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CERTIFICATE

STATE OF WISCONSIN )

SS

DEPARTMENT OF DEVELOPMENT )

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, James T. Flynn, Lieutenant Governor and custodian of the official records of the Department of Development, do hereby certify that the annexed rules relating to the distribution of Small Cities Community Development Block Grant funds were duly approved and adopted by this Department on December 5, 1986.

I further certify that said copy has been compared by me with the original on file in this Department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I hereunto set my hand as Lieutenant Governor at 123 West Washington Avenue in the City of Madison, this 5th day of December 1986.

  
James T. Flynn

DEC 5 1986

ORDER OF THE DEPARTMENT OF DEVELOPMENT  
AMENDING CHAPTER DOD 6Revisor of Statutes  
Bureau

Order of the Department of Development amending DOD 6.15; 6.16 (4) (intro.), (5) (intro.), (6) (intro.), (7) (intro.), and (8) (intro.); 6.18 (1) and (3); and creating 6.18 (4), (5), and (6); and 6.19 relating to the distribution of Small Cities Community Development Block Grant funds.

Analysis Prepared by the Department of Development1. Minimal Increase for Economic Development

Current rules give the Department the authority to set aside an amount for economic development grants ranging from 23 percent to 43 percent of the annual allotment of Small Cities block grant funds. The proposal alters the set aside so that the Department may in each year set aside an amount ranging from 23 percent to 53 percent.

2. Adoption of Federal Rules on Economic Development Income

The current practice is for the applicant community to retain any income (generally repayments by a business loan recipient) generated by the grant. The proposal allows applicants to retain a portion of the program income and allows a portion to be returned to the state for redistribution to future applicants according to federal guidelines.

3. Inclusion of the Needs Standard in Each of the Applicable Rules

Under current rules, the Department has required a showing of need on the part of the business to score any points under DOD 6.16 (4), (5), (6), (7) or (8). Those rules are amended in part and DOD 6.19 is created to clarify the existing requirement.

These rules interpret s. 566.04 (2)(j), Wis. Stats., and are authorized by ss. 560.02 (4) and 566.04 (2)(j), Wis. Stats.

Pursuant to the authority vested in the Department of Development by ss. 560.02 (4) and 566.04 (2)(j), Wis. Stats., the Department of Development amends and creates rules interpreting s. 566.04 (2)(j), Wis. Stats., as follows:

SECTION 1. DOD 6.15, 6.16 (4) (intro.), (5) (intro.), (6) (intro.), (7) (intro.), and (8) (intro.) and 6.18 (1) and (3) are amended to read:

6.15 SCORING SYSTEM. (1) The allocation of small city community development block grant funds distributed under the continuous economic development competition shall be based upon the rating of applications against scoring criteria contained in ss. DOD 6.05 and 6.16 and 6.19.

6.16 (4) PROJECT IMPACT. An applicant which establishes the need for small cities community development block grant funds for successful completion of the project as provided in s. DOD 6.19 shall receive 50, 30, 10, and 0 points for project impact as follows:

- (5) PRIVATE FUNDS LEVERAGED. Applicants An applicant which establishes the need for small cities community development block grant funds for successful completion of the project as provided in s. DOD 6.19 shall receive 75, 50, 25 or 0 points for private funds leveraged as follows:
- (6) PUBLIC FUNDS LEVERAGED. Applicants An applicant which establishes the need for small cities community development block grant funds for successful completion of the project as provided in s. DOD 6.19 shall receive 25, 15 or 0 points for public funds leveraged as follows:
- (7) COST PER JOB CREATED OR RETAINED. Applicants An applicant which establishes the need for small cities community development block grant funds for successful completion of the project as proposed in s. DOD 6.19 shall receive 100, 75, 50, 25 or 0 points for cost per job created or retained as follows:
- (8) RECRUITMENT AND JOB TRAINING. Applicants An applicant which establishes the need for small cities community development block grant funds for successful completion of the project as proposed in s. DOD 6.19 shall receive 60, 45, 30 or 0 points for recruitment and job training as follows:

6.18 DISTRIBUTION OF FUNDS. (1) One-third Out of each annual allotment of small cities community development block grant funds made available to the state shall-be the department may set aside between twenty-three percent and fifty-three percent for the continuous economic development competition except-that-the-department-may,-in-any-year,-increase-or-decrease-the-set-aside-by-an-additional-ten-percent-of-the-annual-allotment. The department shall announce the amount of the set aside not later than August 1, of that preceding year except for the first year to which this rule applies when the Department shall announce the amount of the set aside not later than ten days after the rule takes effect.

(3) The maximum amount available to any applicant under the continuous economic development competition is \$750,000 per calendar year.

SECTION 2. DOD 6.18 (4), (5), and (6); and 6.19 are created to read:

6.18 (4) Each applicant may retain a cumulative amount of program income from all grants awarded after January 1, 1987 subject to s. DOD 6.18 (5) and (6) for the purpose of establishing an economic development revolving loan fund. The fund must comply with requirements established by the federal government and the department.

(5) Retained cumulative program income from grants awarded after January 1, 1987 may not exceed:

- (a) \$100,000 for an applicant with a population of 1,000 or less
- (b) \$150,000 for an applicant with a population of more than 1,000 but less than 2,000
- (c) \$250,000 for an applicant with a population of more than 2,000 but less than 4,000
- (d) \$500,000 for an applicant with a population of more than 4,000 but less than 10,000
- (e) \$750,000 for an applicant with a population of more than 10,000

All program income from grants in excess of these amounts shall be returned to the state to fund additional eligible economic development activities, except that the department shall waive this requirement to the extent such income is applied to continue the activities from which such income was derived.

An applicant which will generate program income in excess of the amounts allowed in this section from grants awarded prior to January 1, 1987 is not eligible to retain program income from grants awarded after January 1, 1987.

All program income from grants awarded prior to January 1, 1987 shall be retained by the applicant in accordance with federal regulations and the original contract provisions. The Department cannot unilaterally require the applicant to return any program income from grants awarded prior to January 1, 1987.

(6) Any municipality establishing an economic development revolving loan fund pursuant to this subchapter shall report annually to the department on the use of such a fund on forms and at such times as prescribed by the department.

6.19 ESTABLISHMENT OF NEED. To establish need an application must evidence that the project on behalf of which the grant is requested requires the proposed assistance to enable it to be competitive within the industry to which it belongs.

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State of Wisconsin  
VED

Department of Development

123 West Washington Avenue  
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DEC 5 1986  
Revisor of Statutes  
Bureau

Anthony S. Earl  
Governor  
James T. Flynn  
Lieutenant Governor

December 5, 1986

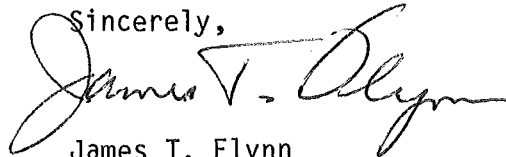
Mr. Orlan L. Prestegard  
Revisor of Statutes  
411 West, State Capitol  
Madison, WI 53702

Dear Mr. Prestegard:

Enclosed you will find a copy of the Department of Development's certified order amending rules relating to the distribution of Small Cities Community Development Block Grant funds.

If you have any questions, please call James A. Gruentzel, the Director of the Bureau of Community Development at 266-7099.

Sincerely,



James T. Flynn  
LIEUTENANT GOVERNOR

JTF:mdk

Enclosure