

Chapter DOD 6

WISCONSIN DEVELOPMENT FUND

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Note: Chapter DOD 6 was repealed and recreated by emergency rule effective 5-18-83.

Subchapter I — Annual 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 that the department receives pursuant to 42 USC 5301 to 5319 and 24 CFR 570.480 to 570.496.

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; am. Register, January, 1994, No. 457.

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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 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) "Adjusted gross income per capita" means the average individual adjusted gross income as reported on the individual income tax return within an applicant local government and statewide for Wisconsin income tax purposes.

(2) "Application" means a request for funding for either economic development, public facilities economic development or public facility projects as provided in this chapter.

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

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

(5) "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.

(6) "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 local government for all purposes less general property tax relief payments divided by the estimated market value of taxable property in the local government.

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

(9) "Public facilities competition" means the receipt and review of applications for public facilities projects as provided in this subchapter.

(10) "Public facilities economic development program" means the continuous receipt and review of applications for public facilities projects that support economic development as provided in subch. II of this chapter.

(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) "Residential utility rate" means the average annual household utility rate paid for water and sanitary sewer services determined by dividing the total gross annual residential water and sewer revenue collected for the preceding calendar year by the number of households served.

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(13) "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.

(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) "Urgent local need" means that the proposed public facility project is beyond the ability of the applicant to finance, as measured by available obligation debt capacity, residential utility rate and timely availability of funds from other sources, and is either necessary to address an imminent public health, safety or welfare problem or, is required by an order of a state agency, federal agency or court.

(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, public facilities projects that support economic development and public facilities projects.

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 (16) 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; renum. (1), (1f) to (5) and (12) to be (9), (2) to (6) and (13) and am. (2) and (9), cr. (1), (12), r. (4) and (9), r. and recr. (10) and (15), and am. (7), (16), Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.04 National objectives. Each application and each project proposed in an application shall meet either of the following requirements:

(1) **BENEFIT TO LOW AND-MODERATE INCOME PERSONS.** The percentage of requested funds to be used for the direct benefit of low and-moderate income persons must meet at least the minimum requirements of 24CFR 570.483 (b) (2).

(2) **URGENT LOCAL NEED.** For those applications which propose projects that have a local government-wide benefit and which are proposed in a local government that has a smaller percentage of low and moderate-income persons than specified in the application manual prepared by the department, the projects must meet an urgent local need.

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; r. and recr., Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.05 Public facility scoring system. The allocation of Wisconsin development fund grants distributed under the public facility competition shall be based upon the comparative ranking of applications. Comparative ranking is established by respective points awarded pursuant to ss. DOD 6.06 to 6.11. A local government may submit one application during each public facility competition. After reviewing the applications received during any public facilities competition, the department may establish a minimum score of 275 for funding.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; r. and recr., Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.06 Distress indicators. Distress indicators have a total value of 100 points as follows:

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(1) **NET MILL RATE.** Scores shall range from 25 for those applicants with the highest net mill rates to 0 for those applicants with the lowest net mill rates. The 10% of applicants with the lowest net mill rates shall receive a score of 0. The remaining 90% of applicants will be sorted into 20 groups so that applicants in the group with the highest net mill rates receive 25 and applicants in each succeeding group receive a score 5% less than the score of the preceding group.

(2) **FULL VALUE PER CAPITA.** Scores shall range from 25 for those applicants with the lowest full values per capita to 0 for those applicants with the highest full values per capita. The 10% of applicants with the highest full value per capita shall receive a score of 0. The remaining 90% of applicants will be sorted into 20 groups so that applicants in the group with the lowest full value per capita receive 25 and applicants in each succeeding group receive a score 5% less than the score of the preceding group.

(3) **ADJUSTED GROSS INCOME PER CAPITA.** Scores shall range from 50 for those applicants with the lowest adjusted gross income per capita to 0 for those applicants with the highest adjusted gross income per capita. The 10% of applicants with the highest gross income per capita shall receive a score of 0. The remaining 90% of applicants will be sorted into 20 groups so that applicants in the group with the lowest adjusted gross income per capita receive 25 points and applicants in each succeeding group receive a score 5% less than the score of the preceding group.

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; r. and recr., Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.07 Needs assessment. Applicants shall receive 75, 50, 25 or 0 for describing and documenting the need for public facility projects as follows:

(1) An applicant shall receive 75 if it has identified, described and documented, by an outside agency, at the state level if possible, its public facility deficiencies, has proposed activities that will alleviate the problem and has shown that the activities are necessary to alleviate an urgent health and safety problem or are otherwise essential to the community.

(2) An applicant shall receive 50 if it has identified, described and documented the public facility deficiencies, has proposed activities that will alleviate the identified problems and has shown that the activities are necessary to alleviate an imminent health and safety problem or are otherwise essential to the community.

(3) An applicant shall receive 25 if it has identified, described and documented the public facility deficiencies and has proposed activities that will assist in alleviating the identified problem.

(4) An applicant which fails to meet the requirements of sub. (3) shall receive 0.

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; r. and recr., Register, January, 1994, No. 457, eff. 2-1-94.

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DOD 6.08 Planning. Applicants shall receive 50, 25 or 0 for planning as follows:

(1) An applicant shall receive 50 if it has submitted a public facility system plan describing total system needs including the proposed improvement and the specific project plan detailing the work to be completed and the cost.

(2) An applicant shall receive 25 if it has submitted a specific project plan detailing the work to be completed and the cost.

(3) An applicant which does not meet the requirements of sub. (2) shall receive 0.

History: Cr. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.09 Past effort. Applicants shall receive 25, 15 or 0 for past efforts to correct the identified deficiency as follows:

(1) An applicant shall receive 25 if it has described and documented past public facility construction activities that integrally relate to and support each proposed activity and that had a direct impact on alleviating the identified deficiency.

(2) An applicant shall receive 15 if it has described and documented past public facility maintenance or improvements that relate to the proposed activities including previous attempts to fund the activities.

(3) An applicant which does not meet the requirements of sub. (2) shall receive 0.

History: Cr. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.10 Ability to pay. Applicants shall receive 25, 15 or 0 for the relative rank of their residential utility rates and 25, 15 or 0 for their relative ability to incur additional general obligation indebtedness as follows:

(1) **RESIDENTIAL UTILITY RATES.** (a) An applicant shall receive 25 if its residential utility rate is among the top third of applicants or if it is establishing the initial rate of a new public utility.

(b) An applicant shall receive 15 if its residential utility rate is among the middle third of applicants.

(c) An applicant which does not meet the requirements of pars. (a) or (b) shall receive 0.

(2) **GENERAL OBLIGATION DEBT.** (a) An applicant shall receive 25 if its general obligation debt per capita is among the top third and its available general obligation debt per capita is among the lower third of applicants.

(b) An applicant shall receive 15 if its general obligation debt per capita and its available general obligation debt per capita are among the middle third of applicants.

(c) An applicant which does not meet the requirements of pars. (a) or (b) shall receive 0.

History: Cr. Register, February, 1982, No. 314, eff. 3-1-82; r. and recr., Register, January, 1994, No. 457, eff. 2-1-94.

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DOD 6.105 Leveraging. Applicants shall receive up to 100 points for leveraging or matching Wisconsin development funds with other funds that will either expand results or permit more aspects of need to be addressed. To receive credit for leveraging, there must be evidence of prior commitment of the availability of funds within the program period. Points shall be allocated under this section as follows:

(1) Applicants that leverage one or more dollars of other funds for each dollar of Wisconsin development funds shall receive 100 points. Applicants that leverage less than one dollar for each dollar of Wisconsin development funds shall receive points equal to the whole number equivalent of the ratio of other dollars to Wisconsin development fund dollars carried to 2 decimal places.

(2) Those applicants which receive a score of 20 or more under sub. (1) with adjusted gross incomes per capita below the median adjusted gross income per capita for all eligible applicants shall receive points as provided in sub. (1) plus the whole number equivalent of the percentage differential between the adjusted gross income per capita of the applicant and the median adjusted gross income for all eligible applicants up to a maximum of 100.

History: Cr. Register, January, 1994, No. 457, eff. 2-1-94.

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 applicants 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. 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; r. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.12 Distribution of funds. The maximum amount available to an applicant is \$750,000.

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; am. (1), r. (2), Register, January, 1994, No. 457, eff. 2-1-94.

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.

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(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.

DOD 6.135 Initial rehabilitation. History: Cr. Register, June, 1989, No. 402, eff. 7-1-89; r. Register, January, 1994, No. 457, eff. 2-1-94.

Subchapter II — Economic Development Program and Public Facilities Economic Development Program

DOD 6.14 Applicability. Sections DOD 6.01, 6.02, 6.03(2), (2), (3), (4), (6), (8) and (16) and the provisions of this subchapter except for s. DOD 6.16 (1f) apply to the economic development program. Sections DOD 6.01, 6.02, 6.03 (2), (3), (6), (8), (10) and (16) and the provisions of this subchapter except for ss. DOD 6.16 (7), and 6.18 (1) to (3), (4) (a), (c) and (d) and (5) apply to the public facilities 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; am. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.15 Scoring system. The allocation of federal Wisconsin development fund monies distributed under the economic development program shall be based upon the rating of applications against the applicable minimum requirements contained in s. DOD 6.16. The allocation of revolving loan fund monies, which the state receives pursuant to 24 CFR 570.489(e) (2) (i) and distributes under the public facilities economic development program, shall be based upon the rating of applications against the applicable 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; am. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.16 Minimum requirements. All applicants for economic development program funds shall meet the minimum requirements in subs. (1) and (2) to (7). All applicants for public facilities economic development program funds shall meet the minimum requirements in subs. (1) to (6).

(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).

(1f) **CITIZEN PARTICIPATION PLAN.** An applicant for public facilities economic development program funds must have a citizen participation plan as described in 24 CFR 570.486 (a).

(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 for economic development program funds or public facilities economic development program funds shall leverage a minimum of one dollar of private funds for each dollar requested. An applicant for economic development program funds shall also leverage one dollar of private funds for each dollar requested

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for the working capital portion of a the project. An applicant for public facilities economic development program funds must contribute a cash match out of its own funds at least equal to 25% of the total project cost.

(4) **COST PER JOB CREATED OR RETAINED.** The amount requested by an applicant for economic development program funds for each job that is created or retained shall not exceed \$20,000. The amount requested by an applicant for public facilities economic development program funds for each job that is created or retained shall not exceed \$10,000.

(5) **DEMONSTRATION OF NEED.** To demonstrate need, an application for economic development program funds shall show evidence that the project on behalf of which the grant is requested is unable to obtain full 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. To demonstrate need an application for public facilities economic development program funds shall show evidence that the project on behalf of which the funds are requested are not fundable from any other source.

(6) **FINANCIAL FEASIBILITY AND BUSINESS VIABILITY.** Applicants for economic development program funds shall demonstrate that the business that will receive funds is viable and has the economic ability to repay the funds. Applicants for public facilities economic development program funds shall demonstrate that the business that will benefit from the funds is viable and has the ability to create and retain jobs.

(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; cr. (1f), am. (intro.), (3) to (6), (4) (b), (c), (d), Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.17 Application manual. The department shall prepare application manuals which it may update as needed. The application manuals will contain the application procedures, requirements and instructions for funding under the economic development program and the public facilities 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; am. Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.18 Distribution of funds. (1) Out of each annual allotment of federal Wisconsin development funds administered by the department, the department may set aside up to 75% for the economic development program or up to 75% for the public facilities competition. The department shall announce the amount of the set aside no 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. Funds in the department's revolving loan fund, consisting of repayments from prior economic development program awards shall be used for public facilities economic development or public facilities program awards.

(2) The maximum amount available to any business under the economic development program is \$750,000. The maximum amount available under the economic development program to any local government, including any amount loaned to a business, is \$1.5 million per calendar

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year. The maximum amount available to assist any business under the public facilities economic development program is \$750,000. The maximum amount available to any local government under the public facilities economic development program is \$1.5 million per calendar year.

(3) Each recipient of economic development program funds 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 recipient of funds must comply with the requirements established by the federal government under 24 CFR 570.489 (f) and the procedures established by 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 eligible public facilities economic development and public facilities activities, except that the department may waive this requirement to the extent such income is applied to continue the activities from which the income was derived.

(c) A recipient of economic development program funds 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 recipient in accordance with 24 CFR 570.489 (e) (2) and (f) and the original contract provisions. The department may require the recipient to return any program income from grants awarded prior to January 1, 1987 if funds are not being spent in accordance with federal program regulations and contractual provisions or if program recordkeeping and reporting procedures are not being met.

(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; am. (1), (2), (3), (4) (b), (c), (d), Register, January, 1994, No. 457, eff. 2-1-94.

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DOD 6.20 (1) Applications for economic development and public facilities economic development program funds will be reviewed on a continual basis. However, if the department has applications for either program for funds in excess of the amount available, the department shall determine which applications that have met the applicable minimum requirements contained in s.DOD 6.16 will receive priority based on distress indicators, percent of jobs created or retained for low-and moderate-income persons, cost per job and past performance.

History: Emerg. cr. eff. 10-6-87; cr. Register, March, 1988, No. 387, eff. 4-1-88; am. (1), r. (2), Register, January, 1994, No. 457, eff. 2-1-94.

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 Grants

DOD 6.30 Purpose. (1) The purpose of this subchapter is to set forth the criteria the department will use to determine how federal Wisconsin development funds will be distributed to provide emergency assistance to local governments which have experienced natural disasters or other catastrophic events that threaten the public health or safety of the community and lead to an urgent need for major infrastructure repairs or replacement.

(2) Sections DOD 6.01, 6.02 and 6.03 (4) and (16) and the provisions of this subchapter apply to the emergency grants program.

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; am. cr. (2), Register, January, 1994, No. 457, eff. 2-1-94.

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).

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(1) The local government must have suffered a natural disaster or other catastrophic event.

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

(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; am. (1), Register, January, 1994, No. 457, eff. 2-1-94.

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 public facilities competition except that they must in addition be related to recovery from the emergency, must be for items which are not covered by insurance or other funding sources and must be unable to await funding available through the next public facilities competition.

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

(3) In situations where the catastrophic event was caused by human activity, such as a spill of hazardous material, and funds to repair the damage are recovered from a responsible party, then the department shall be reimbursed for its proportionate share of the repair.

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; emerg. am. (2), eff. 9-27-93; am. (1), cr. (3), Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.33 Grant application. (1) A local government interested in applying for an emergency grant must provide the department with a written request dated not more than 90 days after the later of the issuance of the state or federal disaster declaration applicable to the local government, the occurrence of or the discovery of the catastrophic event, which includes:

- (a) A description of the damage,
- (b) Documentation of a state or federal disaster declaration or a description of the catastrophic event,
- (c) A description of the activities the emergency grant will fund,
- (d) A budget,
- (e) Evidence of the one-third financial match to the emergency grant funds requested,
- (f) A discussion of alternative remedies, and
- (g) Evidence that the applicant can assume or identify other means to pay project costs in excess of \$666,666.

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; emerg. am. (1) (intro) and (e), eff. 9-27-93; am. (1), Register, January, 1994, No. 457, eff. 2-1-94.

DOD 6.34 Allocation. Each calendar year, up to \$1,000,000 of federal Wisconsin development funds may be expended by the department for

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emergency grants. The department may exceed this level of expenditure if it receives additional qualified applications.

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; emerg. am. eff. 9-27-93; am. Register, January, 1994, No. 457, eff. 2-1-94.

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 6.405 Policy and plan. (1) **APPLICABILITY.** The provisions of this section apply to this subchapter, subchs. V and VII and those provisions of ch. DOD 23 which relate to the recycling loan program.

(2) **POLICY STATEMENT.** As the state economic development agency, the department shall administer and coordinate economic and business development programs to foster investment, job creation, and diversification of the state's economy. The department shall provide financial and technical assistance to businesses for economic development, labor training, recycling, and technology related projects. The department shall place special emphasis on the financing needs of small businesses, women and minority owned businesses, and firms located in targeted areas of the state. Through the use of the Wisconsin development fund, the department shall seek to maximize the use of limited funds by leveraging private investment and utilizing other sources of available funds.

(3) **BIENNIAL PLAN.** The department shall develop and submit funding goals to the board for awarding grants and loans that allocate available funds for economic development, labor training, recycling and technology related projects for each fiscal biennium. The board shall consider the recommendations of the department based upon grant and loan criteria as provided in s. 560.605, Stats., and the goals established by other state administered financial assistance programs. Following board approval and before the commencement of each odd-numbered fiscal year the department shall submit the goals to the governor and chief clerk of each house.

History: Cr. Register, November, 1993, No. 455, eff. 12-1-93.

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, Register, January, 1994, No. 457

countants 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.

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.

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(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.

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