



***INVENTORY OF
ECONOMIC
DEVELOPMENT
INCENTIVES***

Updated January 2018

Direct Developer Incentives

When an individual development or business is located or expands within an existing Tax Incremental Finance District (TIF), the City of Beloit may consider providing a Direct Developer Incentive for projects that generate new increment (new property taxes) and create and/or retain jobs. Direct Developer Incentives are cash payments made to a business or developer which are calculated as a percentage of the property taxes paid by that development for a period of years following occupancy. Direct Developer Incentive payments are always contingent upon meeting specified job creation or retention criteria specified in a Council approved development agreement.

Provision of Infrastructure

Providing that the development or business is located within an existing and open TIF district, the City may provide industrial quality street, utility services, and other required infrastructure improvements.

Wisconsin Manufacturing and Agriculture Credit (MAC)

WI's Manufacturing & Agriculture Credit (MAC) virtually eliminates the state income tax due on qualified manufacturing activities. In Tax Year 2016 and beyond the credit equals 7.5% making the **effective rate .15%**. The MAC, which applies to C-Corps and pass through entities too (e.g. S-Corp, LLC, LLP) is an automatic deduction and it's not subject to meeting any type of prescribed investment or employment thresholds.

Transportation Economic Assistance (TEA) Grant

When appropriate, the City will apply for a TEA Grant and/or other Grants from the State of Wisconsin to help finance transportation related infrastructure improvements. The TEA Grant program is a matching grant program with projects capped at \$1 million, and will fund \$5,000 for every FTE created and retained. For more information, please visit <http://wisconsin.gov/Pages/doing-bus/local-gov/astnce-pgms/aid/tea.aspx>

Beloit Development Opportunity Zone Tax Credits – City Wide

Companies that locate or expand in the City of Beloit are eligible to claim tax credits for job creation for full-time positions that are Wisconsin residents. Credits generally range between \$3,000 and \$8,000 per FTE created. Furthermore, companies located and conducting economic activity in the Development Zone will be eligible to claim state income tax credits for capital investments. These credits can be applied at 3% against the purchase price of real estate, personal property, or construction costs. These credits will be able to be carried forward up to fifteen years.

Wisconsin Business Development Tax Credit Program

The Business Development Tax Credit (BTC) program is a performance-based, refundable income tax credit program designed to encourage business development in Wisconsin. The Program supports job creation, capital investment, training and corporate headquarters location or retention by providing businesses located in, or relocating to, Wisconsin refundable tax credits that can help to reduce the company's Wisconsin income/franchise tax liability or provide a refund, thereby helping to enhance the company's cash flow to expand the project's scope, accelerate the timing of the project or enhance payroll. Tax credits are subject to job retention requirements; for full details, see the [program guidelines](#). For more information contact WEDC Regional Account Managers at <http://inwisconsin.com/regional-economic-development-directors/>.

Enterprise Zone Tax Credits

The goal of the Enterprise Zone (EZ) Program is to incent projects involving expansion of existing Wisconsin businesses or relocation of major business operations from other states to Wisconsin. The program supports job creation, job retention, capital investment, training and Wisconsin supply chain investment by providing companies with refundable tax credits that can help to reduce their Wisconsin state income tax liability or provide a refund, thereby helping to enhance their cash flow to expand the expansion project's scope, accelerate the timing of the project or enhance payroll.

“Fast Track” Building Permit Process

As previously noted, the City of Beloit will “fast-track” all review processes within its control and be ready to issue permits for construction often in less than 3 weeks after final submittals with early-start permits available.

Wisconsin Permit Primer

The Wisconsin Department of Natural Resources' Permit Primer is a web-based system that provides fast accurate information on permitting questions 24/7. Users are asked questions that help determine which permits they need and once identified, users can download permit forms from the site. Visit the site at <http://dnr.wi.gov/topic/SmallBusiness/Primer/>. For more information about the Permit Primer contact Laurel Sukup at 608-267-6817 or Laurel.Sukup@wisconsin.gov.

Wisconsin Economic Development Corporation Training Grant

The goal of the Workforce Training Grant Program is to incent new and expanding businesses to attract, develop and retain talent in the state of Wisconsin. This program primarily supports the following WEDC Strategic Pillar and Focus Area- Business Development: Business Retention and Expansion. The program aids businesses in attracting, developing and retaining talent as a part of a business development project. The program provides grant funds to businesses to upgrade or improve the job-related skills of a business's existing and new employees.

The program incents job training that focuses on new technology, industrial skills, manufacturing processes, or leadership development. The training must not be currently available through other resources such as Wisconsin Technical College System, Microsoft Office training, OSHA courses, DWD Fast Forward, unless the program timeline does not coincide with business needs. For more information visit <http://inwisconsin.com/grow-your-business/programs/training-grants/>. Contact WEDC Regional Account Managers at <http://inwisconsin.com/regional-economic-development-directors/> or more information, contact Rock County's Regional Manager, Melissa Hunt at 608-210-6780 or melissa.hunt@wedc.org.

Customized Labor Training Program – Fast Forward Program

Wisconsin Fast Forward helps address the state's need for skilled workers. The program created worker training grants and makes other investments to prepare workers for jobs available today and in the years to come. Wisconsin Fast Forward will make up to \$15 million in grants available to support employer-led worker training. The Department of Workforce Development's new Office of Skills Development (OSD) will administer the program. An additional component of Wisconsin Fast Forward includes resources to develop a cutting-edge labor market information system in the future. Not only will the system provide real-time labor intelligence, but it will also service as an effective forum to connect job seekers and employers with available jobs. For more information visit: www.WisconsinFastForward.com.

Adult and Dislocated Worker Training Programs

The Southwest Wisconsin Workforce Development Board (SWWDB) is a private, non-profit corporation established by the Workforce Innovation and Opportunity Act (WIOA). SWWDB is responsible for the planning and oversight of the public workforce system in southwest Wisconsin. SWWDB is dedicated to promoting innovation and providing quality local workforce development programs and services to businesses and residents in Southwest Wisconsin. Services include but are not limited to: On-The-Job (OJT) Training: On-the-job training provides occupational training reimbursing the employer up to 50% of the employee's wage rate as compensation for the employer's "extraordinary" costs. Customized Training: Training that is designed and conducted to meet the special requirements of an employer and Incumbent Worker Training: Customized training for existing for-profit businesses intended to retain and keep businesses competitive through upgrade skills training for existing full-time employees. For additional information about any of these services and more, please contact: Gail Graham, 608-314-3300 Ext. 304 or g.graham@swwdb.org.

Small Business Administration (SBA) 504 Financing

If for some reason Industrial Revenue Bonds (IRB) are not a financially feasible option for your use, perhaps we can assist you in obtaining SBA 504 financing for the real estate and depreciable equipment purchases required of such a move. SBA 504 financing requires only 10% equity ingestion on the part of the company with 50% coming from a primary financing institution, and the balance 40% coming from a federal government issued debenture obtained through the state 504 organization. The 40% debenture takes an automatic second position behind your primary lender and is fixed for up to a 20-year period at interest rates that are comparable to IRB rates. The only caveat with SBA 504 financing is that it usually is not available to start-up companies, but each case is considered differently.

Commercial and Industrial Loan Program

The City of Beloit administers a revolving loan fund geared towards businesses that create new jobs and tax base within the City. This program can provide up to 100% of your initial financing needs for real estate and depreciable assets and will take an automatic second position behind your primary financing provider. Interest rates are determined on a case by case basis and may be deferred. Projects that eliminate blight, redevelop property or buildings that have been vacant for a prolonged period of time, and/or support or contribute to one of the City of Beloit's target industry clusters may also be eligible for enhanced credit terms. The terms are dependent on the collateral used to secure the loan but can range from three to twenty years for repayment. Funds are limited.

GBEDC Multi Bank Loan Pool

The City of Beloit's Economic Development Corporation has worked with BMO Harris Bank, First National Bank, Blackhawk Bank, and Gateway Community Bank to establish a joint economic development Multi Bank Loan Pool. This one million dollar fund was designed to assist in financing projects in Greater Beloit that will result in significant job creations and or investment. Applications for this fund are required to meet conventional underwriting banking requirements.

Cost of Electrical Power

The cost of electrical power for large users can be as much as 15% to 20% cheaper in Alliant Energy territory over that of Commonwealth Edison in Illinois. You and your company will have to negotiate in advance with Alliant Energy to determine what the actual cost of power for your business.

Industrial Revenue Bonds

The City of Beloit can assist in obtaining industrial revenue bonds for your new construction and new equipment purchases for an industrial facility. Industrial revenue bonds are tax exempt and interest rates typically from 1.5 to 2.5 percentage points below corporate bonds. The terms of the bond issue are negotiable and can be structured to meet the needs of the borrower. The costs of issuing the bonds, which can be sizeable, can be spread out over the term of the bond issue. Companies interested in this program will need to hire a Bond Council.

WEDC Business Development Loan Program

This program offers financing primarily to small businesses (fewer than 500 employees) that have limited access to standard types of debt or equity financing. The program is intended to provide gap financing to existing businesses (in operation for at-least 12 months) seeking to expand, increase operational efficiency, or enhance competitiveness in key Wisconsin industries. Eligible industries include: aerospace, manufacturing, bioscience, energy, power and control, food and beverage, forest products, water technology, or transportation. Funds can be used for real property, plant and equipment, long-term leasehold improvements, and working capital. Loan amounts are typically between \$100,000 and \$500,000 for terms between 60 – 72 months. Companies located in Beloit may be eligible for discounted interest rates due to its distressed status. For full details see Program Guidelines here: <https://wedc.org/programs-and-resources/business-development-loan-program/>. For more information contact WEDC Regional Account Managers at <http://inwisconsin.com/regional-economic-development-directors/>.

* Note all incentives are subject to approval, have eligibility requirements, competitive, available on a first come first serve basis, and as resources are available, and are subject to change.