Community Development Block Grant – Economic Development Capital Financing (Loans)

CDBG-ED Loans will be made available to local governments to assist with working capital, equipment purchases, and training costs. CDBG-ED Loans projects must meet one of three national objectives in order to qualify for financial assistance under CDBG-ED Loans:

- Low to moderate income positions are created or retained as part of the project (at least 51%).
- Slum or Blighted Area is assisted through the project.
- Urgent Local Need is addressed through the project. A letter from the community is needed to support an Urgent Local Need designation.

Application. CDBG Loans may be awarded to assist with job creation, job retention, capital investment, or job training. Loan recipients must enter into a contract with WEDC and the Municipality prior to any disbursement of the loan funds. The contract will include penalties for non-compliance and reporting requirements.

The term of the loan awarded will not exceed 7 years and the interest rate charged will be at least 2%. Loans should not be forgivable unless warranted under extraordinary circumstances. Deferred payments and interest-only payments can be built into the terms of the loan.

The Economic Development Tax Credit tiers will be used as guidelines to assist in the determination of recommended loan amounts. Loan amounts should not exceed $10,000 per new job to be created. The tiers are as follows:

Job Creation and Retention
- Tier 1: up to $3,000 per job when average hourly wage equals $10.88-$14.50
- Tier 2: up to $5,000 per job when average hourly wage equals $14.51-$18.12
- Tier 3: up to $7,000 per job when average hourly wage equals $18.13 and up

Capital Investment
- Real Estate up to 5%
- Equipment up to 3%

Training
- Up to 50% of eligible training costs or a maximum of $5,000 per job, whichever is less.

Corporate Headquarters Job Creation and Retention
- Tier 1: up to $4,000 per job when average hourly wage equals $10.88-$14.50
- Tier 2: up to $6,000 per job when average hourly wage equals $14.51-$18.21
- Tier 3: up to $8,000 per job when average hourly wage equals $18.13-$36.25
- Tier 4: up to $10,000 per job when average hourly wage equals $36.26 and up

Loan requests under $200,000 will normally be referred to the appropriate local or area regional fund first by WEDC’s Regional Account Manager.

Factors Considered When Determining Grant Awards. Evaluation of loan applications will be based on a number of factors, including:

- The extent of poverty, unemployment or other factors contributing to general economic hardship in the area.
- The amount of investment that is likely to result from the project. The project should have a minimum private sector investment ratio of 2:1.
• The number of full-time jobs that are likely to be retained or created as a result of the project.
• The competitive effect of the award on other businesses in the area.
• Whether the project will result in dislocation of a business from one municipality to another.
• Whether the project is likely to occur or continue without the award.
• The financial soundness of the business and ability of the business to repay the debt.
• The support of the local community where the project is located.
• The securing of other funding sources for the project.
• Any other factors that the corporation considers relevant.
• Enhancements may be considered if the economic impact analysis contains a multiplier effect of 4 or higher.

Company or asset acquisition: CDBG Loans will be used for projects, not for bids to do projects. If no other entity is interested in acquiring the company or assets, WEDC can participate; however, if the bidding is competitive, WEDC needs to remain neutral until the successful bidder is determined.

Eligible training costs include training wages (of production employees through first line supervisors), training materials and trainer costs.

Contact: Jason Scott, 608-261-7714, Jason.Scott@wedc.org
**WEDC Direct Funding (Loans)**

WEDC may provide Direct Funding (loans) to businesses. Operationally, these programs are characterized by below market rate financing and flexible repayment terms. However, given the high level of demand and the limited funds available, WEDC should not be considered a source of primary financing.

WEDC Direct Funding loan funds will be made available for working capital, equipment, training, building construction and improvements, land acquisition, private infrastructure improvements, asset acquisition, and lease payment reduction for property owners.

For more details, contact your Regional Account Manager.

**Factors Considered in Determining Loan Awards.** Applications will be evaluated on criteria that include, but are not limited to the following:

- The extent of poverty, unemployment or other factors contributing to general economic hardship in the area.
- The amount of investment that is likely to result from the project. The project should have a minimum private sector investment ratio of 2:1.
- The number of full-time jobs that are likely to be retained or created as a result of the project.
- The competitive effect of the award on other businesses in the area.
- Whether the project will result in dislocation of a business from one municipality to another.
- Whether the project is likely to occur or continue without the award.
- The financial soundness of the business and ability of the business to repay the debt.
- The support of the local community where the project is located.
- The securing of other funding sources for the project.
- Any other factors that the corporation considers relevant.

The Economic Development Tax Credit tiers will be used as guidelines to determine recommended loan amounts, which should not exceed $10,000 per new job to be created.

The tiers are as follows:

**Job Creation and Retention**

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Capital Investment

- Real property @ up to 5%
- Equipment @ up to 3%

Training

- Up to 50% of eligible training costs or a maximum of $5,000 per job, whichever is less.

Contact: WEDC Regional Account Managers
Economic Development Tax Credit

Economic Development Tax Credit projects must meet the requirements contained in Wis. Stat. §§ 238.30 through 238.306.

Eligible Projects. Businesses located in or relocating to Wisconsin may be eligible for Economic Development Tax Credits. A certified business may qualify for tax credits only for eligible activities that occur after an eligibility date established by WEDC. Positions that are created as a result of the tax credits claimed shall be maintained for at least five years after the certification date established by WEDC.

Factors Considered for Determining Tax Credit Awards. WEDC will evaluate Economic Development Tax Credit applications based on factors including:

- Whether the project might not occur without the allocation of tax credits.
- The extent to which the project will be financed with other forms of public assistance.
- Whether the project will displace workers in this state.
- The extent to which the project will maintain or 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.
- 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.
- The ability of the business to utilize non-refundable state tax credits. (Allocations will be limited to no more than 125% of the applicant’s projected three-year Wisconsin income tax liability.)
- Any previous financial assistance that the business received from the Department of Commerce/WEDC.

Job Creation Tax Credits. Tax credits allocated for the creation of new full-time jobs or the retention of existing full-time jobs will be based on the following table:

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In addition, full-time jobs to be created or retained must meet one of the following criteria:

- The employer covers at least 50% of the health insurance benefit premium costs for the employees.
- At least 50% of the full-time employees utilize the health insurance benefits provided by the employer.
- Other employee health insurance benefits are provided that are acceptable to WEDC.

Job creation tax credits will be based on projected jobs to be created over three years. Businesses will earn tax credits over three years and must maintain the jobs for five years, commencing on the certification date set in the contract. Credits will be released annually, based on the number of new full-time positions created during the previous year.

Job Retention Tax Credits. Allocation of tax credits directly related to the retention of existing full-time jobs will be based on the preceding job creation/job retention allocation table.
**Job Training Tax Credits.** Tax credits may be allocated for training or re-education of existing full-time and new full-time employees that will enhance an employee’s general knowledge, employability and flexibility in the workplace; develop skills unique to an individual company’s workplace or equipment; or develop skills that will increase the quality of the company’s product.

Eligible training costs may include trainee wages, trainer costs and trainer materials. Eligible training costs do not include travel expenses, food and lodging.

Training tax credits will be allocated at the lesser of the following: up to 50% of the eligible training costs, or $5,000 per trainee. This amount may be increased at the discretion of WEDC. Allocation of training tax credits will be based on projected eligible training costs over a three-year period. Businesses will have three years in which to earn training tax credits, which will be released annually on the basis of the actual eligible training costs incurred during the previous year.

Training, including the trainer, must be pre-approved by WEDC. Certified businesses must obtain written notification of WEDC’s allocation of tax credits prior to contracting for the training. The training need not be on-site.

**Capital Investment Tax Credits.** Tax credits allocated for capital investment must be for assistance with capital investment in a project that is beyond a certified business’s normal capital expenditures, and is needed to achieve a specific purpose acceptable to WEDC. These specific purposes include, diversifying product lines, and modernizing and enhancing the efficiency of production processes. In addition, the amount of the capital investment must be at least $10,000 for each full-time employee working at the certified business’s project location, or $1,000,000, whichever is less or the investment will retain existing full-time jobs that may be lost without the investment.

Eligible capital investments include:

- The amount that is expended to purchase or lease depreciable tangible personal property.
- The amount that is expended to acquire, construct, rehabilitate, remodel, repair or lease real property (lease payments will be limited to a three-year period).

These amounts may include directly-related consulting services, other fees and permits, and equipment installation costs. They do not include working capital for items such as employment costs, moving costs, intellectual property, unrelated fees and permits.

Allocation of tax credits directly related to the amount of eligible capital investment by a business will be limited to up to 3% of the eligible capital investment for equipment, and up to 5% of the eligible capital investment for real property. Allocation of credits will be based on eligible capital investments projected over a three-year period.

**Tax Credits Related to Corporate Headquarters.** Tax credits may be allocated to businesses relocating corporate headquarters to Wisconsin or retaining existing corporate headquarters in Wisconsin.
Corporate headquarters tax credits may be allocated for created or retained positions performing corporate headquarters functions, according to the following table:

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Contact: [WEDC Regional Account Managers](mailto:WEDCRegionalAccountManagers)
Enterprise Zone Tax Credit

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

Eligible Projects. Businesses located in or relocating to Wisconsin may be eligible for Enterprise Zone Tax Credits. A certified business may qualify for tax credits only for eligible activities that occur after an eligibility date established by WEDC. Positions that are created as a result of the tax credits claimed shall be maintained for at least five years after the certification date established by WEDC.

Factors Considered for Determining Tax Credit Awards. WEDC will evaluate Enterprise Zone Tax Credit applications based on factors including:

- 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.
- Any previous financial assistance that the business received from the Department of Commerce/WEDC.

Definitions. Wisconsin Statutes § 238.399(6)(g) requires WEDC to define certain significant terms that are employed in the administration of the Enterprise Zone Tax Credit. Those definitions follow.

- “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:
  1. Unemployment rate,
  2. Percentage of families with incomes below the poverty line established under 42 USC § 9902 (2),
  3. Median family income,
  4. Median per capita income, and
  5. Other significant or irregular indicators of economic distress, such as a natural disaster, or plant closings and layoffs.

- The amount of tax credits for training for a certified business may equal up to 100% of the total eligible training costs. Eligible training costs covered by Jobs Tax Credits will include the following:
  1. The cost of the trainer,
  2. The cost of the training materials,
  3. The wages of the trainee while in a classroom setting, and
  4. Either the cost of the trainer or the wages of the trainee while in an on-the-job or job shadowing setting.

Eligible training costs do not include travel expenses, food and lodging.

- “Significant capital expenditure” means a capital investment in a WEDC-designated Enterprise Zone, beyond a certified business’s normal capital expenditures, that is needed to achieve a specific purpose agreed to by WEDC.

- “Original Equipment Manufacturer with a significant supply chain in the state” means a company in the state whose products or production processes include materials or components purchased from other, unrelated companies in the state, and 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:
1. The number of employees throughout the supply chain
2. The number of suppliers in the supply chain
3. The total cost of the components purchased from the supply chain
4. The number of units purchased from the chain

Contact: WEDC Regional Account Managers
Jobs Tax Credit

Jobs Tax Credit projects must meet the requirements contained in Wis. Stat. §§ 238.16, 71.07 (3q), 71.28 (3q), and 71.47 (3q). Among other things, these statutes cover applicable definitions, eligibility for tax benefits, and limits on the tax benefits.

Eligible Projects. Businesses located in or relocating to Wisconsin that are creating full-time jobs may be eligible for Jobs Tax Credits. A certified business may qualify for tax credits only for eligible activities that occur after an eligibility date established by WEDC. Positions that are created as a result of the tax credits claimed shall be maintained for at least five years after the certification date established by WEDC. Special consideration for Jobs Tax Credits is given to manufacturing businesses.

Factors Considered for Determining Tax Credit Awards. WEDC will evaluate Jobs Tax Credit applications based on factors including:

- 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.
- Any previous financial assistance that the business received from the Department of Commerce or WEDC.

Definitions. Wisconsin Statutes § 238.16(5)(f) requires WEDC to define certain significant terms that are employed in the administration of the Jobs Tax Credit. Those definitions follow.

- “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:
  1. Unemployment rate,
  2. Percentage of families with incomes below the poverty line established under 42 USC § 9902 (2),
  3. Median family income,
  4. Median per capita income, and
  5. Other significant or irregular indicators of economic distress, such as a natural disaster, or plant closings and layoffs.

- The amount of tax credits for training for a certified business may equal up to 100% of the total eligible training costs. Eligible training costs covered by Jobs Tax Credits will include the following:
  1. The cost of the trainer,
  2. The cost of the training materials,
  3. The wages of the trainee while in a classroom setting, and
  4. Either the cost of the trainer or the wages of the trainee while in an on-the-job or job shadowing setting.

Eligible training costs do not include travel expenses, food and lodging.

Contact: WEDC Regional Account Managers
**Midwestern Disaster Area Bonds**

Midwestern Disaster Area Bonds (MDAB) must be issued before January 1, 2013, and used in a county declared as a federal disaster area.

Those counties are: Adams, Calumet, Columbia, Crawford, Dane, Dodge, Fond du Lac, Grant, Green, Green Lake, Iowa, Jefferson, Juneau, Kenosha, La Crosse, Manitowoc, Marquette, Milwaukee, Monroe, Ozaukee, Racine, Richland, Rock, Sauk, Sheboygan, Vernon, Walworth, Washington, Waukesha, and Winnebago.

**Factors Considered Determining Allocations.** MDAB Volume Cap applications will be evaluated on factors that include but are not limited to the following:

- The extent of poverty, unemployment or other factors contributing to general economic hardship in the area.
- The amount of investment that is likely to result from the project.
- The number of full-time jobs that are likely to be retained or created as a result of the project.
- The competitive effect of the allocation of volume cap on other businesses in the area.
- Whether the project will result in dislocation of a business from one municipality to another.
- Whether the project is likely to occur or continue without allocation of the volume cap.
- The financial soundness of the business and ability of the business to repay the bond.
- The support of the issuing municipality through the approval of an initial resolution.
- The securing of a financial commitment from a lender to either purchase the bonds or issue a letter of credit.
- Any other factors that the department considers relevant.

**Contact:** [WEDC Regional Account Managers]
**WEDEC Training Grant**

The WEDEC Training Grant aids businesses in workforce retention and expansion into new markets and technology. The program provides grant funds to businesses to upgrade or improve the job-related skills of a business’s full-time employees. Grant funds may be approved for eligible training provided to existing and new employees in full-time jobs.

**Factors Considered in Determining Grant Awards.** The type of training shall be pre-approved by WEDEC. The training must not have started prior to the approval of a grant award. Training shall be related to a specific project. WEDEC can provide a grant for reimbursement of up to 50% of eligible training costs up to $5,000 per employee trained.

**Grant Award Conditions.**

- Training may be on- or off-site but shall be performed by a provider approved by WEDEC.
- Training must be provided to state residents and those positions must be maintained for a period of two years after the training has been completed.
- Grant recipients must enter into a contract with WEDEC prior to any disbursement of the grant funds. The contract shall include penalties for non-compliance and reporting requirements.
- Contract deliverables can include the number of new and existing full-time employees to be trained and the number of new full-time jobs to be created.
- WEDEC will charge a 2.0% grant administration fee for awards of $200,000 or greater.

**Contact:** [WEDEC Regional Account Managers](mailto:contact@wepec.org)
Brownfield Grant

Under the Brownfield (BF) Grant outlined in Wis. Stat. § 238.13, WEDC will grant funds to local governments, businesses, non-profits and individuals for redeveloping commercial and industrial sites that have been adversely affected by environmental contamination.

Eligible Projects. Generally, WEDC will provide assistance for redevelopment activities that are extraordinarily costly and difficult to finance through the private sector. These activities include:

- Environmental site investigation,
- Remedial Action Plan (RAP) preparation,
- Remediation / clean-up costs,
- Groundwater monitoring costs,
- Hazardous waste removal,
- Asbestos and lead paint abatement,
- Storage tank removal,
- Building demolition, and
- Site clearance.

To ensure an appropriate leverage of local investment, BF awards are typically limited to an amount that is approximately 30% of post-acquisition and pre-construction costs and are usually no greater than the amount of extraordinary development costs (e.g. environmental, abatement, demolition).

Factors Considered for Determining Grant Awards. WEDC may consider the following factors, listed in Wis. Stat. § 238.13(3), when evaluating grant applications:

- The potential of the project to promote economic development in the area.
- The level of financial commitment by the applicant to the project.
- The extent and degree of soil and groundwater contamination at the project site.
- The adequacy and completeness of the site investigation and remediation plan.
- Any other factors considered by the corporation to be relevant to assessing the viability and feasibility of the project.

In addition, WEDC may consider the following:

- The level of local and private investment the project will generate
- The anticipated increase in taxable property value
- Project readiness and viability demonstrated through financing commitments and property acquisition documents
- The progress made to investigate and remediate the project site
- The increased project costs associated with extraordinary activities such as environmental investigation and remediation of soil and/or groundwater, building demolition, asbestos abatement, mold abatement, and removal of abandoned containers or storage tanks
- BF assistance the applicant previously received
- Availability of program funds

Contact: Jason Scott, 608-261-7714, jason.scott@wedc.org
Brownfield Site Assessment Grant Program

Under the Brownfield Site Assessment Grant (SAG) Program (Wis. Stat. § 238.133), WEDC will grant funds to local governments to perform environmental investigations, demolition of structures, removal of abandoned containers and underground tank systems.

Eligible Projects. The primary purpose of the program is to identify and quantify the degree and extent of soil and groundwater contamination. While demolition of site improvements may ultimately assist in the redevelopment of the site, it should not be the sole purpose of grant assistance. Therefore, projects receiving SAG assistance must demonstrate a necessity to undertake site assessment or site investigation of soil and/or groundwater contamination in order to qualify for demolition and asbestos abatement activities.

Environmental and site clearance activities must be performed by an independent third party to ensure that grant funds are not used to pay direct costs incurred by public employees and equipment.

Brownfield Site Assessment Grants will 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 can not have caused the environmental contamination that is the basis for the grant request; and
- The person that caused the contamination must be unknown, cannot be located or is financially unable to pay the cost of the eligible activities.

Factors Considered for Determining Grant Awards. In addition to the factors listed in § 238.133, WEDC may also take the following into account when evaluating SAG applications:

- 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 commitment.
- The degree to which the project will have a positive impact on public health and the environment.
- 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. Including the interest demonstrated by private investors, location of the property, access to existing utility and transportation infrastructure.
- Project readiness and viability demonstrated through financing commitments, established access to the property and/or documentation of property acquisition.
- The degree to which the applicant can delineate the anticipated costs of the proposed project as demonstrated by third party cost estimates.

WEDC should promote the redevelopment of sites that have played a major role in Wisconsin’s economy, but have become idle or underutilized. Therefore, preference will be shown to projects focusing on the redevelopment of sites that have formerly been operated by a key Wisconsin industry adversely impacted by changes in the economy (e.g. paper, automotive manufacturing and supply, and shipbuilding industries).

Match Funds Requirement. In addition to the requirements of § 238.133(7), WEDC will typically require a 50 percent match of the eligible project costs to ensure an equal level of local investment.

Contact: Jason Scott, 608-261-7714, Jason.Scott@wedd.org
Capacity Building Grants

Capacity Building (CAP) Grant funds will be made available to assist local and regional economic development groups, furthering the efforts of WEDC to create an advanced economic development network within the state.

Eligible Projects. Local and regional economic development groups may use the funds for the following purposes:

- Local or regional assessments of the economic competitiveness of the area (e.g. workforce, infrastructure, sustainability) that will result in a third party certification
- Development of a Comprehensive Economic Development Strategy
- To support strategies that will benefit the organizations or their members through operational efficiencies, strategy development, education/skill development or increased collaboration with other organizations

Match Funds Requirement. In order to leverage local investment, recipients of CAP funds must demonstrate a match investment of at least 30% of the total project cost with at least 10% of the investment originating from the applicant. The minimum local financial participation may be waived when the project has a particular urgency due to specific events that have drastically impacted the economic distress of its members.

Contact: WEDC Regional Account Managers
Community Development Block Grant

Generally, Community Development Block Grant (CDBG) projects must meet one of the national objectives identified in 24 CFR 570.483:

- Benefiting Low and Moderate Income Persons,
- Addressing an urgent Local Need, or
- Preventing or removing Slum or Blight.

If you are interested in applying for or have questions on the CDBG Grant, please contact Jason Scott, 608-261-7714, Jason.Scott@wedc.org.

Community Development Block Grant -
Public Facilities Economic Development (CDBG-PFED)

CDBG-PFED funds will be made available to local governments to increase the capacity of local infrastructure systems when project implementation will result in full-time job creation or retention, and local investment by local businesses.

Application. To apply for a CDBG-PFED award, applicants must submit to WEDC a completed application. The maximum amount of CDBG funds that may be awarded to any local government under the PFED is $500,000. The amount of assistance provided under the CDBG-PFED will primarily be determined by the number of jobs created or retained and the associated salaries and benefits offered. Specifically, the following guidelines shall be applied:

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Factors Considered When Determining Grant Awards. The primary conditions in which funds will be awarded to local governments are job creation, project viability and community need. Among other factors, WEDC will take the following into consideration when evaluating CDBG-PFED applications:

- The wages and benefits being provided.
- The likelihood that additional growth will occur in the area as a result of the project.
- The ability of the community to finance the project through other means.
- Project readiness.
- Overall CDBG funds the local government has received in the past.

Match Funds Requirement. To leverage local investment, the funding for every project proposed by a local government must include financial participation by that local government or participating local governments of at least 25% of the total project cost. However, the minimum local financial participation may be waived when specific events have occurred to drastically impact the economic distress of a community (e.g. recent plant closings resulting in a significant increase in unemployment) or the project will have a drastic positive affect on the economic well-being of the community.
Community Development Block Grant

Generally, Community Development Block Grant (CDBG) projects must meet one of the national objectives identified in 24 CFR 570.483:

- Benefitting Low and Moderate Income Persons,
- Addressing an urgent Local Need, or
- Preventing or removing Slum or Blight.

If you are interested in applying for or have questions on the CDBG Grant, please contact Jason Scott, 608-261-7714, Jason.Scott@wedc.org.

Community Development Block Grant - Public Facilities (CDBG-PF)

CDBG-PF funds will be made available to local governments for the following purposes:

- To increase the capacity of local infrastructure systems
- To expand services offered to local citizens through construction or expansion of eligible public facilities
- To prevent or remove slum and blight

Application. CDBG-PF funds will be made available to local governments on a semi-annual application cycle. Funds will be awarded based primarily on project viability, community impact, and local collaboration.

The maximum amount of CDBG funds that may be awarded to any local government under the public facilities is $500,000. A unit of local government may not receive more than one CDBG-PF award in a 12-month period unless, except in cases in which awards are provided under an “Urgent Local Need.” In any event, Grant recipients must demonstrate substantial completion of prior awards before additional CDBG-PF funds are provided for an additional project.

Factors Considered When Determining Grant Awards. Evaluation of all applications will include, but are not limited to, the following factors:

- The extent to which the improvements promote downtown development.
- The extent to which the improvements expand and promote local capacity.
- The extent to which a project will alleviate threats to public health and safety.
- The potential of the project to provide a positive effect on a large portion of the community’s population.
- The ability of the community to finance the project through other means.
- The relative burden on existing infrastructure users as evidenced by utility rates.
- Project readiness.
- Overall CDBG funds the local government has received in the past.
- Previous and current efforts by the local government to address the identified need.
- The extent to which the problem has been approached through regional collaboration with local economic development groups and other local jurisdictions.

WEDC will evaluate infrastructure applications on an additional set of factors, including:

- The extent to which the improvements increase capacity of the community’s infrastructure system.
- The relative burden on existing infrastructure users as evidenced by utility rates.
- The extent to which the project will provide new technology to the community.

Similarly, facility applications will be reviewed under an additional set of particular factors, including:
The extent in which the facility will have multiple uses and purposes.

- The extent in which the project promotes the rehabilitation of existing buildings (as opposed to new construction).
- The affect the project will have on the quality of life of its residents (services or health and safety).

**Match Funds Requirement.** Project investment, regardless of the source, should be recognized in determining project investment. For this reason and to leverage local investment, CDBG-PF applicants must demonstrate a match investment of at least 50% of the total project cost with at least 10% of the investment originating from the applicant. Eligible match investment in a CDBG-PF project may include grants and/or loans provided by local, state or federal partners.

The minimum local financial participation may be waived when the specific project has a particular urgency because existing conditions pose a serious and immediate threat to the safety, health or welfare of the community or when specific events have occurred to drastically impact the economic distress of a community (e.g. recent plant closings resulting in a significant increase in unemployment).
Community Development Block Grant

Generally, Community Development Block Grant (CDBG) projects must meet one of the national objectives identified in 24 CFR 570.483:

- Benefitting Low and Moderate Income Persons,
- Addressing an urgent Local Need, or
- Preventing or removing Slum or Blight.

If you are interested in applying for or have questions on the CDBG Grant, please contact Jason Scott, 608-261-7714, Jason.Scott@wedc.org.

Community Development Block Grant - Planning Grants (CDBG-PLNG)

CDBG-PLNG funds will be made available to local governments for the following purposes:

- Slum and blight elimination planning
- Community-wide economic development plans
- Local business promotion planning

Application. To apply for a CDBG-PFED award, applicants must submit to WEDC a completed application. The maximum amount of PLNG funds that may be awarded to any local government under the public facilities is $25,000. A unit of local government may not receive more than one CDBG-PF award in a 12-month period. And grant recipients must demonstrate substantial completion of prior awards before additional PLNG funds are provided for an additional project.

Factors Considered When Determining Grant Awards. WEDC will evaluate slum and blight elimination planning applications based on factors that include:

- The extent to which the applicant has documented the blighted conditions of the area and the geographic boundaries of the area.
- The likelihood the planning effort will result in downtown development and the removal of blight.
- The extent to which the community exhibits economic distress (e.g. downtown vacancy rates, size of blighted area).
- The extent to which the properties threaten public health and safety.
- The ability of the community to finance the project through other means.
- Overall CDBG funds the local government has received in the past.
- The extent to which the problem has been approached through regional collaboration with local economic development groups and other local jurisdictions.

Evaluation of economic development planning applications will be based on a different set of factors, including:

- The likelihood the planning effort will result in downtown development.
- The extent to which the community exhibits economic distress (e.g. downtown vacancy rates, unemployment rates).
- The ability of the community to finance the project through other means.
- Overall CDBG funds the local government has received in the past.
- The extent to which the problem has been approached through regional collaboration with local economic development groups and other local jurisdictions.

Finally, WEDC will evaluate local business promotion planning applications based on the following:
• The likelihood the planning effort will result in business development or expansion.
• The extent to which the community exhibits economic distress (e.g. downtown vacancy rates, unemployment rates).
• The ability of the community to finance the project through other means.
• Overall CDBG funds the local government has received in the past.
• The extent to which the problem has been approached through regional collaboration with local economic development groups and other local jurisdictions.

**Match Funds Requirement.** Project investment, regardless of the source, should be recognized in determining project investment. For this reason and to leverage local investment, PLNG applicants must demonstrate a match investment of at least 30% of the total project cost with at least 10% of the investment originating from the applicant. Eligible match investment in a PLNG project may include grants or loans provided by local, state or federal partners.

The minimum local financial participation may be waived when the specific project has a particular urgency because existing conditions pose a serious and immediate threat to the safety, health or welfare of the community or when specific events have occurred to drastically impact the economic distress of a community (e.g. recent plan closings resulting in a significant increase in unemployment).
Development Opportunity Zone Tax Credit
(Only impacts Kenosha, Janesville and Beloit)

Development Opportunity Zone projects must meet the requirements as contained in Wis. Stat. §§ 238.395, 71.07 (2dm) and (2dx), 71.28 (1dm) and (1dx), 71.47 (1dm) and (1dx), and 76.636. These statutes cover definitions, eligibility, and limits on these tax credits.

Eligible Projects. Businesses located in or relocating to an area designated as a Development Opportunity Zone under Wis. Stat. § 238.395(1) may be eligible for Development Opportunity Zone Tax Credits. A certified business may qualify for tax credits only for activities that occur after an eligibility date established by WEDC. Job retention tax credits are available only for positions that would not be retained without the tax credits. Positions that are created as a result of the tax credits claimed must be maintained for at least five years after the certification date established by WEDC.

Factors Considered for Determining Tax Credit Awards. WEDC will evaluate Development Opportunity Zone Tax Credit applications based on factors including:

- Whether the project might not occur without the allocation of tax credits.
- The extent to which the project will be financed with other forms of public assistance.
- Whether the project will displace workers in this state.
- The extent to which the project will maintain or 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.
- The ability of the business to utilize non-refundable state tax credits.
- Any previous financial assistance that the business received from the Department of Commerce or WEDC.

A business may be eligible for up to $8,000 in tax credits for a full-time job filled by a member of the target population, as defined in Wis. Stat. § 238.30(4m). A business may be eligible for up to $6,000 in tax credits for creating or retaining a full-time job filled by a Wisconsin resident who is not a member of the target population. In addition, the per-job tax credit will increase according to the associated wages.

Full-time jobs to be created or retained must meet one of the following criteria:

- The employer covers at least 50% of the health insurance benefit premium costs for the employees.
- At least 50% of the full-time employees utilize the health insurance benefits provided by the employer.
- Other employee health insurance benefits are provided that are acceptable to WEDC.

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

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

- There must be capital investment in a project that is beyond a certified business’s normal capital expenditures.
- The amount of the investment is at least $10,000 for each full-time employee working at the certified business’s project location, or $1,000,000, whichever is less.

Eligible capital investments include:

- The amount that is expended to purchase or lease depreciable tangible personal property.
- The amount that is expended to acquire, construct, rehabilitate, remodel, repair or lease real property (lease payments will be limited to a three-year period).

These amounts may include directly-related consulting services, other fees and permits, and equipment installation costs. They do not include working capital for items such as employment costs, moving costs, intellectual property, unrelated fees and permits.

At least 50% of the use of the equipment, machinery, real property or depreciable tangible personal property shall be for the certified business’s operations in Wisconsin.

Allocation of capital investment tax credits will be limited to up to 3% of the eligible capital investment. Allocation of credits will be based on eligible capital investments projected over a three-year period.

Contact: [WEDC Regional Account Managers](mailto:WEDC Regional Account Managers)
Downtown Development

WEDC manages Wisconsin’s Downtown Development under Wis. Stat. § 238.127. Downtown Development plans, manages and implements strategic development projects in downtowns and urban neighborhood business districts through Main Street and Downtown Affiliate.

Main Street Application. The Wisconsin Economic Development Corporation will annually select up to five new Main Street communities based on applications submitted to WEDC. Applicants must participate in a Main Street application workshop.

Factors Considered for Determining Participation as a Main Street Community. Main Street applications will be judged on seven criteria: need, public sector commitment, private sector commitment, organizational capability, financial commitment, physical capacity and historic identity.

Downtown Affiliate Application. WEDC also manages the new Downtown Affiliate, a resource aimed at supplementing the Main Street by reaching out to more downtowns across the state. WEDC will provide assistance to communities selected as a Downtown Affiliate. This assistance will be developed and refined on an annual basis but will include services such as newsletters, access to training & webinars, regional training and community visits by a representative of WEDC to increase awareness of WEDC’s (and its partners’) funding opportunities and programs. A listing of these services will be introduced each year.

Selected communities also will be provided opportunities for greater communication and education from Wisconsin’s Main Street as a means to potentially identify communities that are prime candidates for Main Street.

To apply, interested communities must:

- submit a short application
- resubmit an application every three years after being selected as a Downtown Affiliate community
- submit an annual fee of $100 to WEDC
- have a historic downtown or traditional commercial district
- have a committee, task force, or other organized group that focuses on downtown development
- file on-line quarterly reports to WEDC
- have access to a computer and software as indicated by WEDC
- sign a Downtown Affiliate agreement every three years
- maintain a level of participation in services offered by WEDC

Angel and Early Stage Seed Investment Tax Credits

The Angel Investment and Venture Capital Tax Credit programs are designed to encourage investment in small, high-technology businesses that have high growth potential. Early-stage businesses conducting pre-commercialization activities related to proprietary technology may be designated as Qualified New Business Ventures. Angel investors, angel investment networks and venture capital seed funds may qualify for Wisconsin tax credits by investing in these designated companies.

The QNBV program provides tax credits to eligible investors who make cash equity investments in qualified early-stage businesses. If all eligibility requirements are met, investors receive a tax credit equal to 25 percent of the value of the investment made in the 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. A company eligible for certification must meet the following criteria:

- It is headquartered in Wisconsin.
- At least 51% of the employees are based in this state.
- It has fewer than 100 employees.
- It has been in operation for not more than 10 consecutive years.
- It has the potential for increasing jobs in this state, or increasing capital investment in this state.
- It is engaged in, or has committed to engage in, innovation in this state.
- It is not primarily engaged in real estate development; insurance; banking; lending; lobbying; political consulting; professional services provided by attorneys, accountants, business consultants, physicians or health care consultants; wholesale or retail trade; leisure; hospitality; transportation; or construction, except construction of power production plants that derive energy from a renewable resource.
- At the time it is first certified, it has not received aggregate private equity investment in cash of more than $10 million.

Contact: Chris Schiffner, 608-267-2425 Chris.Schiffner@wedc.org.
Technology Development Loan

The Wisconsin Economic Development Corporation Technology Development Loan provides low-interest loans to assist small Wisconsin high-technology businesses to facilitate research and development and commercialization of innovative technology products.

**Criteria and conditions**: Eligible applicants must have fewer than 100 full-time equivalent employees. Applicants must provide a cash match of at least 50%-75% of eligible project costs.

**Terms**: Working capital – 5 to 7 years; Equipment – 5 to 10 years

**Collateral**: WEDC will seek the best collateral position possible. Personal guarantees may be required.

Eligible project costs include most working capital and equipment costs.

Expenses associated with preparation of WEDC application and expenses incurred prior to the date the application is submitted to WEDC are not considered eligible project costs. WEDC funds cannot be used for university overhead or administration and other indirect costs. These costs may be eligible to be funded from the applicant’s 50% match requirement.

**Contact**: Aaron Hagar, 608-267-7069, Aaron.Hagar@wedc.org
Export Technical Assistance

The Wisconsin Economic Development Corporation can call upon a wide variety of experiences in international research, sales, shipping, banking, and diplomacy in order to assist Wisconsin’s exporting community. WEDC’s International Business Development team will work one-on-one with beginning and experienced exporters in order to:

- Assess the demand for Wisconsin-made products outside of the United States and help plan a firm’s approach to international markets in a systematic fashion.
- Introduce Wisconsin businesses to potential customers, distributors, or partners in other parts of the world.
- Support service providers here in Wisconsin who can assist in developing profitable international transactions.

Our International Business Development team is based in Madison; in outreach offices in other parts of the state; and in Brazil, Canada, China and Mexico in order to serve exporters throughout Wisconsin.

Contact: WEDC International Development Team

Lora Klenke – Vice President, International Business Development
608-266-0393 Lora.Klenke@wedc.org

Brad Schneider – Export Development Manager (For businesses new to exports)
608-347-2480 Brad.Schneider@wi.gov

Scott Mosely – Foreign Direct Investment Manager
608 264-7821 Scott.Mosely@wi.gov

Stanley Pfrang – Specialist in Canada, India, and the Middle East
608-267-0639 Stanley.Pfrang@wi.gov

Mark Rhoda-Reis – Specialist in Americas and Europe
608-266-1228 Mark.RhodaReis@wi.gov

Beng Yeap – Specialist in Asia
608-266-1480 Beng.Yeap@wi.gov
Global Business Development

These two grant programs to support the growth and expansion of Wisconsin’s exports. The matching grant programs will assist Wisconsin businesses with export training, development and promotion activities.

Export Development Grant - This grant is designed to help small-medium sized companies become export-ready and to assist them in developing the internal competence to enter and expand into global markets.

- New-to-export companies
- Up to $3,000 in a year
- Export seminars, international educational events, developing a company export strategy

International Market Access Grant - This grant can be used for reimbursement of specific expenses associated with exhibiting at an approved trade show in a foreign market, participating in a matchmaker trade delegation program or certified trade mission, website and literature localization and consulting services needed to meet certain international product certification requirements.

- Up to $10,000 in a year
- International trade exhibitions, international trade missions, business matchmaker services

Contact: Samantha Streater, 608-266-3075, Samantha.Streater@wedc.org