

## APPENDIX 7-1

# ECONOMIC DEVELOPMENT ORGANIZATIONS AND PROGRAMS

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### General Economic Development Organizations and Programs

A number of economic development organizations and programs have been established to assist in the establishment, retention, and expansion of area businesses as described below.

***Kenosha Area Business Alliance, Inc. (KABA).*** The Kenosha Area Business Alliance, Inc. (KABA) is a non-profit organization created in 1996 through the merger of the Kenosha Area Development Corporation and the Kenosha Area Manufacturers and Employers Association. KABA's mission is to be the lead business organization that drives economic development throughout Kenosha County, and to support and provide services to its members and Kenosha County communities to ensure quality growth, a robust economy, and a positive business climate for the Kenosha area. Predecessor organizations can be traced back to the Greater Kenosha Development Corporation, founded in 1983. In addition to financing numerous projects for expanding or relocating businesses, KABA has also worked with the City of Kenosha, the Village of Pleasant Prairie, Kenosha County, and Wispark LLC to establish the Business Park of Kenosha in the City of Kenosha, and Lakeview Corporate Park, Prairiewood Corporate Park, and the corporate campus west of I-94 (Abbott Labs) in the Village of Pleasant Prairie.

The KABA Board consists of 35 members representing leaders from business, education, health care, energy, and local governments, and is served by six full-time KABA staff members. Current membership in KABA is about 400 members, representing a diverse group of companies and individuals interested in the economic development of the Kenosha County area. Members range in size from Fortune 100 companies to small business owners, sole proprietors, and individuals.

KABA assists businesses in Kenosha County by facilitating loans for businesses, by providing job training and assistance to area businesses, by developing reports and conducting surveys to collect economic and educational data in Kenosha County, by providing marketing tools, and by reaching out to youths through educational assistance and mentoring programs. In 2007, the KABA staff prepared the *2006 Kenosha County Comprehensive Economic Development Strategy Report* (CEDS). The CEDS report outlines current and historic economic trends in Kenosha County, defines economic development goals and objectives for the year 2007, and provides an assessment of results from goals defined in the previous year's report. Other reports and survey results produced by KABA are available on the KABA website at <http://www.kaba.org/news/reportsresults.htm> and include the following:

- *2007 Economic Outlook Survey Report*
- *2007 Holiday Survey Report*
- *2006 Fringe Benefit Survey Report*
- *2006 Wage & Salary Survey Sample*
- *2006 Economic Outlook Survey*
- *2006 Holiday Survey*
- *2005 Kenosha County School Systems Comparative Analysis*
- *2005 Economic Outlook Survey*
- *2005 Holiday Survey Report*
- *2004 Benefit Survey Report*

Business retention and growth services provided by KABA include visits and presentations to businesses and service groups, services to connect businesses to business resources, worker training programs, and business management certification. Business attraction and marketing services include providing a quarterly KABA newsletter, the KABA website as a business



attraction resource, economic and demographic data to the public, the economic surveys, and business site location listings. KABA maintains partnerships with several economic development organizations and participates in several economic development programs in the Region including the Regional Economic Partnership and the Milwaukee 7 (see below).

KABA is further involved with assisting in packaging loan requests, working with financial institutions to expedite lending processes, administering two Wisconsin Department of Commerce tax credit programs, and marketing various revolving loan funds. KABA manages an extensive portfolio of community revolving loan funds that provide low interest loans and financing to companies that are creating jobs in Kenosha County either by expanding existing businesses or establishing a new business in the County. Some of the programs and services provided by, or coordinated through KABA are described below.

**Technology Zone Tax Credits:** The Wisconsin Department of Commerce's Technology Zone program offers tax credit incentives to new and growing businesses in the State's high-technology sectors. High technology businesses planning to expand existing operations in a designated Technology Zone area, individuals planning to start a new business in a Technology Zone area, or businesses considering relocation to a Technology Zone area from outside Wisconsin may be eligible for a maximum \$500,000 tax credit. Kenosha County, along with Racine and Walworth Counties, is part of the Southeast Tri-County Technology Zone. As an administering agency, KABA works with eligible businesses to secure tax credits. Recent beneficiaries of the program in Kenosha County include Hospira, Inc., in the Village of Pleasant Prairie, which was awarded a \$500,000 Technology Zone Tax Credit in 2006. This was the first Technology Zone Credit awarded in Kenosha County.

**Community Development Zone Tax Credits:** The Wisconsin Department of Commerce's Community Development Zone Program (CDZ) is a tax benefit initiative used to help business owners expand existing businesses, start new businesses, or relocate existing businesses to Wisconsin through the use of tax credits. KABA provides assistance to eligible businesses to secure CDZ tax credits.

There are three (3) methods in which businesses would be eligible for development zone tax credits. The first provides non-refundable tax credits of up to \$6,500 for each new full-time job created and filled by members of target groups. Eligible target groups include W-2 participants, dislocated workers, Federal Enterprise Community residents, vocational rehabilitation program referrals, Vietnam-era veterans, ex-felons, and youth from low-income families. The City of Kenosha is the sole designated CDZ in Kenosha County. The second provides non-refundable tax credits of up to \$6,500 for each new full-time job created and filled by Wisconsin residents who are not members of target groups. In this case, the actual amount of credits is dependent upon wages and benefits; wages must be at least 150 percent of federal minimum wage. A full-time job means a regular non-seasonal job consisting of at least 2,080 working hours per year. One-third of the allocated tax credits must be claimed for jobs that are filled by target group members. The third method provides a non-refundable environmental remediation tax credit of 50 percent for all remediation costs affected by environmental pollution in a brownfield development. Twenty-five percent of all credits allocated to the business must be used for creating full time jobs.

According to KABA, certain properties within the City of Kenosha are included in Kenosha's Community Development Zone and are therefore eligible to take advantage of tax credits based on either the creation of new full-time jobs or for eligible environmental site remediation costs. Phase II of the Business Park of Kenosha and most of the properties in the City's Downtown lakefront area are included in the Community Development Zone. Recent beneficiaries include Roundy's Supermarket, which was awarded a \$250,000 CDZ tax credit for the construction of a new food processing plant in the City of Kenosha in 2005.



**Revolving Loan Funds:** The Wisconsin Community Development Block Grant (CDBG) Program, administered by the Wisconsin Department of Commerce, provides local governments or government agencies with funds to use for business start-ups and expansion. These funds, received from the U.S. Department of Housing and Urban Development, are used to provide grants to local units of government that use the funds to loan to a business. The business, in return for use of the public funds, provides private investment towards the assisted activity and most importantly creates job opportunities, principally for the benefit of low- and moderate-income persons.

When a business repays the community the loan (principal and interest payments), the funds are used to capitalize a local revolving loan fund (RLF). With the RLF, the community can make additional loans to businesses wishing to expand or locate in the community. These loans typically are smaller loans (\$20,000-\$100,000). The community's revolving loan fund can expand the amount in its RLF to an amount in excess of the original when successfully administered. This happens when the community exercises due diligence by performing a thorough credit analysis to determine business viability and adequately securing and servicing the loan. In administering a RLF, a community becomes a "bank" and accepts responsibilities similar to that of a commercial lender when it makes a CDBG or RLF loan to a business.

To be eligible for funding, a proposed project must meet specified minimum requirements based on the terms of the RLF. Such terms may include a specified amount of private sector investment, such as a ratio of borrowed money to investment, or require that a certain number of jobs be created or retained for the specified amount of RLF funds requested. Additionally, an applicant would need to demonstrate that the proposed project is viable and that the business has the ability to repay the funds under the terms of the agreement. Time limits on loan repayment may also be set forth in an RLF.

Funding from RLF programs in Kenosha County is used to create employment opportunities, encourage private investment, and provide a financing alternative for new business start-ups or expanding existing businesses. Loans may be used for the purchase, rehabilitation, renovation, or construction of a building; site acquisition and preparation; purchase of furniture, fixtures, and equipment; financing and working capital; tenant improvements; and buyouts by purchase of assets or stock. There were four businesses approved for KABA revolving loans in 2006 and four in 2005. Table 7-1a shows KABA's revolving loan fund allocations for 2006. The following is a list of available revolving loan funds managed by KABA:

- **KABA Revolving Loan Fund (KABA RLF):** This program is funded by private donations to KABA for the purpose of creating jobs and development in Kenosha County. Loan approval and amount is up to the discretion of the KABA Board.
- **City of Kenosha Revolving Loan Fund (City RLF):** This program is funded by the City of Kenosha General Fund for businesses within the City. Its focus is on reinvestment areas including the City's business parks and businesses which pay high wages. The maximum loan is \$500,000, or 50 percent of the project cost, whichever is less.
- **Economic Development Authority Revolving Loan Fund (EDA RLF):** This program is federally funded by the U.S. Department of Commerce through Kenosha County, with a focus on manufacturing and manufacturing related businesses. The maximum loan amount is \$350,000, or not more than 1/3 of the total project cost, whichever is less. The loan cannot be used to relocate a business from another regional market.
- **Kenosha County Revolving Loan Fund (CRLF):** This program is funded by the Kenosha County General Fund to create development and jobs in Kenosha County. The funds can also assist eligible non-profit agencies that provide services through, and/or to, the County. The maximum loan is \$800,000, or 50 percent of the project cost, whichever is less.



- **Consolidated Kenosha County Revolving Loan Fund (CKC RLF):** This program is federally funded through the Wisconsin Community Development Block Grant Program (CDBG); funds are granted to the County and assigned to KABA upon the repayment of the assigned loans. These funds can only be used by businesses located outside the City of Kenosha and to create or retain jobs. The maximum loan is \$750,000, or not more than 50 percent of the project cost, whichever is less.
- **Urban Development Action Grant Revolving Loan Fund (UDAG RLF):** This program is federally funded through the City of Kenosha for City businesses which have specific needs, or to create or retain jobs. Preference is given to revitalization and redevelopment projects.
- **Business Improvement District Revolving Loan Fund (BID RLF):** This program is funded through the City of Kenosha's federal block grant program to be used by the Business Improvement District (BID) to assist in revitalization of a BID area. This is strictly a loan program for the BID; grant funds cannot be awarded through this program. However, these funds may be used by the BID as equity or subordinated debt.

**TABLE 7-1a**  
**KENOSHA AREA BUSINESS ALLIANCE REVOLVING LOAN FUND ALLOCATIONS: 2006**

Fund	Total Annual Allocation	Percent
KABA Revolving Loan Fund (KABA RLF)	\$8,291,144	35.1
City of Kenosha Revolving Loan Fund (City RLF)	\$2,172,684	8.6
Economic Development Administration Revolving Loan Fund (EDA RLF)	\$3,224,420	12.7
Kenosha County Revolving Loan Fund (CRLF)	\$3,409,284	13.4
Consolidated Kenosha County Revolving Loan Fund (CKC RLF)	\$5,189,379	20.4
Urban Development Action Grant Revolving Loan Fund (UDAG RLF)	\$2,468,844	9.7
<b>Total</b>	<b>\$25,385,755</b>	<b>100.0</b>

Source: Kenosha Area Business Alliance.

**KABA Training Programs and Master's Certificate Programs:** KABA offers and coordinates training courses, workshops, briefings, and roundtable discussions for its business members and Kenosha County communities. KABA has also established a partnership with Gateway Technical College, which allows KABA to offer three Master's Certificate Programs that each lead to six credit hours of advanced standing toward a Gateway Technical College Associate's Degree in Management. The program includes instruction in Supervisory Management, Human Resource Management, and Quality Specialist.

**KABA Foundation, Inc. and KABA's Education Foundation:** In 1996, the KABA Foundation, Inc. was formed as a subsidiary of KABA to develop education initiatives with local schools to increase graduation rates, improve the overall quality of education, and to help foster and create a good educational system in Kenosha County. KABA's Education Foundation promotes educational outreach in Kenosha County through a Mentor Program. Adult mentors from the business community mentor 3rd through 5th grade students to provide at-risk students with a positive role model. In 2006, the Education Foundation awarded \$14,000 in scholarships to high school seniors planning on pursuing post-secondary education.



**Community Development Block Grant Program –ED:** The CDBG program was designed to assist businesses that will invest private funds and create jobs as they expand or relocate to Wisconsin. The Wisconsin Department of Commerce awards the funds to a city, village, town, or county, which then loans the funds to a business. When the business repays the loan, the community may retain the funds to capitalize a local revolving loan fund; in the case of Kenosha County, funds retained were placed into the various revolving loan funds administered by KABA. These funds can then be utilized to finance additional economic development projects within Kenosha County communities. Businesses located in all communities in Kenosha County are eligible for CDBG-ED grants, with the exception of the City of Kenosha, which has the status of being an entitlement community. The City of Kenosha maintains its own CDBG program; in 2006, 17 businesses took part in the City of Kenosha CDBG program.

**Kenosha County Department of Human Services - Division of Workforce Development:** The Kenosha County Division of Workforce Development administers local, state and federal public assistance programs, including the Wisconsin Works program (W-2), Childcare, Medicaid/BadgerCare, Food Stamps and the Low Income Heating and Energy Assistance Program (LIEAP), and the Dislocated Worker Program. The Division is part of the Wisconsin Department of Workforce Development. The Kenosha County Division is part of the greater Southeastern Wisconsin Workforce Development Area, which consists of Kenosha, Racine, and Walworth Counties. Workforce development divisions for these three counties pool resources to provide training and assistance for those seeking employment, and to help employers seeking qualified candidates to fill positions. The Kenosha Division provides most services at the Kenosha County Jobs Center in the City of Kenosha. Some services are located at the Kenosha County Center, to serve residents living in the western part of Kenosha County. The Kenosha County Job Center has facilities to conduct on-site job recruitments, interviews, testing, orientations, trainings, union negotiations, and human resources and employee relations functions.

Although much of its activities are focused on assisting workers to find jobs, and providing interim financial and welfare assistance, additional services and programs are provided by the Division of Workforce Development that focus on economic development and job growth. These include the following:

**Employer Outreach Services:** Employer Outreach Services provides assistance to employers searching for qualified applicants, provides labor market information, provides small business development services, and works directly with employers to coordinate and conduct job fairs. Employer Outreach Services assists local employers in the recruitment process on a local, statewide, and national level, and provides employers with assessments and training of new and existing employees. Job Fairs allow a company the opportunity to meet with hundreds of applicants at one specific time and ensure exposure to a large pool of potential employees.

**Dislocated Worker Program:** The objective of the Dislocated Worker Program is to assist laid-off workers in obtaining full-time employment in a job compatible with the worker's capabilities and interests at a competitive wage. The Southeastern Wisconsin Workforce Development Area manages the Dislocated Worker program, which is a "Work First" program with emphasis on opportunities for employment. Participation requires that the worker be committed to intensive efforts toward obtaining full-time employment. Program staff develops an Individual Employment Plan (IEP) with each participant to identify full-time employment objectives and what steps will be taken to achieve the objectives. The IEP specifies the occupational goals of the enrollee, based on assessment, testing, and individualized counseling.

If, after an initial period of intensive work search the participant is unsuccessful in obtaining employment, additional training may be considered, subject to availability of funds. Those who are deemed eligible to receive additional training are given an Individual Training Account

(ITA), and information on providers, which includes the cost of training and the success rate of the training provider.

**Kenosha Area Resume Matrix:** This web resource is used by employers to access the resumes of candidates interested in working for companies located in Kenosha County. The Resume Matrix includes resumes from a variety of individuals, from professional, technical, skilled trade, administrative, and entry level workers, who are actively seeking employment. Referrals come from a variety of sources including people affected by downsizing, individuals currently working, and people referred from the "Hot Jobs" Workshop and the Kenosha County Job Center. The matrix is updated on a regular basis and contains a thumbnail profile of the candidates.

**Kenosha County Workforce Development Board:** The Kenosha County Workforce Development Board was established in response to the Workforce Investment Act of 1998 (WIA). The Board is a non-profit corporation dedicated to providing workforce development services to residents and businesses of Kenosha County. It works in collaboration with County and local elected officials, economic development corporations (such as KABA), and businesses to address workforce issues. The Board is dedicated to finding solutions to local workforce needs through long-term planning and timely responses to the changing economy.

**Economic Summits:** In August 2001, the first Kenosha County Economic Summit<sup>1</sup> was hosted by the Blue Ribbon Strategic Plan Task Force, a subcommittee of the Kenosha County Workforce Development Board, appointed by the County Executive. The format of the Summit divided attendees into focus groups and recommendations were put forth by each focus group on topics including education, infrastructure, quality of life, economic base and diversification, income and ability to pay, and technology zones. Outcomes of the 2001 economic summit report are discussed in Appendix 2-1.

In March 2007, over 150 business, government, education, and community service leaders attended a second Kenosha County economic summit, "Solutions for the Future"<sup>2</sup>. A subcommittee of the Kenosha County Workforce Development Board, appointed by the County Executive, developed the summit program. The morning session gave attendees information about the County's growth, economic issues to consider, and links with the Chicago region.

Attendees broke into focus groups charged with developing specific action plans that the County should consider to ensure that Kenosha County is poised to grow and have high-skill, high-wage jobs while maintaining and improving the quality of life. The six focus groups are listed below along with the group recommendations developed at the 2007 summit:

*Focus Group 1: Meeting Employer Training Needs in a Non-Traditional Way*

- Create regional clusters or focus groups with education and employer sectors to discuss job specific skills and specialized training programs; bring together similar companies with the same specific training needs
- Explore underutilized labor markets, such as expanding choices for previously incarcerated individuals, and by recommending that technical schools target non-traditional students

<sup>1</sup> Documented in *Kenosha County Economic Summit Report, November 2001, prepared by the Office of the Kenosha County Executive, Kenosha County Workforce Development Board, and the Blue Ribbon Strategic Plan Task Force.*

<sup>2</sup> Documented in a report titled *Kenosha County Economic Summit 2007 "Solutions for the Future," March 2007, prepared by the Office of the Kenosha County Executive, Kenosha County Workforce Development Board, and the Blue Ribbon Strategic Plan Task Force.*

- Expand the existing and develop additional programs that connect education with business, such as mentoring programs (existing mentor programs include the Junior Achievement Program, Skills USA, and the KABA Mentoring program)

*Focus Group 2: Infrastructure for the Near Future*

- Support the expansion of commuter rail
- Fully fund infrastructure support
- Build telecommunications structure for broadband
- Improve lakefront access for quality of life

*Focus Group 3: Employing the Hard-to-Employ*

- Develop clearinghouse with community resources for high risk populations (Kenosha County Jobs Center and educational system as recommended agencies)
- Develop a master list of jobs for high risk groups; identify types of jobs and employers for hard-to-employ populations (Kenosha County Jobs Center, business community, and educational system as recommended agencies)
- Segment groups or types of the hard-to-employ population and develop support systems through encouragement and mentors (Kenosha County Jobs Center, business community, and judicial system as recommended agencies)

*Focus Group 4: Supporting Entrepreneurship*

- Coordination of information - compile, market, and make resources available to potential and current small business owners
- Develop or establish a group of investors who are interested in funding or financing primarily small businesses
- More cooperation and collaboration by city and county governments. Provide more helpful and constructive information to potential and small business owners. Establish a task force to help small businesses with city and county zoning and permitting processes

*Focus Group 5: Directions for Economic Development*

- Attract creative and non-traditional industries
- Engage and involve the younger generation, ages 25-45, especially in community leadership
- Rehabilitate the older infrastructure and add new infrastructure
- Develop a strategy for involving and attracting retirees
- Develop a healthy downtown City of Kenosha

*Focus Group 6: Recruitment and Retention*

- Improve and enhance the image and services of the Kenosha County Job Center with employers
- Start educating students on the importance of working while they are still in school
- Make recruiting efforts in Kenosha easier (examples include a County-wide job posting board, marketing campaign to lure commuters back from Illinois jobs)

**Kenosha Area Chamber of Commerce:** The Kenosha Area Chamber of Commerce was established in 1916 to support and promote Kenosha businesses and communities in Kenosha County. The Chamber's website provides a variety of area information for newcomers and those



seeking to relocate or visit the area. Information includes maps, community profiles, directories, government resources, and free newcomer packages. The Chamber provides services and sponsors local events such as 'Business After 5', 'Leadership Kenosha', the Kenosha Consumer Expo, a Business to Business Tradeshow, as well as other informative resources.

**University of Wisconsin-Parkside Small Business Development Center (SBDC):** The University of Wisconsin – Parkside Small Business Development Center (SBDC) provides assistance to new and existing businesses in the form of classes and business counseling services, including assistance in the development of business plans and marketing. The UW-Parkside SBDC is located in the Center for Advanced Technology and Innovation (CATI) building in Sturtevant to serve both Racine and Kenosha counties. The SBDC provides business counseling and assistance in both pre-venture (business formation) and venture (business growth and enhancement) areas at little or no cost to its clients.

**Regional Economic Partnership (REP):** The REP includes economic development organizations in each of the Region's seven counties (Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha) plus We Energies, the City of Milwaukee, the Metropolitan Milwaukee Association of Commerce, and SEWRPC. The REP was formed in 1993 to provide:

- A development partner to assist with financing, workforce training programs, and technology development programs
- Assistance with business permits and regulations
- Continuing assistance beyond project completion

**The Milwaukee 7:** The Milwaukee 7 is a council of representatives from the seven Southeastern Wisconsin counties – Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha. The council, made up of about 35 civic and business leaders, was formed with the idea that a regional approach is key to fostering economic growth. Milwaukee 7 is engaged in efforts focusing on regional strategic planning for economic development. Among the council's goals are to compile comprehensive information about the Region, creating a way for businesses to tap easily into data that can help them plan expansion or location decisions, identifying "clusters" of industries well suited to the area, and creating jobs to retain more Wisconsin college graduates.

In April 2007, the Milwaukee 7 released its Strategic Framework, which includes a vision for the Region and recommended steps on how to achieve this vision. The Strategic Framework identifies the Region's assets that pose a unique opportunity for the Region's long-term prosperity; identifies "Regional Export Drivers," which are industries that drive the export of goods and services beyond our regional borders; maps opportunity zones; and outlines a strategic agenda for each of the Regional Export Drivers. The Milwaukee 7 resource center and Strategic Framework are found on the Milwaukee 7 website ([www.choosemilwaukee.com](http://www.choosemilwaukee.com)).

**Tax Increment Financing:** Wisconsin's Tax Increment Finance (TIF) or program was approved by the Legislature in 1975. Its purpose is to provide a way for a city or village to promote tax base expansion. TIF is aimed at eliminating blight, rehabilitating declining property values, and promoting industry and mixed-use development. The TIF law was amended in 2004 to allow towns to participate in the TIF program. Towns may create TIF districts for projects involving the agricultural, forestry, manufacturing, and tourism industries, as defined in Section 60.85 of the *Wisconsin Statutes*.

When a TIF is created, the aggregate equalized value of taxable and certain municipality-owned property is established by the Department of Revenue. This is called the Tax Incremental Base. The municipality then installs public improvements, and property taxes generally increase.



Taxes paid on the increased value are used to pay for improvements funded by the community. This is the Tax Increment. It is based on the increased values in the Tax Increment District (TID) and levies of all the taxing jurisdictions that share the tax base. Other taxing jurisdictions do not benefit from taxes collected on value increases until project costs have been recovered and the TID is retired. At this point, the added value is included in the apportionment process and all taxing jurisdictions share the increase in property value.

### **Local Government Economic Development Organizations and Activities**

**Community Development Authorities:** Cities, by two-thirds vote of the members of the common council, may adopt an ordinance or resolution creating a housing and community development authority known as the "Community Development Authority" (CDA) under Section 66.1335 of the *Wisconsin Statutes*. Sections 66.1339 and 66.1341 of the *Statutes* provide villages and towns, respectively, the authority to establish a CDA. The CDA is a separate body from the governing body with the purpose of carrying out blight elimination, slum clearance, urban renewal programs and projects, and housing projects. The ordinance or resolution may also grant the CDA authority to act as the agent of the local government in planning and carrying out community development programs and activities approved by the governing body under the Federal Housing and Community Development Act of 1974 and as the agent to perform all acts that may be performed by the plan commission, with the exception of preparing the comprehensive plan for the local government. Redevelopment and housing authorities must cease operation if the local government establishes a CDA.

**Community Redevelopment Authorities:** Under Section 66.1333 of the *Wisconsin Statutes*, cities are granted the ability to create redevelopment authorities for the purpose of carrying out blight elimination, slum clearance, and urban renewal programs and projects. Members of a city's common council may resolve, by two-thirds vote, to create a redevelopment authority. Upon confirmation by four-fifths of the common council, the mayor or city manager appoints seven residents of the city to act as commissioners. The powers of the redevelopment authority are vested in the appointed commissioners.

Redevelopment authorities are granted powers to prepare redevelopment and urban renewal plans, and to undertake and carry out redevelopment and urban renewal projects within the city's corporate limits, and to employ personnel to carry out those activities. Redevelopment authorities may enter into contracts; acquire by purchase, lease, eminent domain, or other means, any real or personal property or any interest in the property, together with improvements; and carry out any transactions regarding redevelopment of such properties.

### **Wisconsin Department of Commerce Programs**

**Industrial Revenue Bond (IRB) Program Overview:** The Department of Commerce's Industrial Revenue Bond (IRB) Program allows all Wisconsin cities, villages and towns to support industrial development through the sale of tax-exempt bonds. The proceeds from the bond sale are loaned to businesses to finance capital investment projects at, primarily, manufacturing facilities. IRBs are municipal bonds, but not general obligations of the municipality. The company or business that will use the facilities provides the interest and principal payments on the loan. The local government is in partnership with the business, lending its name, but not its credit, to the bond issue.

**Customized Labor Training (CLT) Program:** The CLT program is designed to assist companies that are investing in new technologies or manufacturing processes by providing a grant of up to 50 percent of the cost of training employees on the new technologies. The program's primary goal is to help Wisconsin manufacturers maintain a workforce that is on the cutting edge of technological innovation. Any business making a commitment to locate a new facility in Wisconsin or expand an existing facility which is upgrading a product, process, or service that requires training in new technology and industrial skills is eligible.



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**Employee Ownership Assistance Grant Program (EOP):** The EOP program is designed to assist the employees of a distressed business obtain the professional services necessary to evaluate the feasibility of purchasing the business and operating as an employee-owned business. An EOP award may be made to a group formed by or on behalf of the current or former employees of an existing Wisconsin business that is considering or has experienced substantial layoffs or a plant closing. The applicant must intend to operate the business in Wisconsin as an employee-owned business.

**Major Economic Development (MED) Program:** The MED program is designed to assist businesses that will invest private funds and create jobs as they expand in or relocate to Wisconsin. To be eligible the project must involve significant capital investment relative to the State as a whole or involve the retention or creation of a significant number of jobs in the local community in which the project is located. Eligible activities include construction and expansion; working capital; and acquisition of existing businesses, land, buildings, and equipment.

**Economic Diversification Loan (EDL) Program:** The EDL program was established to assist a local community's economy diversify in order to become less dependent upon revenue from Gaming. The EDL program is a low interest loan program designed to help businesses establish and expand operations.

**Economic Impact Loan (EIL) Program:** The EIL program was established to help Wisconsin businesses that have been negatively impacted by Gaming. The EIL recognizes that qualified businesses may have difficulty accessing capital, and is designed to cover a portion of the cost associated with modernizing and/or improving business operations. Ultimately, it is anticipated that such improvements will increase revenues and reduce the impact that Gaming has had on the business. The EIL program is a low interest loan program designed to help finance a portion of the costs of these improvements.

**Technology Development Fund (TDF):** The TDF program was established to help Wisconsin businesses research and develop technological innovations that have the potential to provide significant economic benefit to the State. Eligible applicants include any Wisconsin business or consortium. Eligible activities include research and development that will lead to new or significantly improved products or processes, have a high probability of commercial success within a relatively short time period (two to three years), and/or will provide significant economic benefit to Wisconsin. Only costs directly associated with the proposed research project are eligible, including salaries, professional services provided by independent third parties, equipment critical to the research project, and supplies and materials.

**Technology Development Loan (TDL) Program:** The TDL program was established to assist Wisconsin businesses that have developed technological innovations with the potential to provide significant economic benefit to the State. This program is designed to assist the business in bringing the new technology to commercialization. Any Wisconsin business or consortium can apply for TDL funds. Eligible activities include acquisition of land, buildings, and equipment; working capital; and new construction. Although the Department of Commerce (Commerce) can provide up to 75 percent of eligible project costs, the actual amount of Commerce participation is dependent on factors such as commercial potential, economic impact, business viability, fund availability, collateral position available, and the amount of private funds leveraged.

**Wisconsin Trade Project Program:** The Wisconsin Trade Project Program offers individual matching grants up to \$5,000 to help small export-ready firms participate in international trade shows. Wisconsin businesses whose annual sales are less than \$25 million (including the annual sales of parent and subsidiary companies) that have developed a long-term export plan are eligible.



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**Business Employees' Skills Training (BEST) Program:** The BEST program was established by the Wisconsin Legislature to help small businesses in industries that are facing severe labor shortages to upgrade the skills of their workforce. Under the BEST program, Commerce can provide applicants with a tuition reimbursement grant to help cover a portion of the costs associated with training employees. Eligible applicants include Wisconsin for-profit businesses that have 25 or fewer full-time employees or annual sales of less than \$2.5 million. Eligible industrial clusters include automation, agriculture/food products, biotechnology, information technology, manufacturing, medical devices, paper/forest products, printing, tourism, and childcare.

**Certified Capital Companies (CAPCO) Program:** The CAPCO Program created an investment pool directed toward small, high-growth companies with an annual income of no more than \$2 million and no more than 100 employees. To be eligible to receive investment from CAPCO a business must be headquartered in Wisconsin; be in need of venture capital and unable to obtain conventional financing; have no more than 100 employees (at least 75 percent of whom are employed in Wisconsin); have an average annual net income of not more than \$2.0 million during its two most recent fiscal years; have a net worth less than \$5.0 million; and not be engaged in predominately professional services or banking.

**Dairy 2020 Early Planning Grant Program:** The goal of the Dairy 2020 Early Planning Grant program is to encourage and stimulate the start-up, modernization, and expansion of Wisconsin dairy farms. Eligible applicants for the Dairy 2020 Early Planning Grant program include existing and start-up Wisconsin dairy producers. Proceeds from an award may only be used to cover the cost of having a qualified, independent third party provide the professional services necessary to assist the applicant in evaluating the start-up, modernization, or expansion of a dairy farm. Eligible professional services include activities that are necessary in order for the applicant to make a "go or no go" decision.

**Milk Volume Production (MVP) Program:** The MVP program is designed to assist dairy producers that are undertaking capital improvement projects that will result in a significant increase in Wisconsin's milk production. All dairy producers that are or will be located in Wisconsin and are planning capital investments that will result in significant long-term increases in Wisconsin's capacity to produce milk are eligible. Eligible costs are limited to the cost of acquiring cows. Commerce will fund no more than \$500 for each cow to be added to the operation, with a maximum award of \$1 million. Commerce will seek to maximize the program's impact by participating with dairy producers that can document a need for near-equity financing and demonstrate the management skills necessary to make the project successful.

**State of Wisconsin Investment Board (SWIB):** The SWIB is a State agency that invests one of the largest pension funds in the world. It directs a portion of its private debt investments to Wisconsin companies. The SWIB provides long-term financing as a complement to short-term bank lending. Both debt and mezzanine financing are available. Mezzanine financing takes the form of a subordinate loan supplemented by warrants or company stock. The loan generally has a five-year maturity. Typically the interest rate is 10 to 12%. Total return should be about 16 percent. Approved loans usually run 10 to 15 years. Loans are generally used to finance long-term business needs, such as purchasing fixed assets or refinancing short-term or long-term obligations. Fixed assets are often used as collateral. In some cases, a parent corporation may guarantee the loan. In other cases, a personal guarantee of the owner or major shareholders may be used.

**Minority Business Development Fund:** The Minority Business Development Fund offers low-interest loans for start-up, expansion, or acquisition projects. To qualify for the fund, a business must be 51 percent controlled, owned, and actively managed by minority-group members, and the project must retain or increase employment.



**Small Business Innovative Research (SBIR):** The SBIR provides funding for higher risk, early-stage products and technologies. The SBIR program was established to stimulate technological innovation, use small businesses to meet Federal research and development (R&D) needs, encourage the participation of disadvantaged and minority persons in technological innovation, and increase private sector development through federal sponsorship.

The SBIR program allows small businesses to compete for Federal R&D funds. Small businesses must meet certain eligibility criteria to participate in the SBIR program:

- At least 51% American-owned, located in the U.S., and independently operated
- For profit
- Company size limited to 500 employees
- Principal researcher primarily employed by business at time of award and not employed full time by another institution or company
- All work must be done in the U.S.

**Small Business Technology Transfer (STTR):** The STTR program is a joint research effort between a small business and a nonprofit research institution or federally funded R&D center (FFRDC). The STTR provides funding for higher risk, early-stage products and technologies. The STTR program was established to enable small businesses to partner with a nonprofit research institution, such as a university or Federal R&D center, to bring innovative technologies to market.

Small businesses must meet certain eligibility criteria to participate in the STTR Program:

- American-owned and independently operated
- For profit
- Principal researcher need not be employed by small business
- Company size limited to 500 employees
- The small business must perform at least 40 percent of the STTR project

The nonprofit research institution must also meet certain eligibility criteria:

- Located in the U.S.
- Meet one of three definitions: nonprofit college or university, domestic nonprofit research organization, or FFRDC
- The research institution must perform at least 30 percent of the project
- There must be a written intellectual property agreement in place at the time of award
- All work must be done in the U.S.

### **Wisconsin Entrepreneurs' Network (WEN) Programs**

**Technology Assistance Grant (TAG):** The TAG program aids small Wisconsin high-technology businesses in their efforts to obtain seed, early-stage, or research and development funding. Eligible project costs are professional services involved in the preparation and review of a Federal R&D grant application; in obtaining industry information, data or market research needed to complete applications for R&D or early-stage funding; or in meeting specific requirements to obtain seed or early-stage funding from outside sources.

**Early Planning Grant (EPG):** The EPG program is designed to help individual entrepreneurs and small businesses throughout Wisconsin obtain the professional services necessary to evaluate the feasibility of a proposed business start up or expansion. Under the EPG program, the WEN, with funding from the Wisconsin Department of Commerce, can provide applicants with a grant to help cover a portion of the cost of hiring an independent third party to develop a comprehensive business plan.



**Entrepreneurial Training Program (ETP) Grant:** The ETP is a course offered through the Small Business Development Center (SBDC) providing prospective and existing business owners with expert guidance through business plan development.

### **Wisconsin Housing and Economic Development Authority (WHEDA) Programs**

**WHEDA Small Business Guarantee (WSBG):** WHEDA Small Business Guarantee can be used for expenses of land, buildings, equipment, and inventory associated with the expansion or acquisition of a small business (50 or less full-time employees). The guarantee is limited to 80 percent of these costs or \$200,000. This program can finance a mixed-use project if the business occupies at least half of the building. The program is for the start-up of a small business in a vacant storefront in the downtown area of a rural community. A rural community is defined as a city, village, or town with a population of 12,000 or less, or a city, village, or town that is located in a county with a population density of less than 150 persons per square mile. All local governments in Kenosha County except the City of Kenosha and Village of Pleasant Prairie are eligible for this program.

**WHEDA Agribusiness Guarantee:** WHEDA Agribusiness Guarantee is a low interest loan available to businesses in rural areas that use, develop, and promote Wisconsin-grown agricultural commodities. Eligible businesses must be involved in product development, processing, or marketing of Wisconsin-grown commodities, and loans are available to start-ups or existing businesses seeking to expand or increase efficiency. Businesses must also be located in communities with a population under 50,000. The maximum guarantee of 80% of loans up to \$750,000 can be used for equipment, land, buildings, working capital, inventory, and marketing expenses.

**The Linked Deposit Loan (LiDL):** The LiDL is a program offering women and minority owned and operated businesses a two-year interest rate subsidy on the portion of a new bank loan of \$10,000 to \$99,000 that covers land, buildings, and equipment. At least 50 percent of the business must be owned by a woman or ethnic minority group member, or more than 50 percent of the business must be controlled by a woman or ethnic minority group member to be eligible. In addition, the business must employ 25 or fewer full-time equivalent employees at the time of application, and the business (along with affiliates, subsidiaries, and parent company) must have gross annual sales of \$500,000 or less.

### **Brownfield Remediation Programs**

The Wisconsin Department of Natural Resources (WDNR) and the Wisconsin Department of Commerce have compiled a guide to provide information on options to help finance brownfield cleanup and redevelopment entitled *Brownfields Remediation Guide*. The guide is divided into sections on grants, reimbursements, loans, tax incentives, and waterfront revitalization programs. Each section includes a one-page summary about its programs, including detailed information about who may apply and eligibility criteria. The guide also includes a list of brownfield related websites, including the WDNR Remediation and Redevelopment Program Website, <http://dnr.wi.gov/org/aw/rr/index.htm>. The site includes information and application forms for many of the programs listed here and contact information for ordering publications. Remediation programs outlined in the guide include:

- **Grants**
  - Blight Elimination and Brownfield Redevelopment (BEBR) Grants
  - Brownfield Economic Development Initiative (BEDI) Grants
  - Brownfield Green Space and Public Facilities Grants
  - Brownfield Site Assessment Grants (SAG)
  - Community Development Block Grants (CBDG)
  - Coastal Management Grants
  - Federal Brownfield Assessment Grants



- Federal Brownfield Site Cleanup Grants
- Federal Brownfield Revolving Loan Fund (RLF) Grants
- Local Transportation Enhancements (TE) Program
- Ready for Reuse Revolving Loan Fund – Grants
- Stewardship Grants
- Transportation Economic Assistance (TEA) Grants
- **Reimbursement Programs**
  - Agricultural Chemical Cleanup Program (ACCP)
  - Dry Cleaner Environmental Response Fund (DERF)
  - Local Government Cost Recovery
  - Local Governments Reimbursement Program
  - Petroleum Environmental Cleanup Fund Award (PECFA)
- **Loans and Loan Guarantees**
  - Land Recycling Loan Program
  - Ready for Reuse Revolving Loan Fund
  - State Trust Fund Loan Program
  - Section 108 Loan Guarantee
  - Small Business Administration Loans
- **Tax Credits and Incentives**
  - Agricultural Development Zone Program Tax Credits
  - Business Improvement Districts
  - Cancellation of Delinquent Property Taxes
  - Community Development Zone Program Tax Credits
  - Enterprise Development Zones
  - Environmental Remediation Tax Incremental Financing (ERTIF)
  - Comparison of Regular and Environmental Remediation TIF Districts
  - Federal Brownfields Tax Incentive
  - Historic Preservation Income Tax Credits
  - New Market Tax Credits
  - Reassignment of Foreclosure Judgment
  - Tax Increment Financing (TIF)

**Brownfield Remediation Grants:** The comprehensive planning law places an emphasis on the remediation and reuse of environmentally contaminated, or brownfield, sites. Brownfields are defined as abandoned, idle, or underused industrial or commercial properties where redevelopment is hindered by known or suspected environmental contamination. The following grant programs are available to assist in the identification and clean up (remediation) of brownfield sites:

**Brownfield Site Assessment Grants (SAG):** Brownfield Site Assessment Grants (SAG) assist local governments in taking preliminary steps to stimulate redevelopment of brownfield areas. Counties, cities, villages, towns, redevelopment authorities, community development authorities, and housing authorities are eligible for the grant. The applicant may not have caused the environmental contamination, and the party responsible for the contamination must be unknown, unable to be located, or financially unable to pay for grant eligibility. The grant may fund Phase I and II environmental site assessments, environmental investigation, demolition, removal of underground storage tanks, and removal of abandoned containers. The State budget typically includes \$1.7 million per year for SAG funding. The grants are administered by the Wisconsin Department of Natural Resources (DNR).

**Blight Elimination and Brownfield Redevelopment (BEBR) Grants:** Blight Elimination and Brownfield Redevelopment (BEBR) grants are administered by the Wisconsin Department of Commerce and provide funding for blight elimination and brownfield projects that promote economic development and have a positive effect on the environment at abandoned, idle, or underused industrial and commercial sites. Counties, cities, villages, towns, non-profit organizations, individuals, and businesses are eligible for the grant. The grant may fund property acquisition, Phase I and II environmental site assessments, environmental investigation, removal of abandoned containers and some underground storage tanks, environmental cleanup, demolition, rehabilitation of buildings, and redevelopment. This program is funded by a combination of State and Federal funds and typically receives about \$7.5 million in funding per year.

**Brownfield Green Space and Public Facilities Grants:** Brownfield Green Space and Public Facilities Grants assist local governments in cleaning up brownfields that are intended for future public use. This includes developing green spaces and public facilities. Cities, villages, towns, counties, redevelopment authorities, community development authorities, and housing authorities that have completed an environmental investigation and are ready to clean up the contaminated property are eligible for the grants. The maximum grant awarded is \$200,000. The program is administered by the DNR.

**Petroleum Environmental Cleanup Fund Award (PECFA):** The PECFA program was created by the Wisconsin Department of Commerce in response to enactment of Federal regulations requiring release prevention from underground storage tanks and cleanup of existing contamination from those tanks. PECFA is a reimbursement program returning a portion of incurred remedial cleanup costs to owners of eligible petroleum product systems, including home heating oil systems. Program funding is generated from a portion of a \$0.02/gallon petroleum inspection fee.

**Brownfield Economic Development Initiative (BEDI) Grants:** The Brownfield Economic Development Initiative (BEDI) provides eligible communities with grants to clean up and redevelop brownfields. Local governments that are Federal entitlement communities or non-entitlement communities may apply for BEDI grants.

Activities funded by BEDI grants must meet one of the following National objectives:

- Benefit low-to-moderate income people
- Prevent or eliminate slum or blight
- Address imminent threats or urgent needs

The grant funds may be used for planning, property acquisition, Phase I and II environmental site assessments, environmental investigation, removal of underground storage tanks and abandoned containers, environmental cleanup, demolition, rehabilitation of buildings, redevelopment and marketing, and public facility and infrastructure improvements. The maximum grant awarded is \$2 million.

**Federal Brownfield Assessment Grants:** The Federal Brownfield Assessment Grants are administered by the U.S. Environmental Protection Agency (EPA) and are for assessment of brownfield sites. Local governments, regional planning commissions, redevelopment authorities, non-profit organizations, and some other governmental organizations are eligible for the grants. The grants are available to fund planning; Phase I and II environmental site assessment; environmental investigation; removal of some petroleum tanks; and remediation, planning, and design. The maximum grant award is \$200,000. An applicant may request a total of \$400,000 per year.

**Federal Brownfield Site Cleanup Grants:** The Federal Brownfield Site Cleanup Grants are administered by the U.S. EPA for the clean up of a brownfield site. Local governments, regional planning commissions, non-profits, redevelopment authorities, and some other governmental



organizations are eligible for the grants. The grants may fund environmental cleanup, demolition, and removal of some abandoned containers and underground petroleum tanks. The maximum grant award is \$200,000 with a 20 percent cost share required in the form of money or in kind services.

### **Other Programs**

***The Wisconsin Department of Workforce Development:*** The Wisconsin Department of Workforce Development (DWD) is the State agency charged with building and strengthening Wisconsin's workforce. DWD offers a wide variety of employment programs and services, accessible at the State's Workforce Development Centers, including securing jobs for the disabled, assisting former welfare recipients to transition to work, connecting youth with jobs, protecting and enforcing worker's rights, processing unemployment claims, and ensuring that worker's compensation claims are paid in accordance with the law. There is a workforce development center located in the City of Kenosha (the Kenosha County Jobs Center).

***U.S Small Business Administration (SBA):*** The mission of the SBA is to maintain and strengthen the nation's economy by aiding, counseling, assisting, and protecting the interests of small businesses and by helping families and businesses recover from National disasters.

***Wisconsin Manufacturing Extension Partnerships (WMEP):*** The WMEP is a non-profit consulting agency that provides assistance to small and midsize manufacturers on advanced manufacturing technologies and business practices in order to help them compete more effectively in the global marketplace. WMEP provides technical advice and hands-on assistance to identify improvement opportunities to increase efficiency. The WMEP also offers technical training through its partnership with the Wisconsin Technical College system. If included in the Wisconsin State budget in 2007, WMEP will manage the proposed 'Get LEAN Initiative' which would provide state funds to assist in advanced manufacturing.

***The Wisconsin Women's Business Initiative Corporation (WWBIC):*** The WWBIC is an economic development corporation providing quality business education, technical assistance, and access to capital for entrepreneurs. WWBIC consults, educates, and mentors owners of small and micro businesses throughout Wisconsin with a focus on women, people of color, and those of lower incomes. The WWBIC is partially funded by a grant from the SBA and by donations from corporate sponsors, foundations, and private contributors. WWBIC receives money from the SBA's Micro Loan Program and its Office of Women's Business Ownership.

***Freight Railroad Infrastructure Improvement Program:*** The Freight Railroad Infrastructure Improvement Program is administered by the Wisconsin Department of Transportation and awards loans to businesses or communities wishing to rehabilitate rail lines, advance economic development, connect an industry to the existing railroad system, or to make improvements to enhance transportation efficiency, safety, and intermodal freight movement.

***Transportation Economic Assistance (TEA):*** The Transportation Economic Assistance (TEA) program is administered by the Wisconsin Department of Transportation and provides 50 percent grants to governing bodies, private businesses, and consortiums for road, rail, harbor, and airport projects that help attract employers to Wisconsin, or encourage business and industry to remain and expand in the State. Grants of up to \$1 million are available for transportation improvements that are essential for an economic development project. It must begin within three years, have the local government's endorsement, and benefit the public. The program is designed to implement an improvement more quickly than the normal State transportation programming process would allow. The 50 percent local match can come from any combination of local, Federal, or private funds or from in-kind services.

