

WEDC BIENNIAL REPORT

INTRODUCTION

The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing and maximizing opportunities for businesses, communities and people to thrive in a globally competitive environment. WEDC works collaboratively with economic development partner organizations, educational institutions and other government agencies to advance our shared mission of helping businesses and communities in Wisconsin take advantage of new opportunities for growth and job creation through innovative, market-driven programs. Wisconsin's economic development programs are designed to retain and attract businesses, create jobs 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. The intent of the Annual Report on Economic Development is to provide transparency and guide fiscal and programmatic management toward measurable and reportable results.

COMPLEMENTARY REPORT RESOURCES

The Annual Report on Economic Development is composed of four elements: a printed 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, 2019. WEDC's online data will be updated quarterly. These resources can be found on at wedc.org

- Annual Report on Economic Development: [FY18 FY19](#)
- Excel workbook of the WEDC data on which the report is based: [FY18 FY19](#)
- Searchable [electronic database](#) on which the report is based
- Interactive [Impact Map](#)

Together, these reports detail the program outcomes achieved in 2017-2019 (FY18-19). This report includes data compiled from WEDC and our partners, thus painting a comprehensive picture of economic development efforts across the state.

MEASURING ECONOMIC DEVELOPMENT SUCCESS

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

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

- Strategic Economic Competitiveness
- Business Development
- Community and Economic Opportunity
- Brand Development and Strategy
- Operational and Fiscal Excellence

INTEGRATED SOLUTIONS

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

In FY19, WEDC and its Key Strategic Partners (KSP) provided financial and operational assistance to 4,332 businesses and 138 communities.

ECONOMIC DEVELOPMENT ASSISTANCE								
	FY18				FY19			
Recipient	WEDC	KSP	Total	Goal	WEDC	KSP	Total	Goal
Businesses	592	3,480*	4,072	3,782	877	3,445*	4,332	4,576
Communities	134	-	134	162	138	-	138	167
Partners	71	-	-	69	64	-	-	63

*Number reduced by 20 percent to account for potential overlap with WEDC businesses assisted.

FINANCIAL AWARDS

To balance its responsibility to protect taxpayer money with the inherent risks associated with pursuing new business development opportunities, WEDC requires significant co-investment in the majority of the initiatives it funds. It is important that WEDC not be the sole or even the majority investor in a project. In FY19, WEDC's financial investments were matched at a ratio of 11:1, which means that projects the agency supported represent a total of \$218 million in capital investment in Wisconsin.

PROGRAM ACTIVITY						
	FY18			FY19		
Award Type	# of Awards	Award Amount	Leverage Ratio	# of Awards	Award Amount	Leverage Ratio
Bonds	9	\$ 65,734,780	N/A	5	\$ 27,981,755	N/A
EIMTZ	1	\$ 2,850,000,000	4:1	N/A		N/A
Grants	185	\$ 2 5,606,691	23:1	179	\$ 25,044,335	11:1
Investor Credits	63	\$ 14,937,500	4:1	50	\$ 18,107,500	4:1
Loans	14	\$ 4,512,500	7:1	18	\$ 4,370,500	6:1
Tax Credits	104	\$ 187,658,000	10:1	61	\$142,437,977	12:1
TOTAL	354	\$ 3,158,449,471	8:1	313	\$217,942,067	11:1

JOB IMPACT

Included in many of WEDC's financial assistance contracts with businesses is a job impact requirement. This measurement captures the effect of WEDC's investment on current and future jobs in the state resulting directly from the project in question. In some cases, companies are able to hire new employees as a result of WEDC assistance. In other cases, companies are able to retain existing employees either by strengthening their operations or maintaining their presence in the state. In both of these scenarios, WEDC and the company under contract project the number of jobs that will be either created or retained as a direct result of the investment. That job impact number is recorded in the contract and the award is contingent upon its attainment.

IMPACTING JOBS							
FY18				FY19			
Jobs to be Created	Jobs to be Retained	Total Jobs Impacted	Goal	Jobs to be Created	Jobs to be Retained	Total Jobs Impacted	Goal
17,192	12,915	30,827	13,423	5,645	15,831	21,476	15,105

It takes time—sometimes years—for the positive direct effects of a WEDC investment to be realized. The question, then, is when are the jobs in question actually impacted? And when do they get counted? WEDC reports the total impact of the jobs in the year the contract is executed, and tracks performance progress to that impact goal throughout the life of the project. Typically, a contract with job creation goals lasts five years. WEDC also estimates the return on investment (ROI) to the State of Wisconsin for its contracts, and for projects contracted in FY19, more than four out of five job creation projects are expected to realize a positive ROI in less than five years. WEDC's total investment in FY19 is expected to generate up to \$24.5 million in annual state tax revenue.

The benefits of WEDC's investments do not stop there. When a company spends millions of dollars on an expansion project, for example, much of that money is pumped into the local economy through the direct purchasing of contractor services. In FY19, WEDC estimates for every \$1.00 in wages and salaries directly supported by our economic development programs, the downstream impact is \$1.86 in total earnings across the supply chain, and for every job supported by WEDC in FY19, the multiplier effect is estimated at 2.33 total jobs throughout the affected industries in the state.



WISCONSIN'S ANNUAL REPORT ON ECONOMIC DEVELOPMENT

FISCAL YEAR 2018

CONTRIBUTING WISCONSIN AGENCIES

Wisconsin Economic Development Corporation (WEDC)

Department of Administration (DOA)

Department of Agriculture, Trade and Consumer Protection (DATCP)

Department of Transportation (DOT)

Department of Tourism (Tourism)

Department of Workforce Development (DWD)

University of Wisconsin System (UW-System)

Wisconsin Housing and Economic Development Authority (WHEDA)

Wisconsin Technical College System (WTCS)

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ABOUT THIS REPORT



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

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

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

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

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

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

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

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

HOW TO READ THE ECONOMIC DEVELOPMENT PROGRAM SUMMARIES

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

STATUS – Active or inactive.

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

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

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

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

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

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

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

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

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

SECRETARY'S MESSAGE

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

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

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

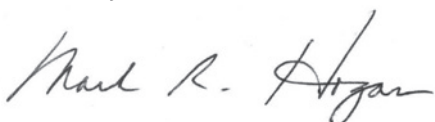
The collaborative nature of Wisconsin's effective economic development model is reflected in Foxconn Technology's selection of Wisconsin for the development of a world-class advanced display manufacturing campus. This investment—by far the state's largest economic development project and the largest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

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

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

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

Sincerely,



Mark R. Hogan
Secretary and Chief Executive Officer



WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Mark R. Hogan
Secretary and Chief Executive Officer
mark.hogan@wedc.org

CORPORATION

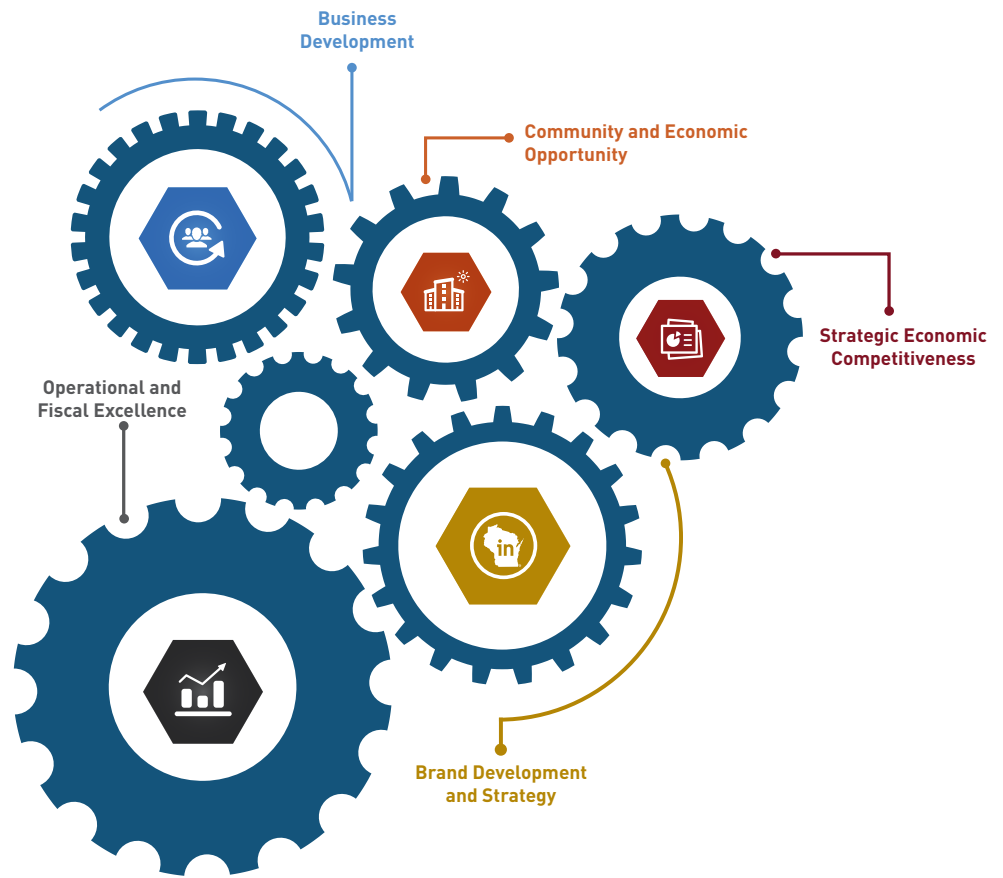
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SUCCESS MEASURES

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

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



CATALYST	WEDC FUNCTION
STRATEGIC ECONOMIC COMPETITIVENESS 	Future Industry Strategies Government Relations Policy and Research State/Regional Talent and Workforce Initiatives
BUSINESS DEVELOPMENT 	Entrepreneurship and Innovation Export and International Trade Business Retention and Expansion Business and Investment Attraction
COMMUNITY AND ECONOMIC OPPORTUNITY 	Community Development Downtown Development Minority Business Development Rural Economic Development
BRAND DEVELOPMENT AND STRATEGY 	State Asset Marketing WEDC Program Marketing Events, Trade Shows and Conferences
OPERATIONAL AND FISCAL EXCELLENCE 	Information Systems and Data Management Budget and Finance Underwriting and Program Management Operations and Program Performance Legal Services, Contracts, Compliance and Risk WEDC Talent Resources and Development

DELIBERATIVE DECISION MAKING

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

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

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

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



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

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

INTEGRATED SOLUTIONS

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

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

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

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

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

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

PARTNER ORGANIZATIONS ASSISTED	FY18 GOAL
71	69

FINANCIAL AWARDS

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

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



WEDC PROGRAM ACTIVITY

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

JOB IMPACT

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

IMPACTING JOBS

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

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

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

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

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

KEY STRATEGIC PARTNERS

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

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

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

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

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

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

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

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

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

➤ MINORITY CHAMBERS OF COMMERCE - \$750,000

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

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

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

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

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

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

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

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

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

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

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

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

➤ BRIGHTSTAR WISCONSIN FOUNDATION - \$50,000

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

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

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

BROWNFIELDS GRANT

STATUS

- Active

INCEPTION

1997 Wisconsin Act 27; Wisconsin Statutes §238.13

PROGRAM GOAL

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

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

Community and Economic Opportunity — Community Development

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

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

INCENTIVES AND AVAILABLE FUNDING

\$ 4,000,000

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

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

RECOMMENDED CHANGES

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

BROWNFIELDS SITE ASSESSMENT GRANT

STATUS

- Active

INCEPTION

1999 Wisconsin Act 9; Wisconsin Statutes §238.133

PROGRAM GOAL

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

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

Community and Economic Opportunity – Community Development

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$1,000,000

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

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

RECOMMENDED CHANGES

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

BUSINESS DEVELOPMENT LOAN PROGRAM

STATUS

- Active

INCEPTION

WEDC FY18

PROGRAM GOAL

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

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

Business Development: Business Retention and Expansion

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

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

Recipients may use BDL funds for:

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

INCENTIVES AND AVAILABLE FUNDING

\$1,500,000

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18

When Committed	Awards	Award Amount	Leverage Ratio
From current fiscal year	1	\$500,000	18:1
Total	1	\$500,000	18:1

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

RECOMMENDED CHANGES

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

BUSINESS DEVELOPMENT TAX CREDIT

STATUS

- Active

INCEPTION

2015 Wisconsin Act 55

PROGRAM GOAL

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

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

Business Development – Business Retention and Expansion

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

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

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

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

INCENTIVES AND AVAILABLE FUNDING

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

RECOMMENDED CHANGES

No substantive changes

CAPACITY BUILDING GRANT

STATUS

- Active

INCEPTION

WEDC FY13

PROGRAM GOAL

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

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

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

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

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

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

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

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

Capacity Building – Entrepreneurship Support

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

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

INCENTIVES AND AVAILABLE FUNDING

Capacity Building: \$500,000

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

Capacity Building – Entrepreneurship Support: \$500,000

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

EXPECTED OUTCOMES

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

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

FY18 PROGRAM ACTIVITY

CAPACITY BUILDING GRANT CONTRACTED IN FY18

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

CAPACITY BUILDING – ENTREPRENEURSHIP SUPPORT CONTRACTED IN FY18

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

RECOMMENDED CHANGES

No substantive changes

COMMUNITY DEVELOPMENT INVESTMENT GRANT

STATUS

- Active

INCEPTION

WEDC FY13

PROGRAM GOAL

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

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

Community and Economic Opportunity – Community Development

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$3,000,000

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

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

Funds will be awarded through an ongoing application process.

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

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

RECOMMENDED CHANGES

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

DEVELOPMENT OPPORTUNITY ZONE

STATUS

- Active

INCEPTION

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

PROGRAM GOAL

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

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

Business Development – Business Retention and Expansion

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

Job Creation

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

Job Retention

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

Capital Investment

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

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

Environmental Remediation

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

INCENTIVES AND AVAILABLE FUNDING

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

The DOZ Program offers incentives across three categories:

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

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

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

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

No awards contracted

RECOMMENDED CHANGES

No substantive changes

ELECTRONICS AND INFORMATION TECHNOLOGY MANUFACTURING ZONE

STATUS

- Active

INCEPTION

2017 Act 58

PROGRAM GOAL

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

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

Business Development – Business Retention and Expansion

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

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

INCENTIVES AND AVAILABLE FUNDING

1 EITMZ designation

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

Job Creation

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

Investment Credit

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

Capital Investment

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

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

RECOMMENDED CHANGES

No substantive changes

ENTERPRISE ZONE

STATUS

- Active

INCEPTION

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

PROGRAM GOAL

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

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

Business Development – Business and Investment Attraction

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

EZ tax credit projects must meet the requirements in §§ 238.399, 71.07 (3w), 71.28 (3w), and 71.47 (3w), Wis Stats.

Among other things, these statutes cover applicable definitions, eligibility for tax benefits, and limits on the tax benefits.

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

INCENTIVES AND AVAILABLE FUNDING

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

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

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

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

Job Creation Credit

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

Job Retention Credit

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

Training Credit

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

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

Investment Credit

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

Wisconsin Supply Chain Credit

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

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

RECOMMENDED CHANGES

No substantive changes

HISTORIC PRESERVATION TAX CREDIT

STATUS

- Active

INCEPTION

2013 Wisconsin Act 62

PROGRAM GOAL

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

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

Community and Economic Opportunity – Downtown Development

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

Certified Historic Buildings

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

An eligible building must meet the following specifications:

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

An eligible project is one in which:

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

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

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

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

Qualified Rehabilitated Buildings

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

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

INCENTIVES AND AVAILABLE FUNDING

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

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

RECOMMENDED CHANGES

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

IDLE SITES REDEVELOPMENT

STATUS

- Active

INCEPTION

WEDC FY14

PROGRAM GOAL

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

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

Community and Economic Opportunity: – Community Development

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

The applicant:

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

The project site:

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

Eligible costs:

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

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

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

INCENTIVES AND AVAILABLE FUNDING

\$2,000,000

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

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

RECOMMENDED CHANGES

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

INDUSTRIAL REVENUE BONDING

STATUS

- Active

INCEPTION

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

PROGRAM GOAL

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

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

Business Development – Business Retention & Expansion

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

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

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

EXPECTED OUTCOMES

Assist five businesses

FY18 PROGRAM ACTIVITY

CONTRACTED IN FY18

When Committed	Awards	Award Amount
From a prior fiscal year	2	\$21,100,000
From current fiscal year	7	\$44,634,780
TOTAL	9	\$65,734,780

RECOMMENDED CHANGES

No substantive changes

MAIN STREET AND CONNECT COMMUNITIES

STATUS

- Active

INCEPTION

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

PROGRAM GOAL

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

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

Community and Economic Opportunity – Downtown Development

PROGRAM DESCRIPTION

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

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

ELIGIBILITY REQUIREMENTS

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

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

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

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

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

INCENTIVES AND AVAILABLE FUNDING

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

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

RECOMMENDED CHANGES

No substantive changes

MINORITY BUSINESS DEVELOPMENT

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Community and Economic Opportunity – Minority Business Development

PROGRAM DESCRIPTION

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

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

ELIGIBILITY REQUIREMENTS

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

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

INCENTIVES AND AVAILABLE FUNDING

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

EXPECTED OUTCOMES

N/A

FY18 PROGRAM ACTIVITY

No awards contracted

RECOMMENDED CHANGES

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

WORKFORCE TRAINING GRANT

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Business Development – Business Retention and Expansion

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$2,000,000

EXPECTED OUTCOMES

Assist eight businesses to train 400 employees

FY18 PROGRAM ACTIVITY

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

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

RECOMMENDED CHANGES

No substantive changes

CERTIFIED SITES

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Business Development – Business and Investment Attraction

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

Not applicable

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

- Three new sites were certified in FY18.

RECOMMENDED CHANGES

No substantive changes

CAPITAL CATALYST

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Business Development – Entrepreneurship and Innovation

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$1,500,000

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

RECOMMENDED CHANGES

No substantive changes

ENTREPRENEURIAL MICRO-GRANT

STATUS

- Active

INCEPTION

WEDC FY13

PROGRAM GOAL

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

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

Business Development – Entrepreneurship and Innovation

PROGRAM DESCRIPTION

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

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

ELIGIBILITY REQUIREMENTS

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

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

INCENTIVES AND AVAILABLE FUNDING

\$200,000

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

EXPECTED OUTCOMES

Award one organization to support 125 businesses.

FY18 PROGRAM ACTIVITY

- The program administered through CTC assisted 117 businesses.

RECOMMENDED CHANGES

No substantive changes

QUALIFIED NEW BUSINESS VENTURE CERTIFICATION/EARLY STAGE BUSINESS INVESTMENT

STATUS

- Active

INCEPTION

2005 Wisconsin Act 255

PROGRAM GOAL

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

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

Business Development – Entrepreneurship and Innovation

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

Qualified New Business Venture (QNBV) Certification

QNBV certification allows businesses to offer their equity investors angel or early-stage seed income tax credits as an incentive for investing in their business. WEDC maintains flexibility in evaluating applications for certification to protect the intent of the QNBV Program in focusing on economic development, particularly incentivizing in-state investors, in Wisconsin. A business desiring certification shall submit an application to WEDC. The business shall specify in its application the investment amount it wishes to raise. WEDC may certify the business and determine the amount that qualifies for tax credits under this program. A business may be certified, and may maintain such certification, only if it meets certain requirements such as a minimum requirement of employees located in the state.

Fund Manager Certification

A certified fund manager is eligible for early-stage seed tax credits when making investments in QNBV-certified companies. An investment fund manager desiring certification for a specific fund shall submit an application to WEDC, and the application shall be evaluated for certain criteria.

INCENTIVES AND AVAILABLE FUNDING

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

The aggregate amount of investment in any one qualified new business venture that may qualify for tax credits under the program is limited to \$8,000,000 or a different amount determined by the division at the time of certification or recertification. The aggregate amount of angel and early-stage seed tax credits that may be claimed for investments in businesses is limited to \$30,000,000 per calendar year. An angel, angel network, and investors in a certified fund manager are each eligible for a 25 percent tax credit for making investments in QNBVs.

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

- 9 qualified venture fund managers were certified during FY18.

RECOMMENDED CHANGES

No substantive changes

SBIR/STTR MATCHING GRANT

STATUS

- Active

INCEPTION

WEDC FY15

PROGRAM GOAL

The goal of the SBIR/STTR Matching Grant program is to stimulate technological innovation by supporting technology-based small businesses in the state of Wisconsin.

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

Business Development – Entrepreneurship and Innovation

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

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

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

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

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

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

INCENTIVES AND AVAILABLE FUNDING

\$1,000,000

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

RECOMMENDED CHANGES

No substantive changes

SEED ACCELERATOR

STATUS

- Active

INCEPTION

WEDC FY13

PROGRAM GOAL

The goal of the Seed Accelerator Program is to encourage the formation of business accelerator programs and to incent high growth startup companies in the state of Wisconsin.

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

Business Development – Entrepreneurship and Innovation

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$1,000,000

Factors determining the level of grant funding for company capital:

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

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

RECOMMENDED CHANGES

No substantive changes

TECHNOLOGY DEVELOPMENT LOAN

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

The goal of the Technology Development Loan (TDL) program is to support technology-based startup and emerging growth companies in the state of Wisconsin.

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

Business Development – Entrepreneurship and Innovation

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

1. Product / Process Development

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

2. Product / Service Commercial Launch

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

3. Growth / Expansion Stage

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

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

INCENTIVES AND AVAILABLE FUNDING

\$5,000,000

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

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

RECOMMENDED CHANGES

No substantive changes

EXPORTECH™

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Business Development: – Export and International Trade

PROGRAM DESCRIPTION

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

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

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$214,000

Scholarship Funding

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

Market Assessment Funding

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

EXPECTED OUTCOMES

Award one organization to support 36 businesses.

FY18 PROGRAM ACTIVITY

32 businesses completed the course

RECOMMENDED CHANGES

No substantive changes

GLOBAL BUSINESS DEVELOPMENT GRANTS

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Business Development – Export and International Trade

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

IMAG:

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

CMAG:

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

INCENTIVES AND AVAILABLE FUNDING

\$1,200,000

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

EXPECTED OUTCOMES

Assist 118 businesses

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

FY18 PROGRAM ACTIVITY

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

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

RECOMMENDED CHANGES

No substantive changes

GLOBAL TRADE VENTURE PROGRAM

STATUS

- Active

INCEPTION

WEDC FY15

PROGRAM GOAL

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

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

Business Development – Export and International Trade

PROGRAM DESCRIPTION

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

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

ELIGIBILITY REQUIREMENTS

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

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

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

INCENTIVES AND AVAILABLE FUNDING

\$653,882 (non-aids)

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

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

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

WEDC led six Global Trade Ventures and assisted 26 businesses.

RECOMMENDED CHANGES

No substantive changes

FABRICATION LABORATORIES GRANT

STATUS

- Active

INCEPTION

WEDC FY18

PROGRAM GOAL

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

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

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

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

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

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

INCENTIVES AND AVAILABLE FUNDING

\$500,000

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

EXPECTED OUTCOMES

Assist twenty public school districts or consortiums.

FY18 PROGRAM ACTIVITY

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

RECOMMENDED CHANGES

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

TARGETED INDUSTRY PROJECTS

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Strategic Economic Competitiveness – Future Industry Strategies

PROGRAM DESCRIPTION

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

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$3,000,000

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

EXPECTED OUTCOMES

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

FY18 PROGRAM ACTIVITY

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

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

RECOMMENDED CHANGES

No substantive changes

LEGISLATIVE AWARDS

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

TRANSFERRED, CONSOLIDATED AND WITHDRAWN PROGRAMS

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

ECONOMIC DEVELOPMENT PROGRAMS TRANSFERRED

No programs were transferred in FY18.

WITHDRAWN AND CONSOLIDATED PROGRAMS

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

Business Opportunity Loan Fund

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



WISCONSIN'S ANNUAL REPORT ON ECONOMIC DEVELOPMENT

FISCAL YEAR 2019

CONTRIBUTING WISCONSIN AGENCIES

Wisconsin Economic Development Corporation (WEDC)

Department of Administration (DOA)

Department of Agriculture, Trade and Consumer Protection (DATCP)

Department of Transportation (DOT)

Department of Tourism (Tourism)

Department of Workforce Development (DWD)

University of Wisconsin System (UW System)

Wisconsin Housing and Economic Development Authority (WHEDA)

Wisconsin Technical College System (WTCS)

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ABOUT THIS REPORT



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

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

Development Corporation (WEDC) and other Wisconsin state agencies.

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

This report recognizes the contributions of economic development partner organizations throughout the state whose work at a local, regional and statewide level contributes

to Wisconsin’s economic vibrancy. The agencies participating in this fiscal year 2019 (FY19) report are WEDC, the Department of Administration; the Department of Agriculture, Trade and Consumer Protection; the Department of Transportation; the Department of Tourism; the Department of Workforce Development; the Wisconsin Housing and Economic Development Authority; the Wisconsin Technical College System; and the University of Wisconsin System. WEDC, the state’s lead economic development organization, works with each of these agencies to appropriately identify their economic development programs as defined by state statute and to report on those programs’ performance goals.

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

For FY19, each agency was required to provide the following information about their economic development programs:

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

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

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

HOW TO READ THE ECONOMIC DEVELOPMENT PROGRAM SUMMARIES

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

STATUS – Active or inactive

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

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

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

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

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

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

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

RECOMMENDED CHANGES – Changes to program specifications that are being considered



WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

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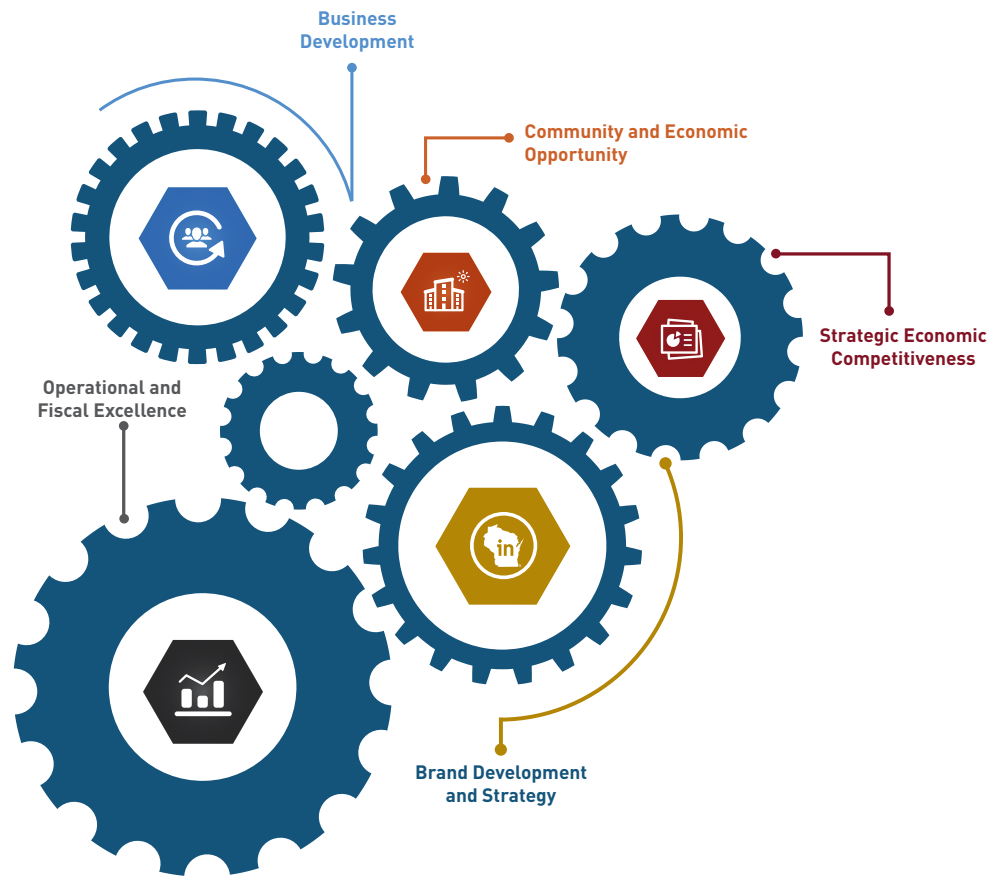
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SUCCESS MEASURES

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

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



CATALYST	WEDC FUNCTION
STRATEGIC ECONOMIC COMPETITIVENESS 	Future Industry Strategies Government Relations Policy and Research State/Regional Talent and Workforce Initiatives
BUSINESS DEVELOPMENT 	Entrepreneurship and Innovation Export and International Trade Business Retention and Expansion Business and Investment Attraction
COMMUNITY AND ECONOMIC OPPORTUNITY 	Community Development Downtown Development Minority Business Development Rural Economic Development
BRAND DEVELOPMENT AND STRATEGY 	State Asset Marketing WEDC Program Marketing Events, Trade Shows and Conferences
OPERATIONAL AND FISCAL EXCELLENCE 	Information Systems and Data Management Budget and Finance Underwriting and Program Management Operations and Program Performance Legal Services, Contracts, Compliance and Risk WEDC Talent Resources and Development

DELIBERATIVE DECISION MAKING

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

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

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

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



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

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

INTEGRATED SOLUTIONS

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

In FY19, WEDC and its key strategic partners (see page 14) provided financial and operational assistance to 4,332 businesses and 138 communities.

RECIPIENT	WEDC	KEY STRATEGIC PARTNERS	TOTAL	FY19 GOAL
Businesses	877	3,455*	4,332	4,576
Communities	138	-	138	167

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

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

PARTNER ORGANIZATIONS ASSISTED	FY19 GOAL
64	63

FINANCIAL AWARDS

To balance its responsibility to protect taxpayer money with the inherent risks associated with pursuing new business development opportunities, WEDC requires significant co-investment in the majority of the initiatives it funds. It is important that WEDC not be the sole or even the majority investor in a project. In FY19, WEDC's financial investments were matched at a ratio of 11:1, which means that projects the agency supported represent a total of \$1.8 billion in capital investment in Wisconsin.

\$1.8 BILLION
TOTAL CAPITAL INVESTMENT



WEDC PROGRAM ACTIVITY			
Award Type	# of Awards	Award Amount	Leverage Ratio*
Bonds	5	\$27,981,755	N/A
Grants	179	\$25,044,335	11:1
Investor Credits	50	\$18,107,500	4:1
Loans	18	\$4,370,500	6:1
Tax Credits	61	\$142,437,977	12:1
Total	313	\$217,942,067	11:1
		FY19 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.

JOB IMPACT

Included in many of WEDC's financial assistance contracts with businesses is a job impact requirement. This measurement captures the effect of WEDC's investment on current and future jobs in the state resulting directly from the project in question. In some cases, companies are able to hire new employees as a result of WEDC assistance. In other cases, companies are able to retain existing employees either by strengthening their operations or maintaining their presence in the state. In both of these scenarios, WEDC and the company under contract project the number of jobs that will be either created or retained as a direct result of the investment. That job impact number is recorded in the contract and the award is contingent upon its attainment.

IMPACTING JOBS				
YEAR	JOBS TO BE CREATED	JOBS TO BE RETAINED	TOTAL JOBS IMPACTED*	FY19 GOAL
FY19	5,645	15,831	21,476	15,105

*Jobs impacted totals are derived from contracts executed between July 1, 2018 and June 30, 2019. These include executed contracts from both current and previous year commitments. WEDC includes the total number of jobs created or retained as reported by the company in order to capture the complete job impact of a project.

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

WEDC also estimates the return on investment (ROI) to the State of Wisconsin for its contracts, and for projects contracted in FY19, more than four out of five job creation projects are expected to realize a positive ROI in less than five years. WEDC's total investment in FY19 is expected to generate up to \$24.5 million in annual state tax revenue.

The benefits of WEDC's investments do not stop there. When a company spends millions of dollars on an expansion project, for example, much of that money is pumped into the local economy through the direct purchasing of contractor services. In FY19, WEDC estimates for every \$1.00 in wages and salaries directly supported by our economic development programs, the downstream impact is \$1.86 in total earnings across the supply chain, and for every one job supported by WEDC in FY19, the multiplier effect is estimated at 2.33 total jobs throughout the affected industries in the state.

KEY STRATEGIC PARTNERS

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

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

REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS - \$827,500

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

WEDC works closely with the regional EDOs around the state to facilitate communication and coordinate support for local businesses and communities. Examples of such cooperation in FY19 include the following:

- Engaging, educating and leveraging the local economic development partners within each region
- Initiating regional entrepreneurship support networks
- Coordinating programs to create and market ways for small and midsize businesses to leverage interns from the region
- Promoting the regions and the state to business decision-makers, site selectors, developers, brokers and commercial real estate executives, as well as domestic and foreign investors, along with expansion of Golden Shovel and Certified Sites
- Increasing participation in the ExporTech™ Program and conducting outreach efforts to increase foreign direct investment (FDI) opportunities in collaboration with WEDC
- Coordinating a business retention and expansion program with local partners to assess the business climate with CEO Call Programs, Community Blueprints Business Walks and Business Retention visits
- Hosting industry sector forums and identifying industry needs and trends
- Working with local partners on the creation of maker spaces, innovation/incubator centers, launch labs, fab labs, incubators and co-working docking stations
- Launching the Inspire platform to connect workforce development partners with talent
- Collaborating with community-based organizations to further diversity and inclusion in the region

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 - \$325,000

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 contracts. In FY19, WPI engaged with 1,263 unique companies, of which 624 were new companies receiving impactful assistance (multiple engagements for the same company), helping them obtain more than \$1.9 billion in contracts, resulting in 72 jobs created and 771 retained.

MINORITY CHAMBERS OF COMMERCE - \$750,000

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

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

In FY19, a total of 28 loans were processed by the minority chambers, providing more than \$1,500,000 in funding, leveraging more than \$694,000 in private and equity participation. This helped create 98 jobs and retained 65. In total, 92 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 FY19, WCMP reached 996 companies with services resulting in \$15.9 million in cost savings, \$172.4 million in new sales, \$189.2 million in retained sales, \$93.7 million in new investment, 514 jobs to be created and 707 jobs retained.

CENTER FOR TECHNOLOGY COMMERCIALIZATION - \$540,000

The Center for Technology Commercialization (CTC) services delivered by staff and a statewide network of partners include review and analysis of business models and commercialization plans; advice concerning patent, trademark and copyright issues; and assistance to businesses in obtaining federal SBIR/STTR grants. In FY19, CTC provided counseling to 474 distinct business clients, activities that are expected to assist in the creation of 83 new jobs and the retention of an additional 87. 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 and SBIR/STTR Matching Grant Program, as well as 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

The Wisconsin Women's Business Initiative Corporation (WWBIC) provides small business owners and aspiring entrepreneurs with an array of educational programming, individual consulting and microloan assistance. In FY19, WWBIC provided 1,084 clients with impactful counseling services averaging more than seven hours each. WWBIC's microloan program provided more than \$7.3 million in loan financing to small businesses, including 52 startups. Of the total loan amount, more than \$1.6 million served businesses in rural Wisconsin. WWBIC's assistance is expected to facilitate the creation of 361 new jobs and the retention of 261 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 FY19, key WTC events—with combined attendance of more than 3,200 entrepreneurs, investors, service providers and others—provided select entrepreneurs with unique opportunities and training to advance their ventures. The 2019 Early Stage Symposium featured 74 young firms showcasing their companies to an audience of investors and other advisors, while the 2019 Governor's Business Plan Contest provided 61 of the 196 entrants with intensive "pitch" training and culminated in finalists presenting at the Wisconsin Entrepreneurs' Conference. In addition, the Wisconsin Technology Summit facilitated 248 meetings between 61 emerging companies and 20 major Wisconsin firms to explore potential partnerships.

Through the Wisconsin Angel Network (WAN) housed within WTC, the organization held six educational seminars for angel and venture investors throughout Wisconsin and is assisting ongoing efforts to develop additional investment groups in the state. WTC/WAN leadership assisted 65 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 FY19, BrightStar made five investments totaling \$375,000 in startup and early-stage companies.

GLOBAL NETWORK OF WEDC'S AUTHORIZED TRADE REPRESENTATIVES - \$230,000

WEDC has authorized trade representatives located in high-volume and high-growth-potential markets for Wisconsin companies. In FY19, the Global Network covered 96 countries and consisted of 17 independent contractors, 10 of which were under an umbrella contract managed by the Council of Great Lakes and St. Lawrence Governors and Premiers. In FY19, the Global Network provided 287 in-country assistances and served 62 unique Wisconsin companies with WEDC export support services.

BROWNFIELDS GRANT

STATUS

- Active

INCEPTION

1997 Wisconsin Act 27; Wis Stat. §238.13

PROGRAM GOAL

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

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

Community and Economic Opportunity — Community Development

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

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

INCENTIVES AND AVAILABLE FUNDING

\$ 5,000,000

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

EXPECTED OUTCOMES

Assist 14 community projects and achieve a 33:1 leverage of other investment.

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19			
	Awards	Award Amount	Leverage Ratio
Total	8	\$3,036,200	44:1

- In FY19, the program budget was amended down to \$3,038,000.

RECOMMENDED CHANGES

Match requirements will be decreased for projects located in a federal Opportunity Zone.

BROWNFIELDS SITE ASSESSMENT GRANT

STATUS

- Active

INCEPTION

1999 Wisconsin Act 9; Wis. Stat. §238.133

PROGRAM GOAL

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

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

Community and Economic Opportunity – Community Development

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$1,500,000

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

EXPECTED OUTCOMES

Assist 13 communities to support site work and achieve a 2:1 leverage of other investment.

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19			
	Awards	Award Amount	Leverage Ratio
Total	11	\$1,134,400	3:1

RECOMMENDED CHANGES

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

BUSINESS DEVELOPMENT LOAN PROGRAM

STATUS

- Active

INCEPTION

WEDC FY19

PROGRAM GOAL

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

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

Business Development: Business Retention and Expansion

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

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

Recipients may use BDL funds for:

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

INCENTIVES AND AVAILABLE FUNDING

\$1,500,000

EXPECTED OUTCOMES

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

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19			
	Awards	Award Amount	Leverage Ratio
Total	1	\$250,000	5:1

- In FY19, the program budget was amended down to \$640,000.

RECOMMENDED CHANGES

Applicable interest rate will be decreased for projects located in a federal Opportunity Zone.

BUSINESS DEVELOPMENT TAX CREDIT

STATUS

- Active

INCEPTION

2015 Wisconsin Act 55

PROGRAM GOAL

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

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

Business Development – Business Retention and Expansion

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

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

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

Generally, the maximum tax credit award amount for a project will be determined by calculating the greater of the maximum amount the recipient could earn under either job creation or capital investment. WEDC is not required to award the recipient the maximum amount allowed under the calculation. A certification for BTC tax benefits may remain in effect for no more than 10 cumulative years.

INCENTIVES AND AVAILABLE FUNDING

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

EXPECTED OUTCOMES

Assist 50 businesses to support the creation of 4,000 jobs, retention of 6,000 jobs and achieve a 20:1 leverage of other investment.

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19					
	Awards	Award Amount	Jobs to be Created	Jobs to be Retained	Leverage Ratio
Total	45	\$26,185,000	3,854	12,350	42:1

RECOMMENDED CHANGES

Criteria for awarding additional tax credits will be expanded to include projects located in a federal Opportunity Zone.

CAPACITY BUILDING GRANT

STATUS

- Active

INCEPTION

WEDC FY13

PROGRAM GOAL

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

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

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

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

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

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

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

- the extent to which the project will provide impact to smaller communities/rural areas of Wisconsin;
- the financial need demonstrated by the applicant; and
- the extent to which the proposed effort can be replicated throughout Wisconsin. WEDC may require project match depending on the project's attributes.

Capacity Building – Entrepreneurship Support

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

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

INCENTIVES AND AVAILABLE FUNDING

Capacity Building: \$250,000

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

Capacity Building – Entrepreneurship Support: \$500,000

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

EXPECTED OUTCOMES

Capacity Building – Assist eight organizations.

Capacity Building – Entrepreneurship Support – Assist 10 organizations and 250 businesses.

FY19 PROGRAM ACTIVITY

CAPACITY BUILDING GRANT CONTRACTED IN FY19

	Awards	Award Amount
Total	6	\$249,834

CAPACITY BUILDING – ENTREPRENEURSHIP SUPPORT CONTRACTED IN FY19

	Awards	Award Amount
Total	9	\$500,000

RECOMMENDED CHANGES

No substantive changes

COMMUNITY DEVELOPMENT INVESTMENT GRANT

STATUS

- Active

INCEPTION

WEDC FY13

PROGRAM GOAL

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

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

Community and Economic Opportunity – Community Development

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$5,000,000

The grants will be limited to 25% of eligible project costs with a maximum grant amount of up to \$250,000.

At least 50% of the funds will be awarded to cities and towns within Designated Rural Counties. Funds will be awarded through an ongoing application process.

EXPECTED OUTCOMES

Assist 20 communities and achieve a 33:1 leverage of other investment.

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19			
	Awards	Award Amount	Leverage Ratio
TOTAL	30	\$5,972,700	18:1

- In FY19, the program budget was amended up to \$6,962,000.

RECOMMENDED CHANGES

Applicants in a federal Opportunity Zone may receive more than one grant per fiscal year.

DEVELOPMENT OPPORTUNITY ZONE

STATUS

- Active

INCEPTION

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

PROGRAM GOAL

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

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

Business Development – Business Retention and Expansion

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

Job Creation

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

Job Retention

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

Capital Investment

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

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

Environmental Remediation

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

INCENTIVES AND AVAILABLE FUNDING

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

The DOZ Program offers incentives across three categories:

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

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

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

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

EXPECTED OUTCOMES

Assist two businesses to support the creation of 10 jobs and the retention of 200 jobs, and achieve a 20:1 leverage of other investment.

FY19 PROGRAM ACTIVITY

No awards contracted

RECOMMENDED CHANGES

No new awards are expected under this program.

DISASTER RECOVERY MICROLOAN

STATUS

- Active

INCEPTION

WEDC FY19

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.

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

Business Development – Business Retention and Expansion

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. 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 manmade disaster event, which may or may not include a corresponding State of Emergency or Disaster Declarations, 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.

INCENTIVES AND AVAILABLE FUNDING

\$2,000,000 allocated to address summer 2018 flooding

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 \$15,000
- Term: 24 months with no early repayment penalty
- Deferral: Minimum of six months
- Interest rate: The interest rate 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. 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).

EXPECTED OUTCOMES

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

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19			
	Awards	Award Amount	Businesses to be Assisted
TOTAL	6	\$1,780,500	118

- Nine regional organizations were designated to administer the program covering all 72 counties.

RECOMMENDED CHANGES

Increase the maximum microloan amount to \$20,000.

ENTERPRISE ZONE

STATUS

- Active

INCEPTION

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

PROGRAM GOAL

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

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

Business Development – Business and Investment Attraction

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

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

INCENTIVES AND AVAILABLE FUNDING

Subject to passive review by the Joint Committee on Finance, WEDC may designate any number of Enterprise Zones in Wisconsin. WEDC shall designate at least five (5) zones subject to population limits in a political subdivision. 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:

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.

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% of the federal minimum wage, but less than \$100,000 in annual wages, less the amount paid to new full-time employees; or no more than 7% of the taxpayer’s EZ payroll in a Tier II county that is paid to full-time employees who earn more than \$30,000, but less than \$100,000 in annual wages, less the amount paid to new full-time employees. This benefit may be awarded for no more than five consecutive years.

Training Credit

The amount of tax credits for training for a certified business may equal up to 100% 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.

EXPECTED OUTCOMES

Assist two businesses, support the creation of at least 1,000 jobs and the retention of at least 800 jobs, and achieve a 5:1 leverage of other investment.

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19					
	Awards	Award Amount	Jobs to be Created	Jobs to be Retained	Leverage Ratio
Total	3	\$106,000,000	663	1,534	5:1

- During FY19, the WEDC board approved increased allocation amounts for two EZs:
 - Fincantieri Marine Group LLC’s allocation was increased from \$28 million to \$42 million in consideration of an additional \$105 million in capital investment and 400 new full-time jobs.
 - Amazon.com Services Inc.’s allocation was increased from \$10.3 million to \$17.8 million in consideration of an additional \$100 million in capital investment and 1,500 new full-time jobs.

RECOMMENDED CHANGES

No substantive changes

HISTORIC PRESERVATION TAX CREDIT

STATUS

- Active

INCEPTION

2013 Wisconsin Act 62

PROGRAM GOAL

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

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

Community and Economic Opportunity – Downtown Development

PROGRAM DESCRIPTION

The program provides transferable tax credits to eligible entities rehabilitating certified historic buildings. The state program acts as a supplement to the federal program, allowing for a state credit of 20% 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

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

Certification requires that the claimant provide the following to 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.
- Taxpayer obtained written certification from SHPO that the property qualifies under any of the following:
 - listed in the National Register of Historic Places 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.
- The costs were not incurred before the state historical society approved the proposed preservation or rehabilitation plan.
- The cost of the person’s qualified rehabilitation expenditure, as defined in section 47(c)(2) of the Internal Revenue Code, is at least \$50,000.

- The rehabilitated property is placed in service after Dec. 31, 2013.
- The proposed preservation or rehabilitation plan complies with standards promulgated under Wis. Stat. §44.02(24) and the completed preservation or rehabilitation substantially complies with the proposed plan.
- No physical work of construction or destruction began prior to the recommendation of the proposed preservation or rehabilitation by the SHPO.
- The eligible costs are not incurred to acquire any building or interest in a building or to enlarge an existing building.

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

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

INCENTIVES AND AVAILABLE FUNDING

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.

EXPECTED OUTCOMES

Assist 25 community projects and achieve a 5:1 leverage of other investment.

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19			
	Awards	Award Amount	Leverage Ratio
TOTAL	13	\$10,252,977	5:1

RECOMMENDED CHANGES

The definition of project/parcel will be clarified in consultation with the Wisconsin State Historic Preservation Office.

IDLE SITES REDEVELOPMENT

STATUS

- Active

INCEPTION

WEDC FY14

PROGRAM GOAL

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

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

Community and Economic Opportunity – Community Development

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

The applicant:

Any city, village, town, county, government entity or tribal entity that has either an officially approved development agreement or redevelopment plan that describes the project and its goals, anticipated outcomes, project timeline, and actions, obligations and investments to be made by each party.

The project site:

- One or more contiguous industrial parcels that exceed five acres and must have had long term (over 25 years) industrial usage.
- One or more contiguous commercial parcels that exceed 10 acres and must have had long-term (over 25 years) commercial usage.
- Parcels need to exceed five acres for projects in Designated Rural Counties.
- Applicants must own the targeted site or demonstrate the legal ability to access the property and perform the work proposed in the application.
- One or more contiguous institutional parcels that exceed five acres and must have had long term (over 25 years) institutional usage.

Eligible costs:

- Grant funds may not be used for environmental work occurring on properties in which the current owner is also a causer who possessed or controlled the contaminant(s) on the site.
- Grant funds may not be used to pay for activities that were conducted prior to a decision being rendered by WEDC on the application.
- WEDC funds cannot exceed 30% of total project costs.

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

INCENTIVES AND AVAILABLE FUNDING

\$1,500,000

The incentives in this program are grants of up to \$500,000 for redevelopment of idle sites of five acres or larger. Applicants may receive one award per fiscal year.

EXPECTED OUTCOMES

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

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19			
	Awards	Award Amount	Leverage Ratio
TOTAL	5	\$1,824,000	8:1

- In FY19, the program budget was amended up to \$2,300,000.

RECOMMENDED CHANGES

Acreage requirements will be reduced for projects in a federal Opportunity Zone.

INDUSTRIAL REVENUE BONDING

STATUS

- Active

INCEPTION

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

PROGRAM GOAL

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

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

Business Development – Business Retention and Expansion

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$299,262,858 in available allocation for calendar year 2018.

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

EXPECTED OUTCOMES

Assist seven businesses.

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19

	Awards	Award Amount
TOTAL	5	\$27,981,755

- WEDC made one Exempt Facility and Utility Revenue Bond allocation for \$1,095,000.

RECOMMENDED CHANGES

No substantive changes

MAIN STREET AND CONNECT COMMUNITIES

STATUS

- Active

INCEPTION

1987 Wisconsin Main Street Act; Wis. Stat. §238.127, WEDC FY13

PROGRAM GOAL

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

These programs primarily support the following WEDC Strategic Pillar and Focus Area:

Community and Economic Opportunity – Downtown Development

PROGRAM DESCRIPTION

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

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

ELIGIBILITY REQUIREMENTS

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

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

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

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

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

INCENTIVES AND AVAILABLE FUNDING

\$300,000 (staff and non-aids contracting)

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

EXPECTED OUTCOMES

Assist 35 Main Street communities, 78 Connect Communities and 90 small businesses.

FY19 PROGRAM ACTIVITY

- Provided assistance to 34 Main Street Communities and 69 Connect Communities
- Provided substantive technical assistance to 73 businesses

RECOMMENDED CHANGES

No substantive changes

MINORITY BUSINESS DEVELOPMENT

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Community and Economic Opportunity – Minority Business Development

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$150,000

EXPECTED OUTCOMES

Award three organizations to assist 85 businesses

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19			
	Awards	Award Amount	Businesses to be Assisted
TOTAL	3	\$145,000	97

RECOMMENDED CHANGES

No substantive changes

WORKFORCE TRAINING GRANT

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Business Development – Business Retention and Expansion

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$1,500,000

EXPECTED OUTCOMES

Assist four businesses to train 200 employees.

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19			
	Awards	Award Amount	Employees to be Trained
TOTAL	3	\$689,200	427

- During FY19, the program budget was amended down to \$700,000.

RECOMMENDED CHANGES

Match requirements will be reduced for projects located in a Designated Rural County or federal Opportunity Zone.

CERTIFIED SITES

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Business Development – Business and Investment Attraction

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

Not applicable

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

EXPECTED OUTCOMES

Assist in three new Certified in Wisconsin sites and promote existing 18 sites.

FY19 PROGRAM ACTIVITY

- One new site was certified in FY19.

RECOMMENDED CHANGES

No substantive changes

CAPITAL CATALYST

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Business Development – Entrepreneurship and Innovation

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

Applicants for Capital Catalyst funds must demonstrate organizational capability and the availability of entrepreneurial support to achieve the goals of their programs. Capital Catalyst fund recipients may include 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. Investment/funding decisions will focus on assistance to companies in industry sectors including but not limited to advanced manufacturing, agriculture or food processing, information systems or software, medical devices, biosciences and energy.

INCENTIVES AND AVAILABLE FUNDING

\$1,500,000

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

EXPECTED OUTCOMES

Award five organizations to support the financing of 30 startup and emerging growth companies. Recipients will maintain an average co-investment ratio of 1:1 and companies financed by local seed funds will achieve a 3:1 leverage of other investment.

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19				
	Awards	Award Amount	Businesses to be Assisted	Leverage Ratio
TOTAL	4	\$1,225,000	41	1:1

- During FY19, the program budget was amended up to \$1,850,000.

RECOMMENDED CHANGES

No substantive changes

ENTREPRENEURIAL MICRO-GRANT

STATUS

- Active

INCEPTION

WEDC FY13

PROGRAM GOAL

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

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

Business Development – Entrepreneurship and Innovation

PROGRAM DESCRIPTION

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

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

ELIGIBILITY REQUIREMENTS

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

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

INCENTIVES AND AVAILABLE FUNDING

\$250,000

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

EXPECTED OUTCOMES

Award one organization to support 100 businesses.

FY19 PROGRAM ACTIVITY

- The program administered through CTC assisted 137 businesses.

RECOMMENDED CHANGES

No substantive changes

QUALIFIED NEW BUSINESS VENTURE CERTIFICATION/EARLY STAGE BUSINESS INVESTMENT

STATUS

- Active

INCEPTION

2005 Wisconsin Act 255

PROGRAM GOAL

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

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

Business Development – Entrepreneurship and Innovation

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

Qualified New Business Venture (QNBV) Certification

QNBV certification allows businesses to offer their equity investors angel or early-stage seed income tax credits as an incentive for investing in their business. WEDC maintains flexibility in evaluating applications for certification to protect the intent of the QNBV Program in focusing on economic development, particularly incentivizing in-state investors, in Wisconsin. A business desiring certification shall submit an application to WEDC. The business shall specify in its application the investment amount it wishes to raise. WEDC may certify the business and determine the amount that qualifies for tax credits under this program. A business may be certified, and may maintain such certification, only if it meets certain requirements such as a minimum requirement of employees located in the state.

Fund Manager Certification

A certified fund manager is eligible for early-stage seed tax credits when making investments in QNBV-certified companies. An investment fund manager desiring certification for a specific fund shall submit an application to WEDC, and the application shall be evaluated for certain criteria.

INCENTIVES AND AVAILABLE FUNDING

The maximum amount of credits that may be claimed in calendar year 2018 is \$30,000,000.

The aggregate amount of investment in any one qualified new business venture that may qualify for tax credits under the program is limited to \$8,000,000 or a different amount determined by the division at the time of certification or recertification. The aggregate amount of angel and early-stage seed tax credits that may be claimed for investments in businesses is limited to \$30,000,000 per calendar year. An angel, angel network, and investors in a certified fund manager are each eligible for a 25% tax credit for making investments in QNBVs.

EXPECTED OUTCOMES

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

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19		
	Awards	Award Amount
TOTAL	41	\$18,107,500

- Nine qualified venture fund managers were certified during FY19.

RECOMMENDED CHANGES

No substantive changes

SBIR/STTR MATCHING GRANT

STATUS

- Active

INCEPTION

WEDC FY15

PROGRAM GOAL

The goal of the SBIR/STTR Matching Grant Program is to stimulate technological innovation by supporting technology-based small businesses in the state of Wisconsin.

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

Business Development – Entrepreneurship and Innovation

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

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

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

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

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

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

INCENTIVES AND AVAILABLE FUNDING

\$1,500,000

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

EXPECTED OUTCOMES

Award one organization to support 13 businesses and achieve a leverage to federal grants of 3:1.

FY19 PROGRAM ACTIVITY

- The program administered through CTC assisted 18 businesses.

RECOMMENDED CHANGES

No substantive changes

SEED ACCELERATOR

STATUS

- Active

INCEPTION

WEDC FY13

PROGRAM GOAL

The goal of the Seed Accelerator Program is to encourage the formation of business accelerator programs and to incent high growth startup companies in the state of Wisconsin.

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

Business Development – Entrepreneurship and Innovation

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$1,000,000

Factors determining the level of grant funding for company capital:

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

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

EXPECTED OUTCOMES

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

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19				
	Awards	Award Amount	Businesses to be Assisted	Leverage Ratio
TOTAL	8	\$1,030,700	83	1:1

- During FY19, the program budget was amended up to \$1,125,000.

RECOMMENDED CHANGES

No substantive changes

TECHNOLOGY DEVELOPMENT LOAN

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

The goal of the Technology Development Loan (TDL) Program is to support technology-based startup and emerging growth companies in the state of Wisconsin.

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

Business Development – Entrepreneurship and Innovation

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

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

1. Product/Process Development

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

2. Product/Service Commercial Launch

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

3. Growth/Expansion Stage

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

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

INCENTIVES AND AVAILABLE FUNDING

\$5,000,000

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

EXPECTED OUTCOMES

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

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19			
	Awards	Award Amount	Leverage Ratio
TOTAL	17	\$4,120,500	6:1

- During FY19, the program budget was amended down to \$4,525,000.

RECOMMENDED CHANGES

No substantive changes

EXPORTECH™

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Business Development – Export and International Trade

PROGRAM DESCRIPTION

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

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

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$222,000

Scholarship Funding

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 Network, ExporTech graduate companies will receive a formal market assessment in one of their target markets by WEDC's Global Network.

EXPECTED OUTCOMES

Award one organization to support 37 businesses.

FY19 PROGRAM ACTIVITY

- 24 businesses completed the course.

RECOMMENDED CHANGES

No substantive changes

GLOBAL BUSINESS DEVELOPMENT GRANTS

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Business Development – Export and International Trade

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

IMAG:

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

CMAG:

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

INCENTIVES AND AVAILABLE FUNDING

\$1,200,000

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

EXPECTED OUTCOMES

Assist 121 businesses.

- IMAG: Assist 61 businesses.
- CMAG: Assist two organizations to support 60 businesses.

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19		
	Awards	Award Amount
TOTAL	50	\$1,109,202

- Five CMAGs were contracted in FY19 and were expected to assist 199 businesses.

RECOMMENDED CHANGES

No substantive changes

GLOBAL TRADE VENTURE PROGRAM

STATUS

- Active

INCEPTION

WEDC FY15

PROGRAM GOAL

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

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

Business Development – Export and International Trade

PROGRAM DESCRIPTION

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

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

ELIGIBILITY REQUIREMENTS

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

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

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

INCENTIVES AND AVAILABLE FUNDING

\$653,882 (non-aids)

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

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

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

EXPECTED OUTCOMES

Support six Global Trade Ventures in WEDC's target markets in eight countries and assist 45 businesses.

FY19 PROGRAM ACTIVITY

WEDC led five Global Trade Ventures and assisted 20 businesses.

RECOMMENDED CHANGES

No substantive changes

FABRICATION LABORATORIES GRANT

STATUS

- Active

INCEPTION

WEDC FY19

PROGRAM GOAL

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

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

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

PROGRAM DESCRIPTION

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

ELIGIBILITY REQUIREMENTS

Wisconsin public school districts may apply for a grant to purchase equipment to be used for instructional and educational purposes in one or more fabrication laboratories by elementary, middle, junior high or high school students. Either a CESA or a lead public school district may apply on behalf of a consortium of two or more public school districts. All applicants must match 1:1 the amount of funding provided by WEDC. During FY19, WEDC placed a moratorium on applicants who have already received three Fab Lab grants. This does not apply to Milwaukee Public Schools.

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

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

INCENTIVES AND AVAILABLE FUNDING

\$500,000

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

EXPECTED OUTCOMES

Assist 20 public school districts or consortiums.

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19

	Awards	Award Amount
TOTAL	20	\$520,399

- In FY19, the program budget was amended up to \$521,000.

RECOMMENDED CHANGES

No substantive changes

TARGETED INDUSTRY PROJECTS

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

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

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

Strategic Economic Competitiveness – Future Industry Strategies

PROGRAM DESCRIPTION

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

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

ELIGIBILITY REQUIREMENTS

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

INCENTIVES AND AVAILABLE FUNDING

\$3,000,000

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

EXPECTED OUTCOMES

Assist seven organizations; support the creation, attraction or expansion of 50 businesses; and achieve a 3:1 leverage of other investment.

FY19 PROGRAM ACTIVITY

CONTRACTED IN FY19

	Awards	Award Amount	Businesses to be Assisted	Leverage Ratio
TOTAL	13	\$3,905,200	231	2:1

- 11 unique organizations received awards in FY19.
- During FY19, the program budget was amended up to \$3,889,000.
- The 2017-19 Biennial Budget (2017 Act 59) included Section 9150, Nonstatutory provisions – Wisconsin Economic Development Corporation, and directed WEDC to “allocate \$100,000 in fiscal year 2017–18 and \$300,000 in fiscal year 2018–19 for the purpose of awarding grants to one or more nonprofit organizations for the provision of services to School districts in this state in which the school board has adopted a resolution to initiate a fabrication laboratory. WEDC awarded a Targeted Industry Projects Grant of \$300,000 to the Wisconsin Center for Manufacturing and Productivity on June 3, 2019, to meet this requirement.

RECOMMENDED CHANGES

No substantive changes

LEGISLATIVE AWARDS

Please see Program Activity section under Target Industry Projects program for information on legislative award.

CONSOLIDATED AND DISCONTINUED PROGRAMS

WEDC continues to manage awards made under programs that have been consolidated and discontinued during past fiscal years. Program guidelines in effect at the time of award remain controlling; however, once a program is no longer active in making new awards, the respective program guideline is retired and not included in this report.

Programs that have been consolidated or withdrawn in FY19 are listed below. Please see WEDC program descriptions for information on current programming that serves similar target audiences and activities.

Electronics and Information Technology Manufacturing Zone (EITMZ)

The EITMZ Program will continue for 15 years from the Foxconn contract certification date of 11/10/2017; however, no new awards are anticipated under this program.