

WEDC BIENNIAL REPORT

INTRODUCTION

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

Beginning in FY20 and continuing throughout FY21, WEDC and numerous state agencies assisted businesses, local governments, health care providers and citizens in responding to the health and economic impacts of the global pandemic. In FY21, those efforts by WEDC and, in some cases, in partnership with other state agencies, included:

- The We're All In Small Business Grant Program, which distributed \$239 million over the course of three grant rounds;
- The We're All Innovating Contest, which awarded a total of more than \$2.8 million to 227 companies across the state with innovative ideas related to pandemic response and recovery;
- The Wisconsin Tomorrow Small Business Grant Program, which has distributed more than \$300 million to small businesses affected by the pandemic.

ANNUAL REPORT ON ECONOMIC DEVELOPMENT

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

The Annual Report on Economic Development is composed of four elements: a 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, 2021. WEDC's online data will be updated quarterly. These resources can be found at wedc.org:

- Annual Report on Economic Development: [FY20 FY21](#)
- Excel workbook of the WEDC data on which the report is based: [FY20 FY21](#)
- Searchable [electronic database](#) on which the report is based
- Interactive [Impact map](#)

Together, these reports detail the program outcomes achieved in 2019-2021 (FY20-21). This report includes data compiled from WEDC and our partners, thus painting a comprehensive picture of economic development efforts across the state.

PROGRAM DELIVERABLES

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

Tallied here are the total measurable outcomes of WEDC's FY20-21 economic development investments, including capital investment and job impact data as required in this report:

ECONOMIC DEVELOPMENT ASSISTANCE								
	FY20				FY21			
Recipient	WEDC	KSP	Total	Goal	WEDC	KSP	Total	Goal
Businesses	2,168	3,339*	5,507	4,922	27,034**	3,738*	30,772	3,762
Communities	152	-	152	176	158	-	158	128
Partners	52	-	52	78	74	-	74	84

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

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

FINANCIAL AWARDS

FINANCIAL AWARDS						
	FY20			FY21		
Award Type	# of Awards	Award Amount	Leverage Ratio	# of Awards	Award Amount	Leverage Ratio
Bonds	5	\$ 170,150,000	N/A	3	\$ 13,580,000	N/A
Grants	1,056	\$ 27,490,278	13:1	26,540	\$ 95,802,220	11:1
Investor Credits	60	\$ 25,084,750	4:1	52	\$ 20,167,500	4:1
Loans	11	\$ 2,152,500	7:1	13	\$ 3,425,125	5:1
Tax Credits	47	\$ 45,822,156	16:1	46	\$60,984,064	10:1
TOTAL	1,179	\$ 270,699,684	12:1	26,654	\$193,958,909	7:1

JOB IMPACT

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

IMPACTING JOBS							
FY20				FY21			
Jobs to be Created	Jobs to be Retained	Total Jobs Impacted	Goal	Jobs to be Created	Jobs to be Retained	Total Jobs Impacted	Goal
2,241	9,813	11,424	14,170	2,930	9,275	12,205	7,710

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.



WISCONSIN ECONOMIC
DEVELOPMENT CORPORATION

WISCONSIN'S

Annual Report on Economic Development



FISCAL YEAR 20

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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On behalf of the entire staff of the Wisconsin Economic Development Corporation (WEDC), I am pleased to present to the WEDC Board of Directors, the Wisconsin State Legislature, our many economic development partners and the people of Wisconsin this Annual Report on Economic Development for Fiscal Year 2020 (FY20).

Over and above fulfilling a statutory requirement, this report helps WEDC and our stakeholders assess the effectiveness of our collective economic development initiatives, while also fulfilling WEDC's unstinting commitment to transparency and accountability.

This year's report, representing economic development programs administered in 2020, includes in several areas WEDC's response, and to some extent other agencies' responses, to the COVID-19 crisis. In March 2020, faced with a spreading global pandemic, many states, including Wisconsin, enacted public gathering and other restrictions to curb the spread of the virus. These restrictions created unprecedented

challenges for Wisconsin's economy, hitting small businesses particularly hard, especially those reliant on in-person patronage. WEDC detailed the virus's wide-ranging impact on Wisconsin's businesses, communities and people in a report to the Legislature entitled *Wisconsin Tomorrow – An Economy for All*.

Realizing how quickly and dramatically COVID-19 was affecting Wisconsin's economy, WEDC shifted our focus significantly toward the end of the fiscal year covered in this report. By April 2020, we had effectively rerouted all available program funding and operational budget toward pandemic response and recovery initiatives, with special attention to underserved communities. Rapidly deploying federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding added urgency to WEDC's operational pivot. Details of the financial programs WEDC initiated and continues to administer to aid business and community recovery efforts can be found on page 10 of this report, and those programs with measurable FY20 outcomes are highlighted in the table of contents on page two.

Meanwhile, WEDC continued to resource and activate its regular programs as appropriate across the state. Our investments and outcomes across all 29 active programs are detailed in this report. We also highlight the important work of our Key Strategic Partners whose contributions to Wisconsin's economic success receive funding support from WEDC.

In addition to documenting the outcomes of WEDC's own programs, this report collates data from a wide range of state agencies that administer economic development programs devoted to improving the lives of Wisconsin's citizens, providing a basis reflection, discussion and action as we continuously strive maximize opportunities for all of Wisconsin's citizens.

We invite you to engage with this report and the data upon which it is based at wedc.org/inside-wedc/program-outcomes, where you can also view interactive maps showing where and to whom WEDC and participating agencies' financial awards were made.

Our state's transparency with respect to economic development investments and their outcomes has been recognized by the Wisconsin Public Interest Group, which recently ranked Wisconsin second in the nation for online access to information—a testament to all of the people who both do the work represented by this report and measure and track its impact. To them and the countless people across the state who devote their professional and personal lives to Wisconsin's future, I extend my deepest gratitude.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melissa L. Hughes', with a long, sweeping underline.

Melissa L. Hughes
Secretary and CEO

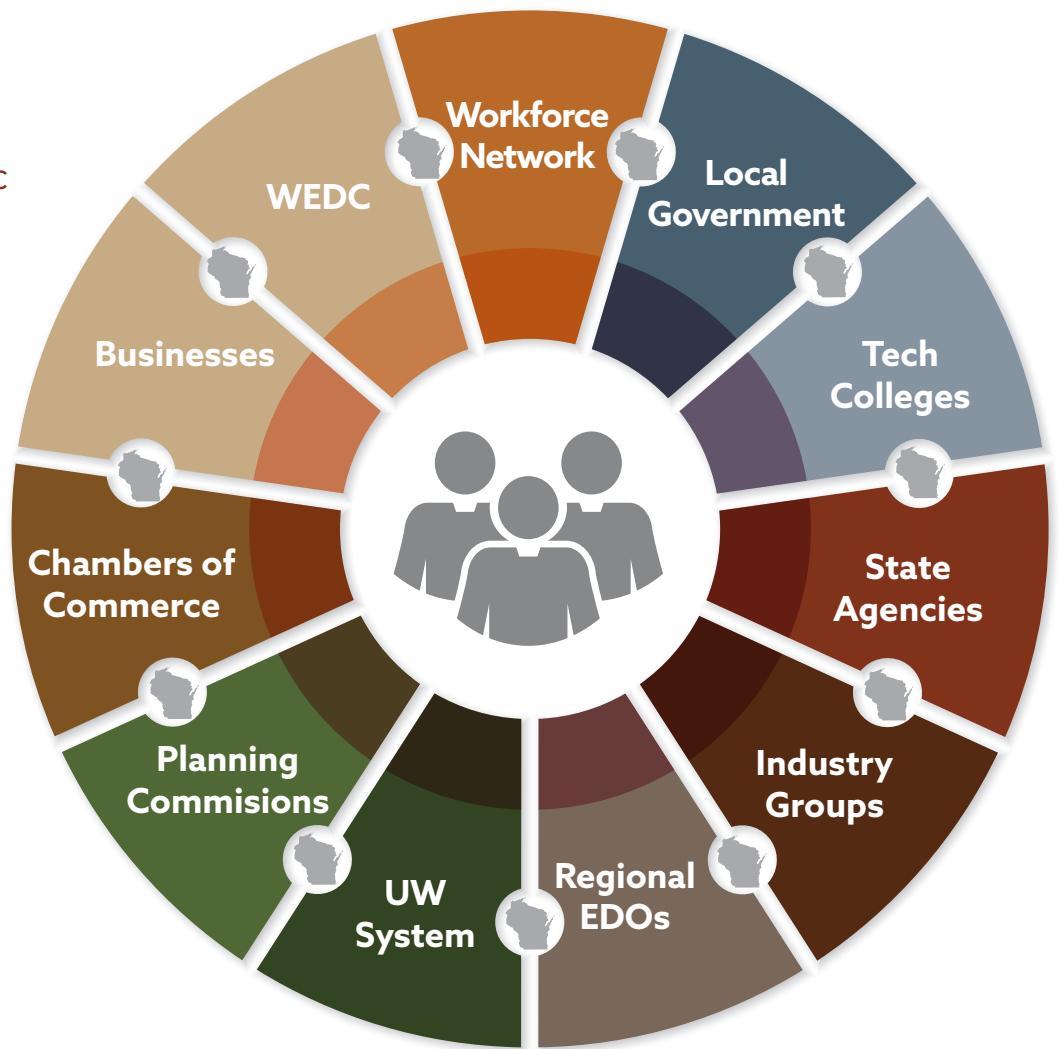
ABOUT THIS REPORT

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 2020 (FY20) 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.

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

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



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 FY20, 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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A COMMITMENT TO TRANSPARENCY

Upon completion of the appropriate internal review and approval process, WEDC makes a financial award commitment to a company or organization whose proposed project fulfills the requirements of the program to which it has applied.

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 invest \$30 million over a five-year period, WEDC reports this capital investment in the year the contract is signed. Subsequently, WEDC monitors contract fulfillment and receives regular reports from companies receiving awards. These reports include capital expenditures, job creation and retention 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.



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

WEDC's unique organizational structure, including its block-grant funding, also allows it to adapt quickly to changing economic conditions, as was done in March 2020 in response to the COVID-19 pandemic. On March 18, WEDC launched the Small Business 20/20 Program, which provided grants of up to \$20,000 to targeted businesses with no more than 20 employees to cover short-term operating expenses including rent and payroll expenses, including paid leave. In order to quickly deploy these funds, WEDC worked with the state's community development financial institutions (CDFIs)—specialized community-based financial institutions with a primary mission to promote economic development by providing financial products and services to people in communities underserved by traditional financial institutions, particularly in low-income communities. Because of the CDFIs' preexisting relationships with targeted small businesses, they were able to provide the grant funds directly to their clients faster than otherwise would have been the case. WEDC followed the Small Business 20/20 Program with a sub-program to its Minority Business Development Program—the Ethnic Minority Emergency Grant. Launched on May 19, the Ethnic Minority Emergency Grant Program provided up to 1,000 ethnically diverse Wisconsin microbusinesses grants of \$2,500 each to help offset losses caused by COVID-19. More recently, WEDC began deploying \$75 million of federal funds from the Coronavirus Aid, Relief and Economic Security (CARES) Act into We're All In Small Business Grants of \$2,500 each to a targeted 30,000 Wisconsin businesses, with priority given to industries and communities most affected by the pandemic.

PROGRAM DELIVERABLES

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

Tallied here are the total measurable outcomes of WEDC's FY20 economic development investments, including capital investment and job impact data as required in this report:

RECIPIENT	ASSISTED BY WEDC	ASSISTED BY WEDC KEY STRATEGIC PARTNER	TOTAL	FY20 GOAL
Businesses	2,168	3,339*	5,507	4,922
Communities	152	-	152	176
Partner Organization	52	-	52	78

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

FINANCIAL AWARDS			
Award Type	# of Awards	Award Amount	Leverage Ratio*
Bonds	5	\$170,150,000	N/A
Grants	1,056	\$27,490,278	13:1
Investor Credits	60	\$25,084,750	4:1
Loans	11	\$2,152,500	7:1
Tax Credits	47	\$45,822,156	16:1
Total	1,179	\$270,699,684	12:1
FY20 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.



Capital Investment supported by WEDC Awards

\$1 Billion

A note about capital investment:

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

JOB IMPACT

YEAR	JOB TO BE CREATED	JOB TO BE RETAINED	TOTAL JOBS IMPACTED*	FY20 GOAL
FY20	2,241	9,183	11,424	14,170

*Jobs impacted totals are derived from contracts executed between July 1, 2019, and June 30, 2020. These include executed contracts from both current and previous year commitments and agreements with Key Strategic Partners.



A note about job impact:

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

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

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 FY20 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 high school students
- Collaborating with community-based organizations to further diversity and inclusion in the region
- Working with local partners to develop or enhance rural development strategy

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

WISCONSIN PROCUREMENT INSTITUTE - \$350,000

The Wisconsin Procurement Institute (WPI) helps companies sell products and services to federal, state and local agencies as well as prime contractors. WPI navigates the government procurement process for small firms and helps them develop competitive processes and technical capabilities to earn federal, state and local government contracts. In FY20, WPI engaged with 1,468 unique companies, helping them obtain more than \$984 million in contracts, resulting in 260 jobs created and 1007 retained.

MINORITY CHAMBERS OF COMMERCE - \$1,086,495

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

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

In FY20, a total of 46 loans were processed by the minority chambers, providing more than \$1,360,000 in funding, leveraging more than \$1,695,000 in private and equity participation. This helped create 90 jobs and retain 101. In total, 373 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 FY20, WCMP reached 688 companies with services resulting in \$5.9 million in cost savings, \$28.3 million in new sales, \$71.3 million in retained sales, \$46.1 million in new investment, 187 jobs to be created and 397 jobs retained.

CENTER FOR TECHNOLOGY COMMERCIALIZATION - \$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 FY20, CTC provided counseling to 509 distinct business clients, activity which is expected to assist in the creation of 154 new jobs and the retention of an additional 258.

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

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

WWBIC provides small business owners and aspiring entrepreneurs with an array of educational programming, individual consulting and micro-loan assistance. In FY20, WWBIC provided 989 clients with impactful counseling services totaling over seven hours each. WWBIC's micro-loan program provided over \$7.3 million in loan financing to small businesses, including 40 startups. Of the total loan amount, over \$1.5 million served businesses in rural Wisconsin. WWBIC's assistance is expected to facilitate the creation and retention of 995 positions.

WISCONSIN TECHNOLOGY COUNCIL - \$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 FY20, key WTC events, with combined attendance of over 2,700 entrepreneurs, investors, service providers and others, provided select entrepreneurs with unique opportunities and training to advance their ventures. The 2020 Early Stage Symposium featured 74 young firms showcasing their companies to an audience of investors and other advisors, while the 2020 Governor's Business Plan contest provided 50 of the 200 entrants with intensive "pitch" training and culminated in finalists presenting at the Wisconsin Entrepreneurs' Conference. In addition, the Wisconsin Technology Summit held virtually this year facilitated 150 meetings between 66 emerging companies and 15 major Wisconsin firms to explore potential partnerships.

Through the Wisconsin Angel Network (WAN) housed within WTC, the organization held five 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 68 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 FY20, BrightStar made one investment in a startup and early-stage company totaling \$150,000.

GLOBAL NETWORK OF WEDC'S AUTHORIZED TRADE REPRESENTATIVES - \$222,450

WEDC has authorized trade representatives located in high-volume and high-growth-potential markets for Wisconsin companies. In FY20, 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 FY20, the Global Network provided 94 in-country assistances and served 50 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 individual, partnership, limited liability company, corporation, nonprofit organization, city, village, town, county, or trustee, including a trustee in bankruptcy, 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

\$ 3,000,000

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 10 community projects and achieve a 35:1 leverage of other investment.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20			
	Awards	Award Amount	Leverage Ratio
Total	14	\$5,878,300	49:1

- In FY20, the program budget was amended up to \$6,962,000.

RECOMMENDED CHANGES

No substantive changes

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 6:1 leverage of other investment.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20			
	Awards	Award Amount	Leverage Ratio
Total	9	\$881,800	2:1

- During FY20, the program budget was amended down to \$1,000,000.

RECOMMENDED CHANGES

No substantive changes

BUSINESS DEVELOPMENT LOAN PROGRAM

STATUS

- Active

INCEPTION

WEDC FY20

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

\$1,000,000

EXPECTED OUTCOMES

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

FY20 PROGRAM ACTIVITY

No awards executed.

RECOMMENDED CHANGES

Place temporary suspension on program activities and funding.

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. 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.

INCENTIVES AND AVAILABLE FUNDING

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

EXPECTED OUTCOMES

Assist 40 businesses to support the creation of 3,000 jobs, retention of 6,000 jobs and achieve a 20:1 leverage of other investment.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20					
	Awards	Award Amount	Jobs to be Created	Jobs to be Retained	Leverage Ratio
Total	23	\$9,700,000	1,210	6,713	56:1

RECOMMENDED CHANGES

No substantive changes

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 matching funds, 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 an 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 matching funds 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: \$750,000

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 15 organizations.

Capacity Building – Entrepreneurship Support – Assist 10 organizations and 300 businesses.

FY20 PROGRAM ACTIVITY

CAPACITY BUILDING GRANT CONTRACTED IN FY20

	Awards	Award Amount
Total	4	\$107,500

- During FY20, the program budget was amended down to \$275,000.

CAPACITY BUILDING – ENTREPRENEURSHIP SUPPORT CONTRACTED IN FY20

	Awards	Award Amount
Total	9	\$437,000

- During FY20, the program budget was amended down to \$487,000.

RECOMMENDED CHANGES

Expand eligibility and funding for COVID-19 recovery initiatives.

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 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.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20

	Awards	Award Amount	Businesses to be Assisted	Leverage Ratio
TOTAL	4	\$1,250,000	46	1:1

- During FY20, the program budget was amended down to \$1,625,000.

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 two new Certified in Wisconsin sites and promote existing 20 sites.

FY20 PROGRAM ACTIVITY

- No new sites were certified in FY20.
- There are 21 certified sites in Wisconsin.

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

\$6,000,000

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

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20			
	Awards	Award Amount	Leverage Ratio
TOTAL	20	\$4,142,030	16:1

- In FY20, the program budget was amended down to \$4,181,000

RECOMMENDED CHANGES

Expand eligibility and funding for COVID-19 recovery initiatives.

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

No new awards are expected under this program.

FY20 PROGRAM ACTIVITY

No awards contracted

RECOMMENDED CHANGES

No substantive changes

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

\$815,000 allocated to address summer 2018 flooding

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

- Amount: Up to \$20,000
- Term: 24 months with no early repayment penalty
- Deferral: Minimum of six months
- Interest rate: The interest 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

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20			
	Awards	Award Amount	Businesses to be Assisted
TOTAL	3	\$815,000	65

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

RECOMMENDED CHANGES

Clarify conditions when regional organization may retain loan repayments.

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.

FY20 PROGRAM ACTIVITY

- The program administered through CTC assisted 113 business
- During FY20, the program budget was amended down to \$200,000

RECOMMENDED CHANGES

No substantive changes

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 three businesses, support the creation of at least 1,200 jobs and the retention of at least 800 jobs, and achieve a 5:1 leverage of other investment.

FY20 PROGRAM ACTIVITY

- No Enterprise Zones awarded in FY20

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

\$180,000

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 30 businesses.

FY20 PROGRAM ACTIVITY

- 13 businesses completed the course.
- During FY20, the program budget was amended down to \$90,000.

RECOMMENDED CHANGES

No substantive changes

FABRICATION LABORATORIES GRANT

STATUS

- Active

INCEPTION

WEDC FY17

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 FY20, 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

\$750,000

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 30 public school districts or consortiums.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20		
	Awards	Award Amount
TOTAL	31	\$693,200

- During FY20, the program budget was amended down to \$694,000.

RECOMMENDED CHANGES

Expand eligibility for school districts establishing Fab Labs to be used by K-8 students and temporarily decrease match requirement during COVID-19 pandemic.

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 append: or costs associated with activities funded by a CMAG.
- ExporTech™ graduate companies generally may receive no more than six IMAG grants. Non-ExporTech™ graduates companies generally may receive no more than three IMAG grants.

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

\$1,275,000

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 187 businesses.

- IMAG: Assist 60 businesses.
- CMAG: Assist five organizations to support 127 businesses.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20		
	Awards	Award Amount
TOTAL	37	\$878,288

- Two CMAGs were contracted in FY20 and were expected to assist 16 businesses.
- During FY20, the program budget was amended down to \$1,011,000.

RECOMMENDED CHANGES

Temporarily suspend match requirements due to COVID-19 pandemic.

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

\$668,051 (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 seven countries and assist 40 businesses.

FY20 PROGRAM ACTIVITY

WEDC led four Global Trade Ventures and assisted 26 unique companies.

RECOMMENDED CHANGES

Expand program scope to accommodate virtual trade ventures.

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.
- Evidence the Taxpayer obtained written certification from SHPO that the property qualifies under any of the following:
 - listed in the National Register of Historic Places in Wisconsin or the State Register of Historic Places;
 - determined by the Wisconsin Historical Society (WHS) to be eligible for listing in the National Register of Historic Places or the State Register of Historic Places;
 - located in a historic district that is listed in the National Register of Historic Places or the State Register of Historic Places and is certified by the SHPO as being of historic significance to the district; or
 - an outbuilding of an otherwise eligible property certified by the SHPO as contributing to the historic significance of the property.
- 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.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20			
	Awards	Award Amount	Leverage Ratio
TOTAL	24	\$36,122,156	5:1

RECOMMENDED CHANGES

No substantive changes

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 or Opportunity Zone.
- 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

\$2,500,000

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

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20			
	Awards	Award Amount	Leverage Ratio
TOTAL	3	\$1,476,000	3:1

- During FY20, the program budget was amended down to \$1,476,000.

RECOMMENDED CHANGES

No substantive changes

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 primarily 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

\$300,212,320 in available allocation for calendar year 2019.

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 ten businesses.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20

	Awards	Award Amount
TOTAL	5	\$170,150,000

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 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, building deterioration, 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 33 Main Street communities, 74 Connect Communities and 90 small businesses.

FY20 PROGRAM ACTIVITY

- Provided assistance to 34 Main Street Communities and 72 Connect Communities.
- Provided substantive technical assistance to 120 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 existing, new and expanding minority, women, and veteran owned businesses 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 nonprofit organizations and businesses 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 nonprofit grant applicants are 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.

Eligible business grant applicants under the COVID-19 initiative are minority-owned businesses with 1-5 full-time equivalent (FTE) employees in the retail, service, or hospitality industry; the business may not have received assistance through the SB20/20 program; the business attests it has not received funding from the SBA Payroll Protection Program (PPP) through the federal CARES Act.

INCENTIVES AND AVAILABLE FUNDING

Nonprofits: \$200,000

Businesses: \$2,500,000

EXPECTED OUTCOMES

Nonprofits: Award four organizations to support 80 businesses.

Businesses: Provide financial assistance to 1,000 businesses.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20			
	Awards	Award Amount	Businesses to be Assisted
TOTAL	4	\$182,110	96

FY20 PROGRAM ACTIVITY

ETHNIC MINORITY EMERGENCY GRANT CONTRACTED IN FY20

	Awards	Award Amount	Businesses to be Assisted
TOTAL	890	\$2,225,000	890

- During FY20, the program budget was amended up to \$2,700,000 due to the Ethnic Minority Emergency Grant Initiative in response to the COVID-19 pandemic.

RECOMMENDED CHANGES

Change program name and eliminate one-time provisions of the emergency grant initiative.

QUALIFIED NEW BUSINESS VENTURE CERTIFICATION/EARLY STAGE BUSINESS INVESTMENT

STATUS

- Active

INCEPTION

2003 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 2019 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 40 new businesses and six fund managers, and achieve a 4:1 leverage.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20		
	Awards	Award Amount
TOTAL	46	\$25,084,750

- 14 qualified venture fund managers were certified during FY20.

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 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.

FY20 PROGRAM ACTIVITY

- The program administered through CTC assisted 17 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 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, but not exclusively 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.

EXPECTED OUTCOMES

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

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20				
	Awards	Award Amount	Businesses to be Assisted	Leverage Ratio
TOTAL	6	\$834,000	59	1:1

- During FY20, the program budget was amended down to \$835,000.

RECOMMENDED CHANGES

No substantive changes

SMALL BUSINESS 20/20

STATUS

- Active

INCEPTION

WEDC FY20

PROGRAM GOAL

The goal of the Small Business 20/20 program is to support small businesses and micro-enterprises adversely economically impacted by the COVID-19 virus.

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

Business Development: Business Retention and Expansion

PROGRAM DESCRIPTION

The program provides funds to Wisconsin-based Community Development Financial Institutions (CDFIs) to make grants to existing loan clients to mitigate short-term cash flow issues and protect jobs and public health in response to the COVID-19 outbreak.

ELIGIBILITY REQUIREMENTS

Eligible applicants are Wisconsin CDFIs with a minimum organizational loan portfolio of at least \$4 million, or a collaborative of CDFIs with a combined organizational loan portfolio of at least \$4 million that have identified a lead applicant/recipient of funds. Eligible businesses receiving grants from the CDFIs must be a current loan recipient in good standing as of 3/1/20, have 20 or fewer FT/PT employees, and annual revenues greater than \$0 but less than \$2 million.

INCENTIVES AND AVAILABLE FUNDING

\$5,030,000

Grants to businesses through approved CDFIs are up to \$20,000 to cover up to two months of payroll and operating expenses.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20			
	Awards	Award Amount	Businesses to be Assisted
TOTAL	8	\$5,030,000	642

RECOMMENDED CHANGES

SB 20/20 is a one-time initiative in response to the COVID-19 pandemic.

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

\$3,800,000

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 eight organizations; support the creation, attraction or expansion of 300 businesses; and achieve a 3:1 leverage of other investment.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20				
	Awards	Award Amount	Businesses to be Assisted	Leverage Ratio
TOTAL	3	\$512,550	30	3:1

- During FY20, the program budget was amended down to \$622,000.

RECOMMENDED CHANGES

Clarify program description and intent.

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.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20			
	Awards	Award Amount	Leverage Ratio
TOTAL	11	\$2,152,500	7:1

- During FY20, the program budget was amended down to \$3,967,000.

RECOMMENDED CHANGES

No substantive changes

WE'RE ALL IN SMALL BUSINESS GRANT

STATUS

- Active

INCEPTION

WEDC FY20

PROGRAM GOAL

The goal of the We're All In Small Business Grant program is to support small businesses adversely economically impacted by the COVID-19 pandemic.

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

Business Development: Business Retention and Expansion

PROGRAM DESCRIPTION

The program is designed to provide micro-grants to small Wisconsin businesses most severely impacted by the COVID-19 pandemic.

ELIGIBILITY REQUIREMENTS

Eligible businesses must meet the following criteria: Be a for profit business operating in Wisconsin; employ 20 or fewer full-time equivalent (FTE) employees, including the owner; have greater than \$0 but less than \$1 million in annual revenues; have been in business in February 2020; not be in an industry covered under other Wisconsin Cares Act Coronavirus Relief Fund programs; and not be part of a corporate chain, unless the business is a third-party franchisee.

INCENTIVES AND AVAILABLE FUNDING

\$75,000,000

The incentives in this program are \$2,500 one-time micro-grants to approved small businesses.

EXPECTED OUTCOMES

Assist 30,000 businesses

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20		
	Awards	Award Amount
TOTAL	7	\$17,500

- The majority of activity will be seen in FY21.

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

\$1,000,000

EXPECTED OUTCOMES

Assist five businesses to train 200 employees.

FY20 PROGRAM ACTIVITY

CONTRACTED IN FY20			
	Awards	Award Amount	Employees to be Trained
TOTAL	1	\$250,000	76

- During FY20, the program budget was amended down to \$250,000

RECOMMENDED CHANGES

Temporarily suspend program funding and activities.

LEGISLATIVE AWARDS

No legislative awards contracted in FY20.

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.

The Small Business 20/20 program was a one-time initiative in response to the Covid-19 pandemic.



WISCONSIN ECONOMIC
DEVELOPMENT CORPORATION



WISCONSIN'S

Annual Report on Economic Development

Fiscal Year 2021



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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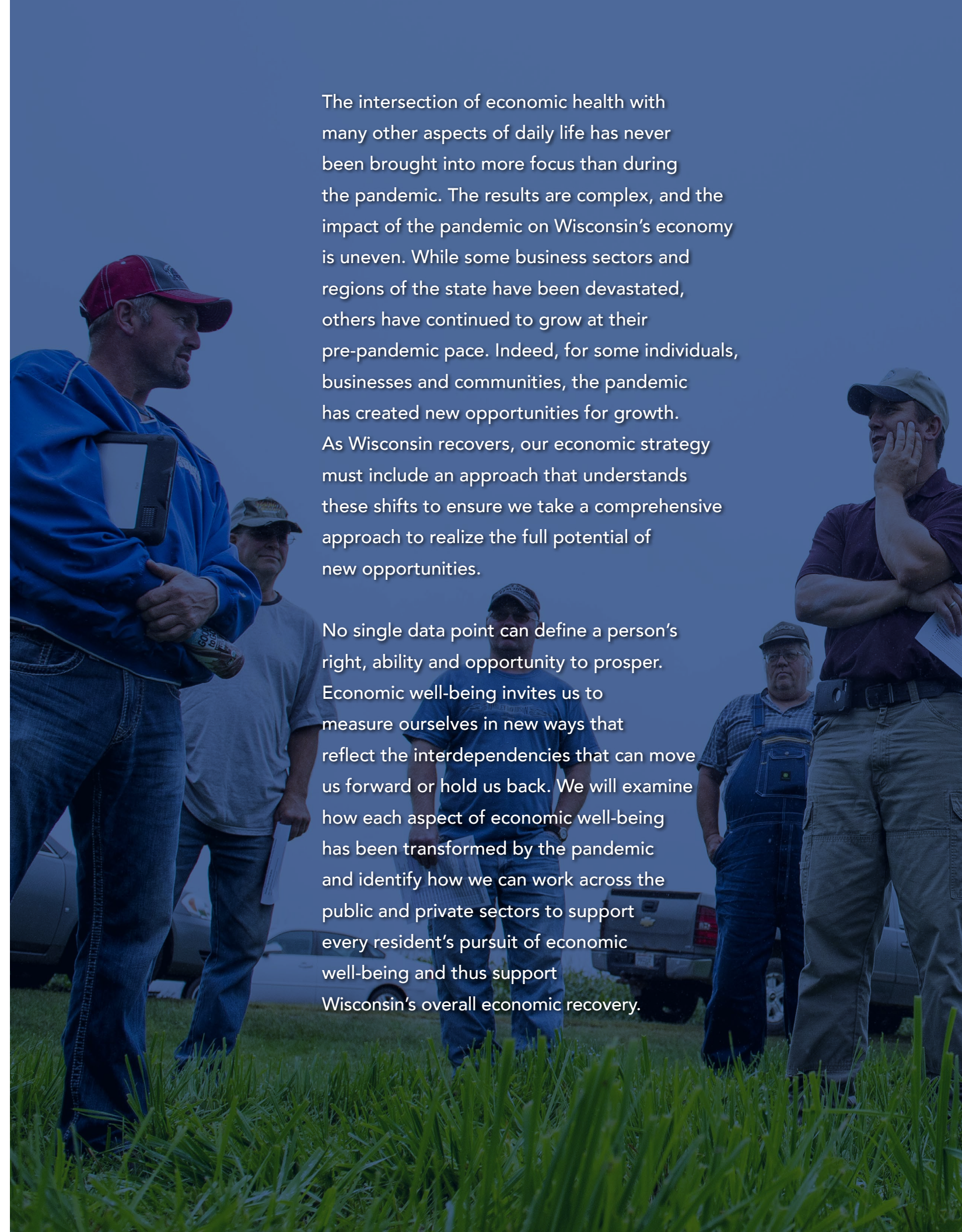
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The intersection of economic health with many other aspects of daily life has never been brought into more focus than during the pandemic. The results are complex, and the impact of the pandemic on Wisconsin’s economy is uneven. While some business sectors and regions of the state have been devastated, others have continued to grow at their pre-pandemic pace. Indeed, for some individuals, businesses and communities, the pandemic has created new opportunities for growth. As Wisconsin recovers, our economic strategy must include an approach that understands these shifts to ensure we take a comprehensive approach to realize the full potential of new opportunities.

No single data point can define a person’s right, ability and opportunity to prosper. Economic well-being invites us to measure ourselves in new ways that reflect the interdependencies that can move us forward or hold us back. We will examine how each aspect of economic well-being has been transformed by the pandemic and identify how we can work across the public and private sectors to support every resident’s pursuit of economic well-being and thus support Wisconsin’s overall economic recovery.





On behalf of the entire staff of the Wisconsin Economic Development Corporation (WEDC), I am pleased to present to the WEDC Board of Directors, the Wisconsin State Legislature, our many economic development partners and the people of Wisconsin this Annual Report on Economic Development for Fiscal Year 2021 (FY21).

Over and above fulfilling a statutory requirement, this report helps WEDC and our stakeholders assess the effectiveness of our collective economic development initiatives, while also fulfilling WEDC's unstinting commitment to transparency and accountability.

As in FY20, this report includes the response of WEDC and other state agencies to the ongoing COVID-19 pandemic and the disbursement of state and federal funds, including those from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA).

Beginning in FY20 and continuing throughout FY21, WEDC and numerous state agencies assisted businesses, local governments, health care providers and citizens in responding to the health and economic impacts of the global pandemic. In FY21, those efforts by WEDC and, in some cases, in partnership with other state agencies, included:

- The We're All In Small Business Grant Program, which distributed \$239 million over the course of three grant rounds;
- The We're All Innovating Contest, which awarded a total of more than \$2.8 million to 227 companies across the state with innovative ideas related to pandemic response and recovery;
- The Wisconsin Tomorrow Small Business Grant Program, which has distributed more than \$300 million to small businesses affected by the pandemic.

WEDC also created the We're All In marketing campaign to provide businesses with technical assistance and information about best practices to protect employees, customers, and communities from COVID-19 and established the Main Street Marketplace website to provide a central place for retailers to take their offerings online.

Details of the financial programs WEDC initiated and continues to administer to aid business and community recovery efforts can be found on page 13 of this report, and those programs with measurable FY21 outcomes are highlighted in the table of contents on page two.

As the state's leading economic development organization, WEDC has also released two reports tracking the virus's wide-ranging impact on Wisconsin's businesses, communities and people and outlining a strategy for the state's economic recovery. The first report, Wisconsin Tomorrow – An Economy for All, released in July 2020, assessed the impact of the virus on key industries during the first few months of the pandemic. The second report, Wisconsin Tomorrow – Building An Economy for All, released in April 2021, outlined how state agencies, educational institutions, and private sector partners are working together to address gaps in the state's economy that were exacerbated by the pandemic.

Meanwhile, WEDC continued to resource and activate its regular programs as appropriate across the state. Our investments and outcomes across all 27 active programs are detailed in this report. We also highlight the important work of our Key Strategic Partners whose contributions to Wisconsin's economic success receive funding support from WEDC.

In addition to documenting the outcomes of WEDC's own programs, this report collates data from a wide range of state agencies that administer economic development programs devoted to improving the lives of Wisconsin's citizens, providing a basis for reflection, discussion and action as we continuously strive to promote economic well-being for all of Wisconsin's citizens.

We invite you to engage with this report and the data upon which it is based at wedc.org/inside-wedc/program-outcomes, where you can also view interactive maps showing where and to whom WEDC and participating agencies' financial awards were made, both for traditional programs as well as pandemic-related assistance.

Our state's transparency with respect to economic development investments and their outcomes has been recognized by the Wisconsin Public Interest Research Group, which recently ranked Wisconsin second in the nation for online access to information— a testament to all of the people who both do the work represented by this report and measure and track its impact. To them and the countless people across the state who devote their professional and personal lives to Wisconsin's future, I extend my deepest gratitude.

Sincerely,

Melissa L. Hughes
Secretary and CEO

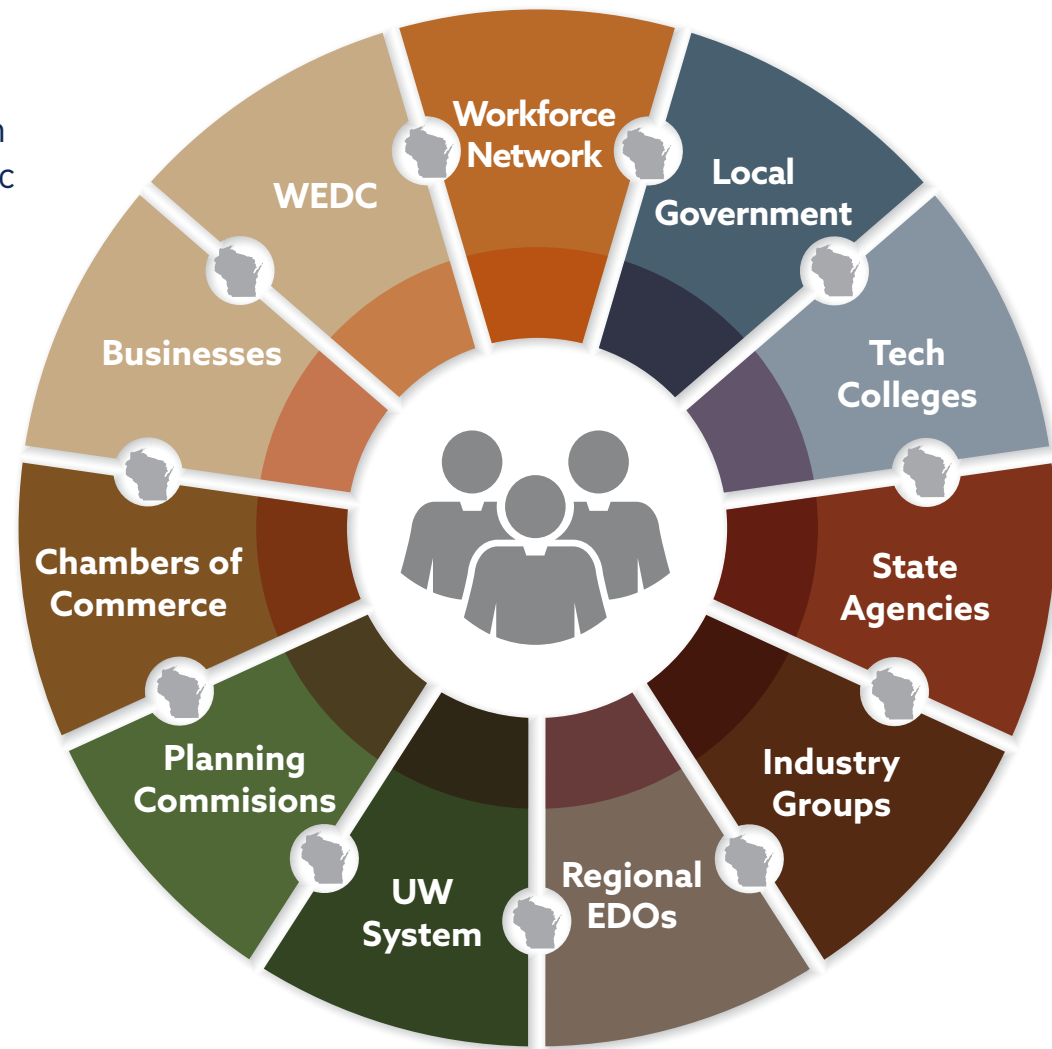
ABOUT THIS REPORT

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 2021 (FY21) 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.

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

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



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

For FY21, each agency was required to provide the following information about its economic development programs:

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

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

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

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



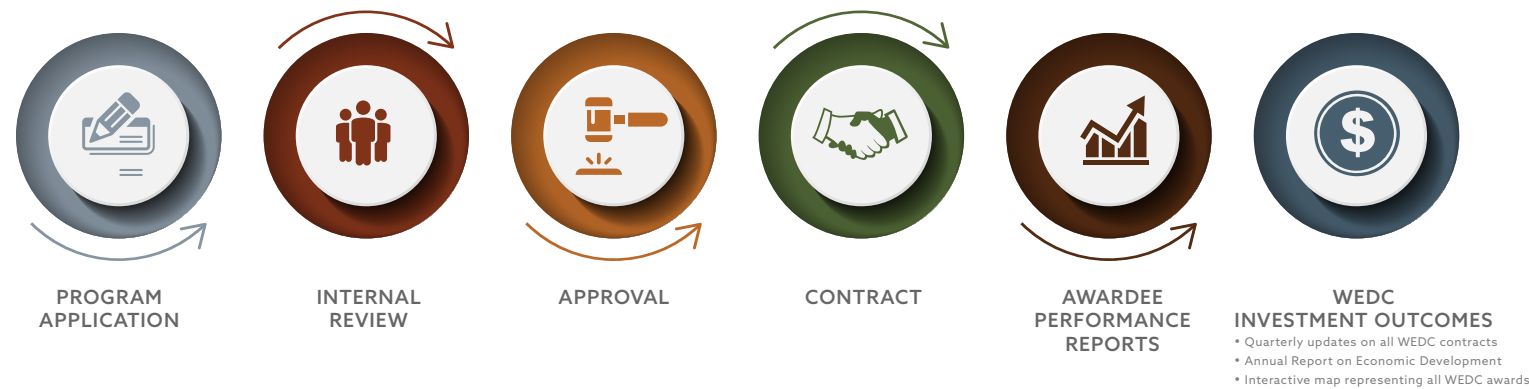
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A COMMITMENT TO TRANSPARENCY

Upon completion of the appropriate internal review and approval process, WEDC makes a financial award commitment to a company or organization whose proposed project fulfills the requirements of the program to which it has applied.

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 invest \$30 million over a five-year period, WEDC reports this capital investment in the year the contract is signed. Subsequently, WEDC monitors contract fulfillment and receives regular reports from companies receiving awards. These reports include capital expenditures, job creation and retention 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.



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

WEDC's unique organizational structure, including its block-grant funding, also allows it to adapt quickly to changing economic conditions, as was done in response to the COVID-19 pandemic. At the end of FY20 through FY21, WEDC began deploying federal funds from the Coronavirus Aid, Relief and Economic Security (CARES) Act into We're All In Small Business Grants of \$2,500 each to targeted Wisconsin businesses, with priority given to industries and communities most affected by the pandemic. In FY21, WEDC launched the We're All Innovating Contest designed to provide financial support to innovative startups and established small businesses in Wisconsin.

PROGRAM DELIVERABLES

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

Tallied here are the total measurable outcomes of WEDC's FY21 economic development investments, including capital investment and job impact data as required in this report:

RECIPIENT	ASSISTED BY WEDC	ASSISTED BY WEDC KEY STRATEGIC PARTNER	TOTAL	FY21 GOAL
Businesses	27,034**	3,738*	30,772	3,762
Communities	158	-	158	128
Partner Organization	74	-	74	84

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

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

FINANCIAL AWARDS			
Award Type	# of Awards	Award Amount	Leverage Ratio*
Bonds	3	\$13,580,000	
Grants***	26,540**	\$95,802,220	5:1
Investor Credits	52	\$20,167,500	4:1
Loans	13	\$3,425,125	5:1
Tax Credits	46	\$60,984,064	10:1
Total	26,654	\$193,958,909	7:1
FY21 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.

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

*** Includes Wisconsin Investment Pilot program.



Capital investment supported by WEDC awards
\$857 million

A note about capital investment:

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

JOB IMPACT

YEAR	JOBS TO BE CREATED	JOBS TO BE RETAINED	TOTAL JOBS IMPACTED*	FY21 GOAL
FY21	2,930	9,275	12,205	7,710

*Jobs impacted totals are derived from contracts executed between July 1, 2020, and June 30, 2021. These include executed contracts from both current and previous year commitments and agreements with Key Strategic Partners.



A note about job impact:

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

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

KEY STRATEGIC PARTNERS

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

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

REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS - \$775,000

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

WEDC works closely with the regional EDOs around the state to facilitate communication and coordinate support for local businesses and communities. Examples of such cooperation in FY21 include the following:

- Holding regular meetings with local and county EDOs and chambers of commerce
- Engaging, educating and leveraging the local economic development partners within each region
- Establishing regional roundtables with key industry leaders to discuss key drivers, needs and issues facing the region
- Employing a regular communication vehicle such as a newsletter or scheduled emails
- Issuing an annual state of the region report
- Educating elected officials and board of directors on economic development
- Conducting, causing to be conducted, or coordinating the regular business retention and expansion initiatives throughout the region and coordinating the input of results that will be shared with WEDC
- Conducting a marketing effort on behalf of the region and its partners; coordinating with WEDC on business and marketing initiatives incorporating the Wisconsin brand
- Reaching out to rural portions of the region and helping them develop economic growth strategies; addressing any housing, broadband and/or childcare activities
- Promoting and implementing key initiatives such as: diversity, equity and inclusion; workforce and upskilling; COVID-19 relief; and renewable energy systems or energy efficiency

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

WISCONSIN PROCUREMENT INSTITUTE - \$350,000

The Wisconsin Procurement Institute (WPI) helps companies sell products and services to federal, state and local agencies as well as prime contractors. WPI navigates the government procurement process for small firms and helps them develop competitive processes and technical capabilities to earn federal, state and local government contracts. In FY21, WPI engaged with 1,236 unique companies, helping them obtain more than \$1.2 billion in contracts, resulting in 45 jobs created and 856 retained.

MINORITY CHAMBERS OF COMMERCE - \$900,000

WEDC financially supports four statewide minority chambers of commerce and their affiliated entities:

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

In FY21, a total of 49 loans were processed by the minority chambers, providing more than \$1.5 million in funding, leveraging more than \$4.3 million in private and equity participation. This helped create 69 jobs and retain 122. In total, 699 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 FY21, WCMP reached 745 companies with services resulting in \$13.5 million in cost savings, \$89.1 million in new sales, \$145.8 million in retained sales, \$109.7 million in new investment, 385 jobs to be created and 1,109 jobs retained.

CENTER FOR TECHNOLOGY COMMERCIALIZATION - \$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 FY21, CTC provided counseling to 350 distinct business clients, activity which is expected to assist in the creation of 116 new jobs and the retention of an additional 199.

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

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

WWBIC provides small business owners and aspiring entrepreneurs with an array of educational programming, individual consulting and microloan assistance. In FY21, WWBIC provided 1,202 clients with impactful counseling services averaging more than seven hours per client. WWBIC's microloan program provided more than \$7.3 million in loan financing to small businesses, including 37 startups. Of the total loan amount, more than \$1.5 million served businesses in rural Wisconsin. WWBIC's assistance is expected to facilitate the creation of 232 and retention of 458 positions.

WISCONSIN TECHNOLOGY COUNCIL - \$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 FY21, key WTC events, with combined attendance of more than 2,700 entrepreneurs, investors, service providers and others, provided select entrepreneurs with unique opportunities and training to advance their ventures. The 2021 Early Stage Symposium featured 80 young firms showcasing their companies to an audience of investors and other advisors, while the 2021 Governor's Business Plan contest provided 76 of the 251 entrants with intensive "pitch" training and culminated in finalists presenting at the Wisconsin Entrepreneurs' Conference. In addition, the Wisconsin Technology Summit, held virtually this year, facilitated 150 meetings for 80 emerging companies.

Through the Wisconsin Angel Network (WAN), housed within WTC, the organization held three 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 68 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 FY21, BrightStar made five investments in startup and early-stage companies totaling \$350,000.

GLOBAL NETWORK OF WEDC'S AUTHORIZED TRADE REPRESENTATIVES - \$207,100

WEDC has authorized trade representatives located in high-volume and high-growth-potential markets for Wisconsin companies. In FY21, the Global Network covered 81 countries and consisted of 16 independent contractors, 13 of which were under an umbrella contract managed by the Council of Great Lakes and St. Lawrence Governors and Premiers. In FY21, the Global Network provided 70 in-country assistances and served 46 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 individual, partnership, limited liability company, corporation, nonprofit organization, city, village, town, county, or trustee, including a trustee in bankruptcy, 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

\$ 3,000,000

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 six community projects and achieve a 35:1 leverage of other investment.

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21			
	Awards	Award Amount	Leverage Ratio
Total	8	\$3,185,300	97:1

- In FY21, the program budget was amended up to \$3,193,800.

RECOMMENDED CHANGES

No substantive changes

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

\$1,160,000

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 eight communities to support site work and achieve a 6:1 leverage of other investment.

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21			
	Awards	Award Amount	Leverage Ratio
Total	5	\$633,700	1:1

- During FY21, the program budget was amended down to \$755,600

RECOMMENDED CHANGES

No substantive changes

BUSINESS DEVELOPMENT LOAN PROGRAM

STATUS

- Active

INCEPTION

WEDC FY18

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

The program was not funded in FY21.

EXPECTED OUTCOMES

No activity expected.

FY21 PROGRAM ACTIVITY

No awards executed.

RECOMMENDED CHANGES

Place temporary suspension on program activities and funding.

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) and unused carry-forward credits, WEDC will allocate no more than \$22,000,000 in tax credits in any calendar year.

EXPECTED OUTCOMES

Assist 30 businesses to support the creation of 1,500 jobs, retention of 2,500 jobs and achieve a 20:1 leverage of other investment.

Tax credit and bonding program guidelines approval and expected outcomes transitioned to a calendar year basis in 2021.

FY21 PROGRAM ACTIVITY

	CONTRACTED IN FY21				
	Awards	Award Amount	Jobs to be Created	Jobs to be Retained	Leverage Ratio
Total	25	\$10,055,000	1,676	5,505	48:1

- Complete CY21 results not available at publication; FY21 results shown.

RECOMMENDED CHANGES

No substantive changes

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 local, regional, and statewide nonprofit organizations to further the goals of WEDC in its efforts to foster an advanced economic development network within the state of Wisconsin.

ELIGIBILITY REQUIREMENTS

Recipients may use the funds for purposes that support one of WEDC’s Strategic Pillars. Eligible projects include, but are not limited to:

- Planning initiatives or assessments of the economic competitiveness of the area (e.g., workforce, infrastructure, sustainability, export capacity)
- Initiatives that will assist or enhance an organization’s ability to develop or deliver economic development programming that helps to identify or address issues or challenges of an area or the state
- Implementation 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
- Match funding for projects receiving EDA Cares Act Funding
- 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 matching funds, 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 an 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 matching funds 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: \$1,200,000

The amount of funding per project will generally be up to \$50,000. Projects related to COVID-19 recovery with a statewide impact may receive up to \$250,000.

Capacity Building – Entrepreneurship Support: \$750,000

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

EXPECTED OUTCOMES

Capacity Building – Assist 15 organizations.

Capacity Building – Entrepreneurship Support – Assist 15 organizations and 400 businesses.

FY21 PROGRAM ACTIVITY

CAPACITY BUILDING GRANT CONTRACTED IN FY21

	Awards	Award Amount
Total	10	\$444,100

- During FY21, the program budget was amended down to \$444,900.

CAPACITY BUILDING – ENTREPRENEURSHIP SUPPORT CONTRACTED IN FY21

	Awards	Award Amount
Total	24	\$1,054,000

- During FY21, the program budget was amended up to \$1,054,000.

RECOMMENDED CHANGES

Eliminate emergency COVID-19 initiatives as warranted; transition Entrepreneurship Support activities to new assistance program.

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 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

\$1,250,000

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

EXPECTED OUTCOMES

Award four organizations to support the financing of 25 startup and emerging growth companies. Recipients will maintain an average co-investment ratio of 1:1 and companies financed by local seed funds will achieve a 3:1 leverage of other investment.

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21				
	Awards	Award Amount	Businesses to be Assisted	Leverage Ratio
TOTAL	7	\$1,775,000	95	1:1

- During FY21, the program budget was amended up to \$2,275,000

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

Provide site search technical assistance to 12 businesses and promote the existing 20 Certified Sites. Due to the COVID-19 pandemic, no new site certifications are expected in FY21.

FY21 PROGRAM ACTIVITY

- No new sites were certified.
- There are 21 Certified Sites in Wisconsin.

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 1:1 matching investment in project costs. For U.S Economic Development Administration (EDA) CARES Act funded projects, the WEDC investment shall not exceed 20% of the project budget.

INCENTIVES AND AVAILABLE FUNDING

\$8,000,000

The grants will be limited to 50% 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 40 communities and achieve a 20:1 leverage of other investment.

FY21 PROGRAM ACTIVITY

	CONTRACTED IN FY21		
	Awards	Award Amount	Leverage Ratio
TOTAL	41	\$8,544,500	19:1

- In FY21, the program budget was amended up to \$8,576,250

RECOMMENDED CHANGES

Eliminate emergency COVID-19 initiatives as warranted.

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 city of Beloit.

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. 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

\$9,519,000-Beloit

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

No new awards are expected under this program.

Tax credit and bonding program guidelines approval and expected outcomes transitioned to a calendar year basis in 2021.

FY21 PROGRAM ACTIVITY

Complete CY21 results not available at publication; FY21 results:

- No new awards executed.

RECOMMENDED CHANGES

Sunset the program after the final DOZ designation expires on July 31, 2021.

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 preapproved regional entities with the capacity to deploy rapid response microloans to businesses affected by disasters, either natural or man-made. 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 man-made disaster event, which may or may not include a corresponding State of Emergency or Disaster Declaration, the preapproved 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

\$1,000,000

The incentives in this program are grants to preapproved regional entities based on need related to the disaster event to provide microloans to affected businesses under the following conditions:

- Amount: Up to \$20,000
- Term: 24 months with no early repayment penalty
- Deferral: Minimum of six months
- Interest rate: The interest 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, such as economic development programming, matching funds to partner programs, small business education programs, revolving loan funds, etc. The regional entity has the authority to make forgivable loans, as long as the provision for such is stipulated in the loan agreement. As part of the grant award, the regional entity may receive up to \$5,000 for the cost to prepare a schedule of expenditures in accordance with §238.03(3)(a).

EXPECTED OUTCOMES

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

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21			
	Awards	Award Amount	Businesses to be Assisted
TOTAL	1	\$4,000,000	108

- During FY21, the program budget was amended up to \$4,000,000.

RECOMMENDED CHANGES

No substantive changes

DIVERSE BUSINESS DEVELOPMENT

STATUS

- Active

INCEPTION

WEDC FY12

PROGRAM GOAL

The goal of the Diverse Business Development Program (DBD) is to support existing, new and expanding minority-, women-, and veteran-owned businesses 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 nonprofit organizations and businesses 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 nonprofit grant applicants are 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

\$550,000

EXPECTED OUTCOMES

Award seven organizations to support 80 businesses.

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21			
	Awards	Award Amount	Businesses to be Assisted
TOTAL	8	\$550,000	108

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 for 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.

FY21 PROGRAM ACTIVITY

The program administered through CTC assisted 101 businesses and was awarded \$200,000.

RECOMMENDED CHANGES

No substantive changes

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 three businesses, support the creation of at least 500 jobs and the retention of at least 800 jobs, and achieve a 10:1 leverage of other investment.

Tax credit and bonding program guidelines approval and expected outcomes transitioned to a calendar year basis in 2021.

FY21 PROGRAM ACTIVITY

	CONTRACTED IN FY21				
	Awards	Award Amount	Jobs to be Created	Jobs to be Retained	Leverage Ratio
Total	2	\$33,000,000	407	1,026	1:1

- Complete CY21 results not available at publication; FY21 results shown
- During FY21, the Kwik Trip zone was amended to increase the tax credit allocation by \$5 million and the Johnsonville zone by \$1.5 million.

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

\$156,000

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 25 businesses.

FY21 PROGRAM ACTIVITY

- 11 businesses completed the course.
- During FY21, the program budget was amended down to \$82,500.

RECOMMENDED CHANGES

No substantive changes

FABRICATION LABORATORIES GRANT

STATUS

- Active

INCEPTION

WEDC FY17

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 or tribal 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 50% of the grant amount provided by WEDC. In FY21, WEDC continued a moratorium on applicants who have already received three Fab Lab grants. This does not apply to Milwaukee Public Schools or applicants establishing a fab lab for use by K-8 students.

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.

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21		
	Awards	Award Amount
TOTAL	28	\$635,089

- During FY21, the program budget was amended up to \$635,090.

RECOMMENDED CHANGES

Eliminate emergency COVID-19 initiatives as warranted.

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 IMAG 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.
- Grant funds may not be used for past costs, or costs associated with activities funded by a CMAG.
- ExporTech™ graduate companies generally may receive no more than six IMAG grants. Non-ExporTech™ graduate companies generally may receive no more than three IMAG grants.

CMAG:

- Eligible recipients of a CMAG include industry associations, alliances, agencies, regional economic development organizations or other state/local departments that 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 up to \$150,000 for CMAG recipients. Funds will be awarded through an ongoing application process.

EXPECTED OUTCOMES

Assist 130 businesses.

- IMAG: Assist 85 businesses.
- CMAG: Assist three organizations to support 45 businesses.

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21		
	Awards	Award Amount
TOTAL	45	\$945,050

- One CMAG was contracted in FY21 and was expected to assist 10 businesses.
- During FY21, the program budget was amended down to \$951,950.

RECOMMENDED CHANGES

Eliminate emergency COVID-19 initiatives as warranted.

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 virtual or in-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 traded services are eligible for support under this program.

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

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

\$576,604 (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. WEDC may subsidize 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 virtual Global Trade Ventures in WEDC's target markets in seven countries and assist 46 businesses.

FY21 PROGRAM ACTIVITY

WEDC led five virtual Global Trade Ventures and assisted 31 unique companies.

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.
- Evidence the taxpayer obtained written certification from SHPO that the property qualifies under any of the following:
 - listed in the National Register of Historic Places in Wisconsin or the State Register of Historic Places;
 - determined by the Wisconsin Historical Society (WHS) to be eligible for listing in the National Register of Historic Places or the State Register of Historic Places;
 - located in a historic district that is listed in the National Register of Historic Places or the State Register of Historic Places and is certified by the SHPO as being of historic significance to the district; or
 - an outbuilding of an otherwise eligible property certified by the SHPO as contributing to the historic significance of the property.
- The costs were not incurred before the WHS 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.

Tax credit and bonding program guidelines approval and expected outcomes transitioned to a calendar year basis in 2021.

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21			
	Awards	Award Amount	Leverage Ratio
TOTAL	19	\$17,929,064	5:1

- Complete CY21 results not available at publication; FY21 results shown

RECOMMENDED CHANGES

No substantive changes

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 or Opportunity Zones.
- 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

\$1,100,000

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

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21			
	Awards	Award Amount	Leverage Ratio
TOTAL	6	\$1,623,000	6:1

- Complete CY21 results not available at publication; FY21 results shown
- During FY21, the program budget was amended up to \$1,623,000.

RECOMMENDED CHANGES

Add consideration for economically distressed communities and diverse business participation; lower maximum grant amount.

INDUSTRIAL REVENUE BONDING

STATUS

- Active

INCEPTION

Industrial Revenue Bond (IRB) Program financing was authorized in Wisconsin in 1969 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 primarily 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

\$315,796,025 in available allocation for calendar year 2021.

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 six businesses.

Tax credit and bonding program guidelines approval and expected outcomes transitioned to a calendar year basis in 2021.

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21		
	Awards	Award Amount
TOTAL	3	\$13,580,000

- Complete CY21 results not available at publication; FY21 results shown

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 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:** Local government participation in the form of financial and staff commitment to the local downtown revitalization effort.
- **Private sector commitment:** Participation by 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, building deterioration 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

\$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, 77 Connect Communities and 90 small businesses.

FY21 PROGRAM ACTIVITY

- Provided assistance to 35 Main Street Communities and 77 Connect Communities
- Provided substantive technical assistance to 142 businesses

RECOMMENDED CHANGES

No substantive changes

QUALIFIED NEW BUSINESS VENTURE CERTIFICATION/EARLY STAGE BUSINESS INVESTMENT

STATUS

- Active

INCEPTION

2003 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 2021 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 \$12,000,000 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 45 new businesses and eight fund managers, and achieve a 4:1 leverage.

Tax credit and bonding program guidelines approval and expected outcomes transitioned to a calendar year basis in 2021.

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21		
	Awards	Award Amount
TOTAL	46	\$20,167,500

- Complete CY21 results not available at publication; FY21 results shown
- 6 qualified venture fund managers were certified during FY21.

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 more than \$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.

FY21 PROGRAM ACTIVITY

- The program administered through CTC assisted 17 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 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, but not exclusively 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

\$750,000

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.

EXPECTED OUTCOMES

Assist five organizations to support 35 startups and early-stage companies. Recipients will maintain an average co-investment ratio of 1:1.

FY21 PROGRAM ACTIVITY

	CONTRACTED IN FY21			
	Awards	Award Amount	Businesses to be Assisted	Leverage Ratio
TOTAL	9	\$1,062,850	171	1:1

- During FY21, the program budget was amended up to \$1,560,000.

RECOMMENDED CHANGES

Transition Seed Accelerator activities to new assistance program.

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 assistance to targeted economic driver industries culminating over time in the development of high-quality jobs and significant job growth in Wisconsin.

Applicants 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

WEDC will take the following into account when considering a TIP Grant: impact on the industry, financial justification, previous planning efforts, readiness to proceed, involvement of public-private partnerships, and other factors determined by WEDC.

INCENTIVES AND AVAILABLE FUNDING

\$3,192,000

Awards will generally not exceed \$1,000,000

EXPECTED OUTCOMES

Assist six organizations to support 24 businesses; and achieve a 3:1 leverage of other investment.

FY21 PROGRAM ACTIVITY

	CONTRACTED IN FY21			
	Awards	Award Amount	Businesses to be Assisted	Leverage Ratio
TOTAL	8	\$1,315,500	43	1:1

- During FY21, the program budget was amended down to \$1,325,000.

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

\$4,750,000

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.

FY21 PROGRAM ACTIVITY

	CONTRACTED IN FY21		
	Awards	Award Amount	Leverage Ratio
TOTAL	13	\$3,425,125	5:1

- During FY21, the program budget was amended down to \$4,400,000.

RECOMMENDED CHANGES

No substantive changes

WE'RE ALL INNOVATING CONTEST

STATUS

- Active

INCEPTION

WEDC FY21

PROGRAM GOAL

The goal of the We're All Innovating Contest (WAIC) grant program is to support small and startup businesses to develop innovative responses to the COVID-19 pandemic.

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

Business Development: Entrepreneurship and Innovation

PROGRAM DESCRIPTION

The program is designed to provide micro-grants to small Wisconsin businesses most severely impacted by the COVID-19 pandemic.

ELIGIBILITY REQUIREMENTS

Eligible businesses must be a for-profit business and employ 50 or fewer full-time equivalent (FTE) employees. Eligible applicants must fall into three business sizes:

- New businesses and businesses with fewer than five FTE employees;
- Businesses with between 6 and 20 FTE employees; and
- Businesses with between 21 and 50 FTE employees.

The innovation categories for project applications for each business size are:

- Technical innovation to address COVID-19 health impacts;
- Technical innovations to address COVID-19 business impacts; and
- Operational innovations to address COVID-19 business impacts.

Applicants may only apply in one of the above categories.

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

INCENTIVES AND AVAILABLE FUNDING

\$3,000,000

EXPECTED OUTCOMES

Assist 225 businesses.

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21		
	Awards	Award Amount
TOTAL	227	\$2,894,881

RECOMMENDED CHANGES

Sunset one-time COVID-19 program

WE'RE ALL IN SMALL BUSINESS GRANT

STATUS

- Active

INCEPTION

WEDC FY20

PROGRAM GOAL

The goal of the We're All In Small Business Grant program is to support small businesses adversely economically impacted by the COVID-19 pandemic.

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

Business Development: Business Retention and Expansion

PROGRAM DESCRIPTION

The program is designed to provide micro-grants to small Wisconsin businesses most severely impacted by the COVID-19 pandemic.

ELIGIBILITY REQUIREMENTS

Eligible businesses must meet the following criteria: Be a for-profit business operating in Wisconsin; employ 20 or fewer full-time equivalent (FTE) employees, including the owner; have greater than \$0 but less than \$1 million in annual revenues; have been in business in February 2020; not be in an industry covered under other Wisconsin Cares Act Coronavirus Relief Fund programs; and not be part of a corporate chain, unless the business is a third-party franchisee.

INCENTIVES AND AVAILABLE FUNDING

\$75,000,000

The incentives in this program are \$2,500 one-time micro-grants to approved small businesses. The WAIC program offers grants between \$12,000 - \$18,000 for individual contest winners based upon company size in three innovation categories. The top proposal in each category is eligible for an additional \$20,000, with an additional \$30,000 for the overall winning proposal.

EXPECTED OUTCOMES

Assist 30,000 businesses.

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21		
	Awards	Award Amount
TOTAL	26,108	\$65,270,000

RECOMMENDED CHANGES

Sunset one-time COVID-19 program

WISCONSIN INVESTMENT PILOT

STATUS

- Active

INCEPTION

WEDC FY21

PROGRAM GOAL

The goal of the Wisconsin Investment Pilot (WIP) program is to support technology-based startup and emerging growth companies in the state of Wisconsin.

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

Business Development: Entrepreneurship and Innovation

PROGRAM DESCRIPTION

The program provides direct financial assistance to businesses certified by WEDC as Qualified New Business Ventures (QNBV) in the form of an investment utilizing a Simple Agreement for Future Equity ("SAFE"). The WIP program is intended to provide capital to those companies that have the potential to add to Wisconsin's economic base over the long term by attracting and training a high-wage, high-skill workforce and establishing a unique competitive advantage.

ELIGIBILITY REQUIREMENTS

Businesses certified by WEDC as QNBVs as of the time of application for WIP are eligible for the WIP program. Businesses delinquent in reporting or other obligations with WEDC are not eligible for this program.

Eligible businesses must have matching funds at a rate of 4:1. The WIP program will generally be looking for matching funds to be in the form of a convertible instrument but may consider direct equity investment as part of the matching funds. Matching funds must have been invested in the nine months prior to the execution of the SAFE or are to be invested just prior to the release of WIP funds.

INCENTIVES AND AVAILABLE FUNDING

\$500,000

EXPECTED OUTCOMES

Assist up to 10 businesses and achieve a 4:1 leverage of other investment.

FY21 PROGRAM ACTIVITY

CONTRACTED IN FY21		
	Awards	Award Amount
TOTAL	2	\$86,750

- During FY21, the program budget was amended down to \$193,000

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

This program is not being funded in FY21.

EXPECTED OUTCOMES

No activity expected

FY21 PROGRAM ACTIVITY

- No awards executed

RECOMMENDED CHANGES

Temporarily suspend program funding and activities.

LEGISLATIVE AWARDS

No legislative awards contracted in FY21

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.

The SB20/20 program was a one-time initiative in response to the COVID-19 pandemic.