Wisconsin Economic Development Corporation

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Wisconsin Economic Development Corporation

The Wisconsin Economic Development Corporation (WEDC) is a public-private entity created under state law as the state's lead agency in promoting economic development. WEDC was created as an Authority under 2011 Wisconsin Act 7. This paper provides a general overview of the Corporation's structure, funding sources, and expenditures.

WEDC offers a number of tax credits, loans, grants, and technical assistance programs to eligible Wisconsin companies, which are described in this paper. The Corporation awarded $94.7 million of tax credits, $19.4 million of loans, and $17.2 million of grants in 2013-14. In addition, WEDC allocated $28.4 million of federally tax exempt industrial revenue bonds.

WEDC Board of Directors

WEDC is a public body corporate and politic, and has a 15-member Board of directors, of which 13 are voting members. The WEDC Board of Directors (Board) includes the Governor, who serves as chair, and six members nominated by the Governor who are appointed with the advice and consent of the Senate to serve at the pleasure of the Governor. The Board also includes three members appointed by the Speaker of the Assembly and three members appointed by the Majority Leader of the Senate, each consisting of one majority member, one minority member, and one person employed in the private sector. The Secretary of the Department of Administration (DOA) and the Secretary of the Department of Revenue (DOR) serve as nonvoting members of the Board. A majority of the voting members constitutes a quorum for the purpose of conducting the Board's business and exercising its powers, and for all other purposes, notwithstanding the existence of any vacancies. Action may be taken by the Board based on a vote of a majority of the voting members present. Board members do not receive compensation for their service, but are entitled to be reimbursed for necessary expenses, including travel expenses.

The Board is required to: (a) develop and implement economic programs to provide business support, expertise, and financial assistance to companies that are investing and creating jobs in Wisconsin; and (b) support new business start-ups, expansion, and growth in the state. The Board has the authority to develop and implement any other programs related to economic development in Wisconsin. "Economic development program" means a program or activity having the primary purpose of encouraging the establishment and growth of business in the state, including the creation and retention of jobs.

In addition, the Board is specifically authorized to do all of the following.

1. Adopt, amend, and repeal any bylaws, policies, and procedures for regulating its affairs and conducting its business.

2. Have a seal and alter the seal at pleasure.

3. Maintain an office

4. Sue and be sued.

5. Accept gifts, grants, loans, or other contributions from private and public sources.

6. Establish WEDC's annual budget and monitor the fiscal management of the Corpora-

tion.

7. Execute contracts and other instruments required for the operation of WEDC.

8. Employ any officers, agents, and employees it may require, and determine their qualifications, duties, and compensation.

9. Issue notes, bonds, and any other obligations.

10. Make loans and provide grants.

11. Incur debt.

12. Procure liability insurance.

13. Enter into agreements regarding compensation, space, and other administrative matters that are necessary to operate offices in other states and foreign countries, subject to approval by the Secretary of DOA.

For each economic development program developed and implemented by the WEDC Board, the Board is required to do all of the following: (a) establish clear and measurable goals for the program that are tied to statutory or programmatic policy objectives; (b) establish at least one quantifiable benchmark for each program goal; (c) require each recipient of a grant or loan under the program to submit a report to the Corporation, and require that each contract with a grant or loan recipient must specify the frequency and format of the report and the performance measures to be included in the report; (d) establish a method for evaluating the projected results of the economic development program with actual outcomes, as determined by evaluating the program's objectives and benchmarks; and (e) annually and independently verify, from a sample of grants and loans, the accuracy of the information submitted to WEDC.

Also, for each economic development program developed and implemented by the WEDC Board, the Board must require that:

a. Each recipient of a grant or loan under the program of at least $100,000 submit to WEDC, within 120 days after the end of the recipient's fiscal year in which any grant or loan funds were expended, a schedule of expenditures of the grant or loan funds. The schedule of expenditures must include any matching cash or in-kind match, signed by the director or principal officer of the recipient, to attest to the accuracy of the schedule of expenditures. The recipient must engage an independent certified public accountant to perform procedures, approved by WEDC and consistent with applicable professional standards of the American Institute of Certified Public Accountants, to determine whether the grant or loan funds and any matching or in-kind match for environmental remediation were expended in accordance with the contract. In addition, the Board must require the recipient of such a grant or loan to make available for inspection the documents supporting the schedule of expenditures and must include these requirements in the grant or loan contract.

b. If a recipient of an economic development grant or loan submits false or misleading information to WEDC, or fails to comply with the terms of a contract with the Corporation, and the recipient does not provide a satisfactory explanation for the noncompliance, the Board must: (1) recoup payments made to the recipient; (2) withhold future payments; and (3) impose a financial penalty on the recipient.

The WEDC Board must submit an annual report to the Chief Clerk of each house of the Legislature, by January 1, identifying the economic development projects that the Board intends to develop and implement during the current calendar year. In addition, no later than October 1, the Board must submit to the Joint Legislative Audit Committee and the Chief Clerk of each house of the Legislature an annual report for the previous fiscal year on each of WEDC's economic development programs that contains all of the following: (a) a description of each program; (b) an accounting of the location, by municipality, of each job (and the industrial classification of each job) created or retained in the state in the previous fiscal year as a result of the program; (c) a comparison of expected and actual program outcomes; (d) the number of grants or loans made under the program; (e) the amount of, and recipient of, each grant or loan made under the program; (f) the total amount of tax benefits allocated, and the total amount of tax benefits verified to the Department of Revenue, under the program; (g) an identification of each recipient of a tax benefit allocated, and each recipient of a tax benefit that was verified to DOR, under the program; (h) the sum total of all grants and loans awarded to, and received by, each recipient under the program; and (i) any recommended changes to the program. WEDC must make this information accessible to the public on an Internet-based system.

WEDC's Board must adopt policies and procedures that specify: (a) when WEDC is required to publicly solicit proposals from multiple vendors of goods or services; (b) how WEDC is to evaluate proposals from multiple vendors; and (c) how WEDC is to assess any conflict of interest a vendor may have if the vendor sells goods or services to the Corporation.

The Board must, beginning in 2014, have an annual audit conducted of WEDC's financial statements for the previous fiscal year. The Board must submit the audit report to the Joint Legislative Audit Committee and the Chief Clerk of each house of the Legislature.

As Chairperson, the Governor is required to nominate a chief executive officer (CEO) for WEDC, to be appointed with the advice and consent of the Senate, and serve at the pleasure of the Governor. The Board is authorized to delegate to the CEO any powers and duties the Board considers proper, and determine his or her compensation.

Members of the WEDC Board of Directors, the CEO, and all employees of the Corporation are considered state public officials who are subject to the Wisconsin Ethics Code. Specifically, Board members, the CEO, and all WEDC employees are subject to Code provisions governing conflicts of interest, general ethical standards, and use of state resources, and they all must file the annual statement of economic interest. For the purpose of the state lobbying law, WEDC Board members are not considered state agency officials. In practice, this means that Board members from the private sector are required to file the Legislative Activities Statement that identifies employees who engage in lobbying. WEDC officials employed by the State are subject to additional lobbying restrictions.

Members of the Board, or employees who enter into contracts on behalf of the Board, must notify WEDC's legal counsel or the CEO if the member or employee has a direct or indirect private, pecuniary interest in a contract that is being negotiated, bid for, or entered into with the Corporation. That individual is prohibited from participating in the member's or employee's capacity with regards to the contract in a function that requires the exercise of discretion on the individual's part. The Board is further prohibited from entering into any contract with an entity in which a WEDC employee has a controlling interest.

Meetings of the Board of Directors of WEDC are subject to Wisconsin's open meetings law. Board meetings must be announced with at least 24 hours' notice (unless there are extenuating circumstances), and be open to the public. However, meetings, or portions of meetings, may be closed if the topic covered falls within a statutory exception, such as employee matters, conferring with legal counsel, or for competitive or bargaining reasons.

WEDC Administration

WEDC was created to replace the Department of Commerce as the state's lead agency in promoting economic development. Under the provisions of 2011 Wisconsin Act 32, Commerce was eliminated and statutory responsibility for creating and administering economic development programs, providing certain related technical assistance, and administering existing programs and tax credits was transferred to WEDC. Unlike most statutory state authorities, WEDC receives most of its funding from annual state appropriations provided to the Corporation.

WEDC is statutorily responsible for administering the brownfields grant program, brownfield site assessment grants, the Main Street program, allocation of the state volume cap on industrial revenue bonds (IRBs), and is required to make annual marketing grants to regional economic development organizations. The Corporation also has other statutory responsibilities, such as eligibility certifications and allocations and verifications related to state tax credits. These responsibilities apply to the following credits: (a) early stage business investment; (b) jobs; (c) economic development; (d) enterprise zones; (e) development opportunity zones; and (f) supplement to the federal historic rehabilitation tax credit. Prior to tax year 2014, WEDC was required to certify businesses that could claim the Wisconsin-source assets capital gains exclusion and long-term capital assets capital gains deferral. However, pursuant to 2013 Wisconsin Act 20, the required WEDC certification was replaced with a registration procedure performed by DOR.

As noted, state law permits WEDC's Board to amend, adopt, or repeal bylaws regulating the affairs of the Corporation. In general, the CEO has been granted the authority to sign, execute, and acknowledge, on behalf of WEDC, any instrument or document deemed necessary, appropriate, or proper for the day-today operation of the Corporation. The CEO may execute, or may delegate authority to execute, any checks, drafts, or other orders for payment of money, notes, acceptances, or other evidence of indebtedness (excluding issuing bonds) without the specific authority of the Board, provided that such actions advance the functions of WEDC, or are authorized under the statutes. The CEO may execute, or delegate authority to execute, contracts, or other documents related to WEDC's economic development programs, including grants, loans, and tax credits. However, the CEO may not approve the designation of an enterprise zone without consent of the Board. The CEO is required to submit reports to the Board that include the amount of grants, loans, and tax credits, shown for each organization or entity that received such assistance. The CEO is also authorized to establish (or delegate responsibility for) WEDC's budget, and monitor the Corporation's fiscal management. The CEO may accept gifts and grants for the benefit of the Corporation, provided that a gift from any individual and immediate family member or individual and any organization in which the individual has a 10% interest does not exceed $25,000 in a 12-month period.

Under the bylaws, the CEO has authority (or may delegate authority) to employ officers, agents, and employees deemed appropriate to fulfill the Corporation's needs, and to determine the related qualifications, duties, compensation, and benefits, subject to Board decisions based on recommendations by the Board's Compensation and Benefits Committee. Salaries of principal officers (other than the CEO) and personnel are fixed by the CEO, or an authorized committee of the Board, consistent with policies determined by the Board. In addition, the CEO may establish and enforce the Corporation's personnel and human resources policies and procedures.

All of the records of WEDC are subject to the state open records law, except those relating to pending grants, loans, or economic development projects that, in the opinion of the Corporation, must remain confidential to protect the competitive nature of the grant, loan, or project. Loans cannot be contracted on behalf of WEDC, and an evidence of indebtedness cannot be issued in its name unless it is authorized by, or under the authority of, a resolution of the Board of Directors, or specified in the bylaws. The CEO can incur debt on behalf of the Corporation, only if such debt is specifically identified in a budget approved by the Board, or is otherwise incurred in the ordinary course of business.

WEDC's Budget

Table 1 shows WEDC's budgeted statement of revenues and expenditures for fiscal year 2014-15. The table does not include tax credits or loans authorized by the Corporation. The fiscal impact of tax credits is accounted for in other areas of the state budget, and loans are primarily accounted for on WEDC's balance sheet instead of its statement of revenues and expenditures. WEDC loans and tax credits are discussed later in this paper.

Most of WEDC's revenue consists of segregated (SEG) funds from the economic development surcharge (described below) and state general purpose revenues (GPR). These two sources account for more than 90% of WEDC's budgeted revenues in 2014-15. In addition, the Corporation receives revenue from the federal government, other state agencies, interest income, and a small amount from charges for services and other sources. Total revenues are estimated at $63.5 million in 2014-15.

Budgeted expenditures total $53.8 million. This amount includes $21.7 million for the Corporation's economic development programs (excluding loans and tax credits). These programs are described in more detail later in this paper.

Table 1: Budgeted Revenues and Expenditures, 2014-15

June 30, 2014 Fund Balance	$98,050,500
Revenues	
State SEG	$22,776,000
State GPR	36,524,700
Other Intergovernmental	2,220,600
Interest Income	1,450,000
Charges for Services	110,000
Other	377,100
Total Revenues	$63,458,400
Expenditures	
Economic Development	$21,726,200
Loan Loss Reserve	6,950,000
Marketing and Communications	5,175,300
Contracts with Partners	4,290,000
Administration	
Payroll and Benefits	9,910,000
Operations and General	5,358,500
Capital	285,100
Debt Service	149,100
Total Expenditures	$53,844,200
Excess Revenues over Expenditures	$9,614,200
June 30, 2015 Fund Balance	$107,664,700

The budget also includes $5.2 million for marketing and communications. The Board's marketing and communications expenditures are designed to improve the perception of Wisconsin's business climate, increase engagement and participation in programs and resources available to help businesses succeed, and support marketing efforts within Wisconsin's economic development network with integrated messaging and materials. Specifically, WEDC's offline and print expenditures include the publication of a quarterly newsletter targeting economic development professionals and businesses, attending tradeshows to market Wisconsin's economic assets and economic development resources, and supporting industry, partner, and economic-development events. Online advertising includes enhancing the WEDC website, communicating through social media, and paying for online companies to prioritize WEDC in their search functions.

Administrative costs are budgeted at $15.7

million, primarily for employee compensation, which accounts for about 63% of the total administrative budget. On July 1, 2014, WEDC employed 96 full time equivalent employees (five of which were project positions) and two interns. As noted, the CEO is authorized to hire and determine the salary and benefits of WEDC employees, and salaries of certain personnel are periodically adjusted by the CEO and the Board. Operations and general expenditures represent non-employee expenditures, such as supplies and services, and account for 34% of WEDC's administrative costs. The remaining 3% is for capital purchases and for paying debt service. The primary capital expenditure is for the expected replacement of the Corporation's accounting software system. Debt service expenditures are for expected payments on a telephone lease and outstanding notes to the state related to pension obligations.

The budget also includes $4.3 million for contracts with eight organizations that partner with WEDC in providing assistance to businesses. In general, the partnerships provide services to entrepreneurs, provide advisory services to manufacturers, provide services to early-stage companies, advise the Governor and Legislature, or provide in-market export services (such as connecting a Wisconsin manufacturer to a buyer or helping a business navigate another country's regulatory environment). In addition to these eight partners, WEDC is statutorily required to provide annual grants to regional economic development organizations (the Corporation contracted with nine such organizations in 2013-14). Details regarding each of these partner organizations can be found in Attachment I.

The final component of the 2014-15 budget is $7.0 million for loan loss reserve expense. In general, the loan loss reserve figure represents the amount of new loans issued by WEDC that are anticipated to be forgiven or otherwise not repaid. For 2014-15, the Corporation has budgeted $24.8 million for newly-issued loans. As noted, WEDC's loan activity is described later in this paper.

Table 1 also shows a beginning fund balance of $98.0 million and an ending balance of $107.7 million in 2014-15. Most of the $98.0 million opening balance is not available for expenditure by WEDC. Noncash loan receivables account for $35.5 million of the fund balance, and another $43.8 million is committed for economic development loans or grants and will likely be expended within the next three years. In addition, $1.2 million is set aside to satisfy potential loan guarantees made to businesses to help them secure financing, and $1.9 million is set aside to account for WEDC's share of state pension obligation bond repayments. The remaining balance of $15.6 million is unassigned and available as working capital for the Corporation.

Economic Development Fund. WEDC's primary source of SEG funding is the economic development surcharge, which is imposed on tax-option (S) corporations, C corporations, and insurers that are required to file a corporate income/franchise tax return if they have more than $4 million in gross receipts from all activities. Pursuant to 2013 Wisconsin Act 20, partnerships and individuals are exempt from the surcharge beginning in tax year 2013. The surcharge equals 3% of gross tax liability for corporations, or 0.2% of net business income for S corporations. The minimum economic development surcharge is $25, and the maximum is $9,800. For businesses that begin doing business in the state or cease doing business in the state during a taxable year, the surcharge is prorated for the number of days that the business operates in the state, subject to the minimum and maximum amounts. In general "gross receipts from all activities" means gross receipts, gross sales, gross dividends, gross interest income, gross rents, gross royalties, the gross sales price from the disposition of capital assets and business assets, gross receipts passed through from other entities, and all other receipts that are included in gross income.

Table 2: Economic Development Fund Activity ($ in Millions)

Fiscal Year	Opening Balance	Surcharge Revenues	Transfer from Recycling Fund	WEDC Appropriations	DOR Administrative Surcharge	Ending Balance
2011-12	$0.00	$27.53	$4.89	$23.19	$0.17	$9.05
2012-13	9.05	30.38	0.01	23.20	0.20	16.04
2013-14	16.04	19.29	0.00	33.78	0.15	1.40

Table 2 shows the following information regarding the condition of the economic development fund from July 1, 2011, through June 30, 2014: (a) the opening fiscal year balance of the fund; (b) annual economic development surcharge collections; (c) amounts transferred from the former recycling fund; (d) annual WEDC appropriations; (e) DOR's administrative surcharge; and (f) the ending fiscal year balance. Prior to 2011-12, the surcharge was deposited in the recycling fund.

The large reduction in surcharge revenues from 2012-13 to 2013-14 primarily reflects the Act 20 exemptions for partnerships and individuals. The Joint Committee on Finance increased the amount of SEG revenue appropriated to WEDC from the economic development fund on a one-time basis in 2013-14 to lower the accumulated balance in the fund.

WEDC Loan Activity

WEDC issues loans to businesses under several direct loan programs. During 2013-14, WEDC's loan portfolio increased by nearly 10% from $60.5 million to $66.5 million of gross loans receivable. Table 3 shows WEDC's aggregate loan activity from July 1, 2013, through June 30, 2014. Details regarding WEDC's cumulative loan activity since 2011-12 can be found in Attachment II.

It should be noted that gross loans receivable does not reflect the amount of outstanding loans that are expected to be collected by WEDC. Each year, WEDC must estimate an allowance amount that will be forgiven or written off as bad-debt from the gross loans receivable to accurately reflect the net loans receivable that are considered assets on the Corporation's balance sheet. The $66.5 million of gross loans receivable is reduced by the entire amount of forgivable loans receivable ($26.0 million) and approximately 13% of the collectible loans receivable ($5.3 million). Net loans receivable, or the amount that WEDC expects to recover from outstanding loans, are estimated at $35.1 million (approximately 53% of gross loans receivable).

The following section describes the three WEDC loan programs that are in effect for 2014-15. Two of the loan programs, the technology development loan program and the business opportunity loan fund program, existed in prior years. The special project loan program is a new program for 2014-15.

Table 3: 2013-14 WEDC Loan Activity

	Amount (Millions)	Count	Average
Loans Receivable July 1, 2013	$60.54	206	$293,893
Loan Draws	17.11	36	475,262
Loan Repayments	3.47	112	30,947
Amounts Written Off	5.71	13	439,463
Amounts Forgiven	2.00	6	332,993
Loans Receivable June 30, 2014	66.47	206	322,691
New Loans Contracted	19.41		
Interest Received	0.77		
Interest Accrued	2.99		

Technology Development Loans. The technology development loan program provides early-stage funding through below market-rate loans to entrepreneurs and technology-based businesses. A total of $4,750,000 is budgeted for the program in fiscal year 2014-15, which includes $3,000,000 of state monies from WEDC and $1,750,000 in potential federal small business credit initiative funds, subject to specific requirements for how those federal monies may be used. State funding levels depend on a number of factors, such as the stage of growth, capital need, or economic potential of the project. Loans of up to $250,000 per company are available to support research and development, proof of concept, and prototype development companies (generally early-stage or spinoff companies with fewer than 25 employees) that demonstrate financial need and potential for substantial business growth. Up to $500,000 per company is available to eligible companies raising funds for initial launch into a primary market following proof of concept and development testing. WEDC may apply lower funding limits for companies raising money for initial launch into test markets if the technology or industry requires incremental steps to commercialization. Companies seeking loans that are in a growth or expansion stage may be eligible for up to $750,000 per company that has recurring sales of a fully developed product with growth potential and a clear path to sustainability. Growth/expansion loans are intended to help companies increase production and approach profitability.

WEDC uses discretion for how best to direct the available funding. In general, applicants are evaluated by WEDC based on the applicant's: (a) management team; (b) financial projections; (c) core business concept; (d) innovative product, process, or service; (e) competitive advantage; and (f) market potential or customer validation.

WEDC currently offers three different types of technology development loans, depending on the needs of the company or project. In general, a loan has a term of up to seven years, with payments deferred up to 36 months followed by equal monthly payments of principal and interest. Interest rates of the loans may be between 2% and 6%. WEDC may, at its sole discretion, convert any portion of the outstanding loan balance to equity at parity with the terms of a matching equity event (such as a private investor purchasing shares or a price set before an initial public offering), up to an amount not to exceed the term of the note. For collateral, loan recipients may be required to sign: (a) a general business security agreement on all assets currently owned or acquired after the agreement; or (b) a specific business security agreement on assets purchased with the technology development loan. A loan guaranty may be required to obtain a loan, such as a personal guarantee of all individuals with 20% or more of shareholder ownership in the company or a guarantee of the largest individual or corporate shareholder. WEDC may impose a loan origination fee of 2% of the loan amount. The borrower must provide minimum matching funds from outside equal to at least two to four times the loan amount. The borrower must agree that the project will not be relocated outside Wisconsin for a minimum of five years from the date of the award.

In 2013-14, WEDC contracted a total of $4,269,500 in technology development loans to 17 eligible recipients.

Business Opportunity Loan Fund (BOLF). Business opportunity loans or loan guarantees may be available to eligible businesses that are investing funds to expand or relocate in Wisconsin. The BOLF program provides loans to businesses that create jobs, retain jobs, or invest capital as part of a new operation, expansion of an existing operation, or upgrading manufacturing capabilities or processes in Wisconsin. WEDC has made available $18,000,000 in 2014-15 in support of the BOLF program. Loan awards are generally for between $200,000 and $2,000,000 per business.

BOLF funds may be used by eligible businesses for working capital, equipment, building construction and improvements, land acquisition, private infrastructure improvements, and asset acquisition. Businesses applying for loans must generally complete an application through an account manager. The application is then assigned to an underwriter and goes through the management review process. The following businesses are not eligible for the BOLF program: (a) payday loan and title companies; (b) telemarking, other than inbound call centers; (c) pawn shops; (d) media outlets; (e) retail; (f) farms; (g) primary care medical facilities; (h) financial institutions; and (i) the hospitality industry.

The amount and terms of loan guarantees under the BOLF program are negotiated on a case-by-case basis with the applicant lender. Typically, a loan guarantee cannot exceed the lesser of the term of the loan or seven years. The lender must substantiate the need for the guarantee by providing WEDC a credit analysis for the proposed financial commitment and the guarantee must be approved prior to the closing of the loan.

Loans under the BOLF program are generally issued to eligible businesses at an interest rate of 2% or more with original terms on the loan not to exceed seven years. Deferred payments and interest-only payments may be built into the terms of the loan on a project-specific basis, as negotiated by WEDC. Public participation in the loan cannot be more than 50% of total project costs, and loan requests of less than $200,000 are generally preferred over other local and regional funding programs. WEDC does not provide BOLF funds for a project that is being bid upon by multiple companies unless: (a) only one entity is interested in acquiring the company or asset that is being bid upon; or (b) a successful bidder has already been determined.

Loans may generally be provided for job attraction, creation, or retention or for capital investment. For loans based on employment, the maximum loan amounts are based on the annual projected wages of project employees who earn at least 150% of the federal minimum wage, capped at $100,000 per employee. The maximum loan amount is 25% of such projected wages for loans made to projects in communities with populations of less than 5,000 that are located in a Tier I (economically distressed) county. For other projects, the maximum loan amount is 20% of such wages. Forgivable loans are capped at 10% of such projected wages. For loans that are based upon capital investment, businesses may be eligible for loan amounts of up to 5% of the real property costs and up to 3% of equipment costs.

"Tier I" and "Tier II" counties and municipalities are designated as such by WEDC. In making the designations, WEDC considers the most current data available for the area using the following indicators: (a) unemployment rate; (b) percentage of families with incomes below the federal poverty line; (c) median family income; (d) median per capita income; (e) average annual wage; (f) manufacturing assessment values; and (g) other significant or irregular indicators of economic distress, such as a natural disaster or mass layoff.

For 2014-15, WEDC has designated 25 counties as Tier I counties (the remaining 47 counties are Tier II counties). Attachment III provides a map showing which counties have been designated as Tier I in 2014-15.

WEDC may, on a contract-specific basis, provide forgivable loans if the project will have a significant impact on jobs or capital investment or a significant economic effect on the surrounding area. For a project to be eligible for loan forgiveness in a Tier II county, the project generally must meet two of the following criteria: (a) retain at least 100 jobs, create at least 200 jobs, or attract at least 200 jobs earning at least 250% of the federal minimum wage; (b) have capital investment in excess of $25 million that is directly related to the project, not including normal capital expenditures that are planned as part of doing business; (c) have significant positive impact on the local economy; or (d) have other states offering competing incentives. Loan forgiveness for projects in a Tier I county generally must meet two of the following criteria: (1) retain at least 100 jobs, create at least 150 jobs, or attract at least 175 jobs earning at least 150% of the federal minimum wage; (2) have capital investment in excess of $20 million directly related to the project, not including normal capital expenditures that are planned as a part of doing business; (3) have a significant positive impact on the local economy; or (4) have other states offering competing incentives.

In 2013-14, 19 companies were awarded total BOLF loans of $14,680,000 by WEDC. The Corporation did not enter into any loan guarantees in 2013-14.

Special Project Loan Fund. WEDC provides short-term financing through special project loans or loan guaranties under the special project loan fund program to businesses that are investing in Wisconsin locations and are not eligible for traditional financing. The Corporation has budgeted $2,000,000 in 2014-15 for the program. An eligible recipient may use loans for working capital, equipment purchases, brownfield remediation, or new product development. The following types of businesses are not eligible under the program for loans or loan guarantees: (a) payday loan and title companies; (b) telemarketing (other than inbound call centers); (c) pawn shops; (d) media outlets; (e) retail; (f) farms; (g) primary care medical facilities; and (h) hospitality.

To be eligible for a special project loan, public participation generally cannot exceed 50% of the total project cost and cannot exceed the private contribution amount. Loan amounts are generally for between $50,000 and $250,000 per loan, but exceptions can be made for emergency business needs. Special project loans generally bear an interest rate of 5% with terms that generally do not exceed three years.

Loan guarantees may be offered to secure financing that a lender may not have otherwise offered a business. WEDC may negotiate to guarantee payment to a lender (should the business borrowing from the lender default on the loan) of no more than 80% of the potential uncollected balance up to $250,000. Loan guarantees are generally applicable for no more than the first three years of a loan. A lender must provide WEDC with a detailed credit analysis for the proposed financial commitment and must have been approved and contracted with WEDC prior to the closing of the loan to be eligible for a loan guarantee.

The special project loan fund program began in 2014-15. No loan or loan guarantee activity occurred in 2013-14.

WEDC Grant Programs

WEDC administers a number of grant programs. Grants may be awarded to eligible businesses, individuals, organizations, or local governmental entities for specific projects. Certain programs are required by state law, whereas other programs are created through WEDC policy. Some grant programs award monies to governmental or nonprofit organizations that contract with the Corporation to make loans or provide grants to businesses. In 2013-14, WEDC contracted 141 grant awards totaling $17.2 million. Attachment IV provides details regarding the number of, and amount of, grant awards contracted by WEDC in 2012-13 and 2013-14.

Entrepreneurial Micro-Grants. The entrepreneurial micro-grants program provides grants to companies for commercialization assistance, training, or research and technology transfer. Funding may be provided to eligible statewide entities that provide micro-grants to clients for specific services, including assistance in applying for federal Small Business Innovation Research/Small Business Technology Transfer grants (SBIR/STTR), developing commercialization plans, and business planning education. The program also includes an entrepreneurial training program, which is an eight- to 12-week course provided by the Small Business Development Centers that provides assistance with business plan development to current or prospective business owners.

An eligible entity may apply to WEDC to administer the entrepreneurial micro-grant program if the entity has expertise and capability of serving a statewide network of entrepreneurs. The program was administered exclusively by the Center for Technology Commercialization in 2013-14. SBIR/STTR assistance and commercialization planning assistance micro-grants are available to: (a) individuals starting or expanding a technology-based or research-oriented business; or (b) firms located in Wisconsin that rely on the use of technology. The following types of projects may be eligible for a micro-grant: (1) development of an SBIR/STTR Phase I or Phase II proposal, or other funding proposal; (2) development of an SBIR/STTR Phase II commercialized plan or a comprehensive business plan; or (3) procurement of a market research study in support of a commercialization or business plan approved by the Center for Technology Commercialization.

For 2014-15, WEDC has made available $200,000 under the micro-grant program. Under the SBIR/STTR program, grants up to $1,500 are available for a feasibility discussion with a program manager and development of specific aims, milestones, and project plans. Up to $3,000 may be awarded for assistance to prepare and submit an SBIR/STTR or other federal funding proposal, with an additional $1,000 available to those companies that are approved by the federal government. Individual and small business applicants may receive micro-grants of up to $1,500 for assistance in completing business validation activities and up to $3,000 for assistance in completing a comprehensive business plan or commercialization plan to procure Phase II SBIR/STTR funding or to prepare for angel or venture capital funding. Grants of up to $750 may be awarded to entrepreneurs upon successful completion of start-up coursework (focusing on either business modeling or business planning) that is provided under the entrepreneurial training program if the eligible applicant provides at least $250 in matching funds.

In 2013-14, WEDC provided $200,000 to the Center for Technology Commercialization. The Center assisted 131 businesses through the entrepreneurial micro-grants program in 2013-14.

SBIR/STTR Matching Grant Program. The SBIR/STTR matching grant program provides WEDC grants to supplement federal awards to technology-based small business companies. A business may be eligible to receive matching grants from WEDC for up to 50% of a Phase I or Phase II federal SBIR/STTR grant award. The grants must be used for new and additional work tasks related to the project granted the federal award and are intended to support eligible activities, including customer validation, market research, intellectual property assessment, and feasibility assessment.

Matching grant applications are evaluated on a competitive basis and are awarded to eligible applicants based on funding availability and project merit. Eligible companies generally must be located in the state, but an out-of-state company may apply for and receive funding contingent upon the company relocating to Wisconsin within 90 days of receiving an award from WEDC. Eligible recipients must maintain their Wisconsin location for at least five years after receiving matching funds and may be required to participate in business modeling training offered by the Center for Technology Commercialization.

In general, an eligible business may receive a WEDC award of $75,000 to $150,000 to support a feasibility study associated with a federal Phase I award. For WEDC matching funds under a federal Phase II award, an eligible business may receive an award of $250,000 to $1,000,000 to support research and development.

WEDC has budgeted $1,000,000 for the SBIR/STTR matching grant program in 2014-15. The program was not available and no WEDC funds were spent on the program in 2013-14.

Seed Accelerator Program. The seed accelerator program is designed to encourage the formation of local not-for-profit seed accelerator programs and to increase the quantity, quality, and success rate of startup companies in the state with high growth potential. The program is intended to be managed by communities or other eligible entities. Generally, a seed accelerator will enroll a class of entrepreneurial teams (typically five to 12 companies per class) in a defined program over a period of time, typically three to six months. The program provides small amounts of financing, experienced hands-on mentorship, educational programming, visibility to investors, and other resources to participants.

The program is designed to support technology industry sectors, including advanced manufacturing, agriculture or food processing, information systems or software, medical devices, biosciences, and renewable/green energy. Eligible not-for-profit organizations, communities, or other eligible entities that operate a seed accelerator program generally must: (a) be managed by an experienced entrepreneur; (b) include a strategy for sustainable operations funding and a marketing plan for attracting startups to the accelerator; (c) implement programming that reflects best practices in business model design, including a process for developing, testing, and validating the commercial viability of an idea; (d) have mentoring resources to give founders an opportunity to meet with potential investors in their companies; (e) provide WEDC a description of investment criteria and the expected use of equity returns, royalties, and loan repayments if such investments are intended by the program; and (f) provide matching funds equal to at least the amount of funds provided by WEDC, which may be dedicated to operating expenses.

Eligible seed accelerator recipients under the program must establish a segregated account to receive WEDC funds and must provide funding to companies participating in the program. The funding may be provided as a grant, a loan, or an investment in a participating company. Loan repayments or investment returns to the seed accelerator can only be used to support program operations or to provide capital to companies participating in the program. The seed accelerator recipient has sole responsibility for investment decisions, not WEDC, but must comply with the investment criteria approved by the Corporation. The recipient may be asked by WEDC to provide occasional assistance and counsel to communities and other entities receiving similar funds from the Corporation.

WEDC funding of $1,000,000 is available for the seed accelerator program in 2014-15. The funds must be dispersed by the recipient within six months of the program end date. Generally, funding may be used to provide capital to companies in the accelerator or for operating costs. Funding for operating costs is limited to $50,000 per year, for up to a maximum of three years, per recipient. In limited circumstances, funding may be used as a one-time payment to a highly-qualified program manager with specific experience in a high-technology, highly-regulated field who will provide training to future program managers and deliver programming that will serve subsequent cohorts. The amount of funding available through the program is generally between $5,000 and $50,000 per company. Neither WEDC funds nor matching funds may be used for grants, loans, or investments in the industries of real estate, retail, or hospitality (including restaurants) unless the business model is deemed by the seed accelerator recipient to have a potential for significant growth or the recipient's program serves a unique demographic.

In 2013-14, WEDC contracted with four eligible entities and provided total funding of $498,750 under the program. The Corporation reports that 30 businesses were assisted with these funds.

Capital Catalyst Program. The capital catalyst program provides grants to seed funds managed by organizations or communities that provide capital to start-ups and emerging growth companies. The program is designed to stimulate capital investment at a local or regional level. To be eligible, an applicant must demonstrate organizational capability, have entrepreneurial support, and have experience administering mentoring programs. Eligible applicants must provide matching funds equal to the amount provided by WEDC. Preferred applicants would focus on providing seed funds to industry sectors in advanced manufacturing, agriculture or food processing, information systems or software, medical devices, biosciences, and energy. WEDC has budgeted $2,000,000 for the capital catalyst program in 2014-15.

Recipients must have a segregated account to receive WEDC grants, which may include the recipient's matching funds. At least one-third of WEDC's grant amount must be used as grants to companies in amounts not to exceed 10% of total WEDC funds per company; however, additional non-WEDC seed funds to a specific company may result in a total award that exceeds the 10% threshold. The remaining two-thirds of WEDC grant monies may be used for grants, debt, royalty-based investments, or equity investments, but may not be provided to businesses in the real estate, retail, or hospitality industries. The Corporation provides contractual criteria for how the capital catalyst grant recipient must utilize the grant amount, but the recipient is solely responsible for specific investment decisions. Capital catalyst recipients must require companies receiving grants, loans, or investments from the fund to provide the fund with information on employment, salaries and wages, and capital leverage on a periodic basis. WEDC may request that the capital catalyst recipient provide occasional assistance and counsel to other communities or entities receiving similar funding from WEDC as part of a statewide initiative to provide entrepreneurial support.

WEDC awarded a total of $1,690,000 to seven eligible entities in 2013-14. According to the Corporation, these funds assisted 71 companies.

Capacity Building Grants. A total of $500,000 in 2014-15 is available for the capacity building grant program to assist regional and local economic development groups. Grants can be used by the recipients for: (a) assessments of the economic competitiveness of the area; (b) development of a comprehensive economic development strategy; (c) support of activities that will benefit the organization or its members through operational efficiencies, strategy development, education and skills development, or increased collaboration with other organizations; or (d) implementation of replicable pilot initiatives. Grant awards cannot be used for existing or ongoing operational costs, staff salaries, or costs incurred prior to being awarded a capacity building grant. WEDC generally offers grant amounts of up to $50,000 per eligible applicant.

The capacity building grants are generally provided for projects that can serve as models to be replicated across the state. In evaluating grant applications, WEDC considers the: (a) likelihood the project will result in long-term benefits to the organization or its members; (b) degree to which the organization can influence state or regional economic conditions; (c) financial need of the applicant; and (d) extent to which the project can be replicated throughout Wisconsin. WEDC may require a project match, depending on the attributes of the applicant project.

In 2013-14, WEDC provided total capacity building grants of $125,000 to three eligible recipients.

Idle Industrial Sites Redevelopment. The idle industrial sites redevelopment program is designed to stimulate investment and job creation in idle, abandoned, and underutilized manufacturing sites which cannot be redeveloped solely by the private sector. A city, village, town, other government entity, or tribal entity may apply for funds under the program, provided the applicant has an approved redevelopment plan or a developer's agreement for the targeted project site. For an applicant to be eligible under the program, the targeted site must be one or more contiguous: (a) industrial parcels that exceed five acres and had more than 25 years of industrial usage; or (b) commercial parcels that exceed ten acres and had more than 25 years of commercial usage. Eligible applicants must own the targeted site or have the legal ability to access the property to perform the proposed work.

Eligible applicants may use WEDC funds for demolition, environmental remediation, rehabilitation, or infrastructure improvements that are defined in the applicant's redevelopment plans (as determined during the Corporation's review process). WEDC funds cannot exceed 30% of total project costs. The following costs are not eligible for grant assistance: (a) past costs; (b) in-kind contributions; (c) new construction; (d) grant application preparation; (e) professional fees, such as architecture, accounting, or legal; (f) financing fees or debt; or (g) soft costs, such as taxes or other fees, interest payments, or charges not directly related to construction. In addition, environmental work is not eligible for grant assistance if the current owner caused the contamination of the site.

Applications are approved on a competitive basis. In reviewing an application for a project under the idle industrial sites redevelopment program, WEDC takes the following into consideration: (a) the project's potential to increase economic and community development in the area; (b) whether the applicant has a written financial commitment for a lending institution or government entity; (c) the extent to which the site investigation and remediation effort has been completed; (d) whether costs are budgeted and itemized by qualified parties; (e) the size of the site and the site's relationship to economic centers; (f) the economic distress of the community encompassing the project site; and (g) the feasibility and readiness of the project. In addition, WEDC gives preference to sites located in high-density urban areas or in central business districts. The Corporation also gives preference to redevelopment plans with committed local and private investment that are likely to result in increased property tax revenue, reduced urban sprawl, use of existing infrastructure, reduced environmental risk, and creation of full-time permanent jobs.

WEDC has made $3,000,000 of grants available under the idle industrial sites redevelopment program for 2014-15. Individual grant awards may be for up to $1,000,000 for redevelopment sites that are 10 acres or larger and up to $500,000 for idle sites of between five and ten acres. As noted, WEDC funds cannot exceed 30% of total project costs. In 2013-14, WEDC entered into six contracts for a total of $5,118,000 in grant awards.

Community Development Investment (CDI) Grants. The CDI grant program makes available two different types of grant awards to support local initiatives in urban, small city, and rural communities, with an emphasis on downtown redevelopment. Grants are available for high-impact projects and for planning or marketing development. Grants are awarded on a competitive basis and are limited to 25% of the total project cost up to $500,000 per award. WEDC has budgeted $4,500,000 for the CDI grant program for 2014-15.

A county, city, village, town, tribal entity, or other governmental authority designated by a municipality may apply for a CDI grant. An eligible applicant must: (a) provide a matching investment of at least three dollars to every one dollar of WEDC funds; (b) have no more than 30% of the matching investment come from other state or federal grant sources; (c) be willing to provide signage at the project site indicating WEDC financial participation in the project; and (d) be willing to document WEDC participation in planning and feasibility documents. An eligible applicant cannot be eligible for an award under the brownfield grant program (described later in this paper) and may only receive one CDI grant per fiscal year. If an applicant was impacted by an event resulting from a state or federal disaster declaration within two years of submitting an application, the applicant: (1) may receive funds for mitigation or preparedness; (2) may have the required matching fund amount reduced or waived, as determined by WEDC; and (3) must demonstrate that all other funding mechanisms (such as federal emergency funds) have been fully utilized before applying for a CDI grant. Grants are awarded at WEDC's discretion based on one or more competitive processes per year.

The following projects may be eligible for a CDI high-impact project grant: (a) development of significant destination attractions; (b) rehabilitation and reuse of landmark buildings; (c) infill development; (d) upper story development; (e) blight elimination in downtown locations; (f) remediation of downtown industrial properties critical to area redevelopment; (g) historic preservation; (h) high-impact waterfront and community space efforts; (i) infrastructure efforts, including disaster prevention measures, that provide substantial benefit to downtown residents and property owners; (j) comprehensive streetscape improvements; and (k) community landmark and public space development.

Eligible activities for marketing or planning development include: (a) plans, feasibility studies, and market analysis; (b) district or site specific downtown redevelopment plans; (c) historic preservation planning; (d) branding and marketing; (e) business recruitment campaigns; and (f) vacant space strategy development.

Activities that are eligible for grant assistance or that may count toward matching funds are building renovation, historic preservation, demolition, new construction, infrastructure investment, and professional services. Costs incurred prior to receiving a CDI grant, in-kind contributions, new construction, grant application preparedness, professional fees (such as architecture, accounting, or legal), and financing fees or debt are ineligible uses of grant monies and cannot be counted toward an eligible applicant's matching requirement.

WEDC awarded a total of $1,265,234 in CDI grants to 15 eligible applicants in 2013-14.

Workforce Training Grant. The training grant program provides grants to businesses to upgrade or improve the job-related skills of their full-time employees. The business must make a commitment to locate a new facility in the state or expand an existing facility that is developing a product, process, or service that requires employee training in new technology and industrial skills. Grant amounts may be for up to 50% of eligible training costs, with a maximum per employee grant of $5,000, and a maximum total grant to the business of $200,000. A total of $500,000 is budgeted for the workforce training grant program in 2014-15.

Businesses whose primary activity includes retail, commercial development, recreation, entertainment, or direct health care are not eligible for the grants. In addition, the following types of businesses are not eligible: (a) payday loan and loan title companies; (b) telemarketing; (c) pawn shops; (d) media outlets, such as newspapers and radio stations (unless the job creation is significant); (e) businesses in the tourism industry (unless the job creation is significant); (f) hospitality; (g); farms; (h) primary care medical facilities; and (i) financial institutions.

The training must be for employees who are Wisconsin residents, and the trained positions must be maintained for two years. The job training must focus on new technology, industrial skills, or manufacturing processes and not be currently available from other sources (such as the Wisconsin Technical College System). Eligible training costs include training wages for production employees through first line supervisors, training materials, and trainer costs. The training must be pre-approved by WEDC, and be related to a specific project. The training may be on- or off-site, but must be performed by a provider that is approved or authorized by the Corporation.

Expenses for routine training, travel, food, and lodging are not eligible costs. The following training-related activities are ineligible for funding: (a) orientation; (b) administration and compensation systems; (c) credit or degree courses; (d) diversity; (e) consulting services, including strategic planning; (f) sales training; (g) personal development; (h) human resources practices; (i) non-job-related training; (j) stand-alone basic or remedial training; (k) non-skill-related assessments; (l) state or federally mandated programs; (m) general safety procedures; (n) English as a second language; (o) basic skills, (p) on-the-job training that involves manufacture of a product for sale; and (q) routine training not related to a specific project.

To be eligible for training under the program, employees must be full-time (at least 2,080 hours per year), including paid leave and holidays, and paid 150% of the federal minimum wage. WEDC may make exceptions to the full-time requirement if the annual pay for the position exceeds the amount determined by multiplying 2,080 by 150% of the minimum wage and the individual is offered retirement, health, and other benefits that are offered to similar full-time employees. In addition, full-time employees receiving training must meet one of the following criteria: (a) the employer covers at least 50% of the health insurance premium costs for the employees; (b) at least 50% of the full-time employees utilize the health insurance benefits provided by the employer; or (c) other employee health insurance benefits that are provided are acceptable to WEDC.

Businesses must apply for a training grant by submitting a completed prospect data sheet and training exhibits information to a regional account manager. Businesses that receive grants must enter into a contract with WEDC that includes penalty provisions before disbursement of training grant funds. Awards are based on WEDC staff review and underwriting processes. In addition, evaluation of grant applications is based on the following factors: (a) whether the project might not occur without the WEDC training grant; (b) the extent to which the project will be financed with other sources of public funds; (c) whether the project will displace workers in the state; (d) the extent to which the project will increase employment and contribute to economic growth in the state; (e) the type of training was pre-approved by WEDC and the training did not start prior to approval of the grant award; (f) whether the project will be located in an economically distressed area; (g) whether the project will be located in a rural area; (h) the financial soundness of the business; and (i) any previous financial assistance that the business received from WEDC.

In 2013-14, WEDC contracted with four workforce training grant applicants for a total of $490,774 in grant awards.

Brownfield Redevelopment Financial Assistance Program. The brownfields grant program provides financial assistance to eligible cities, villages, towns, counties, individuals, tribal entities, nonprofit organizations, trustees in bankruptcy, or businesses for remediating environmental contamination on abandoned, idle, or underutilized industrial or commercial sites. The program is governed by both statutory provisions and WEDC administrative policy. Grants may be used to fund brownfields redevelopment or associated environmental remediation activities on eligible brownfield sites with demonstrated soil or groundwater contamination. An eligible brownfield site is generally a commercial or industrial site that has been adversely impacted by environmental contamination, as documented in Phase I or Phase II Environmental Reports (initial and subsequent more detailed assessments) that are completed no more than five years prior to submitting a grant application.

The amount of an award is determined during a review of a grant application. Grants can be used to fund: (a) environmental investigation (beyond Phase I and Phase II studies), remediation, or monitoring of the site; (b) removal of hazardous waste containers; (c) soil removal, capping, barrier installation, and vapor intrusion systems; and (d) demolition activities that will facilitate redevelopment in a brownfield project. Activities that are not eligible for grant assistance and cannot be counted toward an applicant's matching funds include: (1) prior costs; (2) in-kind contributions (except for environmental remediation); (3) costs of new construction; (4) grant application preparation; (5) professional fees, such as architecture, legal, or accounting; (6) financing fees or debt; or (7) any lien claims of the Department of Natural Resources (DNR), federal Environmental Protection Agency, delinquent real estate taxes, or interest or penalties related to those delinquent taxes.

A total of $3.5 million is budgeted for brownfield grants in 2014-15, with a maximum grant of $1,250,000 per eligible project. Under state law, for a grant that is $300,000 or less, a recipient must contribute at least 20% of the cost of the project in matching funds. For grant amounts of more than $300,000 but no more than $700,000, a local match of 35% is required. Grant amounts exceeding $700,000 must have a local match of 50% of the cost of the project. Under WEDC policy, brownfield grants are generally limited to 30% of eligible project costs (requiring a local match of 70%). The required match can include expenditures for: (a) acquisition of the brownfield site; (b) site clearance, building demolition, or building renovation; (c) asbestos and lead paint abatement; or (d) infrastructure improvements.

WEDC cannot award a grant unless the party that caused the environmental contamination and any person who possessed or controlled the environmental contaminant before it was released is unknown, cannot be located, or is financially unable to pay the cost of associated environmental remediation activities.

The brownfields grant program accepts applicants throughout the year, which are reviewed on a first come, first served basis. Applications are reviewed by grant underwriters and awards are made in consultation with the Department of Administration and DNR. In addition, the following factors are considered: (a) the potential to promote economic or community development in the area; (b) the extent and degree of soil and groundwater contamination at the site; (c) the existence of a written financial commitment by a lending institution or government entity; (d) documentation of ownership of the site; (e) the need for a vapor intrusion unit; (f) the adequacy and completeness of the site investigation and remediation plan; (g) eligible costs projected to be utilized for grant funds; (h) matching investments supported by estimates from qualified third parties demonstrating where such funds will be derived; (i) determination of the future higher use of the property site after environmental cleanup; (j) inclusion of a developer's agreement and project consistency with community planning documents; (k) improvements to human health and the environment from the project; (l) the size of the property and relationship to downtown and economic centers; and (m) any other factors WEDC determines to be relevant. Grant recipients must enter into a contract with WEDC, and must provide the Corporation with regular program and environmental reports to ensure compliance with state and federal rules and regulations.

WEDC contracted with 11 eligible entities in 2013-14 and awarded total brownfield redevelopment financial assistance of $3,839,275.

Under the statutes, "brownfields redevelopment" includes any work or undertaking: (a) to acquire a brownfields facility or site; and (b) to raze, demolish, remove, reconstruct, renovate, or rehabilitate the facility or existing buildings, structures, or other improvements at the site. The redevelopment project must promote the facility or site for commercial, industrial, or similar economic development purposes. Grants cannot be used to fund construction of new facilities on the site for any purpose other than environmental remediation.

"Environmental remediation activities" include: (a) investigation, analysis, and monitoring of a brownfields facility or site to determine the existence and extent of actual or potential environmental pollution; (b) abating, removing or containing environmental pollution at a brownfields facility or site; and (c) restoring soil or groundwater at a brownfields facility or site.

"Brownfields" are defined as abandoned, idle, or underused industrial or commercial facilities or sites, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination.

Brownfield Site Assessment Grant Program. The brownfield site assessment grant (SAG) program provides local governments with grants to perform the initial investigation of contaminated properties and certain other eligible activities. Prior to 2011 Wisconsin Act 32, SAG was administered by DNR. Under provisions included in Act 32, administration of, and the related funding for, SAG were transferred to WEDC. The Corporation administers the program with monies from a separate biennial appropriation from the environmental management account of the segregated environmental fund. The program is appropriated $1,000,000 SEG for 2014-15.

Local governments may apply for SAG monies for eligible sites or facilities. A local government includes a city, village, town, county, redevelopment authority, community development authority, or a housing authority. A site or facility is eligible for a grant if it is an abandoned, idle, or underused industrial or commercial facility or site, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination. Under the statutes "eligible site or facility" means one or more contiguous industrial or commercial facilities or sites with common or multiple ownership that are abandoned, idle, or underused, the expansion or redevelopment of which is adversely affected by actual or perceived contamination. A local government does not have to own the site, but must have access to it to complete the grant activities. A local government is not eligible for a grant if it caused the environmental contamination that is the basis of the grant request. WEDC may only award a grant if the person that caused the environmental contamination that is the basis for the grant request is unknown, cannot be located, or is financially unable to pay the cost of the eligible activities.

The following activities are eligible for a site assessment grant at an eligible site or facility: (a) Phase I and Phase II environmental assessments; (b) environmental site investigation; (c) remedial action plan preparation; (d) demolition of structures, buildings, or other improvements on the site; (e) asbestos, mold, lead, and other potentially hazardous substance abatement, if it is a necessary part of demolition activity; (f) removal and proper disposal of abandoned containers, underground petroleum product storage tank systems, or underground hazardous substance storage tank systems; and (f) investigation of environmental contamination for the purposes of reducing or eliminating environmental contamination. The following costs are ineligible for grant assistance or matching costs: (1) past costs; (2) new construction; (3) grant application preparation; (4) architecture, accounting, legal, or other professional fees; and (5) financing fees or debt.

State statutes specify that a municipality must provide a match of 20% of the grant amount and no local government may receive a grant that exceeds 15% of the amount appropriated in a year ($150,000 maximum in 2014-15). Under WEDC policy, a minimum matching requirement of 50% of project costs is required from an applicant to be competitive to receive a grant. Matching funds may utilize tax increment financing monies, private party contributions, or other grant sources.

SAG applications are accepted throughout the year and are reviewed on a first come, first served basis. Applications must include a project budget that includes the costs of the proposed site investigation and demolition activities. The Corporation considers the following factors in making awards: (a) the applicant's demonstrated commitment, including financial commitment, to performing the eligible project; (b) the degree that the project will have a positive impact on public health and the environment; (c) the size of the property and relationship to the downtown or other economic center; (d) the economic distress of the community and the property's contribution to that economic distress; (e) the site's potential for redevelopment, including the location of the property, access to existing infrastructure, and interest from private investors; (f) project readiness and viability; and (g) the applicant's ability to delineate the anticipated costs of the proposed project as demonstrated by third-party cost estimates.

In 2013-14, WEDC awarded SAG amounts of $1,472,722 to 17 eligible applicants.

Targeted Industry Projects Program. The program provides awards of between $500 and $1,000,000 per project, depending upon the scope and positive economic potential of the project, over multiple phases of a project's duration. A project may be eligible for four separate, phased awards from strategy planning or initial concept to project implementation. Eligible organizations are non-profit or public entities which, as determined by WEDC, have: (a) an identifiable strategy; (b) stable, strong leadership; (c) active membership and financial support from members; (d) sound financial condition; and (e) clear identification as an organization connected to targeted industry development.

WEDC has budgeted $2,500,000 for non-staff expenses in 2014-15 in support of the targeted industry projects program. The program supports industry development through research, data analysis, consortia development, and/or strategic planning. The program focuses on advancing industry-led consortia, industry/university alliances, and special opportunities that have a significant potential to create jobs and increase the competitiveness of industry sectors in Wisconsin and improve statewide economic performance.

WEDC awarded 15 contracts under the targeted industry projects program in 2013-14 totaling $1,231,803 in award amounts.

Minority Business Development Revolving Loan Fund (MRLFs). MRLF is designed to support statewide minority business development. Direct grant assistance is used to encourage new minority-owned business creation and expansion, increase business diversity in minority communities, and increase access to capital. Eligible grant applicants for WEDC funds are not-for-profit minority business associations that will administer the MRLF, provide business training assistance, or serve the minority business community. To receive the funds, eligible applicants must match 50% of WEDC funds provided to minority businesses; however, no match is required for administrative costs.

WEDC funds of $600,000 are available under the program. An individual eligible applicant may receive up to $200,000 in MRLF grants and up to $100,000 for administrative assistance under the program. Grant recipients must establish loan policies and procedures, which must be reviewed and approved by the Corporation. In general, loans are provided to minority-owned businesses that have fewer than 25 employees and are start-up or early stage companies. Loans are generally limited to between $5,000 and $25,000 per company. Loan awards in excess of $25,000 require written consent of the Corporation.

In 2013-14, WEDC contracted a total of $500,000 in awards to four eligible MLRF applicants.

ExporTech. WEDC partners with the Wisconsin Manufacturing Extension Partnership and the UW-Stout Manufacturing Outreach Center to provide ExporTech, a program designed to increase Wisconsin companies' exports to foreign countries. Eligible companies must be established businesses operating in Wisconsin that manufacture, process, assemble, or distribute a product or perform a service with a potential to be exported. In addition, the company must have executive level involvement and participation in the program, but need not be headquartered in Wisconsin.

WEDC provides financial assistance to eligible companies that participate in the 12-week program managed by the National Institute of Standards and Technology's Manufacturing Extension Partner. Participants also receive a market assessment upon completion. For 2014-15, ExporTech contracts run from October 1, 2014, through June 30, 2015. The 12-week program currently costs $5,000 for manufacturers and $7,500 for non-manufacturers. WEDC provides scholarship funding to eligible participants for up to 50% (but no more than $5,000) of ExporTech costs. ExporTech graduate companies receive a formal assessment in one of their target markets from WEDC's Global Network. The Corporation has made available up to $266,250 in incentive funding for eligible companies under the program.

In 2013-14, WEDC provided $142,500 for the ExporTech program, which assisted 27 businesses participating in the program.

Global Business Development Grant Program. The global business development grant program provides funding to support a company's specific export development and deployment strategy, with WEDC's international staff providing technical assistance. The grants are designed to aid the growth and expansion of the state's exports for Wisconsin businesses and statewide entities for executing their medium to longer term export strategies. The program includes two grant components: (a) collaborative market access grants; and (b) international market access grants. Wisconsin companies may apply for both grant programs, provided the two grants are used for different projects. WEDC has made available $1,200,000 for these programs in 2014-15.

International Market Access Grants. The program provides grants of up to $25,000 per year to eligible businesses for expenses related to developing and deploying a company's specific export strategy. Grants can be used to fund the costs of: (a) company trade show exhibitions; (b) translation of online and printed materials for a targeted foreign market; (c) trade zone certification, registration, and marketing within a foreign market; (d) international and export related conferences, seminars, and other courses; and (e) certain consulting services for eligible companies. The eligible business must be an established business operating in Wisconsin that manufactures, processes, assembles, or distributes a product or performs a service with a potential to be exported. The business is not required to be headquartered in Wisconsin, but must self-certify that at least

35% of the value of the product or service is composed of Wisconsin cost inputs. The company must be new to exporting or expanding into a new international market, and must provide matching funds of at least 30% of the total WEDC award. Also, the eligible activities that are reimbursable with grant funds must have occurred after the award was approved.

Collaborative Market Access. The program is similar to the international market access grants program, but provides grants to an industry focused intermediary. Grants may be awarded for up to $150,000 per fiscal year to eligible recipients (but no more than $15,000 per individual company) to support projects that will increase international exports. Eligible recipients include Wisconsin industry associations, alliances, agencies, regional economic development organizations, or other state/local departments working with Wisconsin companies to increase exports. Grant recipients must provide a compelling case for how their partnership will benefit Wisconsin companies to export products internationally.

WEDC contracted 53 total grant awards in 2013-14 totaling $587,643. Two of those awards were collaborative market access grants, which were sub-contracted to 19 Wisconsin businesses.

WEDC Certified Tax Credits

In addition to WEDC grant and loan programs, the state offers a number of tax credits to encourage specific types of business investment in Wisconsin. Table 4 identifies the tax credit programs administered in part by WEDC that may be claimed in tax year 2015. Refundable credits are typically backed by a sum sufficient appropriation to reimburse claimants for allowable credit amounts that exceed their tax liability in a given year. All five of the tax credits that are not refundable may be carried forward to offset tax liabilities in a future year. For three of the five nonrefundable credits, unused amounts may be sold or otherwise transferred to another taxpayer.

In 2013-14, WEDC entered into contracts to award $94.7 million in tax credits and verified credits totaling $70.5 million. The Corporation will generally enter into a contract with a business to create or retain jobs or to make a capital investment in the state for which the business may claim the awarded tax credits. Pursuant to the terms of the contract, a business may receive a verification letter from WEDC upon completion of the Wisconsin investment to claim the credits from the Department of Revenue. Attachment V provides details regarding the total amount of credits for which the Corporation entered into contracts, the amount of credits that were verified, the number of contracts awarded, and the number of verifications from 2011-12 through 2013-14.

As noted, Table 4 lists the tax credits that WEDC partly administers. Details regarding the credits can be found in the Legislative Fiscal Bu-

Table 4: WEDC Administered Tax Credits

Program	Type
Enterprise Zones	Refundable
Jobs	Refundable
Economic Development	Not refundable, but transferable
Early Stage Seed Investment	Not refundable, but transferable
Angel Business Investment	Not refundable
Development Opportunity Zones	Not refundable
Supplement to the Federal Historic Rehabilitation Credit	Not refundable, but transferable

reau informational paper "Business Tax Credits."

Other WEDC Programs

WEDC provides technical assistance to businesses through four additional programs in 2014-15, which are described in the following section. These programs do not directly award funds, but provide assistance to businesses and communities by: (a) allocating federally tax exempt bonding authority to municipalities; (b) providing resources to revitalize downtown communities; (c) pre-certifying potential industrial sites for businesses interested in locating or expanding in the state; and (d) providing assistance to companies interested in exporting products to foreign markets. In addition, WEDC administers one loan program on behalf of the Department of Administration's Division of Energy Services.

Industrial Revenue Bonding -- Volume Cap Allocation. Private activity bonds are federally tax-exempt bonds issued by public entities to provide low-cost financing for private projects that serve a public purpose. Typically, a governmental unit borrows money from private capital markets secured only by project revenues rather than the full faith and credit of the local governmental unit. Interest income earned on private activity bonds issued by a governmental entity to finance a project for a private company may be exempt from federal income taxes, reducing the cost of financing the project.

Industrial revenue bonds (IRBs) are a type of private activity bond and are primarily used to finance manufacturing projects. Manufacturing generally includes all types of processing that result in the change in the condition of tangible property. However, certain "exempt" projects can also be financed by IRBs. Eligible expenses include land acquisition and site improvements, construction, expansion or rehabilitation of facilities, equipment purchases, architectural and engineering studies, and interest during construction. Bond issue proceeds can also be used to fund certain costs incurred in issuing the bonds.

Federal law establishes a "volume cap" at the state level that limits the amount of IRBs that can be issued each year for projects. WEDC allocates bonding authority ($282.1 million for 2014) to cities, villages, towns, and counties to issue tax-exempt industrial revenue bonds. The municipality or county sells the IRBs and loans the proceeds to the business conducting the project. The business must secure an underwriter for the bond issue. Because of the tax-exempt status of the bonds, interest on IRBs is typically 75% of the current prime rate. Project facilities and equipment are usually pledged collateral on the loan. IRBs are subject to the following limits under federal law: (a) not more than 25% of the net proceeds of the bonds can be used for land acquisition; (b) used property cannot be acquired with the bond proceeds, unless substantial rehabilitation (generally 15% of the amount financed with bond proceeds for buildings and 100% for structures other than buildings) is done within two years from the later of the date the property was acquired or the date the bond was issued; (c) average maturity of the bonds cannot exceed 120% of the weighted average economic life of the project; (d) property financed with bond proceeds must be depreciated using the straight-line method; and (e) all proceeds must be used within a three-year period.

Federal law limits the maximum size of an IRB issue to $10 million. For IRB issues exceeding $1.0 million, capital expenditures at the business's location in the local governmental unit cannot be greater than $20 million during the three years preceding and the three years following the date the bonds are issued. The total amount of IRBs outstanding for all related operations of the business, in all states, cannot be more than $40 million. "Exempt" projects are not subject to these limits. "Exempt" projects eligible for

IRB financing include: (a) airports; (b) docks and wharves; (c) mass-commuting facilities, including high speed rail; (d) facilities for furnishing water; (e) sewage facilities; (f) local electric energy or gas service facilities; (g) local heating and cooling service facilities; (h) solid waste disposal facilities; and (i) qualified hazardous waste facilities.

A notice of a bond closing must be filed with WEDC within five business days of the date of closing and must include information regarding the buyer and underwriter, whether the sale was public or private, terms of the bonds, and interest rates of the bonds. The following information must be submitted to WEDC along with the bond closing notification: (a) a good faith estimate of attorney fees paid from bond proceeds that must be filed with the clerk of the municipality or county; (b) a copy of the approved initial resolution and proof of publication; (c) an IRB job retention certification form, if applicable; and (d) follow-up reports. In addition, WEDC must have received a notification of the municipality's intent to issue an IRB at least 30 days prior to the municipality entering into the revenue agreement or signing the loan contract.

Entities eligible to issue IRBs are municipalities, community development authorities, or redevelopment authorities. Applicants complete an IRB volume allocation application through an account manager, who assigns the application to an underwriter through the management review process. If bonds are not sold within 30 days of the certification date or by December 1 (whichever comes first), the applicant must submit a deposit of 0.5% of the allocation (1.0% if the allocation is requested after September 30) to WEDC. The deposit is refundable after the bond closing; however, the deposit is forfeited if the bonds are not sold. Additionally, a nonrefundable fee of 0.1% of the amount of the bond issue, up to $10,000 per project, must be paid to WEDC. The Corporation may waive, if warranted by economic circumstances, the required deposit, the deposit forfeiture for failure to sell bonds, and the non-refundable fee.

WEDC allocated a total of $28.4 million in IRB authority for seven projects that contracted bond issues in 2013-14.

Main Street and Connect Communities Program. The Wisconsin Main Street program was established in 1987 to assist state municipalities in revitalizing traditional business districts. A city, village, or town may be selected to participate in the program through a competitive process. WEDC provides technical support and training to assist municipalities in planning, managing, and implementing projects to revitalize their downtown business areas through comprehensive economic redevelopment and historic preservation. WEDC is required to expend at least $250,000 annually on the program.

Under the statutes, WEDC must do the following.

a. Enter into contracts to obtain business area revitalization services provided by the National Main Street Center.

b. Develop a plan, with assistance from interested individuals and organizations, describing the objectives of the state Main Street program and the methods by which the Corporation will: (1) coordinate the activities of that program with public and private sector business area revitalization; (2) solicit and use private sector funding for business area revitalization; and (3) assist municipalities to engage in revitalization of business areas.

c. Coordinate with other state and local public and private entities that provide services to municipalities undertaking revitalization projects for business areas.

d. Annually select up to five municipalities representing various geographic areas and populations to participate in the state Main Street program for five years. A municipality can participate in the program more than one time. However, WEDC may give priority to municipalities that have not previously participated in the program.

e. Develop criteria for selecting participants relating to at least the following: (1) private and public sector interest in, and commitment to revitalization of, a business area selected by the municipality; (2) potential private sector investment in the selected business area; (3) local organizational and financial commitment to employ a program manager for at least five years; (4) local assistance in paying for the services of a design consultant; and (5) local commitment to assist in training persons to direct activities related to business areas in municipalities that do not participate in the program.

f. Provide training, technical assistance, and information on the revitalization of business areas to municipalities which do not participate in the program. WEDC is authorized to charge reasonable fees for technical information and services.

Generally, any municipality can apply to WEDC to participate in the state Main Street program. Up to five municipalities are selected biennially for the program based on review and ranking of applications. Applicants must first participate in a Main Street application workshop, which is offered regionally in the fall and describes building local commitment, raising funds, the Main Street Approach, and budgeting. A letter of intent must be submitted from the potential applicant following the workshop. Applications are evaluated through a competitive process and are selected by an outside committee. The scoring committee selects eligible communities through a voting process based on the application and a short presentation by the applicant community.

WEDC will generally select 20 municipalities that are eligible for the Connect Communities program. The Connect Communities program is not required by statute but is offered by WEDC to supplement the Main Street program and expand services to more downtown communities across the state. Applications for the program are taken in the Spring and are announced on July 1 of each year. Applications are determined on a competitive basis by an internal committee, and selected municipalities must pay an annual fee of $200 to WEDC to participate in the program.

WEDC provides technical assistance through the Main Street and Connect Communities programs. Each year, WEDC develops a plan describing the following objectives of the Main Street program and the methods for: (a) coordinating with the public and private sectors; (b) soliciting private sector funds; and (c) helping municipalities engage in revitalization with help from individuals and organizations. WEDC also matches technical assistance from its own staff, the National Main Street Center, and outside consultants to the needs of participants. In addition, the Corporation works with local communities to set strategies to solicit private funds in support of the downtown program.

Communities are selected to participate in the state Main Street and Connect Communities programs through a competitive review process based on the following criteria:

a. *Need.* The need for the program, such as exhibited by the municipality's vacancy rate, blight, and business mix issues.

b. *Organizational Capability.* The ability to bring financial and volunteer resources together according to the National Main Street Center's four-point approach to downtown revitalization.

c. *Public Sector Commitment.* The level of public sector financial and staff commitment.

d. *Private Sector Commitment.* The level of financial and volunteer commitment from local businesses and individuals.

e. *Financial Capacity*. The financial capability of the community to support the downtown revitalization, including the employment of a full-time local program manager (at least half-time, if the population of the community is 5,000 or less). A community's ability and commitment to hiring design consultants and providing training are also taken into consideration.

f. *Physical Capacity*. Ability to show sufficient building stock, businesses, and a recognizable downtown district.

g. *Historical Integrity*. Existing historic resources in the downtown and genuine interest in saving and restoring historic structures. WEDC employs a design specialist to assist eligible communities.

In addition, local Main Street and Connect Communities participants must commit to training and sharing downtown revitalization information with non-participant communities.

Table 5 shows Wisconsin Main Street and Connect Communities participants during 2014-15.

Table 5: Main Street and Connect Communities Participants in 2014-15

Main Street Participants	Connect Communities Participants
Absolutely Waterford	Antigo
Chippewa Falls Main Street	Berlin
Community Improvement of Algoma	Birchwood
Darlington Chamber-Main Street	Black River Falls
Definitely De Pere	Burleigh Street
Downtown Beloit Association	Butler
Downtown Fond du Lac, Inc.	Cambridge
Downtown Kenosha, Inc.	Cashton
Downtown Rhinelander, Inc.	Coloma
Downtown West Allis	Columbus
Downtown Whitewater, Inc.	Crandon
Eagle River Revitalization Program	Cuba City
Future Omro Chamber-Main Street	Deerfield
La Crosse*	East Tosa
Ladysmith Main Street	Edgerton
Main Street Lake Mills	Hartford
Main Street Marshfield	Hartland
Main Street Monroe	Hillsboro
Main Street Wausau	Janesville
Mainly Manitowoc	Kaukauna
Milwaukee Marketplace BID 32	La Crosse*
On Broadway, Inc.	LaFarge
Osceola Chamber-Main Street	Lancaster
PDC Main Street	Little Chute
Platteville Main Street	Marathon City
Port Washington Main Street	Menasha
Positively Pewaukee	Menomonee Falls
Rice Lake Main Street	Menomonie
Ripon Main Street	Milton
Sheboygan Falls Chamber/Main Street	Mosinee
Sturgeon Bay Visitors Center	Phelps
Tigerton Main Street	Plymouth
Tomahawk Main Street, Inc.	Princeton
Two Rivers Main Street	Pulaski
Viroqua Chamber Main Street	Sheboygan
Watertown Main Street	Superior
	Thiensville
	Wabeno

*La Crosse participates in both the Main Street and Connect Communities programs

Certified Sites. Under the certified sites program, WEDC partners with Deloitte Consulting and community partners to: (a) develop consistent standards for industrial site certification; (b) increase site viability for projects by removing unknowns about a site; and (c) accelerate the site implementation timeline for potential site redevelopment. Wisconsin communities, organizations, or individuals with a site of at least 20 continuous, developable acres may be eligible for the program. The program is a technical assistance program, paid for by eligible applications, that educates partners on key aspects of site development, site marketing, and response to a site search. The Corporation does not expect any new sites to be certified in 2014-15 and has not provided any monies for the program; however, WEDC plans to continue promotion of the existing 13 certified sites. No new sites were certified by WEDC in 2013-14, but two projects were announced at existing certified sites.

Global Trade Ventures. The Global Trade Ventures program helps support the cost of country-specific business services to eligible Wisconsin companies. The program is designed to provide expertise to Wisconsin companies in targeting international markets to realize export opportunities and accelerate a company's export sales. Eligible companies must be established businesses operating in Wisconsin (but are not required to be headquartered in the state) that manufacture, process, assemble, or distribute a product or perform a service (such as engineering, architectural, information technology, and scientific research) that may be exported. Companies that are not eligible for subsidies to offset the costs of the program may participate in the Global Trade Venture program, but must pay the full market price.

WEDC has budgeted operational funding of $360,000 in 2014-15 to support the Global Trade Venture program, but no monies are awarded directly to participants. Funds are used to cover the total costs of program implementation, including administration, marketing, in-market services, and other related costs. Incentives may be made available to eligible companies to cover a portion of the business service package for the program. Services available under the program are determined based on the specific market and business need, but may include: (a) market assessment; (b) partner search; (c) translation/interpreting; and (d) activities to foster cultural understanding of customers or consumers. Since the program is new for 2014-15, no monies were provided by WEDC in 2013-14.

Clean Energy Manufacturing Revolving Loan Fund. The clean energy manufacturing revolving loan program provides low-interest loans to manufacturing firms in the clean energy sector to fund expansion projects that retain or create jobs. Loans may be awarded for the following type of projects: (a) energy efficiency measures reducing the use of fossil fuels at an industrial or manufacturing facility; (b) eliminating or reducing waste product by using it as a feedstock for energy production; (c) biogas production; or (d) other cost-effective energy reduction or clean energy projects.

The program is intended to support start-up or existing manufacturing business expansion, with preference given to the food and beverage industry, which develops or expands processes that contribute to the reduction of fossil fuel consumption and the creation or retention of jobs. Under WEDC policy, at least 80% of clean energy manufacturing revolving loans must be for manufacturers in the food and beverage industry. Eligible applicants must: (a) be a Wisconsin for-profit manufacturing business; (b) have the project be in a facility or plant located in this state; (c) provide at least a 50% match of total project costs; (d) use loans only for purchases of equipment subsequent to the date of the loan award; (e) complete the project within 18 months of the award date; (f) be current, at the time of the award, on any WEDC required reports and repayments if the applicant has other awards with WEDC; and (g) demonstrate a strong repayment capacity with an unlimited personal guaranty if the applicant is a start-up manufacturing business. Preference is given to applicants that do not currently have a state energy program loan (which are no longer offered) through WEDC and to applicants that give the Corporation first position on equipment used for collateral.

WEDC, in conjunction with the Division of Energy Services, evaluates applicants, on a competitive basis using the following criteria:

a. Cost-effectiveness and the amount or percent of projected energy savings the project will have to total energy used at the facility;

b. Economic impact, based on job retention or creation, production, capital investment, and use of a Wisconsin supply chain;

c. Financial impact, including repayment capacity, the loan terms requested, the degree of non-bank leveraged funding and commitment from banks, collateral, creditworthiness, and leverage amount;

d. Overall cost-effectiveness based on the cost/benefit ratio and project payback period;

e. Whether the applicant encouraged Focus on Energy investment in the project; and

f. Environmental impact.

WEDC administers the clean energy revolving loan program under a memorandum of understanding (MOU) with the Division of Energy Services in accordance for state and federal laws and in accordance with rules and regulations of the U.S. Department of Energy. Under the program, WEDC administers $7,000,000 of potential loans in 2014-15, but no more than $1,000,000 per eligible applicant, for clean energy projects. The loans have an interest rate of 2% from the time of the loan disbursement through the life expectancy of the equipment financed or seven years, whichever is less. The loan program is new for 2014-15 and, as a result, no loans were made in 2013-14. Under the MOU, the Corporation receives a monthly service fee from the Division of Energy Services and is reimbursed for reasonable and necessary costs incurred in administering the program.

ATTACHMENT I

Partners Contracting with WEDC in 2014-15

Contracted Partner	2014-15 Budgeted Expenditures	Service Provided
Wisconsin Women's Business Initiative Corporation	$350,000	Economic development services statewide, such as business education and financing to Wisconsin entrepreneurs, supporting small and rural business expansion, providing micro-lending financing to start-ups and early-stage companies, primarily focused on minority-owned, woman-owned, and rural businesses.
Center for Technology Commercialization	540,000	Provides access to a statewide network of resources and expertise to identify and assist high potential entrepreneurs, facilitates collaboration between entrepreneurs and organizations assisting entrepreneurs, administers training grants for statewide approved applicants, implements the federal Small Business Innovation Research program, administers grants financing business startups, and assists research and development activities to achieve commercialization.
BrightStar Wisconsin Foundation	300,000	Solicits private donations for its nonprofit, statewide investment fund to be invested in high-growth potential early-stage companies to expand their business and create jobs.
Wisconsin Technology Council	310,000	Provides science and technology advisory services to the Governor and the Legislature to build statewide angel network capacity and to increase seed-stage and expansion-stage equity investments in Wisconsin companies.
Wisconsin Manufacturing Extension Partnership	1,000,000	Advises small and midsize manufacturers statewide.
UW-Stout Manufacturing Outreach Center	250,000	Advises small and midsize manufacturers in Western Wisconsin.
Wisconsin Procurement Institute	300,000	Provides advisory educational and capacity-building services to Wisconsin companies to effectively compete for, and deliver, federal and state contracting services.
Global Network of Authorized Trade Representatives	340,000	Provide in-market export services to Wisconsin companies through 14 independent contractors covering 36 countries that are located in high-volume, high-growth potential markets.
Regional Economic Development Organizations	900,000	Collaborate with other state, municipal, and county economic development organizations, as well as the private sector, to leverage funding at the regional level to support WEDC's priorities. State law requires WEDC to provide annual grants to these organizations to fund marketing activities equal to the amount of matching funds the organization obtains from non-WEDC or state sources, but not more than $100,000 annually.
Total	$4,290,000	

Source: Wisconsin Economic Development Corporation

ATTACHMENT II

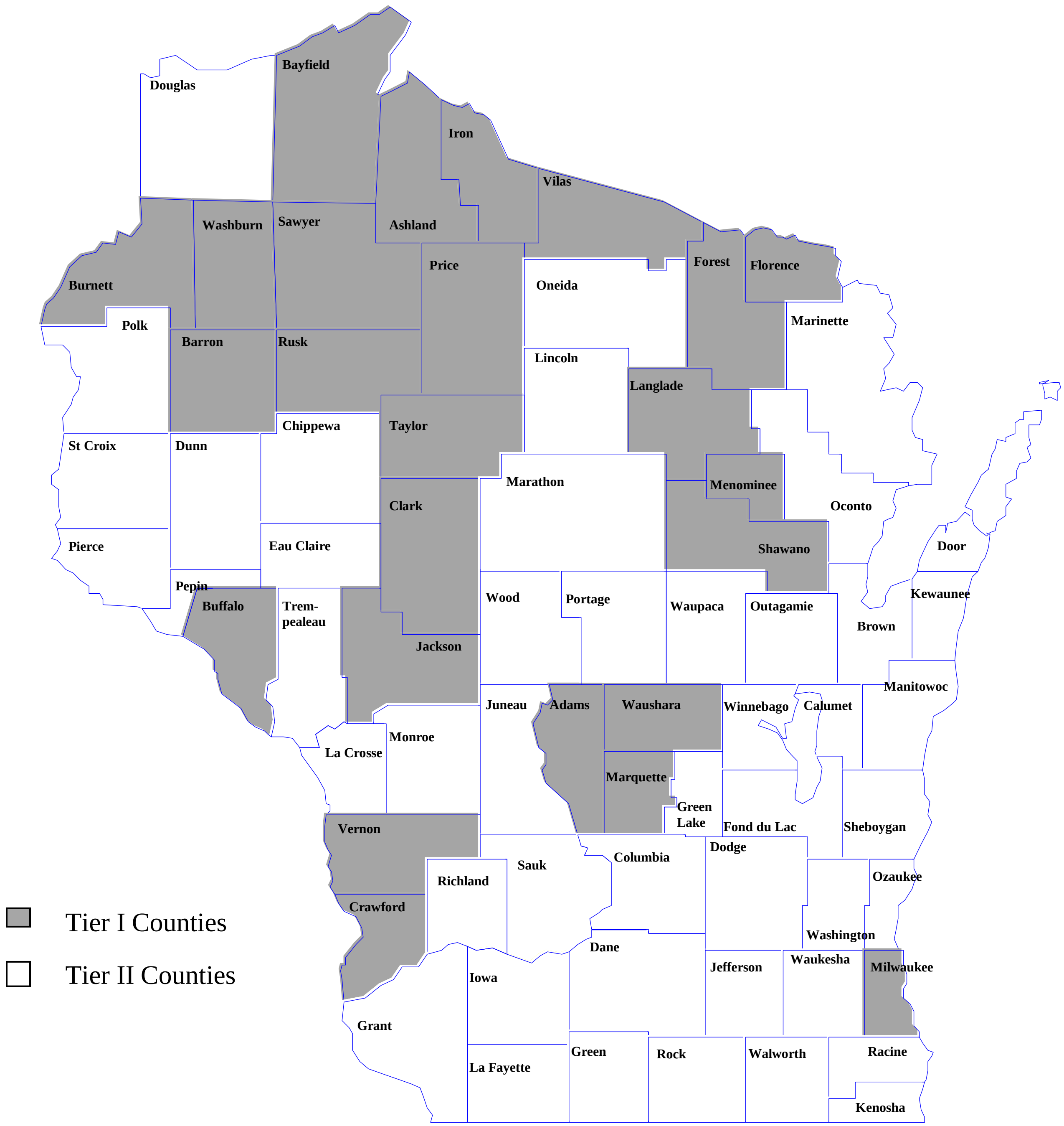
Summary of WEDC's Loan Portfolio Activity from June 30, 2011, through June 30, 2014

	Business Opportunity Loan Fund			Technology Development Loans -- State Funds			Technology Development Loans -- Federal Funds			Loan Programs No Longer Active			Total		
	Amount	Number	Average	Amount	Number	Average	Amount	Number	Average	Amount	Number	Average	Amount	Number	Average
Loans Receivable 7/1/2011				$11,553,669	61	$189,404				$29,874,153	158	$189,077	$41,427,822	219	$189,168
Draws				1,621,470	10	162,147				12,871,702	24	536,321	14,493,172	34	426,270
Repayments				829,399	25	33,176				2,765,811	117	23,639	3,595,210	142	25,318
Write Offs				0	0	0	Not Active in 2011-12			0	0	0	0	0	0
Forgiven	Not Active in 2011-12			0	0	0				0	0	0	0	0	0
Loans Receivable 6/30/2012				12,345,740	68	181,555				39,980,044	162	246,790	52,325,784	230	227,503
Interest Received				159,720						523,163			682,883		
Interest Accrued				572,027						1,291,729			1,863,756		
Loans Receivable 7/1/2012				12,345,740	68	181,555	$0	0	$0	39,980,044	162	246,790	52,325,784	230	227,503
Draws				2,044,541	12	170,378	3,885,000	7	555,000	8,741,523	19	460,080	14,671,064	38	386,081
Repayments				1,213,254	24	50,552	0	1	0	2,968,316	98	30,289	4,181,570	123	33,997
Write Offs	Not Active in 2012-13			925,565	7	132,224	0	0	0	1,347,748	21	64,178	2,273,312	28	81,190
Forgiven				0	0	0	0	0	0	0	0	0	0	0	0
Loans Receivable 6/30/2013				12,251,462	67	182,858	3,885,000	7	555,000	44,405,503	132	336,405	60,541,965	206	293,893
Interest Received				166,775			3,334			306,203			476,312		
Interest Accrued				657,156			61,767			1,876,842			2,595,765		
Loans Receivable 7/1/2013	$0	0		12,251,462	67	182,858	3,885,000	7	555,000	44,405,503	132	336,405	60,541,965	206	293,893
Draws	6,573,126	8	$821,641	2,937,232	15	195,815	313,563	2	156,782	7,285,520	11	662,320	17,109,441	36	475,262
Repayments	0	0		1,052,167	32	32,880	55,841	3	18,614	2,358,042	77	30,624	3,466,050	112	30,947
Write Offs	0	0		899,882	5	179,976	0	0	0	4,813,136	8	601,642	5,713,017	13	439,463
Forgiven	0	0		30,460	1	30,460	0	0	0	1,967,500	5	393,500	1,997,960	6	332,993
Loans Receivable 6/30/2014	6,573,126	8	821,641	13,206,185	71	186,003	4,142,722	9	460,302	42,552,346	118	360,613	66,474,379	206	322,691
Interest Received	0			309,490			75,139			386,043			770,673		
Interest Accrued	77,203			711,749			121,744			2,080,294			2,990,989		

Source: Wisconsin Economic Development Corporation

ATTACHMENT III

Tier I and Tier II Counties Under the Business Opportunity Loan Fund (2014-15)



Source: Wisconsin Economic Development Corporation

ATTACHMENT IV

Grant Awards Contracted by WEDC in 2012-13 and 2013-14

	2012-13			2013-14		
	Amount Contracted	Number of Contracts	Average Amount Per Contract	Amount Contracted	Number of Contracts	Average Amount Per Contract
Entrepreneurial Micro-Grants	$306,700	1	$306,700	$200,000	1	$200,000
Seed Accelerator Program	350,000	2	175,000	498,750	4	124,688
Capital Catalyst Program	250,000	2	125,000	1,690,000	7	241,429
Capacity Building Grants	199,700	4	49,925	125,000	3	41,667
Idle Industrial Sites Redevelopment	N.A.	N.A.	N.A.	5,118,000	6	853,000
Community Development Investment Grants	115,000	5	23,000	1,265,234	15	84,349
Workforce Training Grants	752,592	6	125,432	490,774	4	122,694
Brownfield Redevelopment Financial Assistance	2,744,225	9	304,914	3,839,275	11	349,025
Brownfield Site Assessment Grant	456,000	9	50,667	1,472,722	17	86,631
Targeted Industry Projects	223,000	3	74,333	1,231,803	15	82,120
Minority Business Development Revolving Loan Fund	300,000	2	150,000	500,000	4	125,000
ExporTech	408,600	2	204,300	142,500	1	142,500
Global Business Development Grants	370,823	34	10,907	587,643	53	11,088
Total	$6,476,640			$17,161,701		

Source: Wisconsin Economic Development Corporation

ATTACHMENT V

Tax Credits Certified and Contracted

	Tax Credits Contracted			Tax Credits Verified		
	Total Amount	Number of Awardees	Average Credit	Total Amount	Number of Awardees	Average Credit
2011-12						
Enterprise Zones	$61,000,000	3	$20,333,333	$6,970,000	3	$2,323,333
Jobs	12,364,000	10	1,236,400	3,514,424	4	878,606
Economic Development	28,239,750	72	392,219	8,197,874	59	138,947
Early State and Angel Business Investment	19,271,250	41	470,030	N.A.	N.A.	N.A.
Development Opportunity Zones	2,705,000	7	386,429	323,237	4	80,809
Supplement to the Federal Historic Rehabilitation Credit	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Credits No Longer Available	0	0	0	3,734,918	25	149,397
Total:	$123,580,000			$22,740,453		
2012-13						
Enterprise Zones	$62,500,000	1	$62,500,000	$31,796,658	7	$4,542,380
Jobs	9,430,000	8	1,178,750	4,602,442	16	287,653
Economic Development	40,746,455	81	503,043	20,389,807	135	151,036
Early Stage and Angel Business Investment	21,475,075	45	477,224	N.A.	N.A.	N.A.
Development Opportunity Zones	0	0	0	860,147	6	143,358
Supplement to the Federal Historic Rehabilitation Credit	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Credits No Longer Available	0	0	0	2,564,408	11	233,128
Total	$134,151,530			$60,213,462		
2013-14						
Enterprise Zones	$18,300,000	2	$9,150,000	$37,977,269	8	$4,747,159
Jobs	30,790,500	16	1,924,406	4,926,356	22	223,925
Economic Development	25,291,980	63	401,460	24,829,383	165	150,481
Early Stage and Angel Business Investment	12,511,400	26	481,208	N.A.	N.A.	N.A.
Development Opportunity Zones	2,794,000	4	698,500	756,904	6	126,151
Supplement to the Federal Historic Rehabilitation Credit	5,056,912	12	421,409	0	0	0
Other Credits No Longer Available	0	0	0	1,962,665	7	280,381
Total	$94,744,792			$70,452,577		

Source: Wisconsin Economic Development Corporation