

Inventory of Economic Development Resources

Community Development Zone Incentives

The City of Beloit currently is host to one of the 21 Community Development Zones in the state of Wisconsin. Essentially what that means is that companies that locate or expand in the Zone are eligible to receive tax credits against Wisconsin income tax for creating new jobs. For each job created and held by a Wisconsin resident, we can provide a state income tax credit between \$4,000 and \$8,000 per full-time position created. For the purposes of this tax credit, a 'new' job means new to the state of Wisconsin, not necessarily new to your company. State income tax credits can be carried forward up to 15 years. These credits are available in the Beloit Industrial Park and City Center Sites only.

Beloit Development Opportunity Zone - Gateway

The Gateway project area is able to offer a unique incentive to companies that locate or expand there. Like the CDZ mentioned above, companies are eligible to claim tax credits for job creation for full-time positions that are Wisconsin residents. Credits generally range between \$4,000 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. These credits are available in Gateway only.

Capital Ideas Technology Zone

The City of Beloit is poised to offer this new state assisted incentive. Developed to promote the development and expansion of high technology businesses in Beloit's I-90 Industrial Park and City Center.

A high technology business is defined as a business that is identified as part of a target cluster and as a knowledge-based business or a business that utilizes advanced technology production processes, systems, or equipment.

The target industry clusters for this zone are: Biotechnology, Business Services, Food Processing, Industrial Machine Technology, and Instrument Manufacturing, Plastics, and Transportation equipment. Businesses engaged in these activities may be eligible to receive Wisconsin Income Tax credits based on job creation and overall private investment. Applications will be accepted January of 2003.

Industrial Revenue Bonds

The City of Beloit can assist in obtaining industrial revenue bonds for your new construction and new equipment purchases for a facility in Beloit. Industrial revenue bonds are tax exempt and interest rates run about 75% of market rate for financing. Current IRB interest rates are in the 5.5% to 7.0% range on a fixed rate for up to 20 years.

SBA 504 Financing

If for some reason industrial revenue bonds 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 a 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.

City of Beloit Revolving Loan Fund

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 30% of your initial financing needs for real estate and depreciable assets and will take an automatic second position behind your primary financing provider with an interest rate of 70% of the rate charged by primary lending institutions. The terms are dependent on the collateral used to secure the loan but can range from five to twenty years for repayment. Funds are limited.

BEDC Multi Bank Loan Pool

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

Customized Labor Training Program

The state of Wisconsin has a customized labor training program (CLT) that can provide approximately \$2500 in training funds for each new position created in manufacturing and new technology. If the jobs are new to the state of Wisconsin, such funding can be made available to the business.

Job Training Grant

A new training grant has been made available in the state of Wisconsin for small employers that can provide up to \$10,000 for job training. This program is called the "Business Employee's Skills Training" (BEST) program and detailed information can be accessed by going through the web page for the Wisconsin Department of Commerce at www.commerce.state.wi.us. As indicated businesses located within a Development Zone will have higher priority in obtaining such funding.

Cost of Electrical Power

While without any incentives, the purchase of electrical power will generally be as much as 40% cheaper in Alliant Energy territory over that of Commonwealth Edison. You and your company will have to negotiate in advance with Alliant Energy to determine what the actual cost of power will be.

Barrier Free Development Process

The City of Beloit will "fast-track" all review processes within its control and be ready to issue permits for construction immediately upon securing site control.