

## Chapter DOD 6

## WISCONSIN DEVELOPMENT FUND

<b>Subchapter I — Annual Housing and Public Facilities Competition</b>	DOD 6.42 Eligible applicants (p. 22-2)
DOD 6.01 Purpose (p. 11)	DOD 6.43 Eligible providers (p. 22-2)
DOD 6.02 Eligibility (p. 11)	DOD 6.44 Grant and loan amounts and restrictions (p. 22-3)
DOD 6.03 Definitions (p. 12)	DOD 6.45 Match requirements (p. 22-3)
DOD 6.04 Scoring system (p. 13)	DOD 6.46 Application content (p. 22-3)
DOD 6.05 Distress indicators (p. 13)	DOD 6.47 Evaluation criteria (p. 22-4)
DOD 6.06 Program impact (p. 14)	DOD 6.48 Contracts (p. 22-5)
DOD 6.07 Combining other funds with Wisconsin development funds (p. 18)	DOD 6.49 Reporting and auditing (p. 22-5)
DOD 6.10 Equal opportunity (p. 18)	DOD 6.50 Administration (p. 22-5)
DOD 6.11 Comparison of communities (p. 18)	DOD 6.51 Board operations (p. 22-6)
DOD 6.115 Benefit to low and moderate income persons (p. 19)	<b>Subchapter V — Technology Development Fund</b>
DOD 6.12 Distribution of funds (p. 19)	DOD 6.60 Purpose (p. 22-6)
DOD 6.13 Application process (p. 19)	DOD 6.61 Definitions (p. 22-6)
<b>Subchapter II — Economic Development Program</b>	DOD 6.62 Eligible applicants (p. 22-7)
DOD 6.14 Applicability (p. 19)	DOD 6.63 Grant and loan amounts (p. 22-7)
DOD 6.15 Scoring system (p. 19)	DOD 6.64 Match requirements (p. 22-7)
DOD 6.16 Minimum requirements (p. 20)	DOD 6.65 Application content (p. 22-7)
DOD 6.17 Application manual (p. 20)	DOD 6.66 Evaluation criteria (p. 22-8)
DOD 6.18 Distribution of funds (p. 20)	DOD 6.67 Contracts (p. 22-10)
DOD 6.20 Selection (p. 21)	DOD 6.68 Reporting and auditing (p. 22-10)
DOD 6.21 Business relocation (p. 22)	DOD 6.69 Administration (p. 22-10)
DOD 6.22 Type of assistance (p. 22)	DOD 6.70 Board operations (p. 22-10)
DOD 6.23 Unfair competition (p. 22)	<b>Subchapter VI — Major Economic Development Fund</b>
DOD 6.24 Employment commitments (p. 22)	DOD 6.80 Purpose (p. 22-10)
<b>Subchapter III — Emergency Block Grants</b>	DOD 6.81 Definitions (p. 22-10)
DOD 6.30 Purpose (p. 22)	DOD 6.82 Eligible applicants (p. 22-12)
DOD 6.31 Eligibility (p. 22)	DOD 6.83 Match requirements (p. 22-12)
DOD 6.32 Funding (p. 22-1)	DOD 6.84 Application content (p. 22-12)
DOD 6.33 Grant application (p. 22-1)	DOD 6.85 Evaluation criteria (p. 22-13)
DOD 6.34 Allocation (p. 22-1)	DOD 6.86 Contracts (p. 22-15)
<b>Subchapter IV — Customized Labor Training Fund</b>	DOD 6.87 Reporting and auditing (p. 22-15)
DOD 6.40 Purpose (p. 22-1)	DOD 6.88 Administration (p. 22-15)
DOD 6.41 Definitions (p. 22-1)	DOD 6.89 Board operations (p. 22-15)

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

**Subchapter I — Annual Housing and Public Facilities Competition**

**DOD 6.01 Purpose.** The purpose of subchapters I, II and III is to set forth the criteria the department will use in administering the federal funds in the Wisconsin development fund.

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

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

Register, March, 1988, No. 387

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

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

**DOD 6.03 Definitions. In subchs. I and II:**

(1) "Annual housing and public facilities competition" means the single annual receipt and review of applications for housing activities and public facility improvements as provided in subch. I of this chapter.

(1f) "Application" means a request for funding for either housing or public facilities projects as provided in subch. I of this chapter. A community may submit one application for housing and one application for public facilities.

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

(2m) "Economic development program" means the continuous receipt and review of applications for economic development projects as provided in subch. II of this chapter.

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

(4) "Household in need of housing assistance" means a housing unit which houses a family with a household income below 80% of the median income for the area and which either lacks adequate plumbing facilities, has more than 1.25 persons per room, rents for a substantial percentage of the income of the family which occupies the unit or, if owner occupied, is aged and has a low estimated market value.

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

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

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

(9) "Per capita income" means the average income of all persons residing in the municipality.

(10) "Percentage of persons in poverty" means the percent of persons residing in the municipality with incomes below the poverty level for the area as identified by the U.S. department of housing and urban development.

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

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

Register, March, 1988, No. 387

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

(15) "Unemployment rate" means the percentage of persons in the community who are unemployed based upon the average of the most recent 3 year period.

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

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

**DOD 6.04 Scoring system.** The allocation of Wisconsin development fund grants distributed under the annual housing and public facilities competition shall be based upon the comparative ranking of applications. Comparative ranking is established by respective points awarded applicants. In determining the points to be awarded applicants, the department shall use the criteria contained in ss. DOD 6.05 to 6.11.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; am. Register, November, 1984, No. 347, eff. 12-1-84; emerg. am. eff. 10-6-87; am. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.05 Distress indicators.** There are 6 distress indicators with a total value of 210 points. The distress indicators are:

(1) **NET MILL RATE.** Scores shall range from 20 points for those eligible applicants with the highest net mill rates to zero points for those eligible applicants with the lowest net mill rates.

(2) **FULL VALUE PER CAPITA.** Scores shall range from 20 points for those eligible applicants with the lowest full value per capita to zero points for those eligible applicants with the highest full value per capita.

(3) **PERCENTAGE OF HOUSEHOLDS IN NEED OF HOUSING ASSISTANCE.** Scores shall range from 40 points for those eligible applicants with the highest percentage of households in need of housing assistance to zero points for those eligible applicants with the lowest percentage of households in need of housing assistance.

(4) **PER CAPITA INCOME.** Scores shall range from 50 points for those eligible applicants with the lowest per capita income to zero points for those eligible applicants with the highest per capita income.

(5) **PERCENTAGE OF PERSONS IN POVERTY.** Scores shall range from 40 points for those eligible applicants with the highest percentage of persons in poverty to zero points for those eligible applicants with the lowest percentage of persons in poverty.

Register, March, 1988, No. 387

## DOD 6

(6) **UNEMPLOYMENT RATE.** Scores shall range from 40 points for those eligible applicants with the highest unemployment rates to zero points for those eligible applicants with the lowest unemployment rates.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82.

**DOD 6.06 Program impact.** There are 2 categories of program impact, each with a total value of 325 points. The department may establish a minimum impact score for an application to be funded. Applicants shall address at least one of the categories of program impact and may address both. The 2 categories of program impact include:

(2) **HOUSING AND RELATED CONDITIONS.** Points for housing and related conditions are determined as follows:

(a) *Housing strategy.* Applicants shall receive 100, 75, 50, 25 or zero points for housing strategy as follows:

1. An applicant shall receive 100 points if it has identified and documented significant housing and related needs, has fully described its proposed activities and documented the willingness of homeowners, landlords and others to participate in the program, has proposed activities which directly relate to and address, with quantifiable and substantial benefit, identified needs of low- and moderate-income persons, has considered such other needs as neighborhood revitalization or deconcentration of low- and moderate-income as well as minority persons, and has considered environmental factors, involuntary displacement, and project costs.

2. An applicant shall receive 75 points if it has identified and documented housing and related needs, has proposed and adequately described activities which directly relate to and address, with quantifiable and substantial benefit, identified needs of low- and moderate-income persons, has considered such other needs as deconcentration of low and moderate income or minority persons, and has considered environmental factors, involuntary displacement, and project costs.

3. An applicant shall receive 50 points if it has identified and documented housing and related needs and has proposed activities which meet at least a moderate portion of identified community or, if appropriate, target area needs.

4. An applicant shall receive 25 points if it has identified and documented housing and related needs and has proposed activities which relate to the identified needs.

5. An applicant which does not meet the standard contained in subd. 4., shall receive zero points.

(b) *Target area.* Applicants shall receive 50, 35, 15 or zero points for target area as follows:

1. An applicant shall receive 50 points if it shows that a substantial portion of the proposed activities are directed toward an area or areas with substantial low and moderate income or minority concentrations, and that those activities will have a significant impact and will assist in the elimination of slum and blight conditions.

2. An applicant shall receive 35 points if it shows that a moderate portion of the proposed activities are directed toward an area or areas with

Register, March, 1988, No. 387

significant low and moderate income or minority concentrations, or if it has a population of 1,000 or less and shows that targeting is inappropriate because of the size of the community, and that the activities will result in a moderate impact.

3. An applicant shall receive 15 points if it shows that some of the proposed activities are directed toward an area or areas with low and moderate income or minority concentrations, or if it has a population of 1,000 or less and shows that targeting is inappropriate because of the size of the community and that they will have at least a minimal impact.

4. An applicant which does not meet the standard contained in subd. 3., shall receive zero points.

(c) *Concentrated effort.* Applicants shall receive 50, 35, 15 or zero points for concentrated effort as follows:

1. An applicant shall receive 50 points if it shows that substantial other funds are committed which, in combination with Wisconsin development funds, will have a direct impact upon alleviating problem housing and related conditions, and that significant other community programs will be used to further housing and neighborhood revitalization.

2. An applicant shall receive 35 points if it shows that moderate other funds are committed which, in combination with Wisconsin development funds, will have a direct impact upon alleviating problem housing and related conditions, and that other community programs will be used to further housing and neighborhood revitalization.

3. An applicant shall receive 15 points if it shows that minimum other funds are committed which, in combination with Wisconsin development funds, will have a direct impact upon alleviating problem housing and related conditions, and that either previous actions have been taken or other programs are proposed to alleviate problem housing and related conditions.

4. An applicant which does not meet the standard contained in subd. 3., shall receive zero points.

(d) *Expanded opportunity.* Applicants shall receive 25, 15, or zero points for expanded opportunity as follows:

1. An applicant shall receive 25 points if it proposes activities that expand housing opportunity for a substantial number of low- and moderate-income people through the provision of housing not previously available.

2. An applicant shall receive 15 points if it proposes activities which expand housing opportunities for a moderate number of low- and moderate-income people through the provision of housing not previously available.

3. An applicant which does not meet the standard contained in subd. 2., shall receive zero points.

(e) *Benefit to low and moderate income persons.* Applicants shall receive 100, 75, 50 or zero points for benefit to low and moderate income persons as follows:

## DOD 6

1. An applicant shall receive 100 points if it shows that benefits from proposed activities will be directed toward low and moderate income persons to a substantial degree when compared with other applications.

2. An applicant shall receive 75 points if it shows that benefits will be directed toward low and moderate income persons to at least a moderate degree when compared with other applications.

3. An applicant shall receive 50 points if it shows that benefits will be directed toward low and moderate income persons to at least a minimal degree when compared with other applications.

4. An applicant which does not meet the standard contained in subd. 3., shall receive zero points.

(3) **SERIOUS DEFICIENCIES IN PUBLIC FACILITIES.** Points for serious deficiencies in public facilities are determined as follows:

(a) *Public facilities strategy.* Applicants shall receive 100, 75, 50, 25 or zero points for public facilities strategy as follows:

1. An applicant shall receive 100 points if it has identified, described and documented, by another agency where possible, the public facility deficiencies, has adopted a comprehensive plan or strategy for the elimination of public facility deficiencies, has proposed activities that represent the most feasible solution to the identified problems after considering a range of alternatives, has considered environmental factors and involuntary displacement and has shown that the facility is necessary to alleviate an urgent problem which affects health and safety or is otherwise essential to the community.

2. An applicant shall receive 75 points if it has identified, described and documented the public facility deficiencies, has adopted a plan or strategy for the elimination of deficiencies in a single public facility system, and has shown that the activities will have a direct impact on resolving the identified problems which affect health and safety or are otherwise essential to the community.

3. An applicant shall receive 50 points if it has identified, described and documented the public facilities deficiencies, has prepared a project plan for each activity proposed and has shown that the proposed activities will assist in alleviating the identified problem.

4. An applicant shall receive 25 points if it has identified and described the public facilities deficiencies and has shown that the proposed activities will assist in alleviating the identified problem.

5. An applicant which does not meet the standard in subd. 4., shall receive zero points.

(b) *Past effort.* Applicants shall receive 50, 35, 15 or zero points for past effort as follows:

1. An applicant shall receive 50 points if it has described and documented past activities that integrally relate to and support each proposed activity and that had a direct impact on alleviating the identified community development problems.

2. An applicant shall receive 35 points if it has described past activities that relate to the proposed activities and have affected the identified community development problems.

3. An applicant shall receive 15 points if it has described past activities which met its public facility needs in general.

4. An applicant which does not meet the standard in subd. 3., shall receive zero points.

(c) *Present efforts.* Applicants shall receive 50, 35, 15 or zero points for present efforts as follows:

1. An applicant shall receive 50 points if it has investigated alternative funding, has documented present efforts toward resolving the identified community facility deficiency, has received or made a commitment of substantial other funds for the proposed activities and, if a service center, has identified committed funding for program operations.

2. An applicant shall receive 35 points if it has investigated alternative funding and has made contributions of other funds to the proposed activities or has documented present efforts toward resolving the identified community facility deficiency.

3. An applicant shall receive 15 points if it has investigated other funding or has made contributions of other funds to the proposed activities or has documented present efforts toward resolving the identified community facility deficiency.

4. An applicant which does not meet the standard contained in subd. 3., shall receive zero points.

(d) *Debt.* Applicants shall receive 25, 15 or zero points for debt as follows:

1. An applicant shall receive 25 points if it shows that its general obligation debt per capita is high and its available general obligation debt per capita is low in comparison with other applications.

2. An applicant shall receive 15 points if it shows that its general obligation debt per capita is moderate and its available general obligation debt per capita is moderate in comparison with other applicants.

3. An applicant shall receive 15 points if it shows that its general obligation debt per capita is low and its available general obligation debt per capita is high in comparison with other applicants but has a binding obligation for which a substantial part of its authorized general obligation debt is committed.

4. An applicant which does not meet either the standard contained in subd. 2, or 3., shall receive zero points.

(e) *Benefit to low and moderate income persons.* Applicants shall receive 100, 75, 50 or zero points for benefit to low and moderate income persons as follows:

1. An applicant shall receive 100 points if it shows that benefits from proposed activities will be directed toward low and moderate income persons to a substantial degree when compared with other applications.

## DOD 6

2. An applicant shall receive 75 points if it shows that benefits will be directed toward low and moderate income persons to at least a moderate degree when compared with other applications.

3. An applicant shall receive 50 points if it shows that benefits will be directed toward low and moderate income persons to at least a minimal degree when compared with other applications.

4. An applicant which does not meet the standard contained in subd. 3., shall receive zero points.

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

**DOD 6.07 Combining other funds with Wisconsin development funds.** Applicants shall receive up to 50 points if they show with funds to be secured that the combination of those funds with Wisconsin development funds will either expand results or will permit more aspects of need to be addressed by the applicant.

(1) **COMMITMENT OF FUNDS.** To receive credit for funds to be secured, there must be evidence of prior commitment of the availability of the funds within the program period.

(2) **ALLOCATION OF POINTS.** Points shall be allocated on the basis of the ratio of other funds to Wisconsin development funds for each impact category. Those applications with a ratio of 1.0 or greater shall receive 50 points. Those from .50 to .99 shall receive 35 points. Those from .25 to .49 shall receive 20 points. Those from .10 to .24 shall receive 10 points. Those below .10 shall receive zero points.

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

**DOD 6.10 Equal opportunity.** Applicants shall receive up to 20 points for equal opportunity as follows:

(1) **MINORITY CONTRACTS.** Ten points shall be awarded to any applicant that demonstrates that the percentage of its contracts, based on dollar value, awarded within the past 2 years to minority owned, controlled or managed businesses, is greater than the percentage of minorities residing in the county.

(2) **FAIR HOUSING.** Ten points shall be awarded to any applicant that has adopted a fair housing ordinance which complies with federal and state law and that either documents efforts to publicize the ordinance which go significantly beyond required publication and which serve to make the provisions of the ordinance known to residents and providers of housing, or that documents the existence and application of a complaint system.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82.

**DOD 6.11 Comparison of communities. (1) DISTRESS COMPARISON.** For the purpose of determining the scores for distress indicators, all eligible applicants with a population of 5,000 or more, other than counties, shall compete against each other. All eligible non-metropolitan area appli-  
Register, March, 1988, No. 387



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

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

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

**DOD 6.115 Benefit to low- and moderate-income persons.** The percentage of the requested funds to be used for the direct benefit of low- and moderate-income people shall not be less than the percentage specified in the application manual by the department.

History: Cr. Register, November, 1983, No. 335, eff. 12-1-83; emerg. r. and recr., eff. 10-6-87; r. and recr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.12 Distribution of funds. (1) MAXIMUM GRANT SIZE.** The maximum amount available is \$750,000 to an applicant that successfully addresses one program impact category. The maximum amount available to an applicant that successfully addresses both program impact categories is \$1 million, with not more than \$750,000 for either impact category.

(2) **REPORT TO THE LEGISLATURE.** The department shall report annually to the chairs of the economic development standing committees of the Legislature on the status of the program.

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

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

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

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

## Subchapter II — Economic Development Program

**DOD 6.14 Applicability.** Sections DOD 6.01, 6.02, 6.03 (2), (2m), (5), (8), (16) and the provisions of this subchapter apply to the economic development program.

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

**DOD 6.15 Scoring system.** The allocation of federal Wisconsin development fund monies distributed under the economic development program

Register, March, 1988, No. 387

## DOD 6

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

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

**DOD 6.16 Minimum requirements.** All applicants shall meet each of the following minimum requirements:

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

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

(3) **PRIVATE FUNDS LEVERAGED.** An applicant must leverage a minimum of one dollar of private funds for each dollar of Wisconsin development funds requested. An applicant shall leverage one dollar of private funds for each dollar of Wisconsin development funds requested for the working capital portion of a project.

(4) **COST PER JOB CREATED OR RETAINED.** The cost for each job that is created or retained shall not exceed \$20,000 in Wisconsin development funds.

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

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

(7) **EQUITY INVESTMENT.** The department may require a minimum equity investment for a project.

History: Cr. Register, November, 1984, No. 347, eff. 12-1-84; am. (4) (intro.), (5) (intro.), (6) (intro.), (7) (intro.) and (8) (intro.), Register, January 1987, No. 373, eff. 2-1-87; emerg. r. and recr. eff. 10-6-87; r. and recr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.17 Application manual.** The department shall annually prepare an application manual which it may update as needed. The manual will contain the application procedures, requirements and instructions for funding under the economic development program.

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

**DOD 6.18 Distribution of funds.** (1) Out of each annual allotment of federal Wisconsin development funds, the department may set aside between 23% and 53% for the economic development program. The department shall announce the amount of the set aside not later than August 1 of the preceding year. The department shall report semiannually to the chairs of the economic development standing committees of the legislature on the status of the program.

Register, March, 1988, No. 387

(2) The maximum amount available to any business under the economic development program is \$750,000. The maximum amount available to any community is \$1.5 million per calendar year.

(3) Each applicant may retain a cumulative amount of program income from all grants awarded after January 1, 1987 subject to subs. (4) and (5) 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.

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

1. \$100,000 for an applicant with a population of 1,000 or less
2. \$150,000 for an applicant with a population of more than 1,000 but less than 2,000
3. \$250,000 for an applicant with a population of 2,000 or more but less than 4,000
4. \$500,000 for an applicant with a population of 4,000 or more but less than 10,000
5. \$750,000 for an applicant with a population of 10,000 or more

(b) 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.

(c) 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, except as provided in par. (b).

(d) 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.

(5) 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.

History: Cr. Register, November, 1984, No. 347, eff. 12-1-84; am. (1) and (3), cr. (4) to (6), Register, January, 1987, No. 373, eff. 2-1-87; emerg. am. (1), r. (2), renum. (3) to (6) to be (2) to (5) and am. (2), (3), (4) (a) 3., 4., 5. and (c), eff. 10-6-87; am. (1), r. (2), renum. (3) to (6) to be (2) to (5) and am. (2), (3), (4) (a) 3. to 5. and (c), Register, March, 1988, No. 387, eff. 4-1-88.

DOD 6.19 Establishment of need. History: Cr. Register, January, 1987, No. 373, eff. 2-1-87; emerg. r. eff. 10-6-87; r. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.20 Selection.** (1) Applications will be reviewed on a continual basis. However, if the department has applications for funds in excess of the amount available, the department may determine which applications will receive priority based on distress indicators, percent of jobs

Register, March, 1988, No. 387

created or retained for low- and moderate-income persons and cost per job.

(2) After 80% of the current federal fiscal year allocation for economic development projects has been expended, the department will give preference to those applications from communities that have the highest distress scores.

History: Emerg. cr. eff. 10-6-87; cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.21 Business relocation.** Funds shall not be provided for projects that involve the relocation of a business or industry from one municipality to another municipality within the state, if the relocation results in the displacement of workers. This restriction may be waived by the secretary of the department if it is determined to be in the best interest of the state.

History: Emerg. cr. eff. 10-6-87; cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.22 Type of assistance.** The assistance provided to the business shall require the payment of principal and interest or the equivalent.

History: Emerg. cr. eff. 10-6-87; cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.23 Unfair competition.** Funds shall not be awarded for projects that will provide a business with an unreasonable competitive advantage over other Wisconsin businesses in the same industry. Providing assistance at market rates or at rates that will enable the business to perform at industry averages shall not be considered as providing an unreasonable competitive advantage.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.24 Employment commitments.** Employers shall document job creation and job retention with a list of jobs or positions that specifies job titles, the number of full-time equivalent positions to be filled or retained under each title, job skills and wages or salaries.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

### Subchapter III — Emergency Block Grants

**DOD 6.30 Purpose.** The purpose of this chapter is to set forth the criteria the department will use to determine how small cities community development block grant funds will be distributed to provide emergency assistance to communities which have experienced natural disasters.

History: Cr. Register, April, 1985, No. 352, eff. 5-1-85; emerg. renum. from DOD 6.20, eff. 10-6-87; renum. from DOD 6.20, Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.31 Eligibility.** In addition to meeting the provisions of s. DOD 6.02, to be eligible for funding under this subchapter a community must meet the requirements contained in subs. (1) through (3).

(1) The community must have suffered a major natural disaster or have been included in a federal disaster declaration.

(2) The community must have sustained damage which is beyond the financial capability of the local government to repair.

Register, March, 1988, No. 387

(3) The community must provide a match equal to one-third of the block grant funds requested.

History: Cr. Register, April, 1985, No. 352, eff. 5-1-85; emerg. renum. from DOD 6.21, eff. 10-6-87; renum. from DOD 6.21, Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.32 Funding.** (1) The activities which are eligible for funding under this subchapter are the same as those which were eligible under the annual housing and public facilities competition except that they must in addition be related to recovery from the disaster, must be for items which are not covered by insurance and must be unable to await funding available through the next annual housing and public facilities competition.

(2) Grants may be for up to \$500,000.

History: Cr. Register, April, 1985, No. 352, eff. 5-1-85; emerg. renum. from DOD 6.22, eff. 10-6-87; renum. from DOD 6.22, Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.33 Grant application.** (1) A local government interested in applying for an emergency grant must provide the department of development with a written request dated not more than 3 months after the issuance of the federal disaster declaration applicable to that local government, which includes:

- (a) A description of the disaster damage,
- (b) Evidence of inclusion in a federal disaster declaration,
- (c) A description of the activities the emergency grant will fund,
- (d) A budget; and
- (e) Evidence of the one-third financial match to the emergency block grant funds requested.

History: Cr. Register, April, 1985, No. 352, eff. 5-1-85; emerg. renum. from DOD 6.23, eff. 10-6-87; renum. from DOD 6.23, Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.34 Allocation.** Each calendar year, up to \$1,000,000 of small cities community development block grant funds may be expended by the department of development for emergency block grants.

History: Cr. Register, April, 1985, No. 352, eff. 5-1-85; emerg. renum. from DOD 6.24, eff. 10-6-87; renum. from DOD 6.24, Register, March, 1988, No. 387, eff. 4-1-88.

#### Subchapter IV — Customized Labor Training Fund

**DOD 6.40 Purpose.** The purpose of this subchapter is to establish the procedure for the administration of labor training fund grants or loans by the department of development, as provided by s. 560.63, Stats.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.41 Definitions.** The definitions in this section apply only in this subchapter.

(1) "Application" means a proposal from an eligible applicant as specified in s. DOD 6.42 containing all elements required in s. DOD 6.46.

(2) "Board" means the development finance board as defined in s. 15.155 (1), Stats.

(3) "Business" means a company located in this state, a company which has made a firm commitment to locate a facility in this state or a group of companies at least 80% of which are located in this state.

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

(5) "Financial audit" means an audit performed in accordance with the standards adopted by the American institute of certified public accountants on the revenues and expenditures made in association with a grant or loan under this fund.

(6) "Financing is unavailable from any other source on reasonably equivalent terms" means any of the following:

(a) Financing has been declined for the major economic development project.

(b) The maturity, rate or the amount of available financing or requirements related to the financing, such as collateral, equity, closing costs, service charges and repayment schedules offered on such financing are materially different from the financing available from the Wisconsin development fund.

(7) "Fund" means the labor training fund.

(8) "Job" means a position providing full-time equivalent employment for one individual for one year, beginning after a project is completed. It does not include initial training before an employment position begins.

(9) "Occupational classification" means a type of job for which the department of industry, labor and human relations has certain descriptive specifications and maintains vacancy rate information on a substate regional basis which may be obtained from a local Wisconsin job service office.

(10) "Program report" means a report to the department describing progress made toward achieving goals specified under s. DOD 6.46.

(11) "Training" means to teach or to demonstrate skills necessary for successfully performing a task associated with a product, process or service of a business.

**History:** Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.42 Eligible applicants.** Any business that has made a firm commitment to locate in Wisconsin, a business that is expanding within Wisconsin, or a business that is upgrading a product, process or service that requires training in new technology and industrial skills for its employees may apply for a grant or loan under this subchapter.

**History:** Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.43 Eligible providers.** Applicant businesses may provide the training funded under the program utilizing their own resources, another business, a consultant or contractor, a local vocational, technical and adult education school, or a public or private secondary or post-secondary school.

**History:** Cr. Register, March, 1988, No. 387, eff. 4-1-88.  
Register, March, 1988, No. 387

**DOD 6.44 Grant and loan amounts and restrictions.** (1) The amount of funding for a project and a determination as to whether the project will be funded as a grant or loan will be at the discretion of the board. Insofar as it is practical, the board will require repayment of the funds plus a reasonable return on the investment. The repayment provisions shall be determined on a case-by-case basis by the board.

(2) As provided by s. 560.63 (3), Stats., funds shall not be available for any of the following costs incurred by a vocational, technical and adult education district or by a public secondary or post-secondary institution:

(a) The cost, incurred before the beginning of the labor training program, of recruiting program instructors.

(b) The cost of developing a labor training program curriculum.

(c) The cost of recruiting, screening and counseling program trainees.

(d) The cost of a financial audit.

(e) The cost of renting instructional equipment and training facilities owned or leased by the district or institution, unless the equipment or facilities are rented only for the labor training program.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.45 Match requirements.** The applicant business shall provide a match for the grant or loan received. The match shall be in cash or in kind and shall not be less than 50% of the value of the training provided. Up to 20% of the contribution of a participating business may consist of funds which the business receives under the federal job training partnership act, 29 USC 1501 to 1781.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.46 Application content.** Applications from eligible businesses shall be submitted to the department. Each application shall contain all of the following:

(1) A description of a training program which details the kind of specialized training to be provided, the number of trainees, the name and qualifications of the proposed provider, the equipment and the facilities needed, and the location and duration of the proposed training.

(2) An explanation of why Wisconsin development fund assistance is needed.

(3) A statement, including supporting documentation, that the applicant is financially sound.

(4) An itemized estimate of the proposed cost of the training and a description of the proposed cash or in kind match.

(5) A statement guaranteeing a job in the state of Wisconsin for those successfully completing the training program supported by the proposed grant or loan.

(6) An explanation of how the proposed training project addresses the standards established in s. DOD 6.47.

(7) A statement that the proposed training is not available to the applicant through the applicant's existing training programs and that the

training will not supplant training provided by any other federal, state or local public or private program.

(8) A plan for conducting a financial audit of the grant and for submitting program reports to the department on the results of the training.

(9) A statement that job orders for new hires will be placed with the Wisconsin job service, and that, to the extent possible, new hires will be recruited through the job service.

(10) A statement regarding the repayment of the grant or loan including proposed terms.

(11) Documentation from a financial institution that financing is unavailable from any other source on reasonably equivalent terms.

(12) Employers shall document job creation and job retention with a list of jobs or positions that specifies job titles, the number of full-time equivalent positions to be filled or retained under each title, job skills and wages or salaries both before and after the proposed training.

(13) Other information as may be required by the board.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.47 Evaluation criteria.** (1) The board shall determine the following before funding a project:

(a) That the project serves a public purpose.

(b) That the project will retain or increase employment in this state.

(c) That the project is not likely to occur in this state without the grant or loan.

(d) That financing is unavailable from any other source on reasonably equivalent terms.

(e) That funds from the grant or loan under this subchapter will not be used to pay overhead costs or to replace funds from any other source.

(f) That the project will not displace any workers in this state.

(2) The board shall consider the following before funding a project:

(a) The extent to which the project will contribute to the economic growth of this state and the well-being of the residents of this state.

(b) Whether the project will be located in an area of high unemployment or low average income.

(c) The financial soundness of the business.

(d) The intention of the eligible recipient to repay the grant or loan.

(e) The ratio of state dollars requested to the number of jobs created or retained by the project.

(f) The ratio of the annual wages resulting from the project to the state dollars requested.

(g) The ratio of capital investment to the state dollars requested.



(h) The ratio of the state dollars requested to the private dollars committed to the project.

(i) The extent to which the business exports goods or services outside state borders.

(j) The likely economic benefits of the project compared with the public costs of the project.

(k) The extent to which the project is likely to contribute to the growth of existing Wisconsin businesses or is likely to spur the creation of new Wisconsin business.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.48 Contracts.** Successful applicants shall be required to enter into a contract with the department for the purpose of implementing the proposed grant or loan. The contracts shall be signed by the secretary of development and the chief executive officer of the business, or by their authorized representatives. The department may void a contract and seek a return of funds released under the contract for failure by the business to perform its obligations under the contract. Amendments to these contracts may be adopted by the consent of both of the original signatories. However, no change may be authorized if the jobs for which the training is provided are to be moved out of state or the job classification or the skill levels are to be downgraded. Any relocation from Wisconsin to any other state of the jobs for which the training is provided or any change in the job classifications or skill level involved shall void the contract and all funds paid to date shall be refunded to the department for use in support of other applications to the fund. These restrictions apply only to jobs described in the training application provided in s. DOD 6.46 and apply only for a term subject to negotiation between the successful applicant and the department.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.49 Reporting and auditing.** Successful applicants will be required to provide the department periodic financial and program reports. A financial audit and final program report shall be submitted at the end of the contract. The cost of the audit may be covered by the grant or loan except as provided under s. DOD 6.44 (2) (d). The financial reports, audit and the program reports shall be submitted to the department as specified in the contract. The financial audit and the program reports become the property of the department and are open to public inspection.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.50 Administration.** The department shall be responsible for soliciting applications for the fund, reviewing applications, making recommendations to the board on the disposition of applications, authorizing payments and otherwise implementing contractual obligations entailed in grants or loans made under the terms of this subchapter, monitoring the provision of the training, receiving and reviewing the financial reports and program reports submitted under s. DOD 6.49 and for collecting any repayments of grants and loans from successful applicants. The department shall report semiannually to the chairs of the economic

Register, March, 1988, No. 387

development standing committees of the legislature on the status of the program.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.51 Board operations.** The board shall consider the recommendation of the department relating to the criteria under s. DOD 6.47. A majority of the members of the board shall approve an application before the department can enter into a contract under the terms of the fund. The department shall maintain records of its proceedings and provide other staff support as may be necessary to the board.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

### Subchapter V — Technology Development Fund

**DOD 6.60 Purpose.** The purpose of this subchapter is to establish the procedure for the administration of technology development fund grants or loans by the department of development, as provided by s. 560.62, Stats.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.61 Definitions.** The definitions in this section apply only in this subchapter.

(1) "Application" means a proposal from an eligible applicant as specified in s. DOD 6.62 containing all elements required in s. DOD 6.65.

(2) "Board" means the development finance board as defined in s. 15.155 (1), Stats.

(3) "Business" means a company located in this state, a company which has made a firm commitment to locate a facility in this state or a group of companies at least 80% of which are located in this state.

(4) "Consortium" means an association of a business and a higher educational institution, which association is subject to an agreement complying with this subchapter.

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

(6) "Financial audit" means an audit performed in accordance with the standards adopted by the American institute of certified public accountants on the revenues and expenditures made in association with a grant or loan under this fund.

(7) "Financing is unavailable from any other source on reasonably equivalent terms" means any of the following:

(a) Financing has been declined for the major economic development project.

(b) The maturity, rate or the amount of available financing or requirements related to the financing, such as collateral, equity, closing costs, service charges and repayment schedules offered on such financing are materially different from the financing available from the Wisconsin development fund.

(8) "Fund" means the technology development fund.

(9) "Higher educational institution" means any of the following:

Register, March, 1988, No. 387

- (a) The university of Wisconsin system.
  - (b) An institution which is located in this state and offers a post-baccalaureate or professional degree program.
- (10) "Program report" means a report to the department describing progress made toward achieving goals specified under s. DOD 6.65.
- (11) "Royalty" means a share of future profits from, or an interest in, a product or process.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.62 Eligible applicants.** Any consortium with a proposed technical research project that is intended to result in the development of a new, or the improvement of, an existing industrial product or process may apply for a grant or loan under this subchapter.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.63 Grant and loan amounts.** Wisconsin development funds expended or encumbered under this subchapter in any fiscal year for grants and loans may not exceed 40% of the total budgets of all technical research projects awarded grants or loans under this section in that fiscal year. A determination as to whether the project will be funded as a grant or loan will be at the discretion of the board. Insofar as it is practical, the board will require repayment of the funds plus a reasonable return on the investment. The repayment provisions shall be determined on a case-by-case basis by the board.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.64 Match requirements.** The consortium shall provide a match for the grant or loan received. The match shall be in cash or in kind and shall not be less than 25% of the value of the research project. The board may establish a higher match requirement.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.65 Application content.** Applications from eligible applicants shall be submitted to the department. Each application shall contain all of the following:

- (1) The composition of the consortium including the location of the businesses and the higher educational institution and the extent of participation of each in the consortium.
- (2) A written agreement specifying all of the following:
  - (a) The ownership of any patents or licenses which result from the technical research.
  - (b) Dissemination of information relating to the technical research.
  - (c) The responsibilities of persons conducting the technical assistance.
- (3) A statement of explanation of the way in which the funded activity will advance the research aims of the higher educational institution involved.
- (4) A timetable for completion of grant- or loan-supported activities.

## DOD 6

(5) A description of the new product or process and of the research and development activities to be supported by the consortium and a budget for those activities.

(6) An estimate of the potential benefit to the economy of the state of Wisconsin in terms of new jobs, increased productivity, expansion into new markets inside or outside the state or the initiation of new enterprises within the state.

(7) A statement, including supporting documentation, that the involved businesses are financially sound and a statement that no part of the grant funds will be used for purposes other than research and development of the new product or process for which the grant or loan is to be awarded.

(8) An explanation of why Wisconsin development fund assistance is needed.

(9) A description of the proposed match to be provided by the business.

(10) A schedule for repayment of the total funds plus any royalty; more than one schedule for repayment may be included, varying with and in relation to the standards for the product or process success.

(11) A plan for conducting a financial audit of the grant or loan and for submitting program reports to the department on the results of the project.

(12) A pledge by the applicant business to maintain operations in the state after completion of activities supported by this grant.

(13) A summary of related research indicating the uniqueness of the proposed research and development activities.

(14) An explanation of how the proposed project addresses the standards under s. DOD 6.66.

(15) A plan for evaluating and reporting on the effectiveness of the activities supported by the grant as measured by the production or introduction of a new process or of a saleable new product into the market and for reporting progress in completing activities described in the timetable.

(16) Documentation from a financial institution that financing is unavailable from any other source on reasonably equivalent terms.

(17) Other information as may be required by the board.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.66 Evaluation criteria.** (1) The board shall give priority to proposals which have the potential for future federal or private sector support or for encouraging future federal or private sector support of related research.

(2) The board shall determine the following before funding a project:

(a) That the project will serve a public purpose.

(b) That the project will retain or increase employment in this state.

(c) That the project is not likely to occur in this state without the grant or loan.

(d) That financing is unavailable from any other source on reasonably equivalent terms.

(e) That funds from the grant or loan under this subchapter will not be used to pay overhead costs or to replace funds from any other source.

(f) That the project will not displace any workers in this state.

(3) The board shall consider the following before funding:

(a) The extent to which the project will contribute to the economic growth of this state and the well-being of the residents of this state.

(b) Whether the project will be located in an area of high unemployment or low average income.

(c) The financial soundness of the business.

(d) The intention of the eligible recipient to repay the grant or loan.

(e) The extent to which the business pledges to maintain operations in this state after completion of the technical research supported by grant or loan funds.

(f) The technical soundness of the proposed research.

(g) The degree to which technological developments likely to come from the proposed research will be used in and be of benefit to the economy of this state.

(h) The contribution of the proposed research to the research aims of the higher educational institution.

(i) The time frame for repayment of the grant or loan funds and the amount of any additional royalties.

(j) The ratio of state dollars requested to the estimated number of jobs to be created or retained by the project, if successful.

(k) The ratio of the estimated annual wages resulting from the project, if successful, to the state dollars requested.

(l) The ratio of estimated future capital investment to the state dollars requested over a five-year period.

(m) The ratio of the state dollars requested to the private dollars committed to the project.

(n) The extent to which the business exports goods or services outside state borders and the extent to which the new product or process, if successful, will be exported outside state borders.

(o) The likely economic benefits of the project compared with the public cost of the project.

(p) The extent to which the project is likely to contribute to the growth of existing Wisconsin businesses or is likely to spur the creation of new Wisconsin businesses.

**DOD 6.67 Contracts.** Successful applicants shall be required to enter into a contract with the department for the purpose of implementing the proposed grant or loan. The contracts shall be signed by the secretary of development and the chief executive officer of the eligible recipient, or by their authorized representatives. The department may void a contract and seek a return of any funds released under the contract for failure by the business to perform its obligations under the contract. Amendments to these contracts may be adopted by the consent of both of the original signatories.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.68 Reporting and auditing.** Successful applicants will be required to provide the department periodic financial and program reports. A financial audit and final program report shall be submitted at the end of the contract. The cost of the audit may be covered by the grant or loan. The financial reports, audit and the program reports shall be submitted to the department by a date specified in the contract. The financial audit and the program reports become the property of the department and are open to public inspection.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.69 Administration.** The department shall be responsible for soliciting applications from eligible applicants, reviewing applications, making recommendations to the board on the disposition of applications, entering into contracts with successful applicants, authorizing payments and otherwise implementing contractual obligations entailed in grants or loans made under this subchapter, for receiving the financial reports and program reports submitted under s. DOD 6.68 and for collecting any repayments of grants and loans from successful applicants. The department shall report semiannually to the chairs of the economic development standing committees of the legislature on the status of the program.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.70 Board operations.** The board shall consider the recommendation of the department relating to the criteria under s. DOD 6.66. A majority of the members of the board shall approve an application before the department can enter into a contract under the terms of the fund. The department shall maintain records of its proceedings and provide other staff support as may be necessary to the board.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

## Subchapter VI — Major Economic Development Fund

**DOD 6.80 Purpose.** The purpose of this subchapter is to establish a procedure for the administration of major economic development grants or loans by the department of development, as provided by s. 560.62, 560.63 or 560.66, Stats., that are funded under s. 20.143 (1) (d), Stats.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.81 Definitions.** The definitions in this section apply only in this subchapter.

(1) "Application" means a proposal from an eligible applicant as specified in s. DOD 6.82 containing all elements required in s. DOD 6.84.

Register, March, 1988, No. 387

(2) "Board" means the development finance board as defined in s. 15.155 (1), Stats.

(3) "Business" means a company located in this state, a company which has made a firm commitment to locate a facility in this state or a group of companies at least 80% of which are located in this state.

(4) "Consortium" means an association of a business and a higher educational institution, which association is subject to an agreement complying with this chapter.

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

(6) "Financial audit" means an audit performed in accordance with the standards adopted by the American institute of certified public accountants on the revenues and expenditures made in association with a grant or loan under this fund.

(7) "Financing is unavailable from any other source on reasonably equivalent terms" means any of the following:

(a) Financing has been declined for the major economic development project.

(b) The maturity, rate or the amount of available financing or requirements related to the financing, such as collateral, equity, closing costs, service charges and repayment schedules offered on such financing are materially different from the financing available from the Wisconsin development fund.

(8) "Governing body" means a county board, city council, village board, town board, regional planning commission or transit commission under s. 59.967 or 66.943, Stats.

(9) "Higher educational institution" means any of the following:

(a) The university of Wisconsin system.

(b) An institution which is located in this state and offers a post-baccalaureate or professional degree program.

(10) "Job" means a position providing full-time equivalent employment for one individual for one year, beginning after a project is completed. It does not include initial training before an employment position begins.

(11) "Local infrastructure" means the real property, buildings and improvements owned, constructed, managed, or operated by a political subdivision.

(12) "Major economic development project" means a project to which any of the following applies:

(a) The program [project] is necessary to retain a significant number of jobs in a political subdivision.

(b) The project is necessary to significantly increase the number of jobs in a political subdivision.

(c) The project will lead to significant capital investment in this state by a business.

(d) The project will make a significant contribution to the economy of this state.

(13) "Political subdivision" means a county, city, town or village.

(14) "Project" means a business development that increases the productivity of a business or its employees in this state, leads to significant capital investment in a business in this state, leads to the retention of existing jobs in this state or creates new jobs in this state.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.82 Eligible applicants.** Any business, consortium or governing body that is not eligible for a grant or loan under subchs. IV and V may apply for a grant or loan under this subchapter.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.83 Match requirements.** Applicants shall provide a match for the grant or loan received. The match may be in cash or in kind and shall be a minimum of 25% of the projected cost. The board may establish a higher match requirement. A determination as to whether the project will be funded as a grant or loan will be at the discretion of the board. Insofar as it is practical, the board will require repayment of the funds plus a reasonable return on the investment. The repayment provisions shall be determined on a case-by-case basis by the board.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.84 Application content.** Applications from eligible applicants shall be submitted to the department. Each application shall contain all of the following:

(1) The name, address and designated contact person of the eligible applicant.

(2) A description of the proposed project, including all of the following:

(a) The location and duration of the project.

(b) The number of jobs to be created or retained.

(c) The value of the capital investment which the eligible applicant will make in the project.

(d) The value of the expenditures required for local infrastructure relating to the project.

(e) The immediate and continuing effects of the project upon the political subdivisions within which it will be located.

(3) A statement, including supporting documentation, that the applicant is financially sound.

(4) An itemized estimate of the proposed cost of the project and a description of the proposed match.

(5) An explanation of how the proposed project addresses the standards established in s. DOD 6.85.

(6) An explanation of why Wisconsin development fund assistance is required.

Register, March, 1988, No. 387



(7) Statements that funding is not available at reasonably equivalent terms from any other source, that any state funds received under this subchapter will not replace funds from any other source, and that the project is not likely to take place without the grant or loan.

(8) A statement that the proposed project will not displace any workers in Wisconsin.

(9) A plan for conducting a financial audit of the grant or loan and for submitting program reports to the department on the results of the project.

(10) A statement that job orders for new hires will be placed with the Wisconsin job service, and that, to the extent possible, new hires will be recruited through the job service.

(11) A statement regarding the repayment of the grant or loan including proposed terms.

(12) Documentation from a financial institution that financing is unavailable from any other source on reasonably equivalent terms.

(13) Employers shall document job creation and job retention with a list of jobs or positions that specifies job titles, the number of full-time equivalent positions to be filled or retained under each title, job skills and wages or salaries.

(14) For applicants requesting \$1 million or more of funds, the following additional information shall be supplied.

(a) An explanation as to how this project fosters the short-term and long-term economic growth of this state.

(b) An explanation of each of the other alternatives the applicant has explored for financing the project.

(c) A discussion of possible risks associated with the project and a comparison of those risks with the benefits to the state for providing the assistance.

(d) A discussion of any residual benefits to the state if the specified project benefits are not attained.

(e) An explanation of any undesirable effects the project may have on the environment, land use policies, public and private utility services and adjacent residential, commercial or industrial areas.

(f) A detailed explanation of all the assumptions used in arriving at the information provided under s. DOD 6.84.

(15) Other information as may be required by the board.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.85 Evaluation criteria.** (1) The board shall determine the following before funding a project:

(a) That the project serves a public purpose.

(b) That the project will retain or increase employment in this state.

Register, March, 1988, No. 387

(c) That the project is not likely to occur in this state without the grant or loan.

(d) That financing is unavailable from any other source on reasonably equivalent terms.

(e) That funds from the grant or loan under this subchapter will not be used to pay overhead costs or to replace funds from any other source.

(f) That the project will not displace any workers in this state.

(2) The board shall consider the following before funding a project:

(a) The extent to which the project will contribute to the economic growth of this state and the well-being of the residents of this state.

(b) Whether the project will be located in an area of high unemployment or low average income.

(c) The financial soundness of the applicant.

(d) The intention of the eligible recipient to repay the grant or loan.

(e) The ratio of state dollars requested to the number of jobs created or retained by the project.

(f) The ratio of the annual wages resulting from the project to the state dollars requested.

(g) The ratio of capital investment to the state dollars requested.

(h) The ratio of the state dollars requested to the private dollars committed to the project.

(i) The extent to which the business exports goods or services outside state borders.

(j) The unemployment and poverty rates of the political subdivision in which the project is located, if available.

(k) The likely economic benefits of the project compared with the public costs of the project.

(l) The extent to which the project is likely to contribute to the growth of existing Wisconsin businesses or is likely to spur the creation of new Wisconsin business.

(m) The value of the expenditures required for local infrastructure relating to the major economic development project.

(n) The immediate and continuing effects of the major economic development project upon the affected political subdivisions within which it will be located.

(3) In awarding grants and loans under this section, the board may consider the effects of the project upon jobs, school, transportation, and law enforcement services and facilities.

(4) On projects where the applicant is requesting \$1 million or more of funds, the board shall also consider the information provided under s. DOD 6.84 (14).

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

Register, March, 1988, No. 387

**DOD 6.86 Contracts.** Successful applicants shall be required to enter into a contract with the department for the purpose of implementing the proposed grant or loan. The contracts shall be signed by the secretary of development and the chief executive officer of the successful applicant, or by their authorized representatives. The department may void a contract and seek a return of any funds released under the contract for failure by the business to perform its obligations under the contract. Amendments to these contracts may be adopted by the consent of both of the original signatories. Any relocation from Wisconsin to any other state of the jobs created or retained through the project shall void the contract, and all funds paid to date shall be refunded to the department for use in support of other applications to the Wisconsin development fund. These restrictions apply only to jobs described in the project application provided in s. DOD 6.84, and apply only for a term subject to negotiation between the successful applicant and the department.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.87 Reporting and auditing.** Successful applicants will be required to provide the department periodic financial and program reports. A financial audit and final program report shall be submitted at the end of the contract. The cost of the audit may be covered by the grant or loan. The financial reports, audit and the program reports shall be submitted to the department by a date specified in the contract. The financial audit and the program reports become the property of the department and are open to public inspection.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.88 Administration.** The department shall be responsible for soliciting applications, reviewing applications, making recommendations to the board on the disposition of applications, authorizing payments and otherwise implementing contractual obligations entailed in grants or loans made under the terms of this subchapter, monitoring project activities, receiving and reviewing the financial reports and program reports submitted under s. DOD 6.87, and for collecting any repayments of grants and loans from successful applicants. The department shall report semiannually to the chairs of the economic development standing committees of the legislature on the status of the program.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.

**DOD 6.89 Board operations.** The board shall consider the recommendations of the department relating to the criteria under s. DOD 6.85. A majority of the members of the board shall approve an application before the department can enter into a contract under s. DOD 6.86. The department shall maintain records of the board's proceedings and provide other staff support as may be necessary to the board.

History: Cr. Register, March, 1988, No. 387, eff. 4-1-88.