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Getting Started

Sources of Financing

Personal Assets: The first place to look for money is you! The majority of new businesses are financed mostly or exclusively by the founder's own resources. Determine how much money you will need to start your business. Then determine how much money you have to invest in your business as equity capital. Be expected to invest at least some of your own money, as lenders view this as evidence of your commitment to the business. If you do not have enough personal capital to meet all of the financial needs, you must consider a lender or investor for the balance.

Friends and Relatives: Many small businesses are financed either with borrowed money or equity investments from friends and relatives. People who know you well are often willing to help you get started by providing financial support to your business. However be aware of the downside, if the money is lost or cannot be repaid, personal problems can result. Remember to keep the relationship businesslike. Friends and relatives are also potential co-signers or collateral providers for loans.

Trade or Supplier Credit: Payment terms offered by your suppliers are a potential source of funds.

Customers: When customers pay for work in advance or provide some of the material or service themselves, in effect they are helping to finance your business operations.

Leasing Assets: Reducing expenses is a way of raising capital because it frees up funds that would have been spent otherwise.

Commercial Finance Companies: Commercial finance companies make both personal and business loans at interest rates several points above that which banks usually charge.

Grants: State and federal government agencies, and non-profit foundations make grants available. The vast majority of grant funding is to support projects that will benefit the public such as scientific and medical research, educational activities, and environmental programs, etc.

Venture Capitalists and Angel Investors: Venture capitalists and angel investors are another resource in meeting your financial needs. Angel investors look for businesses that have developed a complete business plan and the founders are willing to make significant investments of personal resources. Businesses are expected to impact the local economy through job creation, direct investment, or secondary economic impacts.

Business Resources

Local Business Resources

City of Altoona

Economic Development Corporation
1303 Lynn Avenue
Altoona, WI 54720
Phone: (715) 839-6082
www.ci.altoona.wi.us

City of Augusta

Economic Development Corporation
145 West Lincoln
P.O. Box 475
Augusta, WI 54722
Phone: (715) 286-2555
Fax: (715) 286-5606

City of Eau Claire

Economic Development Division
203 South Farwell Street
P.O. Box 5148
Eau Claire, WI 54702-5148
Phone: (715) 839-4914
Fax: (715) 839-4939
www.ci.eau-claire.wi.us

Chippewa Valley Innovation Center

3132 Louis Avenue
Eau Claire, WI 54703
Phone: (715) 836-2842
Fax: (715) 836-3945

Eau Claire Area

Economic Development Corporation

Executive Director
3625 Gateway Drive, Suite C
Eau Claire, WI 54701
Phone: (715) 834-0070
Toll Free: (800) 944-2449
Fax: (715) 834-1956
Email: info@eauclaire-wi.com
Internet: <http://eauclaire-wi.com>

Eau Claire Energy Cooperative

P.O. Box 368
Fall Creek, WI 54742
Phone: (715) 832-1603
Toll Free: (888) 832-1604
www.ecec.com

Xcel Energy

P.O. Box 8
Eau Claire, WI 54702
Phone: (715) 839-1106
www.xcelenergy.com

State Business Resources

Forward Wisconsin

201 West Washington Avenue, Suite 500
Madison, WI 53703-2710
Phone: (608) 261-2500
Fax: (608) 261-2518
Email: marmiak@commerce.state.wi.us
www.forwardwi.com

Small Business Administration

Wisconsin District Office
740 Regent Street, Suite 100
Madison, WI 53715
Phone: (608) 441-5263
www.sba.gov/wi

USDA Rural Development

Wisconsin State Office
4949 Kirschling Court
Stevens Point, WI 54481
Phone: (715) 345-7615
Fax: (715) 345-7669
www.rurdev.usda.gov/wi/

West Central Wisconsin Regional Planning Commission

Mail Box 9, 800 Wisconsin Street
Eau Claire, WI 54703
Phone: (715) 836-2918
Fax: (715) 836-2886
Email: wcrpc@wcrpc.org
www.wcrpc.org

West Central Wisconsin Workforce Resource

401 Technology Drive East, Suite 100
Menomonie, WI 54751
Phone: (715) 232-1412
Toll Free: (800) 472-5522
Voice mail: (715) 232-7380
Fax: (715) 232-2240
www.workforceresource.org

Wisconsin Business Development

Finance Corporation

3610 Oakwood Mall Drive, Suite 201
Eau Claire, WI 54702
Phone: (715) 834-9474
FAX: (715) 834-9482
www.wbd.org

Mailing Address:

P.O. Box 1417
Eau Claire, WI 54702-1417

Wisconsin Department of Commerce - Eau Claire Office

Area 1 Representative
P.O. Box 1586
Eau Claire, WI 54702
Phone: (715) 836-2630
Fax: (715) 836-2510

Wisconsin Department of Commerce

Division of International Development
John R. Konkel, International Consultant
Chippewa Valley Technical College
620 West Clairemont Avenue
Eau Claire, WI 54701
Phone (715) 833.6441
Fax: (715) 833.6336
Email: jkonkel@cvtc.edu

Wisconsin Department of Commerce - State Office

201 West Washington Avenue
P.O. Box 7970
Madison, WI 54707-7970
Phone: (608) 266-1018
Toll Free: (800) 435-7287
www.commerce.state.wi.us

Wisconsin Department of Transportation

Dennis Leong
Hill Farms State Transportation Building
4802 Sheboygan Avenue
P.O. Box 7910
Madison, WI 53707-7910
Phone: (608) 266-9910
www.dot.state.wi.us

Wisconsin Department of Veterans Affairs

Eau Claire County Veterans Office
721 Oxford Avenue
Eau Claire, WI 54703
Phone: (715) 839-4744
www.dva.state.wi.us

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

Local Representative
P.O. Box 1728
Madison, WI 53701-1728
Phone: (608) 266-7884
Toll Free: (800) 334-6873
Fax: (608) 267-1099
www.wheda.com

Financing

Local Financial Institutions

American Bank*

2728 Mall Drive
Eau Claire, WI 54701
Phone: (715) 834-5327
Fax: (715) 834-3818
www.americanbank.com

Associated Bank

4217 Southtowne Drive
Eau Claire, WI 54701
Phone: (715) 835-2281
www.associatedbank.com

Bank Mutual*

319 E. Grand Avenue
Eau Claire, WI 54701
Phone: (715) 833-7700
www.bankmutual.com

Charter Bank*

1010 West Clairemont Avenue
Eau Claire, WI 54701
Phone: (715) 830-5145
www.charterbankec.com

Citizens Community Federal

2174 East Ridge Center
Eau Claire, WI 54701
Phone: (715) 836-9994
www.citizenscommunityfederal.net

First Federal Capital Bank*

1021 Regis Ct., Suite 1
Eau Claire, WI 54701
Phone: (715) 831-2244
Toll-Free: (877) 628-4791
Fax: (715) 834-8824
www.firstfed.com

M&I Marshall & Ilsley Bank

4106 Highway 93
Eau Claire, WI 54701
Phone: (715) 831-3579
www.mibank.com

Northwestern Bank*

2901 Mall Drive
Eau Claire, WI 54701
Phone: (715) 839-8642
Fax: (715) 839-8651
www.northwesternbank.com

Peoples Bank of Wisconsin*

2720 Golf Road
Eau Claire, WI 54701
Phone: (715) 832-8333
Fax: (715) 832-8373
www.pnbnet.com

Peoples State Bank - Augusta

145 W. Lincoln
Augusta, WI 54722
Phone: (715) 286-2223
Fax: (715) 286-5766

* *Technology Loan Pool Participant*

RCU*

419 North Hastings Place
Eau Claire, WI 54703
Phone (715) 833-8111
Toll-Free: (800) 341-9911
Fax: (715) 833-8269
www.rcu.org

S&C Bank*

3406 Oakwood Hills Pkwy
Eau Claire, WI 54701
Phone: (715) 834-1111
Fax: (715) 834-1335
www.sandcbank.com

United Bank*

3410 Oakwood Mall Drive
Eau Claire, WI 54701
Phone: (715) 835-6865
www.unitedbankwi.com

US Bank

131 South Barstow Street
Eau Claire, WI 54701
Phone: (715) 839-6300
Fax: (715) 839-6361
www.usbank.com

Wells Fargo

204 E. Grand Avenue
Eau Claire, WI 54701
Phone: (715) 833-2274
Toll Free: 800-869-3557
Fax: (715) 836-1534
www.wellsfargo.com

* *Technology Loan Pool Participant*

Angel Investors

Chippewa Valley Angel Investors Network

Angel Investors are people with a high net worth who choose to allocate a portion of their investments toward start-up companies. Some Angel Investors limit their role to providing financing, while others take a more active role by providing management assistance. The Chippewa Valley Angel Investors Network (CVAIN), LLC is a group of angels that review proposals from entrepreneurs who are seeking equity financing for start-up companies. The CVAIN reviews business plans and evaluates investment opportunities.

Investors: For more information about becoming a member of the Chippewa Valley Angel Investors Network, LLC contact:

James Hanke, Manager

Chippewa Valley Angel Investors Network, LLC

Phone: (715) 726-2727

jhanke@ci.chippewa-falls.wi.us

Entrepreneurs: For more information about making a presentation to the Chippewa Valley Angel Investors Network, LLC contact:

Kevin Jones, Director

UW-Eau Claire Small Business Development Center

(715) 836-4820

joneskw@uwec.edu

Eau Claire Area Financing Programs

Eau Claire Area Technology Loan Pool

Purpose: The Eau Claire Area Technology Loan Pool is a form of non-traditional financing for high-tech companies. This loan pool will provide loans that cannot be secured elsewhere due to the lack of collateral. The loans will be at a reasonable interest rate and the funds may be used as equity to leverage other investments. The goal of this loan pool is to allocate funding to at least two firms per year for the next 5 years.

Eligibility: Technology companies whose principal business is engaging in research, development, computer software, computer hardware, biotechnology, optics, or plastics. The technology company will have proprietary products/services and may have intellectual property.

Participants: The loan pool consists of 9 primary financial institutions that have agreed to participate by providing up to \$100,000 each toward the \$1 million loan pool. See Eau Claire Area Local Financial Institutions List.

In addition, Eau Claire County and Gateway Industrial Park Corporation have both agreed to provide up to \$250,000 each in the form of loan guarantees. Eau Claire County will limit its guarantee to businesses in Eau Claire County and Gateway will utilize its guarantee in the City of Eau Claire.

Process: The loans will be approved or denied by a loan committee comprised of: 4 Financial Lenders, Eau Claire County Chairperson of the IDA, Gateway Industrial Park Corporation (1 Position), and a non-voting technology consultant. The maximum loan amount would be \$250,000 and the minimum would be \$50,000 per business.

Contact: Eau Claire Area Economic Development Corporation

Eau Claire Economic Development Administration (EDA) Revolving Loan Fund

Purpose: To encourage small business development and expansion by local manufacturers.

Eligibility: Companies in manufacturing or service industries that will create new jobs. Dislocated workers who start manufacturing or service businesses are also eligible. Owner cash equity investment and business plan required. Eligible uses of funds include fixed assets; capital equipment purchases; facility purchase, remodeling and rehabilitation; and some working capital uses. Borrowers are expected to comply with other EDA and federal requirements. At least one job created for every \$10,000 that is loaned.

Advantage: Provides local manufacturers with the opportunity to access low interest loans up to \$100,000.

Terms: Maximum loan is \$100,000 or 30% of project cost, whichever is less. Terms are negotiable, but tend to be short-term to ensure the revolving nature of the program. Term of loan is a maximum of 5 years.

Contact: City of Eau Claire

Eau Claire Economic Development Fund

Purpose: Provides a flexible source of local funding for commercial and industrial projects that create jobs in the city. The EDF provides “Gap” financing for projects, which could not proceed without EDF assistance.

Eligibility: The project must leverage private investment and create new jobs. Projects should leverage five private dollars to each EDF dollar and, preferably, one new job should be created for each \$10,000 of EDF funds. Project must be located in the City of Eau Claire.

Advantage: The program provides below-market interest rates by combining private funds with low-interest public funds.

Terms: Maximum loan is \$150,000, or 30% of project costs whichever is less. Loan is set at 60% of the prime lending rate. Term of loan is matched to the useful life of the collateral.

Contact: City of Eau Claire

Eau Claire Development Zone

Purpose: A state economic development initiative designed to encourage private investment and to improve both the quality and quantity of employment opportunities in Eau Claire.

Eligibility: Businesses must be located within the Development Zone. The Zone includes the east and west sides of the Chippewa River, including downtown Eau Claire, Banbury Place, the north side of the Eau Claire River, and the National Presto Industrial Site and the Northeastern portion of the Chippewa Valley Industrial Park from Melby Street to Sundet Road.

Advantage: Provides businesses within the zone and companies looking to expand operations in the Development Zone with valuable tax credits in eight categories.

Terms: Tax credit program. Credit available in the Development Zone:

1. Investment Credits: a non-refundable 2.5% credit applies to amounts expended to purchase depreciable, tangible personal property that is used in the Development Zone.
2. Job Credits: applies to wages paid to certain groups of economically disadvantaged individuals and dislocated workers who work for an employer within the zone.
3. Sales Tax Credits: equal to the amount of Wisconsin Sales and Use Tax paid on purchases of depreciable, tangible personal property which would qualify for the investment credit; building materials used to construct, rehabilitate, remodel or repair real property located in the zone.
4. Location Credit: equal to 2.5% of the amount expended to acquire, construct, rehabilitate, remodel or repair real property that is used in the conduct of a trade or business in the zone.
5. Additional Research Credit: corporations conducting research in the zone can claim an additional research expense credit of 5%.
6. Resident Credit: equal to 10% of the first \$6,000 in wages for the first year of employment to those businesses that hire residents of the zone.
7. Child Care Credit: a non-refundable child care credit of up to \$1,200 per child per year for the first two years of employment.
8. Environmental Remediation Credit: a non-refundable 7.5% environmental remediation credit is available for environmental clean-up efforts in the zone.

Contact: City of Eau Claire

Chippewa Valley Innovation Center Loan Pool

Purpose: Provides start up businesses with technical, financial, and managerial assistance in a low-cost facility. Clients have access to a loan pool that will guarantee financing through local lending institutions.

Eligibility: Must be a manufacturing business, a value added or service related to manufacturing.

Advantage: Provides shared business services and reduced rent. Tenants have access to a loan pool used to guarantee financing through local lending institutions. Loans can be used for working capital.

Terms: Maximum loan amount is \$50,000 and can be used for operating expenses, inventory, machinery and equipment, land and buildings. The maximum term of any loan should not exceed five years.

Contact: Chippewa Valley Innovation Center

Creating Your Own Business Contest

Purpose: Provides entrepreneurs with the resources needed to get a business up and running. The Creating Your Own Business Contest is a business plan competition.

Eligibility: Applicants must submit a complete business plan. The business plan must be for the manufacturer of a value added product or for a service business directly related to manufacturing. Applicant must be 18 years old or older, and a resident of Eau Claire County or the City of Eau Claire or be willing to relocate. The plans judged to have the most potential receives a variety of awards. The winner may receive awards amounting to \$50,000. A \$10,000 cash award, eligibility for a low-interest loan up to \$25,000 and business services valued at \$15,000 make the program bigger than ever.

Advantage: Offers entrepreneurs assistance and resources to get a company off the ground with cash awards and zero interest loans for the winners of the contest.

Terms: Low interest on loans with negotiable repayment terms.

Contact: Eau Claire Area Economic Development Corporation

Eau Claire Area Loan Pool

Purpose: Eau Claire Area Economic Development Corporation and local lenders developed a loan pool to provide the ability to finance and develop buildings for lease/sale to companies locating manufacturing facilities in the Eau Claire area, as well as existing manufacturing businesses in need of a new facility.

Eligibility: Must be a manufacturing business. The developer/owner of facility to be constructed makes a proposal to the Loan Pool Committee. The Loan Pool provides below market interest rates to qualified businesses and the financial institutions participate in each loan. The loan-to-value ratio will not exceed 75% of the loan. This is gap financing and is generally used in conjunction with other funding sources.

Advantage: The ability to develop and finance buildings for lease or sale to manufacturing firms with no loan commitment fees and no prepayment penalties.

Terms: Typically loans are fixed at the prime lending rate for 3 years; however, loans can be amortized over a longer term.

Contact: Eau Claire Area Economic Development Corporation

Eau Claire County Existing Business Capital Equipment Loan Fund

Purpose: This loan program will be used to provide short-term low interest loans to Eau Claire County businesses that purchase capital equipment and create jobs.

Eligibility: Must be an existing for profit manufacturing or service related to manufacturing business. Company must be located in Eau Claire County or the part of the City of Eau Claire located in Chippewa County.

Advantage: This loan program is used to help expanding business purchase capital equipment. Interest rates will be below market and will be set by the Committee.

Terms: All loans will be for five years or the life of the equipment, whichever is less. At least one job should be created for each \$10,000 that is loaned from the fund. No loan may exceed 60% of the assets of the fund at the time of the loan. All loans will be administered by a local financial institution.

Contact: Eau Claire Area Economic Development Corporation

Xcel Energy - Wisconsin Economic Development Loan Program

Purpose: To foster economic diversification and help to stimulate private investment within Xcel's service territory.

Eligibility: Manufacturing or service related businesses. Funds can be used for land and building acquisition, site improvements, building construction, machinery and equipment, building renovation and leasehold improvements, inventory purchase and working capital.

Advantage: Provides another viable financing option for new and existing businesses.

Terms: The minimum loan request is \$5,000 and the maximum loan request is \$50,000. The loan may not exceed 50% of the eligible project cost financed by debt. The term of the loan is 5 years. Interest rates and term of loan will be determined by Xcel.

Contact: Eau Claire Area Economic Development Corporation

Eau Claire County Business Revolving Loan Fund

Purpose: The Eau Claire County Business Revolving Loan Fund is a flexible source of loan funds for businesses expanding or locating in Eau Claire County. The fund will primarily focus on rural businesses, value-added agricultural businesses, small businesses and businesses with limited or no access to other economic development financing. The fund will participate in loans with private lenders to qualified borrowers. Direct loans may be allowed under certain circumstances.

Eligibility: Businesses must be located in Eau Claire County or propose to locate within the county, foster economic development, and demonstrate that it can repay the loan. Eligible activities include: acquisition of equipment, machinery, furniture, and fixtures; land and building acquisition; new building construction or building renovation; site improvements; and new operating capital.

Terms: Below market interest rates which may be fixed for the term of the loan. Deferrals of principal and/or interest payments may be allowed for a brief period of time. Terms can be up to five years on operating capital loans, the life of the asset on machinery and equipment, and up to ten years on real estate. Collateral is required.

Restrictions: The project must include private funds. No refinancing allowed.

Contact: Eau Claire Area Economic Development Corporation

Eau Claire Energy Cooperative Economic Development Loan

Purpose: To provide funds for development or expansion of quality job opportunities when conventional financing is not available or adequate.

Eligibility: The project must increase quality job opportunities in the area or enhance the value of the community. The project is eligible when other funding is unavailable or the price of that funding makes the project unfeasible.

Advantage: A low interest loan for existing and new businesses in the cooperative's service area as part of a financing package.

Terms: Funding is limited to \$200,000 per project for no more than ten years. Loan funds shall be disbursed upon completion of the proper loan documents.

Contact: Eau Claire Energy Cooperative

Clearwater Development Corporation Loan Pool

Purpose: To maximize private sector reinvestment in Downtown Eau Claire by participating at a specified percentage of financing of qualified development projects at below-market interest rates.

Eligibility: Projects are to be reviewed and approved by the Clearwater Development Corporation. Projects may include the purchase and renovation of existing buildings, renovation, expansion, or conversion of existing buildings, construction of new buildings, and the purchase of commercial or industrial equipment, furnishings, fixtures, and working capital.

Terms: Determined on a case-by-case basis.

Contact: City of Eau Claire

Downtown Facade Loan Program

Purpose: To provide low interest loans to property owners for exterior improvements to downtown commercial buildings.

Eligibility: Dollars available for renovations to downtown Eau Claire buildings. Eligible projects include exterior improvements, front/rear facades and visible signs, handicap accessibility projects, and the elimination of health hazards and code violations.

Terms: Façade loans of \$2,000 or less will be serviced directly through the City of Eau Claire's Economic Development Division. The interest rate will be 0% for a maximum three-year term. Loans in excess of \$2,000 require City participation up to 50% of a project not to exceed \$2,000. A local financial institution shall participate in the remaining 50%. The City will lend at an interest rate of 0% while the lending institution shall lend at its prevailing market rates. The maximum term under this option shall be five years.

Contact: City of Eau Claire

Code Compliance Loan Program

Purpose: To preserve architectural and historic character of business districts located in Downtown Eau Claire and Water Street. Encourage property owners to reinvest in the existing buildings and make vacant and/or under-used space more usable by providing low-interest loans to finance the alterations and improvements necessary for compliance with building and fire codes.

Eligibility: Improvements necessary for compliance with the City of Eau Claire/State of Wisconsin building codes are eligible for the loan program. Also eligible are changes to electrical, plumbing, and mechanical systems necessary for code compliance. Not included in this program are improvements to signs, parking lots, roofing, business equipment, interior and exterior decorating and other maintenance procedures, or interior wall alterations not required by code. Changes must be consistent with the architectural and historic character of the building. Conversions of detached single-family residential properties are not eligible.

Terms: The City shall provide a loan equal to 50% of the cost of the changes and improvements required to correct building or fire code deficiencies, not to exceed \$10,000. The applicant must select a loan repayment schedule of either (1) 36-months or less, or (2) 36-60 months. Zero interest will be charged for loans repaid within 36 months. A 3% interest rate will be charged for the total loan amount for loans not repaid within 36 months. All loans must be repaid within 60 months. Balloon payments may be negotiated for 36-month loans. Full payment of the loan is required if the property is sold.

Contact: City of Eau Claire

Downtown Loan Pool Program

Purpose: Downtown Eau Claire, Inc., with assistance from the Eau Claire Area Chamber of Commerce, and ten local financial institutions have created a loan pool totaling \$5 million to be used to improve property in Historic Downtown Eau Claire. The purpose of this program is to continue to support the redevelopment of the Central Business District (CBD). This program will assist in fostering a more attractive climate for investment in the CBD and invite new merchants, servicers, and professionals into the area.

Eligibility: Eligible projects include interior and exterior remodeling, purchase of a building, creating housing including projects in the upper floors of identified properties, parking lot, signage, lighting, and landscaping improvements.

Terms: Loans will be available to downtown building owners and tenants at a loan rate as low as prime minus .5%, fixed for five years. After that, the loan rate would revert to prime for the remainder of the loan term. There will be a maximum for 10-year amortization term. A minimum of 15% equity into the project is required.

Contact: City of Eau Claire

City of Altoona Economic Development Fund

Purpose: Provides a flexible source of local funding for commercial and industrial projects which create jobs in the city.

Eligibility: The project must leverage private investment and create new jobs.

Advantage: The program provides below-market interest rates by combining private funds with low-interest public funds.

Terms: Negotiable

Contact: City of Altoona

City of Augusta Economic Development Fund

Purpose: Provides a flexible source of local funding for commercial and industrial projects which create jobs in the city.

Eligibility: The project must leverage private investment and create new jobs.

Advantage: The program provides below-market interest rates by combining private funds with low-interest public funds.

Terms: Negotiable

Contact: City of Augusta

WCWRPC Regional Business Fund

Purpose: To improve area economy by providing gap financing for businesses located in Eau Claire, Chippewa, Barron, Clark, Dunn, and St. Croix counties.

Eligibility: Businesses must be located or expanding within the eligible counties. Loan requests must meet the following standards: minimum of one job created/saved per \$10,000 loaned; minimum loan amount is \$10,000 and will not exceed \$100,000; minimum of \$2.00 of private funds for each \$1.00 of RBF loan funds on the total portfolio.

Terms: The loan amount and terms will be set by the loan board based on available funding and the individual project characteristics. Interest rates on RBF loans will be 2-4 points below the current money center prime rate as quoted in the Wall Street Journal. Loan terms will be up to 15 years on real estate, seven years for working capital and the expected life of machinery and equipment. Initial \$100 fee must accompany the application to cover the administrative cost for reviewing/processing the application.

Contact: West Central Wisconsin Regional Planning Commission

Loft Matching Grant Program

Purpose: This program is designed to encourage the development of new and expansion of existing residential loft housing in the downtown.

Eligibility: Any building owners or developers that are paid member/sponsors of Downtown Eau Claire, Inc. at the time of processing the application. If not a member of DECI, a \$250 non-refundable payment must be made to DECI prior to processing of the application and all required documentation.

Grants are made for the analysis or design of a housing project by a licensed architect or professional engineer, for project implementation.

Eligible improvements include:

- Restoration, rehabilitation or renovation of existing interior features
- New interior features which significantly enhance the desirability and/or marketability of the project; or
- Other improvements or alterations that would require compliance with applicable city codes and design guidelines for housing development.

Advantage: To stimulate the creation of market rate housing in the upper floors of downtown buildings.

Terms: Downtown Eau Claire, Inc. shall provide building owners/developers a reimbursement for 50% of expenses incurred up to a maximum of \$2,000 for the projects that are completed. If a project is not implemented because it is not deemed economically feasible by the building owner/developer, 50% of expenses incurred will be reimbursed up to a maximum of \$1,000.

Contact: City of Eau Claire

State of Wisconsin

Department of Commerce

Financing Programs

Community Based Economic Development Program

Purpose: To enhance business retention and expansion as well as entrepreneurship efforts in distressed areas by increasing the capacity of communities or community based organizations to perform economic development.

Eligibility: Cities, villages, towns, counties and tribes may only apply for diversification plans. Community-based organizations may apply for all grants except diversification plans. Applicants seeking planning, development projects and assistance grants must provide a 25% cash match; those seeking incubator grants, a 50% match. Applicants seeking incubator grants must have an authorized graduation policy. Technology based incubators are eligible for business incubator grants. Applicants seeking incubator grants may not receive more than two technical assistance, two start-ups or expansions, five operations and two tenant revolving loan fund grants over the life of the program.

Advantage: Provides funding to enhance local economic development capabilities in distressed areas.

Terms: Planning, development projects and assistance grants are up to \$20,000. Business incubator/technology based incubator grants are up to \$100,000/year.

Contact: Wisconsin Department of Commerce

Industrial Revenue Bonds (IRB) Program

Purpose: To provide municipalities with the opportunity to support industrial development through the sale of federal tax-free bonds. The municipality lends its name to the bond issue, but not its credit. Long-term bonds issued by the municipality, backed by the company or project being financed. Funds can be used for land, buildings, and equipment.

Eligibility: Must be a manufacturing business or operator of sewage, solid waste, transit or dock/wharf facilities. State volume cap does apply on a first come first serve basis each year.

Advantage: Low interest rate on debt due to federal tax exemption on interest received by bond holders.

Terms: Loan Program. Long-term bond issued by the municipality, backed by the company or project being financed. Fixed or variable interest rates are below market rates.

Contact: Wisconsin Department of Commerce

Rural Economic Development (RED) Early Planning Program

Purpose: To provide working capital or fixed asset financing for businesses. Since its inception in 1990, the RED program has provided more than \$1.4 million to over 110 Wisconsin businesses.

Eligibility: Applicants include for-profit businesses or cooperatives that, when combined with affiliates, subsidiaries, or parent entities, have fewer than 50 employees and meet either criteria A or B:

- A. The business is or will be located in a city, town or village with a population of less than or equal to 6,000 people.
- OR
- B. The business is or will be located in a county with a population density of less than 150 persons per square mile.

Advantage: Provides start up funds to companies which would not be available through private lenders.

Terms: Although commerce can provide up to 50% of eligible costs (maximum \$100,000), the actual level of participation in any given project is based upon an analysis of the following factors: targeted business, targeted location, competition, community benefit, business viability, job creation and retention, employee wages and benefits, targeted hires

Contact: Wisconsin Department of Commerce

Community Development Block Grant for Economic Development (CDBG-ED)

Purpose: To assist businesses that will invest private funds and create jobs as they expand or relocate to Wisconsin. The Wisconsin DOC awards the funds to a general purpose unit of government which then loans the funds to a business.

Eligibility: All businesses that are, or will be, operating in Wisconsin are invited to participate provided they are located in cities whose population does not exceed 50,000.

Advantage: When the business repays the loan, the community may retain the funds to capitalize a local revolving loan fund. This fund can then be utilized to finance additional economic development projects within the community.

Terms: The DOC will provide below-market interest at a fixed rate for the life of the loan (typically 4%). Working capital 5 to 7 years; equipment 5 to 10 years; real estate 12 year term amortized over 20 years. Total amount of funds available to any single business can not exceed \$100,000,000.

Contact: Wisconsin Department of Commerce

Major Economic Development (MED) Program

Purpose: To retain or increase employment in Wisconsin through support of economic development projects promising substantial positive impact on the state.

Eligibility: Manufacturing business or a local government representative may apply on behalf of business. Company must commit to locating in Wisconsin, and not displace current workers. Must provide 50% of funds from non-state sources. Applications are reviewed by the state for potential job creation or retention, new capital investment, and other criteria. Funds can be used for land, buildings, equipment and working capital.

Advantage: Funding is secured and set up to allow the successful completion of projects.

Terms: Flexible terms, depending on size, need of business and scope of project. Interest rate is dependent upon firms financial condition (typically 4%). 20 years maximum repayment on loan.

Contact: Wisconsin Department of Commerce

Customized Labor Training (CLT) Program

Purpose: 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% 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.

Eligibility: Any business making a firm commitment to locate a new facility in Wisconsin or expand an existing facility within the State which is upgrading a product, process or service that requires training in new technology and industrial skills or manufacturing processes is eligible.

Advantage: Fund promotes workforce development and employee training

Terms: Although the Department can finance up to 50% of the eligible project costs not to exceed \$2,500 per employee trained, the actual level of CLT participation in any given project is based upon an analysis of the following factors, (1) viability of the project, (2) number and nature of the jobs created and retained, (3) employee wages and benefits, and (4) the projects economic impact upon the community.

Contact: Wisconsin Department of Commerce

Employee Ownership Assistance Grant Program (EOP)

Purpose: 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.

Eligibility: 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.

Advantage: Proceeds of the award may be used to cover the cost of having an independent third party provide the professional services necessary to evaluate the feasibility of an employee buyout.

Terms: Although the Department can finance up to 75% of the eligible project costs up to a maximum of \$15,000, the actual amount of the award is based upon factors such as (1) the number of employees affected by the closing or layoff, (2) the management capability of the group, and (3) the economic impact of the closing or layoff on the community, region or state.

Contact: Wisconsin Department of Commerce

Economic Diversification Loan (EDL) Program

Purpose: The EDL program is to diversify a local community's economy such that it is less dependent upon revenue derived from gaming. The EDL program is designed to help businesses establish and expand operations.

Eligibility: Eligible project costs are limited to fixed asset financing such as land, new construction, remodeling, furniture and fixtures, and equipment.

Advantage: The EDL program is a low interest loan program.

Terms: Applicants will be required to provide a cash match of at least 25% of the eligible project costs. The actual award amount is based on project viability; the number of jobs created or retained, economic impact, and community benefit.

Contact: Wisconsin Department of Commerce

Economic Impact Loan (EIL) Program

Purpose: The goal of the Economic Impact Loan (EIL) program is to help Wisconsin businesses that have been negatively impacted by gaming. Recognizing that qualified businesses may have difficulty accessing capital, the EIL program is designed to cover a portion of the cost associated with modernizing and/or improving the businesses operations. Ultimately, it is anticipated that such improvements will increase revenues and reduce the impact that gaming has had on the business.

Eligibility: Eligible applicants include existing Wisconsin businesses must demonstrate they have been negatively impacted by gaming AND have a comprehensive business plan that fully describes the proposed project. Eligible project costs are limited to fixed asset financing, examples land, new construction, remodeling, furniture and fixtures, and equipment.

Advantage: The EIL program is a low interest loan program.

Terms: Applicants will be required to provide a cash match of at least 25% of the eligible project costs. Although applicants can receive 75% of eligible project costs, up to \$100,000. The actual award amount is based on project viability; the number of jobs created or retained, economic impact, and community benefit.

Contact: Wisconsin Department of Commerce

Enterprise Development Zone Program

Purpose: To provide tax incentives to new or expanding businesses whose projects will affect distressed areas. A zone is "site specific" and applies to only one business. Projects must affect distressed areas suffering from high unemployment, low incomes, declining population, declining property values, and plant closings and that have high numbers of people on public assistance.

Eligibility: The Department will determine if a project is eligible for an enterprise development zone based on information about the economic impact of the project, the prospective site, and the distress of the area.

Advantage: The maximum amount of credits per zone is \$3.0 million. Zones can exist for up to seven years.

Terms: Twenty-five percent (25%) of all credits allocated to a business must be for creating full-time jobs. The development zone tax credits include:

A non-refundable jobs credit of up to \$8,000 for new full-time jobs being created and filled by members of target group. Eligible target groups include W2 participants, dislocated workers, federal Enterprise Community residents, vocational rehabilitation program referrals and Vietnam-era veterans, ex-felons and youth from low-income families.

A non-refundable jobs credit of up to \$6,000 for new full-time jobs being created and filled by Wisconsin residents who are not members of target groups. The actual amount of job credits is dependent upon wages and benefits; wages must be at least 150% of federal minimum wage.

A non-refundable environmental remediation credit of 50% of all remediation costs affected by environmental pollution in a brownfield and investigation. "Brownfield " means an industrial or commercial facility the expansion or redevelopment of which is complicated by environmental contamination.

Contact: Wisconsin Department of Commerce

Technology Development Fund (TDF)

Purpose: The Technology Development Fund (TDF) program was established in 1984 to help Wisconsin businesses research and develop technological innovations that have the potential to provide significant economic benefit to the state.

Eligibility: Eligible activities include research and development that will lead to new or significantly improved products or processes, has a high probability of commercial success within two to three years, and will provide significant economic benefit to Wisconsin.

Advantage: Any Wisconsin business or consortium can apply for TDF funds. A consortium is an association between a Wisconsin business and a Wisconsin higher educational institution.

Terms: In order to achieve its goals, the TDF program is structured so that Commerce shares in both the risks and benefits associated with the project. For example, if the product or process being researched is successfully commercialized, repayment of the loan is required (typically 4% amortized over 5 to 7 years). If the project is not commercially viable, the loan may be forgiven.

Only costs directly associated with the proposed research project are eligible. This includes: salaries of applicant personnel, professional services provided by independent third parties, equipment critical to the research project, supplies and materials, and funding availability:

Although Commerce can finance up to 75% of the eligible project cost, the actual level of TDF participation in any given project is based upon an analysis of the project's scientific and technical merit, commercial potential, economic impact, business viability, and fund availability.

Contact: Wisconsin Department of Commerce

Technology Development Loan (TDL) Program

Purpose: The Technology Development Loan (TDL) program was established in 1994 to assist Wisconsin businesses that have developed technological innovations that have 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.

Eligibility: Eligible activities include acquisition of land, buildings, and equipment, working capital and new construction.

Advantage: Any Wisconsin business or consortium can apply for TDL funds. A consortium is an association between a Wisconsin business and a Wisconsin higher educational institution.

Terms: The Department of Commerce will provide below market at a fixed rate for the life of the loan (typically 4%). The Department of Commerce will seek the best collateral position possible to ensure that TDL loans are adequately secured. Although Commerce can provide up to 75% of eligible project costs, the actual amount of Commerce participation dependent upon factors such as commercial potential, economic impact, business viability, and fund availability.

Note: An outside peer review panel may be used to evaluate the scientific and technical merit of the project.

Contact: Wisconsin Department of Commerce

Certified Capital Companies Program

Purpose: The Certified Capital Companies ("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.

Eligibility: To be eligible to receive investment from a CAPCO, a business must be a "qualified" business. A business is qualified if it:

1. Is headquartered in Wisconsin,
2. Is in need of venture capital and is unable to obtain conventional financing,
3. Has no more than 100 employees, at least 75% of whom are employed in Wisconsin,
4. Has had an average annual net income of not more than \$2 million during its 2 most recent fiscal years,
5. Has a net worth that is not in excess of \$5 million,
6. Is not predominantly engaged in professional services provided by accountants, lawyers, or physicians,
7. Is not engaged in the development of real estate for resale, and
8. Is not engaged in banking or lending and does not make any loans to or investments in, certified capital companies.

Advantage: Commerce has certified \$50 million, or \$16.6 million each, of certified capital investments in three CAPCOs who are responsible for making qualified investments in qualified Wisconsin businesses.

Terms: In addition to investing in qualified businesses, investments must also be qualified. An investment is qualified if:

1. The investment is a cash investment in a qualified business for the purchase of:
 - An equity security, or
 - A debt security if the debt has a maturity of at least 5 years and if the debt is unsecured or convertible into equity securities or equity participation instruments, such as options or warrants.
2. The business agrees not to use the proceeds from the investment to relocate its operations,
3. The business agrees not to relocate its headquarters out of the state,
4. The business agrees to maintain at least 75% of its employees in Wisconsin, and
5. The business agrees to maintain at least 75% of its employees at work sites that were maintained by the business.

Contact: Wisconsin Department of Commerce

Agricultural Development Zone Program

Purpose: The Department of Commerce has established an Agricultural Development Zone (ADZ) program to help attract, promote, retain and encourage the expansion of agricultural businesses in Wisconsin. This program is designed to assist Wisconsin in regaining its prominence in the dairy industry and in dairy processing production.

Eligibility: Project must be located within Wisconsin's Agricultural Development Zone. These four zones are Central Mississippi River Region, North Central Six Region, South Central Region, and Southwestern Region.

Advantage: Tax credits will be available for new and expanding agribusinesses. \$5 million in tax credits have been allocated to the zone; the zone is effective for 10 years.

Terms: Tax credits include: (1) 3% capital investment credit for real and personal property, (2) job creation and retention credit of up to \$8,000 per job, and (3) environmental remediation tax credit, 50% of eligible expenses.

Contact: Wisconsin Department of Commerce

Business Employees' Skills Training (BEST) Program

Purpose: The program was established to help small businesses in industries that are facing severe labor shortages upgrade the skills of their workforce.

Eligibility: Eligible applicants include Wisconsin for-profit businesses that have 25 or fewer full time employees or annual sales of less than \$2.5 million and are in one of the following Industrial Clusters: automation, agriculture/food products, biotechnology, information technology, manufacturing, medical devices, paper/forest products, printing, tourism, childcare (does not include in-home childcare). Only costs incurred to train full-time employees are eligible. Eligible project costs are limited to tuition costs for courses that are directly related to the employee's work requirements.

Advantage: 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.

Terms: Applicants will be required to provide a cash match of at least 25% of the project costs. The maximum funding available is 75% of Eligible Project Costs not to exceed \$1,000 per full-time employee trained and \$5,000 per business. Projects are awarded on a competitive basis.

Contact: Wisconsin Department of Commerce

Dairy 2020 Early Planning Grant Program

Purpose: The goal of this program is to encourage and stimulate the start up, modernization, and expansion of Wisconsin dairy farms. Since its inception in 1996, the program has provided more than \$1,700,000 to over 700 Wisconsin dairy producers.

Eligibility: Applicants for the program include existing and start-up Wisconsin dairy producers.

Advantage: Proceeds from an award may be used only to cover the cost of having an independent third party provide the professional services necessary to assist the applicant in the start-up, modernization, or expansion of a Wisconsin dairy farm.

Terms: Although Commerce can provide 75% of eligible project costs up to a maximum of \$3,000, the actual amount of funds awarded is based upon factors such as viability of the project, project's economic impact, and fund availability. Applicants are required to contribute at least 25% of the total project costs from sources other than the State of Wisconsin.

Contact: Wisconsin Department of Commerce

Early Planning Grant (EPG) Program

Purpose: The program is designed to help individual entrepreneurs and small businesses throughout Wisconsin obtain the professional services necessary to evaluate the feasibility of a proposed start up or expansion.

Eligibility: Applicants include Wisconsin individuals, for-profit businesses, cooperatives, and childcare centers that have fewer than 50 employees whose business will be in one of the following Industrial Clusters: automation, agriculture/food products, biotechnology, information technology, manufacturing, medical devices, paper/forest products, printing, tourism, and childcare (does not include in-home childcare).

Advantage: Program can provide applicants with a grant to help cover a portion of the cost of hiring a qualified, independent third party to develop a comprehensive business plan.

Terms: Applicants will be required to provide a cash match of at least 25% of project costs. The maximum funding available is 75%, up to \$3,000. The application process is competitive and not all projects can be funded. The actual level of participation, if any, is determined by a process that utilizes the certain underwriting criteria such as project viability, industrial cluster, community impact, and number of jobs created/retained.

Contact: Wisconsin Department of Commerce

Entrepreneurial Training Grant (ETG) Program

Purpose: Commerce has partnered with the Small Business Development Center (SBDC) to develop a pilot program designed to help individual entrepreneurs and small businesses throughout Wisconsin. Under the Entrepreneurial Training Grant (ETG) program, Commerce can provide applicants with a grant to help cover a portion of the cost of attending SBDC's new Entrepreneurial Training Course.

Eligibility: The applicant must be a Wisconsin resident.

Advantage: After completing the coursework, entrepreneurs will have a comprehensive business plan that fully evaluates the feasibility of the proposed start up or expansion. The business plan will be critical to the applicant's ability to attract the private financing necessary to implement the plan.

Terms: Eligible Tuition Costs are limited to the tuition charged by the SBDC to attend the Entrepreneurial Training Course, including FastTrac. The maximum funding available is 75%; applicants will be required to provide a cash match of at least 25% of the project costs. The application process is competitive, as not all projects can be funded. Funding is determined by an underwriting process that utilizes the following criteria: project viability, work experience, education and training, credit history, community benefit, etc.

Contact: Wisconsin Department of Commerce

Freight Railroad Preservation Program (FRPR)

Purpose: Program provides grants to communities to purchase abandoned rail lines in the effort to continue freight rail service, preserve the opportunity for future rail service, and to rehabilitate facilities, such as tracks and bridges, on publicly owned rail lines.

Eligibility: Project must rehabilitate facilities such as tracks or bridges on publicly-owned rail lines.

Advantage: The 2003-2005 state budget provides \$4.5 million in bonding authority for the program.

Terms: Program provides grants up to 80% of the cost.

Contact: Wisconsin Department of Commerce

Freight Railroad Infrastructure Improvement Program (FRIIP)

Purpose: Program awards loans to businesses or communities wishing to rehabilitate rail lines, advance economic development, connect an industry to the national railroad system, or to make improvements to enhance transportation efficiency, safety, and intermodal freight movement.

Eligibility: Project must connect an industry to the national railroad system, make improvements to enhance transportation efficiency, safety, and intermodal freight movement, accomplish line rehabilitation, and develop the economy.

Advantage: Improves transportation infrastructure within Wisconsin.

Terms: Program provides up to 100% loans for rail projects.

Contact: Wisconsin Department of Commerce

State Infrastructure Bank Program

Purpose: Program is a revolving loan program that helps communities provide transportation infrastructure improvements to preserve, promote, and encourage economic development and/or to promote transportation efficiency, safety, and mobility.

Eligibility: A county, city, village, town or combination thereof, Amtrak Railroad, a private non-profit organization (sponsored by an eligible community) and Transit Commissions are eligible to apply.

Advantage: Loans obtained through SIB funding can be used in conjunction with other programs.

Terms: \$1,875,000 was the total amount of funding originally allocated to this program; a balance of \$700,000 is remaining to fund additional projects. The DOT charges 2% interest on the loan principal. Projects can be amortized up to 25 years.

Contact: Wisconsin Department of Transportation

Milk Volume Production (MVP) Program

Purpose: The 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. The goal of the MVP program is to provide qualifying dairy producers with the type of financing necessary to fill the "equity gap" and to partner with local communities to increase dairy production in Wisconsin. It is important to note that the MVP application process is competitive and not all applications will be funded.

Eligibility: 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 invited to apply.

Advantage: Program aggressively supports Wisconsin's \$20 billion dairy industry.

Terms: Commerce's participation is limited to no more than \$500 for each cow added to the operation. The maximum award available under the MVP program is \$1 million. The loan term shall be seven (7) years with a fixed interest rate of 2% for the life of the loan. Repayment will be deferred for the first year followed by interest only payments in the second year. The loan will then be amortized during years three (3) through seven (7) with equal monthly payments of principal and interest.

Contact: Wisconsin Department of Commerce

Minority Business Development (MBD) Loan Program

Purpose: Program is designed to provide financial assistance for the start-up and expansion of minority-owned businesses in Wisconsin.

Eligibility: Applicants must have a comprehensive business plan fully describing the proposed project. A business must be 51 percent controlled, owned, and actively managed by minority group members.

Advantage: This program provides low interest loans to assist in the development of minority-owned companies.

Terms: Eligible Project Costs are limited to fixed asset financing and working capital. The Department of Commerce will provide below market interest at a fixed rate for the life of the loan. (Typically 4%) The Department of Commerce will seek the best collateral position possible to ensure that all MBD loans are adequately secured. Personal guarantees are required; applicants should have some equity in the project.

Contact: Wisconsin Department of Commerce

Petroleum Environmental Clean-Up Fund (PECFA)

Purpose: Fund reimburses property owners for eligible clean-up costs related to discharges for petroleum tank systems.

Eligibility: Property owners or operators of tanks whose sites are contaminated by petroleum products. The program reimburses eligible costs incurred in the assessment or remediation of the sites. Associated costs include site monitoring, equipment permits, and temporary structures.

Advantage: Reimbursement for environmental clean-up.

Terms: Maximum award amount various from \$7,500 - \$190,000.

Contact: Wisconsin Department of Commerce

Technology Zone Program

Purpose: Wisconsin's Technology Zone Program is an exciting new economic development initiative that offers much-needed stimulus to the growth of businesses in Wisconsin's high-technology sectors.

Eligibility: Businesses need to be located within the eight identified high-technology zones.

Advantage: \$5 million in income tax credits has been allocated to each zone; zones are effective for 10 years.

Terms: Tax credits will be made available to high-technology businesses locating or expanding in a designated Technology Zone.

Contact: Wisconsin Department of Commerce

Wisconsin Trade Project Program

Purpose: Program offers individual matching grants up to \$5,000 to help small export-ready firms participate in international trade shows.

Eligibility: Wisconsin businesses whose annual sales are less than \$25 million (including the annual sales of parents and subsidiaries) that have developed a long-term export plan.

Advantage: Helps companies gain international exposure by attending trade shows.

Terms: Reimbursement for costs associated with attending a trade show such as translation and preparation of promotional materials, booth or exhibit space rentals, and entry fees. The business covers its own travel and lodging expenses.

Contact: Wisconsin Department of Commerce

Transportation Economic Assistance (TEA)

Purpose: The goal of the TEA program is to attract and retain business firms in Wisconsin and thus create or retain jobs.

Eligibility: The businesses cannot be speculative and local communities must assure that the number of jobs anticipated from the proposed project will materialize within three years from the date of the project agreement and remain after another four years.

Advantage: The Transportation Economic Assistance (TEA) program provides 50% state 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.

Terms: 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 normal state programming processes allow. The 50% local match can come from any combination of local, federal, or private funds or in-kind services.

Contact: Wisconsin Department of Commerce

Wisconsin Women's Business Initiative Corporation (WWBIC) Micro Loans

Purpose: Program offers micro loans to businesses owned by women, minorities, and low income individuals.

Eligibility: Loans can be used for expenses associated with starting or expanding a business, including machinery, equipment, furniture and fixtures, inventory, supplies and working capital.

Advantage: Loans offered to businesses owned by women, minorities, and low income individuals.

Terms: WWBIC can lend up to \$35,000. Businesses located within the city of Milwaukee may qualify for larger loans. The interest rate is 8.00% - 13.50%. Rates in some geographic locations may be lower. Terms are from 12 months to 6 years.

Contact: Wisconsin Department of Commerce

Brownfields Initiative

Purpose: Program provides grants to businesses, organizations, and municipalities for redevelopment and environmental remediation activities on Brownfield sites where the owner is unknown, cannot be located or cannot finance the cleanup costs.

Eligibility: Any individual, partnership, limited liability company, corporation, nonprofit organization city, village, town, county, or trustee in bankruptcy. Funds must be used for Brownfield site redevelopment or associated environmental remediation activities.

Advantage: The Department must award at least 7 grants for projects that are located in municipalities with a population of less than 30,000.

Terms: The Department will award \$7 million during each fiscal year. Each grant recipient must provide a financial contribution towards the total project cost. The minimum match contribution required is determined by the size of the award amount.

Award Amount	Minimum Match Contribution
\$0 to \$300,000	20%
\$300,001 to \$700,000	35%
\$700,000 to \$1,250,000	50%

Grant Award Criteria:

- The potential of project to promote economic development in the area.
- Whether the project will have a positive effect on the environment.
- Amount and quality of the recipient's contribution to the project.
- The degree of innovation in the proposal for remediation and development.

Contact: Wisconsin Department of Commerce

Community-Based Economic Development Program (CBED)

Purpose: Program is designed to enhance business retention and expansion as well as entrepreneurship efforts in distressed areas by increasing the capacity of communities or community based organizations to perform economic development.

Eligibility:

- Cities, villages, towns, counties and tribes may only apply for diversification plans.
- Community-based organizations may apply for all grants except diversification plans.
- Applicants seeking planning, development projects and assistance grants must provide a 33 percent cash match; those seeking incubator grants, a 100 percent match.
- Applicants seeking incubator grants must have an authorized graduation policy.
- Technology based incubators are eligible for business incubator grants.
- Applicants seeking incubator grants may not receive more than two technical assistance, two start-ups or expansions, five operations and two tenant revolving loan fund grants over the life of the program.

Terms:

Planning, Development Projects and Assistance Grants

- Grants of up to \$10,000 to create an economic development diversification plan for a community.
- Grants of up to \$20,000 to assist specific small businesses or to develop economic development project plans for a target area.

Business Incubator/Technology Based Incubator Grants

- Grants of up to \$10,000/year for technical assistance in developing a feasibility study or the initial design of an incubator start-up or expansion project.
- Grants of up to \$100,000/year to start, rehabilitate or expand an incubator.
- Grants of up to \$30,000/year to fund operations of an existing incubator.
- Grants of up to \$50,000/year to start or recapitalize a tenant revolving loan fund.

Contact: Wisconsin Department of Commerce

Community Development Block Grant

Blight Elimination and Brownfield Redevelopment Program (CDBG-BEBR)

Purpose: The program is designed to assist communities with assessing or remediating the environmental contamination of an abandoned, idle or underused industrial or commercial facility or site in a blighted area. Critical to obtaining a grant is a redevelopment plan that describes how the property will be reused for commercial or industrial development that results in jobs and private investment in the community.

Eligibility: An eligible applicant is a general purpose unit of government with a population less than 50,000 that is not enrolled in the Community Development Block Grant Entitlement Program. This includes any county, other than Dane, Milwaukee, or Waukesha Counties.

Environmental Site Assessments (ESA), commonly known as Phase I, II or III site assessments, or the environmental remediation of sites which are blighted, subject to the following conditions:

- The applicant has a redevelopment plan for the property.
- The project will result in the redevelopment of the brownfield site for a taxable reuse.
- The applicant will repay to the Department any funds that are loaned to a nonprofit or a business.
- The applicant commits to pursue recovery of environmental remediation costs from responsible parties and to reimburse the department a proportional share of the CDBG funds.
- The applicant demonstrates financial need and demonstrates that the project is the best alternative for the project site.
- The community provides at least 25 percent of the public facility project funding.

Advantage: Helps small communities obtain environmental assessments and remediate brownfields.

Terms: The maximum award is \$100,000 for environmental assessments and \$500,000 for environmental remediation projects.

Contact: Wisconsin Department of Commerce

Community Development Zone Program

Purpose: Program can help to expand a business, start a new one, or relocate a current business. The Development Zone Program is a tax benefit initiative designed to encourage private investment and to improve both the quality and quantity of employment opportunities.

Eligibility: The Development Zone Program has something to offer firms of all sizes in a wide variety of industries. Any firm planning a major investment, improvement, or expansion in one of Wisconsin's development zones may be eligible.

Advantage: A major strength of the program is the tax credit for hiring target group members.

Terms: The program has \$38.155 million in tax benefits available to assist businesses that meet certain requirements and are located or willing to locate in one of 20 community development zones.

Contact: Wisconsin Department of Commerce

Health Care Provider Loan Assistance Programs

Purpose: Program is designed to provide incentives for physicians, dentists, nurse practitioners (NPs), physician assistants (PAs), dental hygienists (DH) and certified nurse midwives (CNMs) to locate their practice in Wisconsin's rural and urban medical shortage areas.

Eligibility: Physicians and dentists who are board-eligible or board-certified in the specialties of Family Practice, General Internal Medicine, General Pediatrics, Obstetrics, and Psychiatry can participate in the program. DHs, PAs, NPs, and CNMs if they are licensed, have the appropriate certification, and will be practicing primary care in a primary-care setting.

Advantage: Provides repayment of educational loans up to \$25,000 over a five-year period to healthcare workers who agree to practice in medical-shortage areas in Wisconsin.

Terms: Physicians and dentists can receive up to \$50,000 and NPs, PAs, and CNMs can receive up to \$25,000 in loan repayment over a five year period

Contact: Wisconsin Department of Commerce

Minority Business Development Revolving Loan Fund Program

Purpose: The Minority Business Development Fund (MBD) Revolving Loan Fund (RLF) Program is designed to "seed" revolving loan funds administered by local development corporations that meet the mission and eligibility criteria of the Minority Business Development Fund as outlined in Wisconsin State Statutes 560.

Eligibility: Business must operate within specific geographic boundaries, promotes economic development within a specific geographic area, and demonstrates a commitment to and experience in economic development with minority group member or minority business.

Advantages: Projects will target minority-owned companies in Wisconsin for financing, generally in small amounts.

Terms: An applicant organization may receive up to \$100,000.

Contact: Wisconsin Department of Commerce

Physician Loan Assistance Program

Purpose: Program is designed to provide incentives for physicians, dentists, nurse practitioners (NPs), physician assistants (PAs), dental hygienists (DH) and certified nurse midwives (CNMs) to locate their practice in Wisconsin's rural and urban medical shortage areas.

Eligibility: Physicians and dentists who are board-eligible or board-certified in the specialties of Family Practice, General Internal Medicine, General Pediatrics, Obstetrics, and Psychiatry can participate in the program. DHs, PAs, NPs, and CNMs if they are licensed, have the appropriate certification, and will be practicing primary care in a primary-care setting.

Advantage: Provides repayment of educational loans up to \$25,000 over a five-year period to healthcare workers who agree to practice in medical-shortage areas in Wisconsin.

Terms: Physicians and dentists can receive up to \$50,000 and NPs, PAs, and CNMs can receive up to \$25,000 in loan repayment over a five year period

Contact: Wisconsin Department of Commerce

Early Stage Seed Investment Credit (Act 255)

Angel Investment Tax Credits (Act 255)

Act 255 creates two tax credit programs for early stage seed investments and angel investments. Commerce must certify that the credits go to qualified new business ventures which:

- Are headquartered in Wisconsin
- Employ less than 100 people, and at least 51% of those are in Wisconsin
- Are engaged in, or committed to engage in manufacturing, agriculture, or processing or assembling products and conducting research and development or developing a new product or business process
- Are not engaged in traditional financial, consulting, professional services, retailing, hospitality, construction or transportation activity
- Have been operated in Wisconsin for not more than seven consecutive years
- Have not received more than \$1 million in investments that qualify for angel tax credits

The Early Stage Seed Investment Credit against individual and corporate income and franchise taxes is equal to 25% of the initial investment paid to an investment fund manager to invest in qualified new business ventures in any taxable year, beginning after December 31, 2004. There is a \$35 million maximum for all combined credits claimed in all tax years. Partnerships, limited liability companies or tax-option corporations may not claim the credit, and Commerce must certify that fund managers are eligible to accept and properly invest venture capital.

The Angel Investment Tax Credit authorizes an individual angel investor to receive an income tax credit of up to 12.5% of any bona fide angel investment, to a maximum of \$500,000 for each investment made in any two consecutive taxable years beginning after December 31, 2004. The maximum allowable aggregate credit amount is \$30 million for all tax years. Investments are defined as the purchase of an equity interest or other expenditure in qualified new business ventures, made by an individual or network of individuals who regularly review new businesses for potential investment.

Commerce must publicly list the eligible venture investors and qualified new business ventures that it certifies, and make an annual report on investment activity. Act 255 also requires Commerce to define what expenditures other than equity investments constitute bona fide angel investments, and to develop rules limiting angel investments to \$3 million per year and venture investments to \$3.5 million per year.

Technology Commercialization Grant and Loan Program (Act 255)

The second key element of Act 255 is the creation of a Technology Commercialization Grant and Loan Program funded at \$2.6 million annually. It is administered by the Department of Commerce to ensure that grant recipients are located and grants are spent in Wisconsin and that the applicants are viable. The program authorizes five types of grants and loans:

- Early Stage Planning grants and loans, to cover up to \$15,000 in professional services needed to apply for federal R&D funding or to achieve business objectives required by third party investors. Recipients must have enough other funding to cover at least 25% of total project costs.
- Matching grants and loans of up to 20% of project costs or \$250,000 (whichever is less) to fund professional services that help a recipient develop or commercialize innovative products, processes or services. Recipients must either have secured, or be about to secure, federal funding to bolster their efforts.
- Bridge grants and loans of up to 75% of project costs or \$100,000 (whichever is less) to tide recipients over until they receive third party financing or federal grants to develop or commercialize their innovations.
- Venture Capital grants and loans of up to 50% of project costs or \$250,000 (whichever is less) to enhance recipients' ability to secure early stage third party financing.
- Entrepreneurial & Technology Transfer Center grants of up to \$500,000 a year to finance centers that serve multiple regions of Wisconsin by providing entrepreneurs with planning, intellectual property, referral and similar business development services.

Two key points to re-emphasize about these Technology Commercialization Grants and Loans. First, they are supplemental funding. Applicants and recipients must be small businesses or entrepreneurs who have applied for or are waiting to receive federal grants for early stage R&D funding or early stage third party financing. And second, the Wisconsin Department of Commerce must confirm that applicants are viable and that their innovative products or services are primarily developed in or sold from this state.

Small Business Administration Loan Programs

Small Business Administration Loan Program 7(A)

Purpose: To assist small business by providing financing not otherwise available through private markets.

Eligibility: Business must be unable to secure private financing at reasonable rates. Loan guarantee program. The SBA will guarantee loan up to 90% through a local lender. Funds can be used for land, buildings, equipment, inventory and working capital. Program can provide fixed rates.

Advantage: Provides lenders with the opportunity to finance projects that might have been otherwise turned down.

Terms: Loan guarantee up to 90% of loan through bank or another lender. Maximum guarantee is \$750,000, with maximum loan term of 25 years. Market based rates determined by bank.

Contact: Local Financial Institutions

Small Business Administration Local Development Corporation Loan (504) - Wisconsin Business Development (WBD)

Purpose: To offer small to medium sized businesses low-cost financing for plant acquisition, construction, expansion, and new equipment purchase. SBA 504 is a fixed rate debenture program. 40% of project costs can be financed under SBA 504. Maximum loan is up to \$1,000,000. Interest rate on SBA 504 portion fixed for 10 or 20 years. Funds can be used for land, buildings and equipment.

Advantage: Allows businesses low down payment options and low interest rates, fixed for 10 or 20 years and can be used in conjunction with other financing programs.

Terms: Maximum \$1,000,000 (\$750,000 in some cases). Up to 40% of project costs. Funds can be used for land, buildings, equipment. 20 years is the maximum repayment on loan. Market rate interest is based on Wall Street long-term bond rate.

Contact: Wisconsin Business Development Finance Corporation

Small Business Administration Low DOC Loan Program

Purpose: To provide loans to small businesses in a fast and easy manner.

Eligibility: Businesses must have annual sales of less than \$5 million and less than 100 employees.

Advantage: Unlike other SBA loan programs where traditional financial ratios and collateral requirements play primary roles in the review process, the Low DOC loan program places importance on a well developed business plan, the experience of the business owners and having an excellent credit history.

Terms: Maximum amount loaned is \$150,000. Loan terms range from seven years for working capital to ten years for equipment and 25 years for real estate. Interest rates are set by the lender.

Contact: Local Financial Institutions

Small Business Innovation Research (SBIR) Program

Purpose: Program was established to stimulate technological innovation, use small businesses to meet federal R&D needs, encourage the participation of disadvantaged and minority persons in technological innovation, and to increase private sector commercialization through federal research & development sponsorship.

Eligibility: 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 US, 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
- Two-thirds of Phase I, and one-half of Phase II must be done by the small business (the rest can be performed by consultants or sub-contractors)
- All work must be done in the US

Advantage: The SBIR and STTR Programs provide funding for higher risk, early-stage products and technologies.

Contact: Wisconsin Department of Commerce

Small Business Technology Transfer (STTR) Program

Purpose: Program was established to enable small businesses to partner with a nonprofit research institution such as universities or federally funded research and development centers to bring innovative technologies to market.

Eligibility: The STTR program is a joint research effort between a small business and a nonprofit research institution or federally funded R&D center (FFRDC). 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% 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 federally funded R&D center (FFRDC)
- The research institution must perform at least 30% of the project
- There has to be a written intellectual property agreement in place at the time of award
- All work must be done in the U.S.
- Strong SBIR Candidates

Advantage: The STTR Programs provide funding for higher risk, early-stage products and technologies.

Contact: Wisconsin Department of Commerce

Wisconsin Housing and Economic Development Authority Programs

Agribusiness Guarantee

Purpose: The Agribusiness Guarantee helps new or existing businesses obtain financing on favorable terms to develop or expand production of products using Wisconsin's raw agricultural commodities.

Eligibility: The business must do one of the following:

1. Start with a Wisconsin grown, raw agricultural commodity and then:
 - Create a product new to the business, or expand production of an existing product that will increase the use of a raw agricultural commodity; or
 - Enhance the efficiency of the business.
2. Commercially harvest whitefish from Lake Superior.

The business must also:

1. Be located in Wisconsin in an area having a population of 50,000 or less;
2. Have an owner who is actively engaged in the business and current in child support payments, if any; and
3. Demonstrate it is unable to obtain conventional financing at reasonable terms.

Advantage:

- A. Lower Interest Rate - improves profitability
- B. Longer Term and Amortization - lowers monthly payment
- C. Use for Working Capital - finance more than fixed assets and inventory
- D. Reduce Risk for the Lender - makes it easier to approve a loan

Terms:

- Maximum guarantee is 80% on loans up to \$750,000.
 - 80% on loans up to \$100,000 for businesses that commercially harvest whitefish from Lake Superior.
- Maximum term of the guarantee is 15 years for fixed assets and 7 years for inventory and permanent working capital.
- Amortization may exceed the term of the guarantee but cannot exceed the useful life of the security.
- Interest rate is set by the lender and is subject to WHEDA approval. A variable rate loan may not exceed Prime + 2.75%.
- Loan must be secured by the assets being financed. Additional collateral may be required including personal guarantees.

Contact: Wisconsin Housing and Economic Development Authority (WHEDA)

Small Business Guarantee

Purpose: To acquire or expand a small business with favorable financing terms. The guarantee can be used for most of your financing needs, including working capital and refinancing of business notes and credit card debt.

Eligibility:

- Start-up of a daycare business which can be for adults or children.
- Start-up of a small business in a vacant storefront in the downtown area of a rural community. A rural community is defined as “(1) a city, town or village in this state with a population of 12,000 or less, or (2) a city, town or village in this state that is located in a county with a population density of less than 150 persons per square mile.” See list of ineligible communities.
- Expansion or acquisition of an existing small business. An expansion may involve a new line of business that complements the existing business. Existing is defined as being in operation for at least 12 months.
- Employs 50 or fewer full-time equivalent employees at time of application.
- Located in Wisconsin.
- Owner is actively engaged in the business and current in child support payments, if any.
- Project will create or retain jobs.
- Business is unable to obtain conventional financing at reasonable terms.

Advantage:

- Lower Interest Rate - improves profitability
- Longer Term and Amortization - lower monthly payment
- Use for Working Capital - finance more than fixed assets and inventory
- Reduce Risk for the Lender - makes it easier to approve the loan

Terms:

- Maximum guarantee is lesser of 80% or \$200,000 on loans up to \$750,000 for fixed assets and inventory.
- Maximum guarantee is lesser of 80% or \$80,000 on loans up to \$250,000 for working capital.
- Maximum term of the guarantee is 15 years for fixed assets, 7 years for inventory and permanent working capital, and 2 years for revolving working capital.
- Amortization may exceed the term of the guarantee but cannot exceed the useful life of the security.
- Interest rate is set by the lender and is subject to WHEDA approval. A variable rate loan may not exceed Prime + 2.75%.
- Loan must be secured by the assets being financed. Additional collateral may be required including personal guarantees.

Contact: Wisconsin Housing and Economic Development Authority (WHEDA)

Linked Deposit Loan (LiDL) Subsidy

Purpose: LiDL can be used for expenses including land, buildings, and equipment and is targeted towards women and minority owned small businesses.

Eligibility: Businesses at least 50% owned and more than 50% controlled by women or minority members. Business must have gross annual sales of less than \$500,000, show financial need for the reduced interest rate, and create or retain jobs.

Terms: LiDL interest rates are as low as the prime rate minus 1%. The LiDL can be from \$10,000 to \$99,000. The only cost is a \$50 application fee.

Contact: Wisconsin Housing and Economic Development Authority (WHEDA)

Labor Related Training Programs

Wisconsin Manufacturing Technology Transfer Program

Purpose: To provide educational and technical services to manufacturing firms to foster growth in Wisconsin.

Eligibility: Small to medium sized manufacturers are eligible. Eligibility criteria includes: location, degree of need, and potential return on investment are used to determine participation. This program is a grant award.

Advantage: Assistance provided to small and mid-sized manufacturers at little or no cost, depending on individual client. On-site project management team, company assessment and recommendations and access to university or technical college facilities.

Terms: Grant award is approximately \$3,000-\$12,000.

Contact: Wisconsin Department of Commerce

DOC Customized Labor Training (CLT) Program

Purpose: To assist companies that are investing in new technologies or manufacturing processes by providing a grant of up to 50% of the cost of training employees on the new technologies.

Eligibility: Any business making a firm commitment to locate a new facility in Wisconsin or expand an existing facility within the State which is upgrading a product, process or service that required training in new technology and industrial skills is eligible. The training must not be currently available through other resources (e.g. Wisconsin Technical College System).

Advantage: The program's primary goal is to help Wisconsin manufacturers maintain a workforce that is on the cutting edge of technological innovation.

Terms: Grant award, training grant, requires 50% match from company. Maximum \$2,500 per employee trained. \$35,000-\$250,000 usual amounts granted. Funds can be used for training costs incurred in the upgrading of manufacturing skills.

Contact: Wisconsin Department of Commerce

Workforce Investment Act / Workforce Resource, Inc.

Purpose: To provide training to individuals to secure, retain, or enhance employment and prepare youth for entry into the labor force.

Eligibility: Any employer may utilize program. Trainees and Employers must meet program requirements. Requirements vary based on the specific needs of the Trainee(s) and Employer(s).

Advantage: Workforce Resource can offer trained employees and/or customized training programs, and on-the-job training with training reimbursement to employers.

Terms: Regular program offers qualified, trained employees.

Contact: West Central Wisconsin Workforce Resource

Work Opportunity Tax Credit

Purpose: To provide job opportunities for low income, ex-felons, vocational rehabilitation referrals, and food stamp and AFDC recipients while providing an incentive to businesses.

Eligibility: Employer must complete an IRS pre-screening form on or before the date an employment offer is made and mail within 21 days of employment start date.

Advantage: IRS offers a 35% employer tax credit on first \$6,000 of wages paid to employees certified eligible by Job Service.

Contact: Wisconsin Department of Commerce

USDA Rural Development Administration Programs

Community Facilities Loan

Purpose: To help finance construction or improvement of community facilities that provides an essential service.

Eligibility: Area must be rural with a population of less than 50,000 persons and the organization must be a private non-profit or public entity. Applicant must not be able to find financing elsewhere.

Advantage: There is no statutory maximum loan amount and the loan can be up to 40 years or the life of the facility.

Terms: Terms set by Rural Development

Contact: USDA Rural Development

Rural Business Enterprise Grant

Purpose: To assist public bodies and non-profit corporations to finance and facilitate development of small and emerging private business enterprises.

Eligibility: Businesses must be located outside the boundary of a city of 50,000 or more and its immediately adjacent urbanized area. Federal grants are given to the grantee and the grantee can make loans to any small business except those engaged in agricultural production.

Advantage: There is no statutory maximum grant amount and applicants do not have to provide matching funds. Average grant is around \$60,000.

Terms: Set by Rural Development

Contact: USDA Rural Development

Intermediary Re-lending Loan Program

Purpose: To assist public and private non-profit agencies finance business facilities and community development projects in a rural area.

Eligibility: Intermediaries must be private non-profit corporations, public agencies, Indian groups, or cooperatives. The intermediary must also have legal authority to carry out the proposed loan purposes, and to incur and repay debt. Intermediary does not have to be in a rural area, but the ultimate recipient of the loan must be from a community of less than 25,000. Any size business may be eligible.

Advantage: Loans to intermediaries can be up to \$2 million and to ultimate recipients up to \$150,000.

Terms: Set by Rural Development

Contact: USDA Rural Development

Business and Industrial Loan

Purpose: To bolster the existing private credit structure by guaranteeing quality loans which will provide lasting benefit to the community.

Eligibility: The business cannot be located in a city of 50,000 or its immediately adjacent urbanized area. No business can have more than \$10 million in guaranteed loans under this program.

Advantage: A business can apply to the RDA for a guarantee of up to 80 percent of the proposed loan from a traditional lending institution, if the business meets USDA guidelines.

Terms: Set by Rural Development

Contact: USDA Rural Development