

Business & Industrial Park Public Funding Opportunities

There are numerous state and federal programs that provide funding for business and industrial park projects. Following is a general summary of the programs and opportunities for local units of government.

Tax Incremental Financing (TIF)

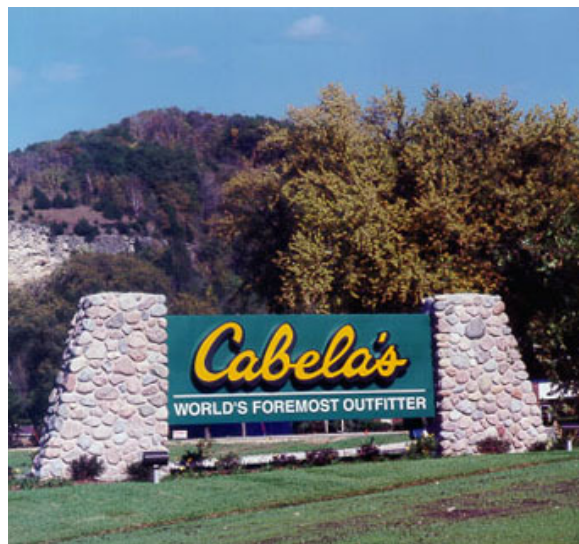
TIF is an important financing tool for municipalities to promote economic development. Industrial development is one of the primary uses of TIF in Wisconsin. An industrial development Tax Increment District (TID) has the following general requirements:

- At least 50% of area must be zoned industrial and suitable for industrial development.
- Maximum life of an Industrial development TID = 20 years + 3 year extension available
- Expenditure period = 15 years

Eligible projects include activities that directly benefit the industrial park, or are a necessary component of a successful industrial development program. Projects need to be located within the TID, serve the TID, or located within one-half mile of a TID. Eligible projects must also be identified in the TID Project Plan.

Eligible projects for an industrial development TID include:

- Land Acquisition
- Infrastructure Improvements
- Site Development
- Development Incentives
- Capitalize an economic development revolving loan fund
- Address barriers to a successful industrial development program such as: affordable housing, workforce development, child care, affordable transportation, etc.
- Promotion & Marketing
- Administrative



CDBG—Public Facilities for Economic Development (PFED)

The CDBG –PFED program funds infrastructure that directly supports business expansion, increased employment opportunities for low to moderate (LMI) persons, and adding to the local tax base. Eligible projects include sanitary sewer collection & treatment, water supply and distribution, stormwater management, streets and sidewalks.

CDBG-PFED applications may be submitted on a continuous basis. Grant awards are made 45 to 60 days after a completed application is submitted. The maximum grant is \$500,000, or 50% of eligible project costs. The maximum amount of grant funds for each full time job created or retained equals \$35,000. However, typically grant awards include \$10,000 to \$20,000 per full time job. The annual allocation of funds for the CDBG-PFED program is approximately \$6 million.

The CDBG-PFED program is federally funded and includes the following requirements:

- Project must result in a business expansion, or retention, resulting in new job creation or job retention.
- Business must provide certain financial information and commit to hiring low-to-moderate income persons for at least 51% of the jobs created.
- The Davis Bacon Act applies, which requires federal wage rates be paid for infrastructure construction.
- Equal opportunity & affirmative action laws apply



WDOT Transportation Economic Development Assistance (TEA)

The WDOT-TEA program funds transportation infrastructure improvements that directly support business expansion and job creation or retention. Eligible projects include design and construction of improvements to roadways, rail, harbors and airports needed to support a business expansion project.

WDOT-TEA applications may be submitted on a continuous basis. Grant awards are made usually within 45 to 60 days after a completed application is submitted. The maximum grant is \$1,000,000, or 50% of eligible costs. The maximum amount of grant funds per full time equivalent job equals \$5,000. The annual allocation of funds for the WDOT-TEA program is \$6.805 million.

The WDOT-TEA program is state funded and includes the following requirements:

- Project must result in a business expansion, or retention, resulting in new job creation, or job retention.
- Community must execute a Job Guarantee Agreement with WDOT that obligates the community to reimburse the WDOT if the jobs are not created within 3 years, or if the jobs are not retained for 7 years after grant is awarded.
- Business types that are excluded from the TEA program include: retail stores, eating and drinking establishments, recreation, and entertainment facilities, and hotels/motels.
- The Local Match may include private funds, local government funds, federal government funds and in-kind services.



Freight Railroad Infrastructure Improvement Program (FRIP)

The WDOT FRIP program provides loans that assist with improvements to rail infrastructure, highway/grade crossings, and the construction of new rail-served facilities in an effort to boost economic activity. Eligible applicants include private industries, railroads, and local governments. The maximum loan for railroad improvements is \$3 million. The maximum loan for non-rail projects is \$1.5 million. Non-rail projects include loading equipment, grain bins and warehouses. The interest rate on the loans is 2%.



U.S. Economic Development Administration (EDA)

The U.S. Economic Development Administration (EDA) administers grant programs to promote economic growth and to assist economic disadvantaged communities. The standard grant awards are 50% of eligible project costs. However, communities may receive up to 80% grants to address a significant local economic development need.

The two primary programs administered by the EDA include:

- Investments for Public Works and Economic Development Facilities. This program provides grants to fund industrial park infrastructure and incubator facilities. The municipality is required to demonstrate they will create jobs and leverage private investment. The maximum grant is 50% of eligible costs, up to \$3 million.
- Economic Adjustment Assistance. This program provides planning grants to fund economic development plans and incubator feasibility studies. This program may also fund infrastructure improvements for industrial parks.

*Vierbicher has secured nearly \$100 million in grant funding and created over 125 tax increment districts.
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