

Job Creation & Retention Funding

Economic Development needs of Northern Wisconsin

BACKGROUND

The needs of Economic Development in Northern and Rural Wisconsin are much different than those needs of larger metropolitan areas of the state. For example, WEDC programs that work in Madison do not always work in Rural/Northern Wisconsin. In Northern Wisconsin, wages are lower, not as many jobs are created, but any jobs that are created greatly add to the northern economy, so the programs need to be flexible. Many businesses do not pay the \$10.88 per hour needed to qualify for state programs. WEDC could base the wage scale similar to the Davis-Bacon wage scale (average job wage per county). Tax credits for small business and startups aren't seen as a viable strategy in the early years, as in those years, the businesses are not accruing much in profit. Also, as the state lowers the manufacturing tax, these will no longer work, or have even less value to applicable businesses at that time.

The base funding for tax credits/funding per job are currently at \$3,000, \$5,000, and \$7,000 per wages paid. This scale of funding for businesses does not provide adequate gap funding for projects, in many cases, compared to the amount of time needed to submit an application for such funding. In previous years, the rate was \$20,000 per job created or retained to receive funding from the state for a project. We ask that the \$20,000 per job be reinstated.

Another associated program of interest would be a Graduated Interest/Payment Loan Program for expanding businesses, equipment, training, etc. An example would be – loan to company, no payments for two years, interest only starting third year, and principal and interest the fourth year. Loan money would return to the state to be loaned out again.

CONTACT INFORMATION

Dale A. Kupczyk
Ashland Area Development Corporation
422 3rd Street West Suite 101
Ashland, WI 54806
715-682-8344
dkupczyk@ashlandareadevelopment.org

Scottie Sandstrom
Executive Director
Bayfield County Economic Development Corporation
PO Box 704
Washburn, WI 54891
715-209-4589
scottie@bayfieldcountyedc.com