

## 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. Industrial and Mixed-Use are types of TIDs that promote industrial development. They have the following general requirements:

- At least 50% of the area must be zoned industrial and suitable for industrial development.
- Mixed-Use TID contains a combination of industrial, commercial, or residential uses, except lands proposed for newly platted residential use may not exceed 35 percent of real property in the district.
- Maximum life of an Industrial or Mixed-Use 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 be located within one-half mile of a TID. Eligible projects must also be identified in the TID Project Plan and they include:

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



### CDBG-Public Facilities for Economic Development (PFED)

The CDBG-PFED, a federally funded program, funds infrastructure that directly supports business expansion, increased employment opportunities for low to moderate (LMI) persons, and adds to the local tax base. Eligible projects include sanitary sewer collection & treatment, water supply and distribution, stormwater management, electrical system improvements, streets, sidewalks, and curb and gutter.

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 \$750,000, or 50% of eligible project costs. Typical grant awards have been made in the \$10,000—\$20,000/job range, with the maximum being \$35,000/job. There are adequate funds to meet the demand for PFED.

The CDBG-PFED program includes the following requirements:

- Project must result in a business expansion, or retention, resulting in new job creation or job retention.
- Businesses must provide certain financial information and commit to hiring low-to-moderate income persons for at least 51% of the jobs created.
- Jobs must be created and retained within the performance period of 2 years from award.
- 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 within 45 to 60 days after a completed application is submitted. The maximum grant is \$1M, or 50% of eligible costs, with a maximum grant of \$5,000 per full time equivalent job. Annual allocation of funds for this program is \$3.4M.

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

- 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 and federal government funds and in-kind services.



## Freight Railroad Infrastructure Improvement Program (FRIIP)

The WDOT FRIIP program provides low interest loans (2%) for 10 years that assist with improvements to rail infrastructure, highway crossings, and the construction of new rail-served facilities in an effort to boost economic activity. The maximum loan for railroad improvements is \$3M. The maximum loan for non-rail projects is \$1.5M. Non-rail projects include loading equipment, grain bins and warehouses. Grants are available up to \$375,000 for facility improvements and \$200,000 for studies.



## 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 an 80% grant to address a significant local economic development need. The two primary programs administered by the EDA include:

- Public Works and Economic Adjustment Assistance Programs:
  - 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 job creation and leverage private investment. The maximum grant is 50% of eligible costs, up to \$3M.
  - Economic Adjustment Assistance. This program provides planning grants to fund economic development plans or incubator feasibility studies. This program may also fund infrastructure improvements for industrial parks.
- CARES ACT: This provides grants, loans and revolving loan funds for projects for investments that support construction, non-construction, planning, and technical assistance. It supports economic development strategies that advance economic prosperity in distressed communities.

*Vierbicher has secured over \$100 million in grant funding and created/amended over 200 tax increment districts. For additional information regarding public funding programs, please contact:*

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