in this program will be deployed in two or more rounds of grants to approved entities. Grants to eligible businesses will be in the amount of \$10,000 each.

Each approved entity will receive \$10,000 upon initial award and an additional 2.5% of the granted amount for program administration; an additional amount up to \$10,000 will be provided for the cost to prepare schedule of expenditures in accordance with § 238.03(3)(a).

Activities and Expected Outcomes:

Assist nine approved entities administering the program covering all 72 counties to assist up to 3,232 businesses.

Performance Reporting:

Recipients of Wisconsin Tomorrow Main Street Bounceback grants will be required to submit semi-annual performance reports documenting the businesses assisted, as well as any other contract deliverable.

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award. WEDC may impose additional reporting requirements to evaluate project performance and to ensure compliance with contract deliverables.



Application and Awards Process:

Approved entities should complete an application through an Account Manager. The completed application will be assigned to an underwriter for review and approval.

To expedite the deployment of funds to make the most impact for the businesses, as an exception to WEDC’s standard awards approval thresholds outlined in WEDC’s COEC, each award to an approved entity may be approved by WEDC’s CEO and does not require any approval by either the Awards Administration Committee or the Board, regardless of award amount under this program or based on cumulative awards to the approved entity.

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

Revision History:

| Effective Date | Description of Change |
|----------------|--|
| 7/1/2021 | Added provision allowing for expedited deployment of program funds |
| 7/1/2022 | Addition of ineligible characteristic based on building size |

PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP, Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.



**Wisconsin Economic Development Corporation
Program Guidelines for Fiscal Year 2023**

Program Name: Wisconsin Investment Pilot (WIP)

Program Inception: WEDC FY21

Lead Division: Entrepreneurship & Innovation

New

Revised

Aid

Pass-thru Aid

Technical Assistance

Program Goal:

The goal of the Wisconsin Investment Pilot (WIP) program is to support technology-based startup and emerging growth companies in the state of Wisconsin. This program was initiated by the Entrepreneurship & Innovation Committee to support early or seed stage companies trying to raise initial capital rounds or additional or bridge capital to maintain and expand operations during the economic crisis caused by COVID-19 and serve as a demonstration of how WEDC can implement a co-investment fund strategy long-term to assist investor-backed Wisconsin companies.

The goal of this pilot program is to invest in Wisconsin early stage companies along-side other investors.

Program Description:

The program provides up to \$100,000 in direct financial assistance to businesses certified by WEDC as Qualified New Business Ventures (QNBV) in the form of an investment utilizing a Simple Agreement for Future Equity ("SAFE"). The WIP program is intended to provide capital to those companies that have the potential to add to Wisconsin's economic base over the long-term by attracting and training a high-wage, high-skill workforce and establishing a unique competitive advantage. The expectation is that this investment by WEDC will be matched by experienced investors. The funds can be used as working capital and require leverage from outside funding for the business development project or funding round under consideration.

Eligibility Requirements:

Businesses certified by WEDC as QNBVs as of the time of application for WIP are eligible for the WIP program. Businesses delinquent in reporting or other obligations with WEDC are not eligible for this program.

Eligible businesses must have matching funds at a rate of 4:1. The WIP program will generally be looking for matching funds to be in the form of a convertible instrument but may consider direct equity investment as part of the matching funds. Matching funds must have been invested



in the 9 months prior to the execution of the SAFE or are to be invested just prior to the release of WIP funds.

Incentives and Available Funding (FY23): This Program is not being funded in 2023

Eligible businesses will be provided an investment of up to \$100,000.

Activities & Expected Outcomes:

N/A

Performance Reporting:

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

WEDC annually selects awards on a sample basis for an audit. All backup to the performance report is required to be maintained for the life of the award.

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

Application and Awards Process:

The WIP Program has a continuous application process. Applicants for the WIP Program should complete an application through an Account Manager. The completed application will be assigned to an underwriter and go through an expedited award review process.

Revision History:

| Effective Date | Description of Change |
|----------------|--------------------------------------|
| 7/1/2021 | • Clarified eligibility requirements |



PROGRAM REVIEW:

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

- Chief Operating Officer
- Chief Legal Officer
- Chief Financial Officer
- Other _____

Senior VP Strategic Investment and Policy: _____ Date Click or tap to enter a date.

Division Vice President: _____ Date Click or tap to enter a date.

AUTHORIZED APPROVAL:

CEO or Designee: _____ Date Click or tap to enter a date.

WISCONSIN
ECONOMIC DEVELOPMENT

IMPACT MAP



• Single award
• Multiple awards

Number of Awards

- 0 - 10 awards
- 10 - 50
- 50 - 100
- More than 100

2 Select your impact

Type of Impact

Variable: Number of Awards

The total number of awards within the currently selected regions.

3 Filter your data

Agency: All

Fiscal Year: All

Industry: All

Award Type: All

4 Generate your report

Create Report

Clicking the following will create reports for the whole state using the current filters. Click on a project or region for focused reports.

Create PDF file

Details

Welcome to the Impact Map

Using the map is as easy as 1, 2, 3, 4

Click anywhere to go to the map

Esri, HERE, Garmin, USGS, EPA, NPS | Esri, HERE, NPS

While WEDC strives to provide the most accurate information available, the data on this map has been compiled from multiple sources and the location of some awards is approximate, sometimes appearing in the center of an identified geography.

<https://wedc.org/inside-wedc/program-outcomes/impact-map/>

WISCONSIN
ECONOMIC DEVELOPMENT

ANNUAL REPORT



ANNUAL REPORT ON ECONOMIC DEVELOPMENT SEARCHABLE DATA

Active records

This page lists active and recently finalized awards. After one year, recently finalized WEDC awards are retired to [the archived awards page](#).

Search: Show entries First Previous 1 2 3 4 5 ... 387 Next Last

| Award Status | Agency <small>Select...</small> | Year <small>Select...</small> | Recipient | Municipality | County | Program | Amount | Industry - NAICS | Links |
|--------------|------------------------------------|----------------------------------|--------------------------------------|--------------|----------|--|----------|------------------|----------------------------|
| | DATCP | 2021 | 45 Mercantile | Antigo | Langlade | Buy Local, Buy Wisconsin Grant Program | \$35,000 | | See on Map |
| | DATCP | 2022 | Adams County Fair | Friendship | Adams | County & District Fairs State Aid | \$3,604 | | See on Map |
| | DATCP | 2021 | Agropur Dairy Cooperative | Luxemburg | Kewaunee | Grow Wisconsin Dairy Processor Grants | \$30,800 | | See on Map |
| | DATCP | 2022 | Alpine Slicing and Cheese Conversion | Monroe | Green | Grow Wisconsin Dairy Processor Grants | \$15,000 | | See on Map |
| | DATCP | 2019 | Anderson's Maple Syrup | Cumberland | Barron | Buy Local, Buy Wisconsin Grant Program | \$48,000 | | See on Map |
| | DATCP | 2020 | Apiary Outreach | Madison | Dane | Specialty Crop Block Grant | \$60,775 | | See on Map |
| | DATCP | 2021 | Arena Cheese Inc | Arena | Iowa | Grow Wisconsin Dairy Processor Grants | \$10,000 | | See on Map |
| | DATCP | 2022 | Ashland County Fair Association | Marengo | Ashland | County & District Fairs State Aid | \$3,272 | | See on Map |

<https://wedc.org/inside-wedc/program-outcomes/annual-report/>

WISCONSIN
ECONOMIC DEVELOPMENT

COMMERCE AWARDS



ANNUAL REPORT ON ECONOMIC DEVELOPMENT SEARCHABLE DATA

Active Commerce records

This page lists active and recently finalized awards. After one year, recently finalized Commerce awards are retired to [the archived awards page](#).

| Award Status | Recipient | Recipient AKA | Award Date | Municipality | County | Program | Award Type | Amount | Industry | Deliverables | Planned Jobs Created | Actual Jobs Created | Planned Jobs Retained |
|--------------|---------------------------|---------------|--------------------|--------------|-----------|--------------------------------|---------------------|--------------|-------------------------------------|---------------------------|----------------------|---------------------|-----------------------|
| Active | 1stGiG.com | | October 17, 2010 | Madison | Dane | Qualified New Business Venture | Investor Tax Credit | \$250,000 | Technology - Information Technology | Private Sector Investment | 0 | 0 | 0 |
| Active | 2452 KK, LLC | | April 17, 2011 | Milwaukee | Milwaukee | Midwestern Disaster Area Bond | Bonding Authority | \$10,920,000 | Real Estate | Bond Issuance | 13 | 0 | 0 |
| Active | 4imprint, Inc. | | August 4, 2008 | Oshkosh | Winnebago | Enterprise Development Zone | Tax Credit | \$460,000 | Retail | Job Creation/Retention | 107 | 35 | 0 |
| Active | 524 N Koeller Street, LLC | | June 2, 2010 | Oshkosh | Winnebago | Midwestern Disaster Area Bond | Bonding Authority | \$1,400,000 | Real Estate | Bond Issuance | 13 | 0 | 0 |
| Active | 5D Research Inc. | Sharendipity | September 20, 2009 | Madison | Dane | Qualified New Business Venture | Investor Tax Credit | \$175,000 | Technology - Information Technology | Private Sector Investment | 0 | 0 | 0 |

<https://wedc.org/inside-wedc/program-outcomes/commerce-awards/>

DEPARTMENT OF ADMINISTRATION (DOA) PROGRAM NARRATIVES

Secretary: Kathy Blumenfeld
kathyk.blumenfeld@wisconsin.gov

Agency Contacts:

Dave Pawlisch

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Dawn Vick

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Program

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)-COMMUNITY DEVELOPMENT

Inception

Title I of the Housing and Community Development Act of 1974

Program goal

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

To achieve these goals, CDBG regulations define eligible activities and the national objectives that each activity must meet. For each CDBG project that it funds, the Division of Energy, Housing and Community Resources (DEHCR) must ensure that it meets at least one of the following national objectives and that each project is an eligible activity as defined by the U.S. Department of Housing and Urban Development (HUD).

The HUD national objective category must be identified in the application prior to the award of funding. The three national objectives are:

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

Program description

CDBG - Community Development programs include:

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

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

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

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

Program

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)-COMMUNITY DEVELOPMENT (CONTINUED)

Program activity

CDBG - PF:

- 35 communities assisted
- 48,245 persons served

CDBG - PLNG:

- 2 communities assisted
- 8,445 persons served

Since CDBG data are compiled at contract closeout and reported on the program-year basis, performance data do not reflect the time period covered by the state fiscal year, but rather are based on HUD's program year of April 1, 2021 to March 31, 2022.

Eligibility requirements

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

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

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

Recommended changes

None

Program

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) – ECONOMIC DEVELOPMENT

Inception

Title I of the Housing and Community Development Act of 1974

Expected outcomes

15 jobs created/retained

Program goal

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

To achieve these goals, CDBG regulations define eligible activities and the national objectives that each activity must meet. For each CDBG project that it funds, DEHCR must ensure that it meets at least one of the national objectives and that each project is an eligible activity, as defined by the HUD national objective category must be identified in the application prior to the award of funding.

The three national objectives are:

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

Incentives and available funding
\$2,570,548 in total funding available

Program description

CDBG - Economic Development programs include:

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

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

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

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

Program

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) – ECONOMIC DEVELOPMENT (CONTINUED)

Program activity

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

CDBG - ED:

- 0 communities assisted
- 0 jobs created

CDBG - PFED:

- 1 community assisted
- 15 jobs created

Since CDBG data are compiled at contract closeout and reported on a program-year basis, performance data do not reflect the time period covered by the state fiscal year, but rather are based on HUD's program year of April 1, 2021, to March 31, 2022.

Eligibility requirements

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

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

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

Recommended changes

None

DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION (DATCP) PROGRAM NARRATIVES

Secretary: Randy Romanski

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Agency Contact: Mark Rhoda-Reis

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Program

BEGINNING, MINORITY AND UNDERSERVED FARMER ASSISTANCE

Inception

2008

Expected outcomes

New program activities are under development.

Program goal

Provide beginning and minority farmers with outreach and referrals to technical assistance and resources for business development and risk management in order to improve their sustainability, resilience and profitability.

Incentives and available funding

General purpose revenue, federal grants

Program description

Entity served: Individual beginning and minority farmers

Type of assistance: Technical and referral

Program activity

Beginning and underserved farmers have increased access to existing programs and services. New program activities are being considered for development as funding and resources become available.

Partnership development, farmer engagement and network building have been a main focus over this past fiscal year. However, in addition to these efforts, many new programs have been developed and implemented, including listening sessions, informational webinars, and workshops and field days organized and promoted to beginning, minority and underserved growers, with presenters speaking in Hmong or interpretation services provided. Topics of events include: organic certification and the new OTECP program; business planning and farm financials, accessing grants and loans; and high tunnel production and the Environmental Quality Incentives Program. In total, 67 beginning, minority and underserved farmers attended in-person events held in FY22 and more than 100 attended virtual webinars in FY22.

In addition to educational opportunities, this program has provided support to learn about and attend conferences including the Midwest Organic Conference and the Organic Vegetable Production Conference. This program sponsored and assisted 10 Hmong farmers in attending conferences, with plans to increase the number in future years.

Future programming includes field days on produce safety with mock audits, rice production in Wisconsin, cover crops, use of small machinery, mushroom production and weed control.

Eligibility requirements

Eligibility requirements are under development and planned for implementation.

Recommended changes

Establishment of an appropriation for development of program services and administration is needed to fully resource this initiative.

Program

BUY LOCAL, BUY WISCONSIN GRANT PROGRAM

Inception

2008

Expected outcomes

- Project demonstrates that it will increase the purchase of Wisconsin food products for sale to local purchasers and includes a way to measure the increase that is directly related to project work
- Project demonstrates economic development in the form of new/retained jobs, new investment, increased sales, etc.
- Project shows broad impact by benefiting the local food industry and/or the public rather than a single organization, institution, individual or commercial product
- Project directly impacts community development through expanded community leadership, increased social capital, more effective nonprofit and/or community-based organizations and/or improved quality of life
- Project clearly demonstrates a return on project investment by providing a direct benefit to local food producers and local markets
- Will build supply chain infrastructure for strengthening Wisconsin's local food system
- Builds a competitive advantage for Wisconsin agriculture

Program goal

The Buy Local, Buy Wisconsin Grant Program is an economic development grant program designed to help the Wisconsin agricultural and food industry find ways to improve food production, processing, marketing and distribution with the ultimate goal of expanding Wisconsin's local food system. The grant program seeks to increase awareness and consumption of locally produced foods and related products and to increase the production and improve the distribution of local foods and related products.

Incentives and available funding

The program had \$200,000 allocated for grant awards in fiscal year 2022. Projects must be concluded within three years of contract start date. The maximum grant award is \$50,000 per project.

Program description

Funding source: general purpose revenues

Since 2008, 90 projects have been funded in the areas of infrastructure development, market development, agriculture tourism, producer development and many more. The average grant award is \$25,000-\$30,000 and goes to entities with a defined project that will increase sales of local foods and benefit the local food industry as a whole.

Program

BUY LOCAL, BUY WISCONSIN GRANT PROGRAM (CONTINUED)

Program activity

In FY22, 12 projects were chosen with \$200,000 in awarded funds.

- More than \$13.5 million in new local food sales
- More than \$5.9 million in new investments
- Return on investment greater than 9:1
- 158 new jobs created
- 189 jobs retained
- 4,883 producers and 4,909 Wisconsin markets benefited

Eligibility requirements

Proposals are accepted from individuals, groups, businesses and organizations involved in Wisconsin agriculture, Wisconsin food processing, Wisconsin food distribution, Wisconsin food warehousing, Wisconsin retail food establishments or Wisconsin agricultural tourism. Proposals may involve collaborations or partnerships among producers, food businesses, industry, academia or organizations. Applicants may cooperate with any public or private organization. Projects with broad-reaching impacts will receive higher consideration. Projects should benefit the local food industry and/or the public rather than a single organization, institution, individual or commercial product. Proposed projects should be driven by or supported by local food producers. DATCP may not make more than one grant award to the same person in the same state fiscal biennium. Grant applicants must provide cash or in-kind match equivalent to or greater than 50% of total project cost (1:1 match).

Recommended changes

None

Program

COUNTY & DISTRICT FAIRS STATE AID

Inception

1950

Expected outcomes

All 74 eligible fairs will request and receive state aid.

Program goal

Provide aid to county and district fairs that pay premiums to exhibitors.

Incentives and available funding

\$456,400 was available for equitable distribution among the eligible county and district fairs.

Program description

State aid is paid based on a formula established by the Legislature in Wis. Stat. §93.23(1) (a). Premiums are paid to Junior, Open, and Senior Citizen classes, with a \$10,000 maximum for each fair. The money is to be paid to eligible fairs by request only.

Program activity

73 county and district fairs received state aid in FY22.

Eligibility requirements

State aid paid to each fair is based on premiums paid in the current fair season. One fair per county receives funding, as designated by the county board. Also eligible is any fair that received state aid in 1950, as long as they continue to operate a fair each year in conformity with the applicable law and regulations.

Recommended changes

None

Program

EXPORT EXPANSION GRANT

Inception

2021 funding was distributed in accordance with the provisions in Wisconsin 2021 Act 92.

Expected outcomes

Projects must meet one or more of the following objectives:

- Cultivate new-to-export and emerging export agribusinesses
- Build exporting capacity and knowledge of the industry
- Increase understanding of foreign markets and consumers
- Make products export ready or develop products for specific export markets
- Promote Wisconsin products in foreign markets

Program goal

The objective of the grant program is to accelerate export growth of Wisconsin dairy, meat and crop products through export expansion projects.

Incentives and available funding

In FY22, \$564,584 was awarded to 13 organizations.

Program description

Projects are selected based on scope, impact and export growth potential for milk and dairy products; meat, including poultry, fish and meat products; and crop and crop products.

The intent is for agribusiness industry organizations, economic development organizations and academic institutions to develop innovative and impactful projects to provide strategic and long-term growth of Wisconsin agricultural exports and exporters.

Program activity

17 applications were received in 2022 and 13 projects were selected for funding.

Eligibility requirements

An applicant must:

- be a nonprofit organization located in Wisconsin currently serving or demonstrating the ability to serve Wisconsin agribusiness companies; and
- demonstrate the capacity to receive, manage and report on the projects that meet the grant objectives

Recommended changes

Increase dairy grants to \$100,000

Program

FARM TO SCHOOL AND INSTITUTIONS (F2S)

Inception

2009 (Act 293)

Expected outcomes

Increased resiliency in food supply chains to communities through essential institutions: educational, medical, early childhood care and elderly care feeding programs, food banks and food pantries; increased and equitable local food access through school and institutional meal and snack programs and increased access to this market for Wisconsin's food producers; increase in market share of school and institution meals for local food producers and processors

Program goal

The F2S program strengthens local economies by increasing the purchases of Wisconsin-grown and produced food products for sale to Wisconsin schools, either directly from the producer or through traditional distribution channels, thereby expanding markets for Wisconsin agricultural producers and food entrepreneurs. The F2S program connects Wisconsin food businesses to school food buyers to provide children with locally produced fresh fruits and vegetables, dairy products, proteins and grains to be served in breakfast, lunch and snack programs; helps children develop healthy eating habits; provides nutritional and agricultural education; and improves farmers' incomes and access to markets.

Incentives and available funding

Specialty Crop Block Grant: \$25,000

Researching value-added produce supply chains for school and institutional markets: Project completed in June 2022 to pilot processing and sampling of 8,000 pounds of school-friendly products to 15,000 students in 119 schools. The project resulted in several schools transitioning potato purchases to Wisconsin from Idaho. UW Extension Food Wise Harvest of the Month partnered to share best practices, educational materials and services. UW Extension Food Wise provided the F2S education; DATCP provided the procurement connections.

Program administration: \$90,600

Appropriated under s. 20.115 (3) (at), Stats. s. 93.49, Stats. to fund one full-time equivalent staff at DATCP for program administration.

Program

FARM TO SCHOOL AND INSTITUTIONS (F2S) (CONTINUED)

Program description

- Serves food purchasing organizations and institutional markets
- Offers technical assistance and coordination
- Funding source: General purpose revenue for program expenses, Wis. Stat. §20.115(3) (at). Appropriation for FTE to manage program administration and oversight
- Targets producers, processors, distributors, food service management companies, school food service, early care centers, food assistance organizations
- Eligible activities: Local procurement for institutional cafeterias, institutional gardens, nutrition and agriculture education and activities that engage the public, supply chain development

The F2S program engages with industry partners including the Farm to School Advisory Council, which includes standing members from the Department of Public Instruction (DPI), the Department of Health Services and DATCP.

Program activity

FY22 F2S activities:

- 181,000 Wisconsin students participated in the Great Lakes apple crunch.
- 64,500 chili lunch participants
- Supported the Tribal Elder Food Box Program: With the support of federal funding, a pilot Tribal Elder Food Box program sourced 192,000 pounds of produce and 21,000 pounds of proteins and delivered the boxes to elders in nine Wisconsin tribal nations. Indigenous producers provided 41% of the food. DATCP participated to better understand needs and opportunities specific to tribal communities. Knowledge gained will inform future programming.
- Supported supply chain connections for Feeding Wisconsin's network in the implementation of federally funded programs.
- Worked with key supply chain and school food service stakeholders to create partnerships in local supply chain development and procurement.
- Hosted Marketplace meetings: A collaboration between DATCP and DPI provided technical assistance, introductions and connections around relationship-based procurement for more than 100 local food businesses and Wisconsin food service directors.
- Engaged processors and distributors with a \$25,000 Specialty Crop Block Grant to develop minimally processed Wisconsin fruit and vegetable products to assist school food service in meeting the food and service needs in response to the COVID-19 pandemic. Sampled 8,000 pounds of Wisconsin organic potatoes and sweet potatoes to 119 Wisconsin schools, providing samples to more than 15,000 students.
- Provided education to farmers, food bank and pantry partners and school food service directors on opportunities in Wisconsin for farm-to-school and institution developments.

Program

FARM TO SCHOOL AND INSTITUTIONS (F2S) (CONTINUED)

Eligibility requirements

Eligible activities:

F2S technical assistance for:

- Wisconsin local food producers and local food businesses working with school and institutional markets
 - School and institutional food buyers
 - State agencies, nonprofit organizations, for-profit businesses working in child health, community wellness, as well as food production, processing, distribution and packaging and storing,
1. Identify needs and opportunities, seek to reduce impediments to farm-to-school and institution activities and develop equitable supply chains to schools and institutions providing food for Wisconsin children.
 2. Advise and collaborate with other state agencies and local agencies on actions to promote farm-to-school.
 3. Promote communication between Wisconsin producers, processors, distributors, buyers for schools, hospitals, early care and senior care, feeding programs, food banks and pantries, and college campus kitchens.
 4. Conduct training and provide technical assistance for institutional food service personnel and directors, school staff partners, producers, processors, food distributors, buyers, and supply chain development projects.
 5. Promote farm-to-school programs through public education.
 6. Provide information on the internet pertaining to Wisconsin F2S.
 7. Administer the Farm to School Advisory Council.

Recommended changes

Provide \$200,000 for Wis. Stat. §20.115(4)(as), farm-to-school grants. These grants would serve approximately 855,000 students annually, promoting supply chain partnerships, supporting infrastructure needed to increase statewide procurement, and incentivizing purchases of Wisconsin foods. Grant funds will support schools in establishing sustainable local food purchasing practices and help meet the rapidly increasing needs of food insecure communities for which school meal programs are an essential source of fresh, locally grown food.

Program

GROW WISCONSIN DAIRY PROCESSOR GRANTS

Inception

The former 20x20 program was transferred to DATCP from the Department of Commerce in 2012. Funding for the Dairy Processing Plant Grant Program is under Wis. Stat. §20.115(4)(dm), and the authority is under §93.40. The program is under § ATCP ch. 161, Subch. VI

Expected outcomes

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

Program goal

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

Incentives and available funding

A total of \$400,000 was available for grants in FY22. Grants of up to \$50,000 were available.

Program description

The Dairy Processor Grant is designed to provide access to services and resources for proposed dairy processing plant projects that enhance or develop the current business, solve an existing problem or concern at the plant, improve production or profitability and/or help the processor innovate.

Projects could include multiple aspects from the following areas:

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

Program activity

43 applications were received in 2022 and 19 projects were selected for funding.

Eligibility requirements

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

Recommended changes

None

Program

MEAT PROCESSOR GRANT

Inception

Funding for the Meat Processor Infrastructure Grant Program is under Wis. Stat. §20.115(4)(f), and the authority is under §93.68(1).

Expected outcomes

- Expand efforts to provide assistance with professional services costs related to siting, engineering, design, layout of new facilities or production lines
- Any project that can be shown to increase an establishment's harvest capacity by 20% or more per year
- Any project that can be proven to increase meat or meat product production that shows a benefit to harvest capacity within the supply chain

Program goal

The overall goal of the Meat Processor Infrastructure Grant is to grow Wisconsin's meat industry and improve the long-term viability of the livestock sector through services to meat processing establishments.

Incentives and available funding

A total of \$200,000 was available for grants within the program for FY22. Grants of up to \$50,000 were available.

Program description

DATCP's Meat Processor Infrastructure Grants are available to new or existing processors. The grant is designed to provide access to services and resources for proposed meat processing establishment projects that grow or develop the current business's harvest or throughput capacity, improve production or profitability, and/or help the processor answer capacity and/or production bottlenecks and challenges.

Program activity

100 applications were received and five projects were selected for funding.

Eligibility requirements

An applicant must or will operate a licensed meat processing establishment, be engaged in livestock harvest and/or further processing (sausage, cured meats or other value-added meat manufacturing) which is located in Wisconsin.

Recommended changes

None

Program

ORGANIC CERTIFICATION COST-SHARE PROGRAM

Inception

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

Expected outcomes

DATCP provides outreach with the goal of receiving applications from at least 50% of the state's certified producers and processors.

Program goal

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

Incentives and available funding

\$552,206 was available for rebates in FY22.

Program description

The USDA National Organic Program provides each state with funds to reimburse organic certified farmers and processing companies for up to 50% of their certification costs. Rebates cannot exceed \$500 per scope of certification.

Program activity

754 entities received a rebate in FY22.

- \$483,075 was distributed in rebates
- 42% of Wisconsin's 1,789 certified organic operations* received a rebate in FY22.

*USDA Organic Integrity Database year-to-date, July 2022

Eligibility requirements

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

Recommended changes

None

Program

SPECIALTY CROP BLOCK GRANT

Inception

Federal Specialty Crop Competitiveness Act of 2004

Expected outcomes

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

- Increasing consumption and consumer purchasing of specialty crops
- Increasing access to specialty crops and expanding specialty crop production and distribution
- Increasing food safety knowledge and processes
- Improving pest and disease control processes
- Developing new seed varieties and specialty crops
- Expanding specialty crop research and development
- Improving environmental sustainability of specialty crops

Program goal

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

Incentives and available funding

Funding is allocated annually to states through the federal Farm Bill and changes each year based on each state's sales and planted acreage of specialty crops. Projects range from \$10,000 to \$100,000 annually. In FY22, 14 awards were given, totaling more than \$1.2 million.

Program description

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

Program activity

During FY22, 63 grants were open and managed. About 73% of projects are research-based, with about 16% education and 11% market development. The majority of projects are run by the University of Wisconsin System and Wisconsin's larger growers association groups, with some smaller nonprofit and private entities implementing projects as well.

Eligibility requirements

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

Recommended changes

None

Program

WISCONSIN INTERNATIONAL AGRIBUSINESS CENTER (IABC)

Inception

1986, authorizing statute §93.42

2022, Agricultural Export Program - Wisconsin Initiative for Agricultural Exports (WIAE) §93.425

2022, Funding for Dairy Export Grants - §20.115 (3) (h), loans for rural development

Expected outcomes

- Export sales and anticipated sales generated by Wisconsin companies as a result of IABC services: \$20 million
- The IABC assisted Wisconsin companies in accessing federal funding to defray international marketing expenditures. (Funding allocations are on a calendar year basis; however, actual federal funds utilized as part of the program are based on fiscal year): \$1 million
- Number of companies expected to receive export development services from IABC staff: 150
- WIAE: Total of 35 companies and four organizations
 - Trade promotion activities: three events, 23 Wisconsin companies participating
 - International market access grant support: 12 companies
 - Export expansion grants: four organizations

Program goal

The IABC accesses federal and state funds to help Wisconsin food, forestry and agricultural companies grow their exports. WIAE per Wisconsin Statute 93.425 – Beginning in 2022, the IABC:

“shall cooperate with the Wisconsin Economic Development Corporation to achieve all of the following export objectives by June 30, 2026:

- *Increase the value of this state’s milk and other dairy product exports by at least 25% over the value as of Dec. 31, 2021.*
- *Increase the value of this state’s meat, including poultry, fish, and meat product exports by at least 25% over the value as of Dec. 31, 2021.*
- *Increase the value of this state’s crop and crop product exports by at least 25% over the value as of Dec. 31, 2021.*

Of the funds appropriated under §20.115 (3) (b), the center for international agribusiness marketing shall ensure that \$2,500,000 is expended for the objective specified in sub. (2) (a), \$1,250,000 is expended for the objective specified in sub. (2) (b), and \$1,250,000 is expended for the objective specified in sub. (2). The center may not expend more than \$1,000,000 under the program in any fiscal year.”

Program

WISCONSIN INTERNATIONAL AGRIBUSINESS CENTER (IABC) (CONTINUED)

Incentives and available funding

Eligible businesses can access numerous programs including:

- One-on-one consultations to identify strategies to reach out to customers in other countries
- Education workshops that cover a wide range of topics, from exporter basics and market characteristics to detailed sessions on trade regulation, tariffs and insurance
- Customized export assistance on export regulations, product and facility registration and other issues affecting exporting food, forestry and agricultural products
- Scheduling one-on-one meetings with interested buyers
- Trade show enhancement services, which may include pre-show feedback on competitors, translation of company profile, on-site interpreters, prearranged meetings with potential buyers, site visits to local retailers, in-market seminars and follow-up assistance
- Trade missions that provide the opportunity to develop firsthand market knowledge through coordinated individual and group programs and to attend scheduled one-on-one meetings with qualified buyers and government officials
- WIAE support for the WEDC International Market Access Grants to food, forestry and agriculture companies, of \$10,000 to \$25,000 per state fiscal year
- DATCP Export Expansion Grants – WIAE funded: up to \$50,000 for nonprofit organizations for projects to assist food, forestry and agriculture companies to grow exports

Program description

- Serves Wisconsin's food, forestry and agricultural product companies
- Program offers technical expertise and market development initiatives
- Funding sources: state and federal
- Target: Wisconsin agribusinesses interested in or already exporting
- Eligible activities: technical assistance, market research, trade promotion activities, market development
- WIAE financial support: Support for food, forestry and agriculture companies applying for WEDC International Market Access Grants (IMAGs), ExporTech™ tuition support for agriculture companies in NAICS category 11 (agriculture, hunting and fishing), Export Expansion Grants for nonprofit organizations to assist food, forestry and agriculture producers and processors that grow Wisconsin's exports of dairy, meat and crop products.

IABC provides technical expertise, trade promotion activities (international trade shows, trade missions, inbound buyer missions and social media campaigns) supporting Wisconsin's food, forestry and agricultural companies to aid the growth of Wisconsin agriculture through increased exports and the development of trade-enhancing partnerships. Funding sources are WIAE and federal funding sources including but not limited to: USDA (Food Export Association, U.S. Livestock Genetics Export Association, Federal-State Marketing Improvement Program, American Hardwood Export Council, Soft Wood Export Council) and the Small Business Administration State Trade Expansion Program Grants made available through WEDC.

The IABC staff uses client feedback, global trends and market and export data to establish criteria for identifying target markets and activities. The IABC works with its counterparts on the WEDC Global Trade and Investment team on mutually beneficial projects.

Program

WISCONSIN INTERNATIONAL AGRIBUSINESS CENTER (IABC) (CONTINUED)

Program activity

- Total export sales and anticipated sales generated by Wisconsin companies as a result of IABC services: \$8,237,623
- Export sales reported by Wisconsin companies as a result of IABC services: \$1,268,823
- Anticipated increase in export sales (within 12 months of date reported) generated by Wisconsin companies as a result of IABC services: \$6,968,800
- The IABC assisted 20 Wisconsin food and food processing companies in accessing federal funding to defray international marketing expenditures. (Funding allocations are on a calendar year basis; however, actual federal funds utilized as part of the program are based on fiscal year): \$1,315,352.79
- Anticipated number of jobs created or retained as a result of services: 69 based on actual and anticipated export sales
 - (Calculation: \$1 million in agricultural exports creates or retains 8.4 jobs source: USDA's Economic Research Service)
- Additional economic activity: \$10.71 million based on actual and anticipated export sales
 - (Calculation: \$1 million in agricultural exports generates \$1.3 million in additional domestic economic activity; source: USDA's Economic Research Service)
- Number of companies receiving export development services from IABC staff: 159 companies received more than 1,007 services.
- Agricultural industry stakeholder engagements: 1,205
- WIAE outcomes
 - Trade promotion activities - four, assisting 20 companies
 - IMAG - 11 companies assisted, \$110,000* granted
 - Export Expansion Grants - 13 nonprofit organizations assisting multiple companies, \$564,584* granted

**Note: \$20,000 funding for IMAG and \$277,098 for export expansion is from funding for grants to promote dairy exports from §20.115 (3) (h), loans for rural development.*

Eligibility requirements

Wisconsin-based businesses producing, processing or distributing for export food, forestry and agricultural products

Recommended changes

The IABC will continue outreach efforts to Wisconsin food and agriculture companies and collaborate with industry, state and federal organizations to increase awareness of programs and participation in export activities.

State of Wisconsin
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Box 7921
Madison WI 53707-7921

Tony Evers, Governor
Preston D. Cole, Secretary
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June 7, 2022

Melissa L. Hughes, Secretary and CEO
Wisconsin Economic Development Corporation
201 W. Washington Avenue
Madison, WI 53703

Subject: FY 2022 Report on Economic Development

Dear Secretary Hughes,

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

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

Please let us know if you have any questions.

A handwritten signature in black ink, appearing to be 'P. Cole'.

For Preston D. Cole
Secretary

cc: Sarah Barry
Steven Little
Jim Ritchie
Cheryl Heilman
Sean Kennedy

WISCONSIN DEPARTMENT OF TOURISM (TOURISM) PROGRAM NARRATIVES

Secretary: Anne Sayers

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Agency Contact: Heidi Schultz

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Program

JOINT EFFORT MARKETING (JEM) GRANT

Inception

1975

Expected outcomes

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

Program goal

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

Incentives and available funding

\$1,130,000 per fiscal year

Program description

JEM Grants provide partnership funding to help nonprofit Wisconsin organizations promote tourism in their areas, e.g., destination marketing, new events, sales promotions, existing events and one-time/one-of-a-kind events. Projects must show that they will generate an increase in visitors and make a positive economic impact in the local area. The advertising plan must be consistent with the current statewide marketing plan and target markets beyond the local area. Applications are reviewed five times a year. Destination marketing deadlines are April 1 and Sept. 1. All other categories adhere to application deadlines of Feb. 1, April 1, Aug. 1 and Nov. 1.

Program activity

49 projects received awards in FY22.

Eligibility requirements

Statutory requirements (Ch. 41.17)

Program

JOINT EFFORT MARKETING (JEM) GRANT (CONTINUED)

At least \$1.13 million must be awarded annually.

Any public or private nonprofit organization, including a tribal organization of a federally recognized American Indian tribe or band in Wisconsin, is eligible to apply.

Tourism can reimburse up to 75% of a project's first-year promotional costs, but no more than 50% of the total budget. In subsequent years, up to 50% of the promotional costs for the second year and 25% for the third year may be allowed in some categories.

A certain percentage of the grants must be matched through cash or in-kind contributions.

Grants fund only marketing expenses, e.g., email marketing, print and broadcast ads, direct mail, publicity and billboards. Grant funds may not be used for operational costs.

Administrative rulemaking (Ch. Tour 1)

- An eligible applicant may submit an application no less than 90 days prior to the first date advertising is scheduled to begin.
- The JEM Committee reviews all applications and makes funding recommendations to the department's secretary.
- An applicant shall submit a written evaluation of the project within 45 days of completion of all project activity in such form as the department may require. Of the total award amount, 10% is withheld until a suitable evaluation is submitted.
- Contracts are terminated if evaluations and project invoices are past due.

Underwriting criteria

- Applicant originations must be tourism-related Wisconsin nonprofit organizations.
- The application process is competitive.
- Contractual obligations for ongoing JEM projects must be met before any new contracts will be issued.

Recommended changes

None

Program

MEETINGS MEAN BUSINESS (MMB) GRANT PROGRAM

Inception

2010

Expected outcomes

More than \$5.27in projected visitor expenditures for FY22 grants.

Program goal

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

Incentives and available funding

\$110,000 annually

Program description

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

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

The fund has \$110,000 per year available for matching grants. Destinations may apply for 50% of the costs for convention facility rental, in-community convention transportation and/or host costs, up to a maximum of \$30,000 per fiscal year (July 1-June 30). Applications are reviewed three times annually. The deadlines are January 1, April, 1 and September 1 at 11:59 PM.

Program activity

7 MMB grants were awarded in FY22.

Eligibility requirements

- Applications must be submitted to the Wisconsin Department of Tourism through a recognized Wisconsin destination marketing organization (e.g., convention and visitors' bureau or chamber of commerce) and must be signed by the director or president of that organization.
- Organizations receiving funding through this program may not also request funding from the JEM Grant Fund for the same event during the same fiscal year.
- This grant does not fund in-state events that are regularly scheduled or that routinely rotate to destinations within the state.

Recommended changes

None

Program

READY, SET, GO! (RSG) GRANT PROGRAM

Inception

2006

Expected outcomes

FY22 RSG grants are projected to generate approximately \$14.6 million in visitor expenditures.

Program goal

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

Incentives and available funding

\$110,000 annually

Program description

The RSG grant program generates visitor spending by securing or creating competitive sporting events with a structure that both draws a spectator/athlete base for the event and creates an economic impact for the area.

The program is designed to assist destinations in securing competition-related events that require an up-front financial commitment. Grant funding may be used for bid/commitment fees paid directly to the event holder, financial commitments needed to secure a venue or municipal services for an event.

The department provides \$110,000 for RSG grants each fiscal year (July 1-June 30).

Applications are reviewed three times annually. The deadlines are January 1, April 1 and September 1 at 11:59 PM.

Program activity

7 awards were funded in FY22.

Eligibility requirements

- Destinations may request 50% of the bid/commitment fee or 50% of the venue/municipal fees, up to a maximum of \$30,000 per fiscal year.
- Applications must be submitted to the Wisconsin Department of Tourism through a recognized Wisconsin destination marketing organization (e.g., convention and visitors bureau or chamber of commerce) and must be signed by the director or president of that organization. Events that have been secured prior to the written grant application must be submitted at least 180 days prior to event. Organizations or events that are currently funded through statutorily required expenditures are not eligible for funding through RSG. Organizations requesting funding from the RSG Grant Fund are not eligible to also request funding from the JEM Grant Program for the same event during the same fiscal year.
- Events that have been hosted in Wisconsin previously will be considered for grant funding based on prior event evaluation and documented economic impact.

Recommended changes

None

DEPARTMENT OF TRANSPORTATION PROGRAM NARRATIVES

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Program

DISADVANTAGED BUSINESS ENTERPRISE (DBE) MOBILIZATION LOAN GUARANTY PROGRAM

Inception

As authorized by Wis. Stat. §85.25 (4), as created by 1987 Wisconsin Act 399, the purpose is to establish a program to assist disadvantaged businesses in obtaining working capital in order to participate in construction contracts with the Wisconsin Department of Transportation (WisDOT).

Expected outcomes

Secure one to five mobilization loans and guarantees for one to five DBE firms in 2022.

Program goal

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

Incentives and available funding

The initial grant made by the department is for \$406,963, providing that \$300,000 of this grant is to guarantee obligations entered by the American Indian Chamber of Commerce of Wisconsin (AICCW). Allowable expenses to be reimbursed are costs incurred with the development of the program and a one-time facility fee payable to the contractor in the amount of \$5,000. Program development costs shall not exceed \$15,000 and program delivery costs incurred through Dec. 31, 2022 shall not exceed \$30,000.

Program description

Conditions for the guarantee of a mobilization loan:

1. The total loan qualifies as a mobilization loan.
2. The total of the principal amounts of all loans extended to the borrower during a single year may not exceed 100% of the contract amount.
3. The rate of interest on the loan, including any origination fees or other charges relating to the loan, may not exceed a rate to be determined by the business development organization.
4. Upon completion of a contract with the department, the proceeds shall be co-paid to the lender and the disadvantaged business by the department. If the disadvantaged business is a subcontractor, the prime contractor shall co-pay the disadvantaged business and the lender.
5. The term of the loan shall be for a maximum of six months. If requested, an extension shall be considered on a case-by-case basis.
6. The proceeds of the loan shall only be used for new contract work with the department. Refinancings of prior contract work with the department are not eligible. Loans to any disadvantaged business may not exceed a total of \$250,000 within a 180-day period.
7. The business development organization shall guarantee repayment up to 90% of the principal of any mobilization loan eligible for guarantee. Any origination fees or other charges related to the loan can be financed; however, they may not be guaranteed by the business development organization.
8. The participating lender obtains a security interest in any machinery and equipment resulting from the use of the loan proceeds and an assignment of the contract proceeds from the department and the prime contractor for repayment of the loan.
9. A participating lender shall determine when a guaranteed loan is in default.

Program

**DISADVANTAGED BUSINESS ENTERPRISE
(DBE) MOBILIZATION LOAN GUARANTY
PROGRAM (CONTINUED)**

Program activity

As of Nov. 1, 2021, WisDOT retained First American Capital Corporation Inc. as the contractor and eligible lender/community development financial institution to provide businesses development services and the AICCW serving as the business development organization and providing the written guaranty on behalf of WisDOT for the bank providing the loan to the WisDOT DBEs seeking mobilization assistance.

Eligibility requirements

Conditions for eligibility of a disadvantaged business for a guarantee loan:

- (1) Any business applying for a guaranteed loan must be certified as a disadvantaged business by the department.
- (2) Any business applying for a guaranteed loan must have a current contract with the department or a current subcontract for work let by the department.
- (3) Any business applying for a guaranteed loan must have a demonstrated ability to perform the work of the contract or subcontract.

Recommended changes

None

Program

TRANSPORTATION FACILITIES ECONOMIC ASSISTANCE AND DEVELOPMENT (TEA) PROGRAM

Inception

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

Expected outcomes

The average cost per job cannot exceed the \$5,000 program maximum. Program compliance reporting also requires the submission of jobs reports to monitor and track actual job creation and retention versus promised/expected job numbers. This accountability goal must be at 100% compliance for the number of approved and awarded grants.

Program goal

The goal of the TEA Program is to create and retain jobs in Wisconsin by helping attract new businesses to the state and encouraging expansions at existing firms. The TEA Program allows for a flexible and expedited process of evaluating and approving road, rail, harbor and airport improvements that are essential to economic development projects. The TEA Program provides local units of government with grants of up to \$5,000 per job created or retained by a business to assist with the construction of public transportation infrastructure related to an economic development project.

Incentives and available funding

The TEA Program awards grants in the lesser amount of:

- 50% of the total project cost;
- \$5,000 per job created/retained; or
- \$1 million (maximum TEA award).

The biennial budget appropriation for the TEA Program is \$6,805,200.

Program description

Project costs not covered by the TEA grant are paid by the local unit of government. The annual budget for the TEA Program is \$3,402,500. Funding assistance is provided to communities in exchange for the guarantee of job creation or job retention for a seven-year period.

Applications are accepted year-round on a first-come, first-served basis. The TEA Program is a reimbursement program whereby the community (the sponsor) must cover 100% of all project costs up front before seeking reimbursement from WisDOT. The business development cannot be speculative.

From receipt of a complete application to approval, the grant review process takes up to 30 days to formally complete and make an award. Once a project has been approved and awarded, project construction needs to commence within three years of the date when the project agreement is executed.

Program

TRANSPORTATION FACILITIES ECONOMIC ASSISTANCE AND DEVELOPMENT (TEA) PROGRAM

Program activity

- Two grants were awarded totaling \$600,000.
- 120 jobs were created or retained.
- The average cost per job amounted to \$5,000.
- Total capital investment was nearly \$68 million.
- The total capital investment per grant dollar awarded was \$113.28.

Eligibility requirements

The TEA Program provides up to \$5,000 for each new job created. The job type must meet eligibility requirements to proceed to the application stage. Certain job types, such as retail stores, eating and drinking establishments, recreation and entertainment facilities, hotels and motels, are excluded from funding consideration.

The following transportation project improvements are eligible for funding assistance: street, road, highway, intersection and interchange improvements that are open to the public for travel and come under the jurisdiction or ownership of a public authority (all private roads, parking lanes or parking lots are excluded); rail projects to include an industrial lead, a spur, team track or trackside intermodal transfer facility; harbor/port improvements, to consist of dredging, dock walls, piers, intermodal connections and lighting; and airport improvements consisting of runway, taxiway, aprons and access service roads (airport hangars are excluded).

Recommended changes

None

DEPARTMENT OF WORKFORCE DEVELOPMENT (DWD) PROGRAM NARRATIVES

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Program

WISCONSIN FAST FORWARD (WFF)

Inception

2013 Act 9

Expected outcomes

The Office of Skills Development (OSD) has issued contracts for more than \$40 million in WFF grants to date, supporting more than 384 workforce training projects that are benefiting more than 794 businesses and more than 30,000 trainees at a low average cost of \$1,361 per trainee.

Program goal

WFF standard grant programs fund customized skills training for currently employed workers and job seekers through Wisconsin employers and their partners. The goals of WFF include:

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

The 2021-2023 Biennial Budget set aside funds for several grant programs. These programs were funded during FY22. Descriptions of these programs are included in the program activity section of this report.

Incentives and available funding

Grant awards for all sector grants range from \$5,000 to \$400,000 and require cash or in-kind match equal to 50% of the award amount. All grantees are limited to \$400,000 in WFF funds per calendar year.

Program description

The standard WFF program is designed to provide demand-driven worker training grants to employers in collaboration with training providers and their local workforce and economic development partners. The program accepts grant proposals for customized, short- and medium-term skilled worker training projects for all sectors. Qualifying proposals must be supported by current and projected labor market information, demonstrate the need for training, and state the intent to hire trainees or raise incumbent worker wages. The long-term goal of the program is to encourage statewide economic growth by assisting employers to train workers and fill positions, as well as to ensure meaningful economic advancement for trainees. The OSD administers the WFF program through a transparent and accountable process. Since program inception, OSD has awarded grants to support worker training demands in the following industry sectors and occupational areas:

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

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

Program

WISCONSIN FAST FORWARD (WFF)

Program activity

During FY22, OSD awarded standard WFF grant contracts totaling:

- Amount: \$4,866,179
- Number of grants: 36
- Number of trainees: 2,638
- Number of businesses: 64

In 2022, the University of Wisconsin System (UWS) was awarded a grant in the amount of \$1,133,821 to promote and coordinate internships in high-demand fields throughout the state. UWS will use WFF funds to incentivize private sector businesses in those fields to provide paid internships for students in Wisconsin.

EXPANDED WISCONSIN FAST FORWARD

During FY22, OSD also awarded grants under the programs initiated through the 2021-2023 state budget. These awards included:

- Technical Education Equipment Grant Program: This grant program was made available to Wisconsin school districts for the acquisition of equipment used in advanced manufacturing fields in the workplace, together with any software necessary for the operation of the equipment and any instructional material necessary to train pupils in the operation of the equipment. Grant amounts varied from \$5,000 to \$50,000. A total of 29 grants were awarded to school districts, for a total of \$1 million in awards.
- Teacher Training and Recruitment Grants: This grant opportunity was made available to organizations that operate under 501(c)(3) or 501(c)(4) of the Internal Revenue Code and are exempt from taxation that can demonstrate a critical need to recruit, train and prepare individuals to teach in low-income or urban Wisconsin schools. Three grants were awarded, totaling \$981,108.

Eligibility requirements

WFF grant opportunities are available to any public or private organization with documented workforce training needs in all industry sectors. Allowable expenditures include, but are not limited to, curriculum development, instructor/trainer costs, instructional materials and supplies, consultant fees, contractual services, facility costs, and administration costs up to 5% of the total project budget.

Recommended changes

The program continues to evolve as new funding is earmarked in the state budget and as the DWD leadership team develops its vision for Wisconsin Fast Forward. There are no other recommended changes at this time.



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August 24, 2022

Melissa Hughes, Secretary and CEO
Wisconsin Economic Development Corporation
P.O. Box 1687
Madison, WI 53701

Dear Secretary Hughes,

The University of Wisconsin (UW) System values its partnership with the Wisconsin Economic Development Corporation (WEDC) in advancing economic and talent development statewide. This strong collaboration is reflected in WEDC's section of the Annual Report on Economic Development (ARED), in which award and outcomes data are noted for initiatives enabled by WEDC funding, including those of UW System's Institute for Business & Entrepreneurship and other UW-led projects.

While the remaining UW System activity falls outside the scope of ARED, we appreciate the opportunity to highlight just a few of our additional contributions to economic development in Wisconsin.

In the most recent academic year, UW System institutions awarded degrees to nearly 37,000 graduates. With the average lifetime earnings of a bachelor's degree holder exceeding those of a high school graduate by \$1 million, a UW System education directly promotes an increase in household incomes and community prosperity. Nearly 90 percent of in-state UW System graduates stay in Wisconsin for at least five years after earning a degree, with a median salary of more than \$66,000.

UW System universities also contribute to the richness of Wisconsin's culture and economy with groundbreaking research, new companies and patents, and boundless creative intellectual energy. Overall, UW System research in FY20 totaled \$1.17 billion. Additionally, nearly one in three UW degrees are conferred in science, technology, engineering, mathematics, and health disciplines.

Furthermore, UW System is committed to connecting business and industry with university faculty, staff, and students to foster internships, innovation, and entrepreneurship, and to build stronger, more resilient communities. Information on UW System efforts in support of its mission of outreach and community service are highlighted in the [UW System Accountability Dashboard](#) and through the [UW System Office of Corporate Relations and Economic Engagement](#).

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Rothman".

Jay O. Rothman
President, UW System

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY (WHEDA) PROGRAM NARRATIVES

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Program

CHAPTER 234.65 – ECONOMIC DEVELOPMENT CONDUIT BOND ISSUE PROGRAM

Inception

Chapter 234

Expected outcomes

In FY23, no new originations are expected.

Program goal

WHEDA's Economic Development Conduit Bond Issue Program is intended to provide Wisconsin businesses financing that will create and retain jobs in the state of Wisconsin, and promote economic development in both rural and urban communities.

Incentives and available funding

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

Program description

WHEDA has the authority to issue up to \$150 million of economic development bonds in aggregate over the next four fiscal years. Sources of tax-exempt bond financing include Industrial Revenue Bonds.

Program activity

No bonds were issued for FY22.

Program

CHAPTER 234.65 – ECONOMIC DEVELOPMENT CONDUIT BOND ISSUE PROGRAM (CONTINUED)

Eligibility requirements

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

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

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

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

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

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

WHEDA shall also give preference to businesses:

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

Recommended changes

On Jan. 1, 2013, the Midwest Disaster Area Relief Bond Program expired, eliminating the primary resource for federal tax-exempt bonding using this bond issuance capacity.

WHEDA does not expect to see much activity in this program until another tax-exempt program can be matched with it.

Program

WISCONSIN DEVELOPMENT RESERVE FUND (WDRF) – AGRIBUSINESS PROGRAM

Expected outcomes

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

Program goal

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

Incentives and available funding

\$29.97 million in guarantee authority is available for all WDRF programs, including agribusiness guarantees.

Program description

Assist in the startup, acquisition or expansion of a business that develops products using Wisconsin's raw agricultural commodities. The term "raw agricultural commodity" refers to any agricultural, aquacultural, horticultural, viticultural, vegetable, poultry or livestock product produced in Wisconsin, including milk and milk products, bees and honey products, timber and wood products, or any class, variety or utilization of the products in their natural state.

Program activity

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

Program

WISCONSIN DEVELOPMENT RESERVE FUND (WDRF) – AGRIBUSINESS PROGRAM (CONTINUED)

Eligibility requirements

The business must start with a Wisconsin-grown, raw agricultural commodity and do one of the following:

- Create a product new to the business
- Expand production of an existing product that will increase the use of a raw agricultural commodity
- Enhance the efficiency of the business

The business must be unable to obtain conventional financing on reasonable terms.

The business must be located in Wisconsin in an area with a population of less than 50,000.

The business owner must be current in any child support payments and not in default on any WHEDA loans.

Loan proceeds can be used for any of these purposes:

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

The maximum guarantee is the lesser of 50% or \$600,000. The maximum guarantee terms are:

- Fixed assets, inventory and permanent working capital: Five years
- Amortization term may exceed the guarantee term but cannot exceed the useful life of the collateral
- Interest rate is set by the lending institution and is subject to WHEDA approval; variable rate loan may not exceed prime plus 2.75%
- Loan must be secured by assets being financed; additional collateral and personal guarantees may be required

The lender must first complete and submit an Agribusiness Guarantee Eligibility Form (Form 3). WHEDA will determine eligibility status and will issue a decision within one business day. If found eligible, the lender shall complete and submit a Loan Guarantee Application (Form 4) within 90 days. WHEDA will then review the complete application and render a decision when its underwriting process is complete.

Recommended changes

None

Program

WDRF – CREDIT RELIEF OUTREACH PROGRAM (CROP)

Inception

Chapter 234

Expected outcomes

Budgeted volume for FY22: \$1.7 million

Actual approved guarantees: \$1.05 million

Program goal

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

Incentives and available funding

\$28.4 million in guarantee authority is available for all WDRF programs, which include CROP guarantees.

Program description

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

Program activity

For FY22, there were 11 applications submitted and 11 applications approved.

Eligibility requirements

Eligibility requirements for farmers include:

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

Recommended changes

None

Program

WDRF – FARM ASSET REINVESTMENT MANAGEMENT (FARM) GUARANTEE PROGRAM

Inception

Chapter 234

Expected outcomes

\$800,000 was expected in new originations for FY22, with \$100,000 budgeted for guarantee payments.

Program goal

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

Incentives and available funding

\$29.97 million in guarantee authority is available for all WDRF programs, including FARM guarantees.

Program description

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

Program activity

No applications were received for FY22.

Program

WDRF – FARM ASSET REINVESTMENT MANAGEMENT (FARM) GUARANTEE PROGRAM (CONTINUED)

Eligibility requirements

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

The loan can be used for:

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

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

The maximum guarantee term is 10 years for land and buildings and five years for equipment, machinery and livestock.

The lender completes a Farm Guarantee Application (Form 2) and the borrower signs the Farmer's Affidavit (Form 3). Applications and fees are submitted to WHEDA and a decision is issued within one business day.

Recommended changes

None

Program

WDRF - SMALL BUSINESS GUARANTEE PROGRAM

Inception

Chapter 234

Expected outcomes

\$2.5 million is budgeted for new originations and \$0 in guarantee payments. The jobs created and retained benchmark is one for every \$30,000 in guarantees.

Program goal

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

Incentives and available funding

\$29.97 in guarantee authority is available for all WDRF programs, including small business guarantees.

Program description

Assist with the expansion or acquisition of an existing small business that has been in operation for at least 12 months.

An expansion may involve a new line complementary to the existing business, such as a landscaping business expanding into retail floral or a lodging facility adding a restaurant. Assist in the startup of a day-care business for adults or children.

Assist in the startup of a small business located in a vacant storefront in the traditional downtown area of a community.

Program activity

No guarantees were approved for the fiscal year and there was one guarantee payout of \$65,500.

Program

WDRF - SMALL BUSINESS GUARANTEE PROGRAM

Eligibility requirements

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

The loan can be used to

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

The maximum guarantee is the lesser of 50% or \$750,000 for all uses of proceeds except revolving working capital whose maximum guarantee is the lesser of 50% or \$200,000.

The maximum guarantee for businesses in the Transform Milwaukee area is the lesser of 80% or \$750,000 for all uses of proceeds.

The maximum guarantee term is five years for fixed assets, inventory and permanent working capital and two years for revolving working capital. The amortization term may exceed the guarantee term but cannot exceed the useful life of the collateral. The interest rate is set by the lending institution and is subject to WHEDA approval; variable rate loans may not exceed prime plus 2.75%. The loan must be secured by assets being financed, and personal guarantees may be required.

To apply for a loan, the borrower and lender must complete and submit a Loan Guarantee Application (Form 4). WHEDA reviews the complete application and renders a decision upon completion of its underwriting.

Recommended changes

None

WISCONSIN TECHNICAL COLLEGE SYSTEM (WTCS) PROGRAM NARRATIVES

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Program

WORKFORCE ADVANCEMENT TRAINING (WAT) GRANTS

Inception

2005 Act 25
Authorizing Statute 38.41
Administrative Rule TCS 17

Expected outcomes

Percent of business partners who thought the employee skill gains produced by the training met or exceeded their expectations: expected 90%, actual 97%

Percent of businesses that sought to improve the work environment through training and felt that their expectations were met or exceeded: expected 90%, actual 100%

Percent of business partners who said they were satisfied or very satisfied with the technical college's services: expected 90%, actual 96%

Percent of business partners who said they probably or definitely would recommend the college's services to others: expected 90%, actual 98%

Percent of business partners who said they probably or definitely would use the college's services again: expected 90%, actual 98%

These measures reflect customer satisfaction information for 2020-21 WAT grant projects, as information for 2021-22 is not yet available.

Program goal

Wisconsin statute authorizes the WTCS Office to make grant awards to technical colleges for worker skills training. Grants in this category are awarded to promote increased investment in the development of incumbent workers, improve Wisconsin businesses' productivity and competitiveness, augment the state's economic base and expand technical college training services to businesses and industry. Grants are awarded to upgrade the skills and productivity of employees of established businesses operating in Wisconsin, with the additional objective of supporting regional workforce and economic development efforts.

Incentives and Available Funding

In FY22, the program was funded at a level of GPR \$3.97 million in general purpose revenue. \$500,000 was set aside for grants serving small businesses. The remaining \$3.47 million was available for grants serving businesses of any size.

Program description

WAT Grants are made to technical college districts as directed by statute, and the colleges submit applications in partnership with employers or consortia of employers. WAT Grants promote increased investment in the development of incumbent workers, improve Wisconsin businesses' productivity and competitiveness, augment the state's economic base, support career pathways and expand technical college training services to businesses and industry throughout the state. Training under these grants must focus on occupational skills but can include a combination of occupational, academic and employability topics or courses.

Program

WORKFORCE ADVANCEMENT TRAINING (WAT) GRANTS (CONTINUED)

Program activity

In FY22, the WAT Grants funded 44 projects and served 8,473 individuals.

Measures reflect customer satisfaction information for 2020-21 WAT Grant projects, as information for 2021-22 is not yet available.

Eligibility requirements

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

Recommended changes

None



DEDICATED TO WISCONSIN'S ECONOMIC GROWTH

WEDC's mission is to strategically deploy financial resources and technical assistance to invest in Wisconsin in order to enhance its assets and opportunities and to address underinvestment and distress.

Visit wedc.org to learn more.

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