

Chapter DOD 6

WISCONSIN DEVELOPMENT FUND

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Note: Chapter DOD 6 was repealed and recreated by emergency rule effective 5-18-83.

Subchapter I — Annual Public Facilities Competition

DOD 6.01 Purpose. The purpose of subchapters I, II and III is to set forth the criteria the department will use in administering the federal funds in the Wisconsin development fund that the department receives pursuant to 42 USC 5301 to 5319 and 24 CFR 570.430 to 570.496.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; emerg. am. eff. 10-6-87; am. Register, March, 1988, No. 387, eff. 4-1-88; am. Register, January, 1994, No. 457.

DOD 6.02 Eligibility. Any city, village or town with a population of less than 50,000 that is not eligible to apply for or participate in the federal block grant entitlement program and any county, other than an urban county as defined by the United States department of housing and

urban development, may apply for federal funds under the Wisconsin development fund.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; emerg. am. eff. 10-6-87; am. Register, March, 1988, No. 387, eff. 4-1-88.

DOD 6.03 Definitions. In subchs. I and II:

(1) "Application" means a request for funding for either economic development, public facilities economic development or public facility projects as provided in this chapter.

(2) "Department" means the department of development.

(3) "Economic development program" means the continuous receipt and review of applications for economic development projects as provided in subch. II of this chapter.

(4) "Full value per capita" means the estimated market value of all taxable property in the municipality divided by the number of persons residing in the municipality.

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(5) "Median household income" means the median household income as reported by the 1990 U.S. census and updated by the U.S. department of commerce.

(6) "Metropolitan area" means any county which is within a standard metropolitan statistical area.

(7) "Net mill rate" means the total of all property taxes levied by the local government for all purposes less general property tax relief payments divided by the estimated market value of taxable property in the local government.

(8) "Non-metropolitan area" means any county not within a standard metropolitan statistical area.

(9) "Public facilities competition" means the receipt and review of applications for public facilities projects as provided in this subchapter.

(10) "Public facilities economic development program" means the continuous receipt and review of applications for public facilities projects that support economic development as provided in subch. II of this chapter.

(11) "Public facility system" means the land, right-of-ways, structures and equipment needed to meet a particular community need, such as water supply or storm drainage.

(12) "Residential utility rate" means the average annual household utility rate paid for water and sanitary sewer services determined by dividing the total gross annual residential water and sewer revenue collected for the preceding calendar year by the number of households served.

(13) "Service center" means an elderly center, center for the handicapped or similar facility which requires continued administrative funding to support the services provided by the facility.

(14) "Target area" means an area or areas within the municipality which contain a concentration of low- and moderate-income or minority households, and which include not more than 50% of the households of the municipality.

(15) "Urgent local need" means that the proposed public facility project is beyond the ability of the applicant to finance, as measured by available obligation debt capacity, residential utility rate and timely availability of funds from other sources, and is either necessary to address an imminent public health, safety or welfare problem or, is required by an order of a state agency, federal agency or court.

(16) "Wisconsin development fund grant" means a grant available to eligible applicants as provided in s. DOD 6.02 for the purpose of undertaking economic development projects, public facilities projects that support economic development and public facilities projects.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; cr. (3a), am. (6), Register, November, 1983, No. 335, eff. 12-1-83; renum. (1) to be (1m) and am., cr. (1) and (1q), r. (3a) and (11), Register, November, 1984, No. 347, eff. 12-1-84; emerg. cr. (1) (intro.), (1f) and (11), r. (1m), (6) and (13), renum. (1q), (14) to (16) to be (2m) (16), (14) and (15) and am. (2m), (14) and (16), eff. 10-6-87; cr. (1) (intro.), (1f) and (11), am. (1), r. (1m), (6) and (13), renum. (1q), (14), (15) and (16) to be (2m), (16), (14) and (15) and am. (2m), (14) and (16), Register, March, 1988, No. 387, eff. 4-1-88; renum. (1), (1f) to (5) and (12) to be (9), (2) to (6) and (13) and am. (2) and (9), cr. (1), (12), r. (4) and (9), r. and recr. (10) and (15), and am. (7), (16), Register, January, 1994, No. 457, eff. 2-1-94; r. (1), renum. (2) to (5) to be (1) to (4), cr. (6), Register, December, 1994, No. 468, eff. 1-1-95.

Register, December, 1994, No. 468

DOD 6.04 National objectives. Each application and each project proposed in an application shall meet either of the following requirements:

(1) **BENEFIT TO LOW- AND MODERATE-INCOME PERSONS.** The percentage of requested funds to be used for the direct benefit of low- and moderate-income persons must meet at least the minimum requirements of 24 CFR 570.483 (b) (2).

(2) **URGENT LOCAL NEED.** For those applications which propose projects that have a local government-wide benefit and which are proposed in a local government that has a smaller percentage of low- and moderate-income persons than specified in the application manual prepared by the department, the projects must meet an urgent local need.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; am. Register, November, 1984, No. 347, eff. 12-1-84; emerg. am. eff. 10-6-87; am. Register, March, 1988, No. 387, eff. 4-1-88; r. and recr., Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.05 Public facility scoring system. The allocation of Wisconsin development fund grants distributed under the public facility competition shall be based upon the comparative ranking of applications. Comparative ranking is established by respective points awarded pursuant to ss. DOD 6.06 to 6.11. A local government may submit one application during each public facility competition. After reviewing the applications received during any public facilities competition, the department may establish a minimum score of 275 for funding.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; r. and recr., Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.06 Distress indicators. Distress indicators have a total value of 100 points as follows:

(1) **NET MILL RATE.** Scores shall range from 25 for those applicants with the highest net mill rates to 0 for those applicants with the lowest net mill rates. The 10% of applicants with the lowest net mill rates shall receive a score of 0. The remaining 90% of applicants will be sorted into 20 groups so that applicants in the group with the highest net mill rates receive 25 and applicants in each succeeding group receive a score 5% less than the score of the preceding group.

(2) **FULL VALUE PER CAPITA.** Scores shall range from 25 for those applicants with the lowest full values per capita to 0 for those applicants with the highest full values per capita. The 10% of applicants with the highest full value per capita shall receive a score of 0. The remaining 90% of applicants will be sorted into 20 groups so that applicants in the group with the lowest full value per capita receive 25 and applicants in each succeeding group receive a score 5% less than the score of the preceding group.

(3) **MEDIAN HOUSEHOLD INCOME.** Scores shall range from 50 for those applicants with the lowest median household income to 0 for those applicants with the highest median household income. The 10% of applicants with the highest median household income shall receive a score of 0. The remaining 90% of applicants will be sorted into 20 groups so that applicants in the group with the lowest median household income receive 50 points and appli-

cants in each succeeding group receive a score 5% less than the score of the preceding group.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; am. (intro.), (1) (a), (2) (a) and (3) (a), Register, November, 1983, No. 335, eff. 12-1-83; am. (intro.) and (2) (c) 2., r. (1), Register, November, 1984, No. 347, eff. 12-1-84; emerg. am. (intro.), (2) (a) 1. to 4., (b) 2. and 3., (3) (a) 1. to 3., (b) 1. to 3., (c) 1. to 3., r. and recr. (2) (c) 1. to 3., eff. 10-6-87; am. (intro.), (2) (a) 1. to 4., (b) 2. and 3., (3) (a) 1. to 3., (b) 1. to 3., (c) 1. to 3., r. and recr. (2) (c) 1. to 3., Register, March, 1988, No. 387, eff. 4-1-88; r. and recr., Register, January, 1994, No. 457, eff. 2-1-94; emerg. am. (3), eff. 2-2-94; am. (3), Register, May, 1994, No. 461, eff. 6-1-94; am. (3), Register, December, 1994, No. 468, eff. 1-1-95.

DOD 6.07 Needs assessment. Applicants shall receive 75, 50, 25 or 0 for describing and documenting the need for public facility projects as follows:

(1) An applicant shall receive 75 if it has identified, described and documented, by an outside agency, at the state level if possible, its public facility deficiencies, has proposed activities that will alleviate the problem and has shown that the activities are necessary to alleviate an urgent health and safety problem or are otherwise essential to the community.

(2) An applicant shall receive 50 if it has identified, described and documented the public facility deficiencies, has proposed activities that will alleviate the identified problems and has shown that the activities are necessary to alleviate an imminent health and safety problem or are otherwise essential to the community.

(3) An applicant shall receive 25 if it has identified, described and documented the public facility deficiencies and has proposed activities that will assist in alleviating the identified problem.

(4) An applicant which fails to meet the requirements of sub. (3) shall receive 0.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; am. (intro.) and (1), Register, November, 1983, No. 335, eff. 12-1-83; emerg. am. (intro.) and (2), eff. 10-6-87; am. (intro.) and (2), Register, March, 1988, No. 387, eff. 4-1-88; r. and recr., Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.08 Planning. Applicants shall receive 50, 25 or 0 for planning as follows:

(1) An applicant shall receive 50 if it has submitted a public facility system plan describing total system needs including the proposed improvement and the specific project plan detailing the work to be completed and the cost.

(2) An applicant shall receive 25 if it has submitted a specific project plan detailing the work to be completed and the cost.

(3) An applicant which does not meet the requirements of sub. (2) shall receive 0.

History: Cr. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.09 Past effort. Applicants shall receive 25, 15 or 0 for past efforts to correct the identified deficiency as follows:

(1) An applicant shall receive 25 if it has described and documented past public facility construction activities that integrally relate to and support each proposed activity and that had a direct impact on alleviating the identified deficiency.

(2) An applicant shall receive 15 if it has described and documented past public facility maintenance or improve-

ments that relate to the proposed activities including previous attempts to fund the activities.

(3) An applicant which does not meet the requirements of sub. (2) shall receive 0.

History: Cr. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.10 Ability to pay. Applicants shall receive 25, 15 or 0 for the relative rank of their residential utility rates and 25, 15 or 0 for their relative ability to incur additional general obligation indebtedness as follows:

(1) **RESIDENTIAL UTILITY RATES.** (a) An applicant shall receive 25 if its residential utility rate is among the top third of applicants or if it is establishing the initial rate of a new public utility.

(b) An applicant shall receive 15 if its residential utility rate is among the middle third of applicants.

(c) An applicant which does not meet the requirements of pars. (a) or (b) shall receive 0.

(2) **GENERAL OBLIGATION DEBT.** (a) An applicant shall receive 25 if its general obligation debt per capita is among the top third and its available general obligation debt per capita is among the lower third of applicants.

(b) An applicant shall receive 15 if its general obligation debt per capita and its available general obligation debt per capita are among the middle third of applicants.

(c) An applicant which does not meet the requirements of pars. (a) or (b) shall receive 0.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; r. and recr., Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.105 Leveraging. Applicants shall receive up to 100 points for leveraging or matching Wisconsin development funds with other funds that will either expand results or permit more aspects of need to be addressed. To receive credit for leveraging, there must be evidence of prior commitment of the availability of funds within the program period. Points shall be allocated under this section as follows:

(1) Applicants that leverage one or more dollars of other funds for each dollar of Wisconsin development funds shall receive 100 points. Applicants that leverage less than one dollar for each dollar of Wisconsin development funds shall receive points equal to the whole number equivalent of the ratio of other dollars to Wisconsin development fund dollars carried to 2 decimal places.

(2) Those applicants which receive a score of 20 or more under sub. (1) with adjusted gross incomes per capita below the median adjusted gross income per capita for all eligible applicants shall receive points as provided in sub. (1) plus the whole number equivalent of the percentage differential between the adjusted gross income per capita of the applicant and the median adjusted gross income for all eligible applicants up to a maximum of 100.

History: Cr. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.11 Comparison of communities. (1) **DISTRESS COMPARISON.** For the purpose of determining the scores for distress indicators, all eligible applicants with a population of 5,000 or more, other than counties, shall compete against each other. All eligible non-metropolitan area ap-

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licants with a population of less than 5,000 and all non-metropolitan area counties shall compete against each other to determine the scores for the distress indicators. All eligible metropolitan area applicants with a population of less than 5,000 and all metropolitan area counties shall compete against each other to determine the scores for the distress indicators.

(2) **OVERALL COMPARISON.** For the purpose of determining the overall ranking of applications, all applications shall be compared to and compete against each other.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; emerg. am. (2), eff. 10-6-87; am. (2), Register, March, 1988, No. 387, eff. 4-1-88.

DOD 6.115 Benefit to low- and moderate-income persons. **History:** Cr. Register, November, 1983, No. 335, eff. 12-1-83; emerg. r. and recr., eff. 10-6-87; r. and recr. Register, March, 1988, No. 387, eff. 4-1-88; r. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.12 Distribution of funds. The maximum amount available to an applicant is \$750,000.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; am. (2), Register, November, 1983, No. 335, eff. 12-1-83; emerg. r. and recr. eff. 10-6-87; r. and recr. Register, March, 1988, No. 387, eff. 4-1-88; am. (1), r. (2), Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.13 Application process. (1) **MANUAL.** The department shall annually prepare a manual that contains the Wisconsin development fund grant application procedures. The department may update the manual as needed. The manual shall be available to all eligible applicants not later than 2 months prior to the deadline for receipt of applications.

(2) **SUBMISSION OF APPLICATIONS.** Applications shall be submitted by the deadline and in accordance with the procedures and format contained in the manual.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; emerg. am. (1), eff. 10-6-87; am. (1), Register, March, 1988, No. 387, eff. 4-1-88.

DOD 6.135 Initial rehabilitation. **History:** Cr. Register, June, 1989, No. 402, eff. 7-1-89; r. Register, January, 1994, No. 457, eff. 2-1-94.

Subchapter II —

Economic Development Program and Public Facilities Economic Development Program

DOD 6.14 Applicability. Sections DOD 6.01, 6.02, 6.03 (2), (2), (3), (4), (6), (8) and (16) and the provisions of this subchapter except for s. DOD 6.16 (1f) apply to the economic development program. Sections DOD 6.01, 6.02, 6.03 (2), (3), (6), (8), (10) and (16) and the provisions of this subchapter except for ss. DOD 6.16 (7), and 6.18 (1) to (3), (4) (a), (c) and (d) and (5) apply to the public facilities economic development program.

History: Cr. Register, November, 1984, No. 347, eff. 12-1-84; emerg. am. eff. 10-6-87; am. Register, March, 1988, No. 387, eff. 4-1-88; am. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.15 Scoring system. The allocation of federal Wisconsin development fund monies distributed under the economic development program shall be based upon the rating of applications against the applicable minimum requirements contained in s. DOD 6.16. The allocation of revolving loan fund monies, which the state receives pursuant to 24 CFR 570.489 (e) (2) (i) and distributes under the public facilities economic development program, shall

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be based upon the rating of applications against the applicable minimum requirements contained in s. DOD 6.16.

History: Cr. Register, November, 1984, No. 347, eff. 12-1-84; am. Register, January, 1987, No. 373, eff. 2-1-87; emerg. am., eff. 10-6-87; am. Register, March, 1988, No. 387, eff. 4-1-88; am. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.16 Minimum requirements. All applicants for economic development program funds shall meet the minimum requirements in subs. (1) and (2) to (7). All applicants for public facilities economic development program funds shall meet the minimum requirements in subs. (1) to (6).

(1) **COMMUNITY DEVELOPMENT PLAN.** An applicant must have a community development plan, as described in the housing and community development act of 1974, 42 USC 5306 (d) (2) (D).

(1f) **CITIZEN PARTICIPATION PLAN.** An applicant for public facilities economic development program funds must have a citizen participation plan as described in 24 CFR 570.486 (a).

(2) **LOW- AND MODERATE-INCOME BENEFIT.** The percentage of all jobs created and retained by a project that are available to low- and moderate-income people shall exceed the percentage specified in the application manual prepared by the department.

(3) **PRIVATE FUNDS LEVERAGED.** An applicant for economic development program funds or public facilities economic development program funds shall leverage a minimum of one dollar of private funds for each dollar requested. An applicant for economic development program funds shall also leverage one dollar of private funds for each dollar requested for the working capital portion of a the project. An applicant for public facilities economic development program funds must contribute a cash match out of its own funds at least equal to 25% of the total project cost.

(4) **COST PER JOB CREATED OR RETAINED.** The amount requested by an applicant for economic development program funds for each job that is created or retained shall not exceed \$20,000. The amount requested by an applicant for public facilities economic development program funds for each job that is created or retained shall not exceed \$10,000.

(5) **DEMONSTRATION OF NEED.** To demonstrate need, an application for economic development program funds shall show evidence that the project on behalf of which the grant is requested is unable to obtain full financing from any other source on reasonably equivalent terms and that it requires the proposed assistance to enable it to be competitive within the industry to which it belongs. To demonstrate need an application for public facilities economic development program funds shall show evidence that the project on behalf of which the funds are requested are not fundable from any other source.

(6) **FINANCIAL FEASIBILITY AND BUSINESS VIABILITY.** Applicants for economic development program funds shall demonstrate that the business that will receive funds is viable and has the economic ability to repay the funds. Applicants for public facilities economic development program funds shall demonstrate that the business that will