

## Illinois



### Financial Assistance Programs for Manufacturers

#### *Participation Loan Program*

The Illinois Department of Commerce and Community Affairs (DCCA) works with banks and other conventional lenders to provide financial assistance to small businesses that will employ Illinois workers. The funds can be used for the acquisition of land and buildings; construction, renovation or leasehold improvements; the purchase and installation of machinery and equipment; and the financing of inventory and working capital. The State will participate in loans up to 25% of the total amount of a project, but not less than \$10,000 or more than \$750,000. Since this program is financed through a revolving loan fund, the total amount of dollars available for Illinois businesses varies each year. However, since 1994, approximately 100 businesses have received loans under this program totaling over \$15 million.



*For more information on this program, contact:*

**Dennis Gorss**

DCCA

Phone: (217) 782-3891 or (312) 814-2308

#### *Development Corporation Participation Loan Program*

This loan program provides financial assistance, through a Development Corporation, to small businesses that provide jobs to workers in the region served by the Development Corporation. The State will participate in loans up to 25% of the total amount of a project, subject to a maximum of \$750,000. This program operates with a revolving loan fund, so the amount of funding available for Illinois businesses varies each year. Between July 1, 1995, and June 30, 1996, 17 loans were granted totaling \$3.2 million.



*For more information on this program, contact:*

**Dale Fesser**

DCCA

Phone: (217) 782-3891 or (312) 814-2308.

## ***Capital Access Program (CAP)***

The Illinois Capital Access Program (CAP) is designed to encourage lending institutions to make loans to small and new businesses that do not qualify under conventional lending policies. CAP is a form of loan portfolio insurance which provides coverage to the lender on loan defaults. By participation in CAP, lenders have available to them a proven financing mechanism to meet financial needs of Illinois' small businesses. Business enterprises interested in receiving a loan under CAP must be a for-profit business, be located in Illinois, and employ 500 people or less. All lending criteria including terms, rates, fees, collateral, conditions, etc., are decided by the individual lender. There is no minimum/maximum loan amount under CAP.



*For more information on this program, contact:*

**Dennis Gorss**  
DCCA

*Phone: (217) 782-3891 or (312) 814-2308*

## ***Industrial Revenue Bonds***

The Illinois Development Finance Authority (IDFA) can issue tax-exempt Industrial Revenue Bonds on behalf of manufacturing companies to finance the purchase of fixed assets such as land, buildings, and equipment or new construction and renovation projects. The projects financed must cost between \$2 million and \$10 million. Between July 1, 1995, and June 30, 1996, a total of \$60.2 million and over 1,100 jobs were generated through the issuance of these bonds.



*For more information on this program, contact:*

**Jim Seneca**  
IDFA

*Chicago Phone: (312) 793-5586*

*Peoria Phone: (309) 671-0290*

*Springfield Phone: (217) 524-1567*

*Marion Phone: (618) 997-6318*

## ***Title IX Revolving Loan Program***

The Title IX Revolving Loan Program is a joint effort of the Economic Development Administration (EDA) and the Illinois Finance Development Authority (IDFA) to provide supplemental financing to manufacturing companies through Industrial Revenue Bonds. Applicants must be manufacturing companies and be located in one of the following areas designated by the Federal Government through the EDA: Boone, Clinton, Cook, DuPage, Henry, Kane, Kankakee, Knox, Lake, LaSalle, Macon, Madison, Massac, McHenry, Monroe, Montgomery, Peoria, Perry, Rock Island, St. Clair, Tazewell, Vermillion, Will, Winnebago, and Woodford counties and the city of Monmouth.

Manufacturers may use these loans for acquiring buildings and machinery as well as construction and renovation projects. Approximately \$90 million in loans is available for Illinois businesses each year. The average individual loan is approximately \$4 million. IDFA finances 20 to 25 projects each year. This loan program may be used in conjunction with the Direct Loan Program (see below), but may not exceed \$250,000.



*For more information on this program, contact:*

**Rick Frampton**

IDFA

*Chicago Phone:* (312) 793-5586

*Peoria Phone:* (309) 671-0290

*Marion Phone:* (618) 997-6318

## ***Direct Loan Program***

The Direct Loan Program is offered by the Illinois Development Finance Authority (IDFA) to Illinois businesses that are not able to obtain adequate financing through conventional sources. IDFA works in conjunction with conventional lenders to assist businesses in acquiring land, buildings, machinery, and equipment. The maximum amount for a loan in this program is \$250,000. The interest rate is adjusted yearly, based on the First National Bank of Chicago's Prime rate. IDFA can finance 30% of the total cost of a project. All funds must be for new loans (not refinancing) and may be used only for fixed-asset purposes. On average, 20 to 25 projects are financed through this program annually. Loan amounts are typically between \$100,000 and \$150,000.



*For more information on this program, contact:*

**Sharnell Curtis**

IDFA

*Chicago Phone:* (312) 793-5586

*Peoria Phone:* (309) 671-0290

*Marion Phone:* (618) 997-6318.

## ***Export Financing***

The Department of Commerce and Community Affairs (DCCA), working with the Illinois Development Finance Authority, has a specialized program to help Illinois companies meet their export financing needs. The City/State Program of the U.S. Export-Import Bank provides banks with short-term working capital loan guarantees to qualified Illinois exporters. The program is aimed at small and mid-size manufacturing firms. Funds can be used to purchase raw materials, finished products and materials, and products, services and labor used to produce goods or services for export.



*For more information on this program, contact the following International Trade Centers:*

**Illinois Department of Commerce and Community Affairs**

International Business Division  
100 West Randolph Street, Suite 3-400  
Chicago, Illinois 60601  
*Phone:* (312) 814-7164

**Illinois Development Finance Authority**

2 North LaSalle Street, Suite 980  
Chicago, Illinois 60602  
*Phone:* (312) 793-5586

**Illinois Development Finance Authority**

400 East DeYoung, Suite 5  
Marion, Illinois 62959  
*Phone:* (618) 997-6318

**Eximbank Chicago Office**

19 South LaSalle Street, Suite 902  
Chicago, Illinois 60603  
*Phone:* (312) 641-1915

DCCA also makes available a variety of financial programs (see above) which may be specifically tailored for export-related businesses.



*For more information on these programs, contact:*

**Illinois Department of Commerce and Community Affairs**

Bureau of Business Development, Loan Administration Division  
620 East Adams Street  
Springfield, Illinois 62701  
*Phone:* (217) 524-0165

## ***Enterprise Zones***

There are currently 91 Enterprise Zones in Illinois, the maximum number that may be designated according to Illinois law. All offer the same mix of State incentives designed to encourage companies to locate or expand within a zone. In addition, each zone offers distinctive local incentives to enhance business or neighborhood development efforts. Such local incentives include abatement of property taxes on new improvements, homesteading, and “shopsteading” programs, waiver of business licensing and permit fees, streamlined building code and zoning requirements and special local financing programs and resources. These incentives include:

- **Sales Tax Exemption:** A 6.25% State sales tax exemption for building materials.
- **Facilities Sales Tax Exemption:** A 6.25% State sales tax exemption on purchases of tangible personal property to be used in the manufacturing or assembly process or in the operation of a pollution control facility.
- **Enterprise Zone Utility Tax Exemption:** A utility tax exemption on gas and electricity.
- **Enterprise Zone Investment Tax Credit:** A State investment tax credit of 0.5% for machinery, equipment, and buildings.
- **Dividend Income Deduction:** Individuals, corporations, trusts and estates are not taxed on dividend income from corporations doing business in an Enterprise Zone.
- **Jobs Tax Credit:** A \$500 credit on Illinois income taxes for each job created in the Zone.
- **Interest Deduction:** Financial institutions are not taxed on the interest received on loans for development within an Enterprise Zone.
- **Contribution Deduction:** Businesses may deduct double the value of a cash or in-kind contribution to an approved project of a designated organization from taxable income.

## *Enterprise Zones in Illinois*

Altamont	Freeport/Hanover/Stephenson County/Jo Daviess Co.	Mt. Vernon/Jefferson Co.
American Bottoms (Cahokia, Dupo, Sauget, St. Clair Co.)	Galesburg	Nashville/Washington Co.
Bartonville/Peoria Co.	Greenville	Olney/Richland Co.
Beardstown	Harvey	Ottawa/LaSalle Co.
Belleville	Hoffman Estates	Pekin/Tazewell Co.
Belvidere/Boone Co.	Illinois Valley (LaSalle, Peru, N. Utica, Oglesby, LaSalle Co.)	Peoria
Benton/Franklin Co.	Jackson Co. (Murphysboro, Carbondale)	Perry Co. (DuQuoin, St. Johns, Pinckneyville)
Bloomington/Normal/McLean Co.	Jacksonville	Quad Cities (Moline, East Moline, Silvis)
Bureau/Putnam Co.	Kankakee Co.	Quincy/Adams Co.
Cairo/Alexander Co.	Kankakee River Valley (Aroma Park, Kankakee, Bradley, Bourbonnais)	Rantoul
Cal-Sag (Robbins, Blue Island, Worth, Alsip, Crestwood)	Kewanee	Riverbend (Alton, E. Alton, Hartford, Roxana, S. Roxana, Wood River, Madison Co.)
Calumet City Area	Lawrenceville/Lawrence Co.	Robinson
Canton/Fulton Co.	Lee Co. (Ashton, Franklin Grove, Dixon, Amboy, Paw Paw)	Rock Island
Carmi/White Co.	Lincoln/Logan Co.	Rockford
Centralia Area	Macomb/McDonough Co.	Salem/Marion County
Champaign/Champaign Co.	Macoupin County (Gillespie, Carlinville)	Saline Co. (Carrier Mills, Eldorado, Harrisburg, Muddy, Raleigh)
Chicago I-VI	Marshall Co. (Henry, Lacon, Sparland, Toluca, Wenona)	South Beloit/Rockton/Winnebago Co.
Cicero	Massac Co. (Metropolis, Joppa)	Southwestern Madison Co.
Clark County (Casey, Marshall, Martinsville, Westfield, Clark Co.)	Maywood	Springfield
Coles County (Charleston, Mattoon, Oakland, Coles Co.)	McCook/Hodgkins	Streator/LaSalle Co./Livingston Co.
Danville/Tilton	McLeansboro/Hamilton Co.	Summit/Bedford Park
Decatur	Mendota	Taylorville/Christian Co.
Des Plaines River Valley (Joliet, Lockport, Rockdale, Romeoville)	Monmouth	Urbana
East Peoria	Montgomery Co. (Litchfield, Hillsboro, Schram City, Taylor Springs)	Vandalia/Fayette Co.
East St. Louis/Washington Pk	Morton	Washington
Effingham/Effingham Co.	Mound City/Pulaski Co.	West Frankfort
Elgin	Mt. Carmel	Whiteside Co. (Morrison, Rock Falls, Sterling)
Fairfield/Wayne Co.		Williamson Co. (Carterville, Herrin, Johnston City, Marion, Cambria, Crainville, Energy)
Flora/Clay Co.		
Ford Heights		

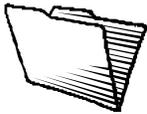
## Illinois



### Technical Assistance Programs for Manufacturers

#### ***First-Stop Business Information Center of Illinois***

The First-Stop Business Information Center provides individuals and businesses with access to information and referral assistance to guide them through the permitting, licensing, and regulatory processes. First-Stop can also link them to other available resources that can help them comply with Government regulations and enhance their competitiveness.



*For more information on this program, contact:*

**First-Stop Business Information Center**

*Phone:* (800) 252-2923 and press 5

#### ***Illinois Small Business Environmental Assistance Program***

The Illinois Small Business Environmental Assistance Program offers services to help small businesses understand regulatory requirements under the Clean Air Act Amendments of 1990. Through the Illinois Small Business Environmental Assistance Help Line (800/252-3998), an environmental specialist is available to answer environmental compliance questions. The program also operates a clearinghouse of more than 300 environmental publications including rules, fact sheets, guides, case studies, a listing of Illinois environmental service companies and more. Information on Federal Register notices, U.S. EPA press releases and permit forms are available 24-hours-a-day through the Access Illinois electronic bulletin board system. All services are free of charge and confidential.



*For more information on this program, contact:*

**Illinois Small Business Environmental Assistance Program**

*Phone:* (800) 252-3998

## ***Business Expansion, Retention and Location Assistance***

Industry development specialists provide business development assistance to companies wishing to locate or expand in Illinois.



*For more information, call:*

(800) 252-2923

## ***Technology and Modernization Initiatives (COMPETE)***

Small and medium-sized manufacturing facilities are served through the COMPETE (Coalition for Manufacturing Performance through Technology) initiative. COMPETE is designed to create a de-centralized manufacturing extension network to provide businesses access to information, technology and the modernization resource base they need to improve and maintain competitiveness in National and international markets. DCCA-funded Manufacturing Extension Centers (MEC) provide direct assistance to businesses seeking to become more competitive by adopting new technologies, advanced processes or modern business practices. In addition, DCCA works closely with the Governor's Science Advisory Committee and The Illinois Coalition to administer the Illinois Technology Challenge Grant Program. These groups work to promote a proper State role to enhance the commercialization of new technologies and secure Federal research and development projects for the State, while leveraging private and Federal investments.



*For more information on this program, contact:*

**DCCA**

*Phone:* (312) 814-2366 or (217) 524-5696

Or any of the following COMPETE Manufacturing Extension Centers:

### **Chicago Manufacturing Center — Chicago**

Serves the Chicago Area

*Phone:* (312) 265-2020

### **Joliet Junior College Manufacturing Extension Center — Joliet**

Serves Will County

*Phone:* (815) 727-6544

### **Western Illinois Manufacturing Technology Extension Center — Moline**

Serves Rock Island, Knox, Stephenson, Adams, Lee, Fulton and area counties

*Phone:* (309) 792-5330

### **North Central IL MEC — Rockford**

Serves Winnebago, Kane, DeKalb, McHenry, Kane and area counties

*Phone:* (815) 654-5501

**Central Illinois Manufacturing Innovation Consortium — Peoria**

Serves Peoria, McLean, Sangamon, Tazewell, LaSalle and area counties

*Phone:* (309) 677-3416

**Southwestern Illinois Manufacturing Outreach Service — Edwardsville**

Serves Madison, St. Clair and area counties

*Phone:* (618) 692-2929

**Southern IL Manufacturing Extension Service — Carbondale**

Serves Jackson, Williamson, Jefferson, Pulaski, Saline, and area counties

*Phone:* (618) 453-5046

**Industry Specific Centers: American Foundrymen's Society — Des Plaines**

Serves the metalcasting industry

*Phone:* (708) 824-0181

**Chemical Industry Council of Illinois — Springfield**

Serves the chemical and coatings industry

*Phone:* (217) 522-5805

**Tooling & Manufacturing Association — Park Ridge**

Serves the machine tool industry

*Phone:* (708) 825-1120

**Northwestern University's Electronics MEC — Evanston**

Serves the electrical/electronic equipment/instrumentation industry

*Phone:* (708) 491-4794

*Other Resources:*

**U of I Hazardous Waste Research & Information Center — Champaign**

Provides technical assistance, such as pollution prevention, for companies

*Phone:* (217) 333-8940



## Indiana



### Financial Assistance Programs for Manufacturers

#### ***Indiana Community Business Credit Corporation (ICBCC)***

Loans are made to existing small to medium-sized companies that require supplemental financing to meet growth needs. Only Indiana-based companies or Indiana operations are eligible. The ICBCC is a consortium of Indiana banks formed to engage in high-risk lending. ICBCC's participation in a project allows for the funding of loans that exceed the limits banks ordinarily set based on conventional lending practices. Eligible uses include primary or subordinated working capital, long-term loans for new equipment, and first or second mortgages on existing properties as well as planned construction projects. Loan amounts range from \$100,000 to \$750,000, and must be at least matched by a participating lender. Thus, a minimum project size is \$200,000. Interest rates are generally several points above prime rate due to the high-risk nature of the projects. Terms can range from 3 to 25 years. Applications must be accompanied by a detailed business plan, current and past financial statements, cash flow projections and earnings projections. Since 1986, 51 companies have received loans totaling \$18 million.



*For more information or to apply, contact:*

**Cambridge Capital Management Corporation**

*Phone:* (317) 469-9704 or through one of the various member banks

#### ***Capital Access Program (CAP)***

CAP helps financial institutions lend money to Indiana businesses that do not qualify for loans under conventional lending policies. Loan proceeds must be used for commercial or industrial purposes for a project or enterprise located in Indiana that fosters economic development. CAP loans may be of any amount. The lender and the borrower negotiate all terms and conditions of the loan. A reserve fund is established for each lender participating in CAP. The borrower, lender, and Indiana Development Finance Authority (IDFA) make premium payments into the account each time a CAP loan is made. The borrower pays a premium between 1.5% and 3.5% of the loan amount (as required by the lender), the lender matches that payment, and the IDFA matches the combined total. From October 1993 to June 1997, CAP has granted 1,258 loans totaling \$55.5 million.



*For more information on CAP, contact:*

**IDFA** at (317) 233-4332

### ***Industrial Energy Efficiency (Loan) Fund***

Businesses that operate in Indiana or will operate in the State as a result of a project may be provided loans to improve energy efficiency in the industrial process. The loans are available for the acquisition and installation of energy-efficient equipment. The maximum amount available per applicant is \$250,000 or 50% of the total eligible project costs, whichever is less. Interest rate is 0%, and repayment terms may be tied to projected energy-cost saving. The Indiana Department of Commerce typically provides loans for four to six projects a year. The average loan is in excess of \$125,000.



*For more information on this program, contact:*

**Dan Merkler**

Indiana Department of Commerce's Energy Policy Division

*Phone:* (317) 232-8961

### ***Industrial Energy Efficiency (Grant) Program***

Businesses that operate in Indiana with less than 50 employees or will operate in the State as a result of this project are eligible for grants to improve energy efficiency in the manufacturing process. The grants are available for acquisition and installation of energy-efficient equipment or to help small manufacturers identify, evaluate, and prioritize energy-efficient improvements. The maximum amount available per applicant is \$50,000. A 20% match is required. In its first 10 months in existence (August 1996 to June 1997), this forward thinking program provided grants for 61 projects totaling \$2.2 million. Demand for this program has far exceeded supply.



*For more information on this program, contact:*

**Dan Merkler**

Indiana Department of Commerce's Energy Policy Division

*Phone:* (317) 232-8961

## ***Product Development/Commercialization Funding***

Indiana manufacturers in need of financing to support research and development projects or to support commercialization of new technologies may be provided loans through the Product Development/Commercialization Funding program. This program, administered by the Business Modernization and Technology Corporation (BMT), is targeted for projects that are not yet eligible for conventional bank financing or venture-capital financing. Funding is available for the development and commercialization of science and technology-based products and processes. Loan amounts are determined by the BMT and the business. Leveraging of outside funds is encouraged in the loan consideration. Before funds are disbursed, a formal funding contract must be negotiated. BMT funding is tied to the achievement of certain goals by participants, with funds being advanced by BMT under a Promissory note that bears interest at points over time. In order to allow borrowers time to “get on their feet” before payments begin, funding often provides for a debt-service holiday for a period of time after funds are advanced. Funding deadlines are April, August, and December of each year. BMT typically grants six to eight loans per year. Average loans range between \$75,000 and \$100,000, but larger loans are possible. In recent years the State has appropriated \$2 million for the annual operation of this program.



*For more information on this program, contact:*

**Bill Glennon**

Indiana Business Modernization and Technology Corporation

*Phone:* (317) 635-3058

## ***Economic Development for a Growing Economy (EDGE)***

Businesses that expand in Indiana or will be operating in the State as a result of a project are eligible to receive tax credits based on payroll. Indiana individual income tax withholdings from company employees can be credited against the company’s Indiana corporate income tax liability. Excess withholdings shall be refunded to the company. The credits have no effect on employees’ income tax liability. The credit awarded can be a fixed amount per year or a percentage of taxes withheld. Credits can be awarded for a period of up to ten years. The project must create new, competitively paying jobs for Indiana residents. Credits are considered when a project would otherwise locate in a different State, and when local governments have committed significant incentives. Companies must agree to operate in the State for at least twice as long as the duration of the credits.



*For more information on this program, contact:*

**Indiana Department of Commerce**

*Phone:* (317) 232-8888

## ***Loan Guaranty Programs***

Loan guaranties are available to assist banks in financing high-risk manufacturing projects, including land acquisitions, building acquisitions or improvements, machinery, equipment, facilities, and working capital. Manufacturing projects must create or retain Indiana jobs. Loan guaranties are available for up to \$2 million, but loans between \$200,000 to \$400,000 are more typical. The Indiana Development Finance Authority typically provides three to five loans per year.



*For more information on this program, contact:*

**William Hill**

Indiana Development Finance Authority

Phone: (317) 233-4332

## ***Alternative Energy Systems Program***

Businesses that operate in Indiana may be provided grants to fund eligible alternative-fuel technologies and infrastructure development. Eligible technologies include but are not limited to alternative fuels, landfill methane outreach, agricultural applications, geothermal heat pumps, wood waste boilers, and solar repair and service. The maximum amount available per project is \$10,000. Matching funds are required. Last year, the program was not fully utilized with loan supply exceeding demand. The program has only been in operation since July 1996 in which \$500,000 was appropriated for grants as low as \$2,000. In its first year in operation, the program has provided only 20 grants totaling less than \$200,000.



*For more information or to apply, contact:*

**Niles Parker**

Energy Policy Division of the Indiana Department of Commerce

Phone: (317) 232-8940

## ***Enterprise Development Fund (EDF) and Indiana Microloan Program***

The Indiana Small Business Development (ISBD) Corporation has established a variety of local revolving loan funds to assist non-traditional Indiana entrepreneurs and businesses of different sizes. Local Enterprise Development Fund (EDF) pools serve disadvantaged entrepreneurs seeking debt financing in amounts between \$25,000 and \$100,000. They also provide equity investments of \$100,000 for all Indiana businesses. Microloan pools assist disadvantaged entrepreneurs borrowing less than \$25,000. Eligibility, terms, and conditions are determined by local loan committees.



*For more information on this program, contact:*

### **ISBD Corporation**

*Phone:* (317) 264-2820

For information on revolving loan funds in the following communities:

### **Gary Government Contracting Corporation (EDF/Microloan)—Gary**

*Phone:* (219) 881-4400

### **Corp. for Entrepreneurial Development (EDF/Microloan)—South Bend**

*Phone:* (219) 236-9335

### **Indianapolis Business Development Corporation (EDF)—Indianapolis**

*Phone:* (317) 687-0272

### **Eastside Community Fund (EDF)—Indianapolis**

*Phone:* (317) 637-7300

### **Cambridge Ventures (EDF)—Indianapolis**

*Phone:* (317) 469-9704

### **Lynx Capital Corporation (EDF)—Indianapolis**

*Phone:* (317) 469-9704

### **Hoosier Valley Economic Opportunity Corp. (Microloan)—Jeffersonville**

*Phone:* 812/288-6451

### **Patchwork Central (Microloan)—Evansville**

*Phone:* 812/428-0241

## ***Certified Development Companies (CDC)***

Small businesses that (1) are located in Indiana, (2) are corporations, partnerships or proprietorships, (3) create and/or retain jobs, (4) have a net worth less than \$6 million, and (5) have an average net profit less than \$2 million per year for the last two years, may be eligible for long-term, fixed-rate financing for fixed-asset needs. These fixed-asset needs include the purchase of land and buildings, machinery and equipment, and renovation and leasehold improvements. The CDC provides up to 40% of the cost with a commercial bank financing 50% of the total cost. The CDC portion is limited to \$750,000. The minimum project cost is \$125,000. Terms may be for 10 or 20 years. The interest rate on the CDC debenture is fixed at closing at approximately 1% over the Treasury-bond rate. This results in a blended interest rate that is often below conventional rates. Since its inception in 1983, this program has provided a total of \$126 million in loans to 426 businesses in Indiana.



*For more information on this program, contact:*

**Delores King**

Indiana Statewide Certified Development Corporation

*Phone:* (317) 469-6166

Or contact the following Local Certified Development companies:

**Allen County Community Development Corporation—Ft. Wayne**

*Phone:* (219) 427-1127

**Mid City Pioneer Corporation—Indianapolis**

*Phone:* (317) 236-6241

**St. Joseph County Business Development Corporation—South Bend**

*Phone:* (219) 235-9278

## ***Tax-Exempt Bonds***

Indiana manufacturing companies are eligible to receive tax-exempt bonds that provide fixed-asset financing at competitive rates. Limits vary according to the type of project. Most manufacturing facilities are limited to \$10 million. The project must comply with all Federal and State laws regarding the issuance of tax-exempt bonds. The State volume cap is approximately \$290 million with over half reserved for Indiana manufacturers.



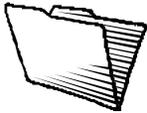
*For more information or to apply, contact:*

**Indiana Development Finance Authority**

*Phone:* (317) 233-4332

## ***Training 2000 Program***

Manufacturers are eligible for financial assistance in the form of a grant for reimbursement of instructional costs to train new or existing employees, including instructor wages, tuition and training materials. Eligible uses include basic-skills, transferable-skills and quality-assurance training as well as company-specific skills training needed to support existing and future capital investment. Finances up to 50% of eligible training costs. Awards for retraining have a maximum ceiling of \$200,000.



*For more information or to apply, contact:*

**Indiana Department of Commerce**

*Phone:* (317) 232-8888

## ***Small Business Innovation Research (SBIR) Bridge Funding***

Small Business Innovation Research (SBIR) bridge funding is a recent enhancement to a Federal grant program, designed to assist Indiana companies intending to commercialize technologies developed as a result of Federal SBIR funding. The Indiana Business Modernization and Technology Corporation (BMT) is interested in helping those companies intending to commercialize technologies developed as a result of SBIR funding, and who are submitting an SBIR Phase II proposal to fund commercialization. Bridge financing awards are limited to a maximum of \$50,000. The following criteria have been established by BMT for those companies requesting SBIR bridge funding:

- The company must be an Indiana company which has signed a contract for an SBIR Phase I award.
- The company must submit a Phase II proposal following up on the Phase I award.
- The SBIR project must be scientific or technical in nature.
- The company must have the potential and the intent to develop a viable business in Indiana utilizing the technology being developed.
- The company must submit a plan for the purpose of commercializing the technology.
- The company must demonstrate a financial need for the BMT support.



*For more information or to apply, contact:*

**Delbert Schuh**

Indiana Business Modernization and Technology Corporation

*Phone:* (317) 635-3058

## **Trade Finance Program**

Indiana businesses that (1) have been in business for one or more years, (2) offer reasonable assurance of repayment, and (3) have a positive net worth are eligible for the Trade Finance Program. Product content must be at least 50% U.S.-made (not military related) and the destination country must have authorized support by the Export-Import Bank of the United States (Eximbank). The International Trade Division (ITD) works in partnership with Eximbank to provide export financing assistance to qualified Indiana exporters. Amounts, terms, and conditions differ with each program. ITD offers the following programs:

- 90% working-capital loan guarantees: the proceeds may be used to purchase finished products, materials, services, and labor to produce goods for export.
- Medium- and long-term export guarantees and loans: guarantees provide repayment protection for private-sector loans to creditworthy buyers of exported U.S. goods and services. Loans provide competitive, fixed-rate financing for U.S. export sales. Direct loans may be extended to foreign buyers of U.S. exports. Intermediary loans may be extended to fund responsible parties that extend loans to foreign buyers.
- Export credit insurance: protects exporters against political and commercial risk.



*For more information or to apply, contact:*

**Autumn Brown**

Indiana Department of Commerce's International Trade Division

Phone: (317) 233-3762

## **Recycling Promotion and Assistance Fund**

Businesses that operate in Indiana or will operate in the State as a result of a project may be provided loans to enhance the development of markets for recyclable materials. The loans are available for the acquisition and installation of specialized manufacturing equipment and machinery or the conversion of existing equipment and machinery for the manufacturing of products that contain recycled materials or for the final processing of secondary materials. The loan amounts are the lesser of \$500,000 or 50% of the total eligible project costs. A private-sector investment must be made, and at least a 10% equity investment is required. Terms can be up to 10 years or the life of the asset, whichever is less. The interest rate is at or below prime. Between 1990 and 1996, 21 loans were provided to Indiana manufacturers totaling \$6.6 million.



*For more information or to apply, contact:*

**Julie Rhodes**

Energy Policy Division of the Indiana Department of Commerce

Phone: (317) 232-8940

## ***Trade Show Assistance Program (TSAP)***

Indiana small manufacturers having worldwide employment of 500 or less and manufacture at least 51% of their product in Indiana may receive assistance under Trade Show Assistance Program (TSAP). Applicants must also be ready to export, have available manufacturing capacity for export, and have basic export knowledge. TSAP provides financial assistance to Indiana manufacturers by reimbursing a portion of the costs incurred while exhibiting their products at overseas trade shows. Reimbursement includes 100% of exhibit space rental or \$5,000, whichever is less. Eligible companies may use this program one time per fiscal year and may not use the grant for the same show in two consecutive years. Applicants must apply 3 months in advance of the trade show and agree to complete post-show, 6 and 12-month evaluations. The average grant is approximately \$3,500. Since July 1988, TASP has assisted over 300 companies with trade show grants totaling approximately \$1.5 million.



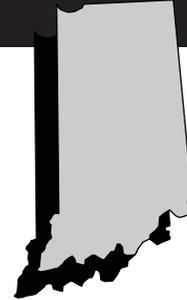
*For more information on this program, contact:*

**Paula Vandevanter**

Indiana Department of Commerce's International Trade Division

*Phone:* (317) 232-8845

## Indiana



### Technical Assistance Programs for Manufacturers

#### ***Energy Policy Division Services***

The Energy Policy Division of the Indiana Department of Commerce provides a wide range of assistance in energy efficiency, alternative energy and recycling market development programs for Indiana manufacturers. The division provides access to Federal and State funding programs and other resources. Workshops offer training in assessing energy usage and present methods for increasing energy efficiency and reducing energy costs. A toll-free hotline (800/382-4631) provides access to information on energy price, supply and trend data in Indiana. The hotline also provides referrals to National energy information sources and technical databases. The Recycling Market Development Program provides technical assistance in identifying markets for recyclable materials. The program also helps manufacturers locate reliable supplies of recycled feedstock.



*For more information on this program, contact:*

**Indiana Department of Commerce's Energy Policy Division**

*Phone:* (317) 232-8940

#### ***The Indiana Quality Initiative (IQI)***

IQI provides quality-awareness education, assessments, and information to companies attempting to implement or improve quality-management programs. The program, administered by the Indiana Business Modernization and Technology Corporation (BMT), is designed to help companies understand and meet industrial quality standards. IQI field agents are available to travel to company sites throughout Indiana. The Indiana Quality Improvement Award has been established by the Office of the Lt. Governor to involve Hoosier companies in the quality improvement process and to recognize achievement. BMT works with industry leaders and professional quality organizations to promote this program.



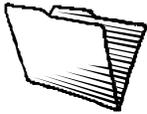
*For more information on this program, contact:*

**Indiana Business Modernization and Technology Corporation**

*Phone:* (317) 635-3058

## ***Regional Manufacturing Extension Center (RMEC)***

The Regional Manufacturing Extension Center is maintained by the Indiana Business Modernization and Technology Corporation and is designed to help small and medium-sized manufacturing businesses assess and solve problems relating to technology, training, marketing and financing. The Center provides a wide array of services ranging from helping a company implement marketing techniques, to acquiring a complete computer-aided design system. The program is now operating in five multi-county regional centers and is expected to expand statewide over the next two years.



*For more information or to apply, contact:*

**Delbert Schuh**

Indiana Business Modernization and Technology Corporation

*Phone:* (317) 635-3058

## ***Indiana Micro-Electronics Center***

The Indiana Micro-Electronics Center (IMC) is part of the Indiana Business Modernization and Technology Corporation and is designed to assist small and medium-sized Indiana businesses in gaining a competitive advantage in their products through micro-electronics and, in particular, Application Specific Integrated Circuits (ASICs). An ASIC is an electronic component in which literally thousands of electronic components are incorporated onto a single chip of silicon in order to create a custom-designed integrated circuit. Because an ASIC replaces many discrete electronic components, ASIC's can offer tremendous advantages in size, costs, reliability and performance. The IMC will make an initial product assessment to determine the feasibility of using ASIC in your product, as well as a cost benefit analysis. Once a decision is made by the business owner to go ahead, the IMC staff will work with the business to accomplish a technology transfer of ASIC expertise.



*For more information or to apply, contact:*

**Delbert Schuh**

Indiana Business Modernization and Technology Corporation

*Phone:* (317) 635-3058

## ***Business Modernization Tools***

Business Modernization Tools are designed by the Indiana Business Modernization and Technology Corporation (BMT) to assist business and economic development organizations in facilitating a proven total business assessment. BMT takes a full-circle look at a business rather than focusing on isolated problems (unlike many existing assessment tools). The BMT systematic approach focuses on a complete “high-impact assessment” of eleven specific Business and Technical Areas of a firm including: the business and its product or service; sales and marketing; manufacturing operations; finance; quality; materials management; product design engineering; personnel; facilities; management information systems; and environmental/safety issues.



*For more information on this program, contact:*

**Indiana Business Modernization and Technology Corporation**

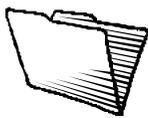
*Phone:* (317) 889-9680

## ***Benchmarking Information and Financial Analysis Report (BI-FAR)***

A vital component of the Indiana Business Modernization and Technology Corporation (BMT) assessment entails an operationally focused financial review called Benchmarking Information and Financial Analysis Report (BI-FAR). It compares a firm to similar-sized companies in the same SIC (Standard Industrial Code) category and concentrates on operational issues such as inventory, gross margin, cost of goods sold, operating costs, net income, and cash flow. This helps the assessor to prepare and focus on the appropriate questions to ask while conducting the complete assessment.

The program is designed to allow assessors to take a comprehensive look at the company in an effective and efficient manner with minimal time demands (a total of 24 person-hours are required). A complete training package is provided with on-site training by a BMT facilitator. BI-FAR is unique to the assessment system and yields a total financial picture of the business that identifies areas of opportunities for improvement within the company.

Indiana BMT Corporation charges interested organizations \$45,000 for two-and-a-half days of on-site training for up to 25 people and provides assessment tools and documents for up to five people. The fee also covers licensing and updates for the tool. Travel expenses for on-site training are additional.



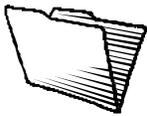
*For more information on this program, contact:*

**Indiana Business Modernization and Technology Corporation**

*Phone:* (317) 889-9680

## ***Cinergy (Indiana)***

Cinergy is one of the largest and most experienced economic development organizations in the Midwest, with site selection specialists on staff both in Indiana and Ohio. Cinergy helps businesses find the resources they need. Cinergy is the 13th largest electric utility in the Nation. Cinergy offers a wide variety of ways to learn about opportunities for business growth and expansion. Cinergy provides its services to 69 of Indiana's 92 counties. As part of Indiana's largest electric utility, Cinergy's Indiana Partners In Economic Development is a resource for business information about Indiana.



*For more information on this program, contact:*

**Cinergy**

*Phone:* (317) 838-2000 or (800) 688-0688

## ***International Trade Services***

Small and medium-sized firms that are either new to export or are seeking new markets and manufacture a minimum of 51% of their product in Indiana are eligible to receive international trade services. International trade specialists offer assistance to Indiana companies in export development in order to increase the sale of Indiana products worldwide. Services include:

- Determining export capability;
- Conducting market research;
- Providing export counseling;
- Facilitating international contacts;
- Participating in select overseas trade shows;
- Leading overseas trade missions.



*For more information on this program, contact:*

**Indiana Department of Commerce**

International Trade Division

*Phone:* (317) 233-3762

## ***Small Business Development Center Network (SBDC)***

Indiana small businesses seeking financial, management, and technical assistance may use the SBDC. The SBDC is a network of local offices that serves as the first stop for Indiana companies seeking help. A network of 14 regional and 58 satellite offices, the SBDC links businesses with Federal, State, and local assistance programs. Services include:

- INFORUM Indiana, a 24-hour phone and fax-back clearinghouse.  
Call 800/726-8000;
- One-on-one management and technical consulting;
- Localized training, seminars and workshops;
- Access to information, self-help materials, and expert assistance.



*For more information on this program, contact:*

**Indiana Small Business Development Center Network**

*Phone:* (317) 264-6871

Additionally, there are 14 regional centers located in:

Bloomington	Lafayette
Columbus	Madison
Evansville	Muncie
Fort Wayne	Northwest Indiana (Portage)
Indianapolis	Richmond
Jeffersonville	South Bend
Kokomo	Terre Haute

## Iowa

# Financial Assistance Programs for Manufacturers

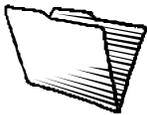


### *Alternate Energy Revolving Loan Program*

The basic intent of the Alternate Energy Revolving Loan Program (AERLP) is to encourage the development of alternate energy production facilities and small hydroelectric facilities within the State of Iowa. The Iowa Energy Center (IEC) was chosen to establish guidelines and administer the program. The AERLP provides low interest loans to individuals and organizations who want to build alternate energy production facilities in Iowa. The loan program is open to all individuals or organizations with the exception of utilities that are not required to be rate regulated. The energy production facility must be located in Iowa. The loans are not available for refinancing existing loans.

As structured, interested parties submit a technical application to the IEC which provides specific technical, operational, and cost details about the planned alternate energy production facility. All submissions received during a given application cycle are reviewed and ranked. Those applications receiving the highest ranking are selected to receive loans, subject to the amount of funds currently available in the program. Applications must be received by June 30 and December 31 of each year. All applications received during a given cycle will be reviewed at the close of that cycle.

Successful applicants will receive a single, low-interest loan that consists of a combination of AERLP funds and lender-provided funds. The AERLP will provide 50% of the total loan, up to a maximum of \$250,000. The AERLP funds will bear no interest. The remainder of the loan will be made by the lender at an interest rate negotiated between the applicant and the lender. The loan term is established by the lender, but the maximum term allowed for the AERLP funds is 20 years. The lender manages the entire loan and arranges repayment of the AERLP share of the loan to the Iowa Energy Center. As the loans are paid back to the IEC, those funds revolve back to the program and are made available to new applicants.



*For more information or an application, contact:*

**Keith Kutz**

IEC

Phone: (515) 294-3332

E-mail: [kkutz@energy.iastate.edu](mailto:kkutz@energy.iastate.edu)

## ***Community Economic Betterment Account (CEBA)***

The CEBA program provides financial assistance to businesses creating new job opportunities or retaining existing jobs. Assistance may be provided to encourage new business start-ups, expansion or retention of existing businesses, or the recruitment of out-of-state businesses into Iowa. All cities, counties or merged area schools (community colleges), are eligible to apply on behalf of businesses that are expanding or are new business ventures in Iowa. Projects eligible for CEBA funding include, but are not limited to, the following: building construction or reconstruction, acquisition of land and equipment, and operating and maintenance expenses. Assistance may be in the form of loans (0% to 6% interest) and/or forgivable loans. The maximum award of any type is \$1 million based in part on job creation, quality of employment, and benefits for the State and local community. Since its inception, CEBA has provided \$77 million worth of loans for over 500 projects. The average loan under CEBA is approximately \$150,000.



*For more information on this program, contact:*

**Iowa Department of Economic Development**

Division of Business Finance

*Phone:* (515) 242-4819 or (800) 245-IOWA

*E-mail:* SmartState@ided.state.ia.us

## ***Targeted Small Business Financial Assistance Program (TSBFAP)***

This program is designed to assist in the creation and expansion of minority and women-owned businesses within Iowa. Assistance is provided in the form of low interest loans up to \$25,000, loan guarantees up to \$40,000, or equity loans up to \$25,000. Eligible applicants are small businesses with \$3 million or less in annual sales and certified by the Iowa Department of Inspections and Appeals as a “Targeted Small Business” (at least 51% owned, operated and actively managed by one or more women, minority persons or persons with disabilities). Awards may be used for business expenses including, but not limited to, the purchase of and improvement to land and buildings, equipment and furnishings, and defined working capital, inventory, and operating expenses.



*For more information on this program, contact:*

**Iowa Department of Economic Development**

*Phone:* (515) 242-4700 or (800) 245-1216

*E-mail:* SmartState@ided.state.ia.us

## ***Iowa New Jobs and Income Program (NJIP)***

Qualifying businesses participating in the New Jobs and Income Program (NJIP) receive substantial benefits, including (1) a 3% withholding tax credit applied to the company's job training fund, which essentially doubles the training funds otherwise available, (2) a 13% research and development activity corporate tax credit that may be carried forward or refunded, and (3) an investment tax credit of up to 10% for use against Iowa's corporate income tax. The credit, based on machinery, equipment, buildings and improvements, can be carried forward for seven years. Businesses are eligible for NJIP benefits if they create and maintain at least 50 new jobs for at least five years and if they do not close or significantly reduce operations elsewhere in Iowa in order to relocate the operation to the proposed community.

Between July 1994 and July 1997, nearly \$2 billion in new capital investment has been made by participating companies. Participants to date include: Ag Processing Inc., American Packaging Corporation, Ball Plastic Container Corporation, Bunge Corporation, Cargill Inc., Cedar River Paper Company, Guardian Industries, HON Industries, Hunt-Wesson, Inc., IPSCO Tubulars Inc., Kind & Knox Gelatin, McLeod, Magna/Cosma International, Monsanto, R.R. Donnelley, Roquette America, United Screw & Bolt Corporation, and Western Ethanol Corporation.

Businesses interested in this program should consult the Iowa Department of Economic Development along with relevant local organizations to determine program eligibility.



*For more information on this program, contact:*

**Iowa Department of Economic Development**

*Phone:* (515) 242-4707 or (800) 245-IOWA

*E-mail:* SmartState@ided.state.ia.us

## ***Iowa Capital Corporation (ICC)***

The Iowa Capital Corporation (ICC) is a for-profit venture capital corporation established with funds provided by the State of Iowa and equity investments by Iowa financial institutions, insurance companies, and electric utilities. The ICC's primary purpose is to provide an attractive risk-adjusted rate of return on investment to the corporation's shareholders and advance economic development in Iowa. The corporation provides financing for a broad range of business capital needs. Financing may be in the form of equity participation, loans with stock purchase warrants, royalties, etc., and is tailored to the particular business situation. Investments generally range from \$50,000 to \$1 million, with the average expected to be approximately \$250,000.



*For more information on this program, contact:*

**Mr. Jude Conway**  
**Capital Management Associates**

*Phone:* (515) 288-9110

**Iowa Department of**  
**Economic Development**

*Phone:* (515) 242-4827

## ***Iowa Seed Capital Program***

The Iowa Seed Capital Corporation (ISCC) is a State-funded seed capital fund that invests in start-up companies in Iowa that are bringing new and innovative products and processes to the marketplace. Since its creation in 1983, the ISCC program has produced more than \$10,000,000 in investment commitments to entrepreneurial companies in Iowa. The ISCC selects only a handful of innovative projects a year, with less than 2% of the inquiries received likely to gain financial support. Those companies that do gain funding are generally those that have strong management capabilities and a clear, rational vision of their products, their potential market, their competition, and their funding requirements articulated in a clearly-written business plan.



*For more information on this program, contact:*

**Iowa Seed Capital Corporation**

*Phone:* (515) 242-4860

## ***Entrepreneurs With Disabilities (EWDI)***

This program is a collaborative effort of the Department of Education, Division of Vocational Rehabilitation Services, Department for the Blind, and the Department of Economic Development. The program provides financial and/or technical assistance to qualified individuals with disabilities seeking self-sufficiency by establishing, maintaining, expanding, or acquiring a small business. Program services include:

- Financial assistance for the purpose of purchasing business equipment, supplies, inventory, rent or other start-up, expansion or acquisition costs identified in an approved business plan. Total financial assistance provided to an individual from the program shall not exceed 50% (up to \$15,000) of the financial package. Consideration for financial assistance requires submission of a business plan.
- Technical assistance provided by a consultant(s) for any specific business-related services, such as business plan development, accounting, legal services, etc.



*For more information on this program, contact:*

**Iowa Department of Economic Development**

*Phone:* (515) 242-4700 or (800) 245-IOWA

*E-mail:* SmartState@ided.state.ia.us

## ***Pollution Control Property Tax Exemption***

Since 1970, certain pollution control equipment has been eligible for a property tax exemption. Improvements to real property that are primarily used to enhance the State's air quality may qualify. An application must be filed for an exemption. There is no minimum/maximum amount eligible for the exemption.



*For more information on this program, contact:*

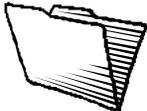
**Dean Peterson**

Iowa Department of Natural Resources

*Phone:* (515) 242-5100

## ***Iowa Economic Development Loan Program***

Through the sale of tax-exempt bonds, the Iowa Finance Authority can provide financing to new and expanding businesses. The maximum loan is \$10 million. Rates vary depending on the market. Applications are taken on the first day of the calendar year. As of June 1997, \$31.5 million is available for loans under this program.



*For more information on this program, contact:*

**Iowa Finance Authority**

*Phone:* (515) 242-4990

## ***Focused Small Business Loan Program***

This newly created program, offered by the Iowa State Treasurer's Office, is open to any small business owned and operated by women, minorities, and/or individuals with disabilities. The Focused Program succeeds the former "Linked Investment for the Future Program." Like the Linked Investment Program, it enables targeted companies to shop for low interest loans. The maximum loan is \$100,000 (there is no minimum), and loan rates are updated every month.



*For more information on this program, contact:*

**Investment Division of the State Treasurer's Office**

*Phone:* (515) 281-3287

## ***Export Trade Assistance Program (ETAP)***

The State of Iowa offers financial assistance to Iowa companies who wish to take advantage of international trade shows and trade missions to enter new markets. Through the Export Trade Assistance Program (ETAP), the International Division of the Iowa Department of Economic Development will reimburse 75% of a company's direct expenses up to \$4,000 per pre-approved event. Eligible expenditures include booth space rental, construction, equipment and/or furniture rental and utility costs. Freight costs of equipment and/or exhibit materials to and from show are also funded. To be eligible to participate in ETAP, applicants must meet the following criteria:

- Employ fewer than 500 individuals;
- At least 75% of applicant's total number of employees must be employed within Iowa;
- Exhibit products or services or samples of Iowa manufactured, processed or value-added products or agricultural commodities in conjunction with a foreign trade show or trade mission;
- Have at least one full-time employee or sales agent participate in the event.

Utilization of the ETAP funds shall be limited to three events per State fiscal year, including a maximum of two trade shows. ETAP applications must be submitted well in advance of the event to allow ample time for application review and contract preparation. Successful applicants will be funded on a first-come, first-served basis to the extent funds are available.



*For more information or an application, contact:*

**Iowa Department of Economic Development**

International Division

Phone: (515) 242-4743

## ***Iowa New Jobs Training Program/Financing***

An employer may be reimbursed up to 50% of new employees' wages for on-the-job training. All training is customized to the company's special needs. Companies creating new jobs which are engaged in manufacturing, assembling products, conducting research and development, or providing interstate services are eligible. Community colleges finance the program by the sale of tax-exempt bonds which are repaid by the tax revenue generated by the salaries and capital invested to support the new jobs. As a result company profits are not used to repay the bonds. Iowa has 15 community colleges, three major State universities, and many private colleges and competent professional societies that can provide business and industry training assistance as the programs are developed. Other job training financing options include:

- **Supplemental New Jobs Credit From Withholding:** This program is designed to create high-quality jobs by doubling the withholding credit for companies participating in the Iowa New Jobs Training Program. Starting wages must be at least the county average or regional average wage, whichever is lower. Eligibility for the credit is based on a one-time determination by the community college of the starting wage.
- **New Jobs Tax Credit:** Businesses entering into an agreement under the State's training program, and increasing their workforce by at least 10%, may qualify for this credit to their Iowa corporate income tax. This credit is equal to 6% of the State unemployment insurance taxable wage base. The credit for 1997 is \$912 per new employee. The tax credit can be carried forward up to 10 years.
- **Workforce Development Fund:** Programs under this fund provide training for new and existing employees and include (1) Iowa Jobs Training, (2) Business Network Training, (3) Targeted Industries Training, and (4) Innovative Skills Development.



*For more information on this program, contact:*

**Iowa Department of Economic Development**

*Phone:* (515) 242-4700

Or, consult a community college economic developer.

## Technical Assistance Programs for Manufacturers



### *The Iowa Energy Center*

The mission of the Iowa Energy Center (IEC) is to cost-effectively reduce Iowa's dependence on imported fuels by increasing the use of energy-efficient technologies and renewable resources. The center has established an array of energy-related programs and research projects that address economic, environmental, and educational issues. The Center's work also helps increase the value of products and services produced in Iowa. In this way, the IEC is working to provide Iowans, including businesses, with practical information that can be used to make positive, cost-effective changes in their communities.



*For more information on this program, contact:*

**Adriene Koett-Cronn**

Iowa Energy Center

Phone: (515) 294-8819

E-mail: [adriene@iastate.edu](mailto:adriene@iastate.edu)

### *Professional Site Location/Expansion Services, Resources and Confidential Consultation for Growing Companies*

The Iowa Department of Economic Development (DED) provides expanding companies with many valuable services designed to streamline the site location process. DED confidential services include:

- Working on a confidential basis with companies to determine project needs;
- Providing data and information on available buildings, sites, and communities;
- Coordinating community/site visits;
- Packaging appropriate financial assistance and job training programs;
- Serving as a liaison with State environmental permitting officials.



*For more information on this program, contact:*

**Iowa Department of Economic Development**

Phone: (515) 242-4750

E-mail: [SmartState@ided.state.ia.us](mailto:SmartState@ided.state.ia.us)

## ***Regulatory Assistance Program***

The Regulatory Assistance Program helps manufacturers by advising and assisting them in the preparation and submission of permit applications with the Iowa Department of Natural Resources (DNR) and other Iowa regulatory agencies. The mission of the Regulatory Assistance Program is to facilitate communication between the business and regulators, and to expedite the permitting process. The Iowa Department of Economic Development (DED) also has personnel available to assist small businesses with Air Quality Regulations. DED understands how overwhelming some regulations may be to small businesses. A liaison is available to work exclusively with small businesses to answer questions regarding air quality regulations.



*For more information on this program, contact:*

**Iowa Department of Economic Development**

*Phone:* (515) 242-4750 or (800) 245-IOWA

*E-mail:* SmartState@ided.state.ia.us

**Iowa Department of Natural Resources**

*Phone:* (515) 281-8941

## ***Iowa Procurement Outreach Center (IPOC)***

IPOC assists businesses in competing for Federal Government contracts. IPOC can also assist businesses with expanding their markets. In addition, IPOC can research the market potential of a company's product in the Federal Government marketplace and can obtain information about 15 million items the Government buys on a regular basis. IPOC can also provide copies from their microfilm library of over 50,000 Federal military and industrial specifications, help locate bar coding suppliers, review bid documents, provide information about contract administration, and provide general consulting to help businesses understand the entire procurement process.



*For more information on available contracts, contact:*

**Iowa Department of General Services**

*Phone:* (515) 281-5982



*For more information on IPOC, contact:*

**Bruce Coney**

*E-mail:* bconey@ided.state.ia.us

**Iowa Procurement Outreach Center**

*Phone:* (800) 458-4465

## ***Center for Industrial Research and Service (CIRAS)***

Iowa manufacturers can call on CIRAS for help in handling problems in areas such as management, production, marketing, engineering, finance, technology, and disaster planning and recovery. CIRAS helps bring firms into contact with the person, organizations, and agencies that can help provide solutions. CIRAS is an industrial arm of the University Extension Program at Iowa State University.



*To obtain assistance, contact:*

### **CIRAS**

*Phone:* (515) 294-3420

Or, contact a county extension education director.

## ***Iowa Manufacturers Technology Center (MTC)***

The Iowa Manufacturing Technology Center (MTC) is a single point of contact to identify problems, answer questions, identify resources or explore options. Field agents are located throughout the State. Each can bring tools to conduct formal assessments of needs, develop plans, and set up delivery of services to meet those needs. The Iowa MTC will assist in modernizing facilities, upgrading processes and improving workforce capabilities through the use of effective training and skill development. At the request of Iowa manufacturing businesses, Iowa MTC staff access technical resources at local community colleges, State universities, Federal laboratories and other public and private-sector organizations in the State.



*For more information on this program, contact:*

### **Iowa MTC**

*Phone:* (515) 965-7125

*E-mail:* [iowamtc@exnet.iastate.edu](mailto:iowamtc@exnet.iastate.edu)

## Michigan



# Financial Assistance Programs for Manufacturers

## *Tax-Free Renaissance Zones*

Michigan's Tax-Free Renaissance Zones are 11 regions in the State designated virtually tax free for any business or resident presently in or moving to a zone. Each Renaissance Zone can be comprised of up to six smaller zones (sub zones) which are located throughout the community to give businesses more options on where to locate.

Renaissance Zones waive the following local and State taxes:

- Michigan Single Business Tax
- Michigan's 6-mill State Education Tax
- Local Personal and Real Property Tax
- Michigan Personal Income Tax
- Local Income Tax
- Utility Users Tax

These taxes represent nearly all State and local taxation on a Michigan business. A business would only pay unemployment insurance, social security taxes, workers' compensation, and sewer and water fees, all of which are either Federal taxes or fees for service. Businesses would also pay property taxes which result from local bonded indebtedness or special assessments so as not to jeopardize the community's current bonds. Businesses would also pay Michigan's 6% sales tax. Michigan does not allow local sales taxes. Current Renaissance Zones are:

Benton Harbor/St. Joseph/Benton (120 acres/10 years)	Gogebic/Ontonagon/Houghton (2,917 acres/15 years)
Detroit (1,345 acres/12 years)	Flint (836 acres/15 years)
Grand Rapids (536 acres/15 years)	Lansing (110 acres/12 years)
Manistee County (556 acres/15 years)	Saginaw (743 acres/12 years)
Montcalm/Gratiot Counties (1,870 acres/15 years)	(Former) Warren Tank Arsenal (153 acres/15 years)
(Former) Wurtsmith Air Force Base (2,202 acres/15 years)	

All Tax-Free Renaissance Zones began on January 1, 1997. If a business moves into a 15-year zone in the year 2000, it has 12 years of tax-free status remaining.



*For more information on this program, contact:*

**Michigan Jobs Commission**

Phone: (800) 94-NoTax or (517) 373-9808

## ***Business and Industrial Development Corporations (BIDCOs)***

BIDCOs are State-chartered private lending institutions designed to help businesses that conventional lenders consider too risky but that do not exhibit the high-growth potential required by venture capitalists. BIDCOs offer an array of business financing options, including debt, equity, and combinations of the two. Michigan BIDCOs also can provide management assistance to help businesses grow. They may finance out-of-state firms only if the primary economic impact will be in the State in Michigan. Michigan offers the following BIDCOs:

- “Access BIDCO” provides debt and equity financing for established service, manufacturing, distribution, and retail businesses in Michigan. Access uses combinations of subordinated debt and commercial bank loans to lower the cost of capital. The minimum financing level is \$200,000. For packages exceeding \$450,000, Access acts as the lead investor, while working with other financing sources to engineer a solution. To qualify, businesses should have most of the following characteristics: (1) be an established business, (2) have growth potential, (3) represent an unusual investment opportunity, (4) possess a strong management, (5) be flexible in allocating resources and (5) have product and marketing capabilities.
- “Arcadia BIDCO” serves the financing needs of a broad base of established manufacturing and service companies. Arcadia’s primary market is southwestern Michigan, although it will participate in investment groups throughout the State. Arcadia prefers to help low- to medium-technology companies with at least two years operating history and substantial growth opportunities. Start-ups will not be considered unless a business presents an outstanding opportunity and is headed by proven management. Financing ranges from \$200,000 to \$600,000 and includes equity, debt with equity features, and royalty participation.
- “Capital BIDCO” serves a statewide market but emphasizes Muskegon, Grand Rapids, Lansing, Flint, and the Tri-Cities. Capital favors firms with high growth potential and acquisitions in the manufacturing and service sectors having annual sales between \$1 million and \$25 million.
- “Discover BIDCO” focuses on marketing and sales expansion programs for service and manufacturing firms operating at a break-even or small profit margin. Its primary market is western Michigan. Financing ranges from \$50,000 to \$150,000. Candidates are companies with two or three years operating history, sales in the \$400,000 to \$2.5 million range and the potential for further profitable growth. Discovery also will finance up to 50% of the initial franchise and start-up fees for acquiring and operating proven franchises.

- “Greater Detroit BIDCO” is the first minority-owned BIDCO. It provides financial and management assistance to businesses located within 100 miles of its Detroit office. Greater Detroit targets small firms that are good prospects for growth in employment, sales and profits; it considers an array of industries, such as healthcare, food service, the automobile sector, and business and consumer services. Minorities receive preference. Financing ranges from \$50,000 to \$400,000.
- “Great Lakes BIDCO,” which operates statewide, finances profitable companies seeking to expand their markets by developing or enhancing products or exporting. Prime candidates are growth-oriented companies having sales of \$1 million or more. Great Lakes offers financing beginning at \$250,000. That financing may be structured as debt with a yield enhancement, such as royalties or the option to acquire stock.
- The “Jackson BIDCO” finances small and medium-sized businesses in central Michigan. It targets firms developing new products or expanding to meet market demand for existing products and services. Applicants should have two or more years of operating history, as well as substantial potential for growth and profits. In most cases, Jackson BIDCO provides a combination of debt and equity-based financing in the range of \$150,000 to \$350,000.
- “Liberty BIDCO” provides financing ranging from \$50,000 to \$600,000 in a combination of debt and equity to small and medium-sized businesses in Michigan. Viable candidates should be profitable or nearly profitable and have management experience, two or more years of operating history, and a predictable cash flow.
- “North Coast BIDCO” makes relatively high-risk capital available to firms in Michigan’s Upper Peninsula. North Coast offers working capital loans, gap financing, subordinated debt, equity, and seed capital loans ranging from \$30,000 to \$250,000. Equity may include combinations of royalties and warrants. North Coast looks for firms that have (1) accepted products or services, (2) demonstrated potential employment growth and profitability and (3) a complete business plan.
- “Northern Michigan BIDCO” provides capital and business consulting services to firms in or planning to relocate to northern Michigan. All sectors are eligible. Northern Michigan structures investments as loans, equity investments, or profit participation. The minimum lending rate is 2% over the *Wall Street Journal* prime. Business plans are preferred but not required.
- “Onset BIDCO” focuses on businesses providing products, capital equipment, or services to manufacturing companies. Onset primarily serves the area from Saginaw south to the Ohio border, and as far west as Lansing. Candidates for financing must be innovative, growing companies that are at least two years old, operate at a break even profit and have sales in excess of \$500,000. The range of financing is \$250,000 to \$1 million.



*For more information on this program, contact:*

**Michigan Jobs Commission**

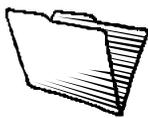
*Phone: (517) 373-7550*

Or, contact the following BIDCOs directly:

Access BIDCO, Inc.	(517) 374-2521
Arcadia BIDCO Corporation	(616) 324-4880
Capital BIDCO, Inc.	(517) 323-7772
Discovery BIDCO, Inc.	(616) 235-4796
Great Lakes BIDCO, Inc.	(313) 626-6070
Greater Detroit BIDCO, Inc.	(313) 962-4326
Jackson BIDCO, Ltd.	(517) 784-5556
Liberty BIDCO Investment Corp.	(313) 352-9660
North Coast BIDCO, Inc.	(906) 228-6080
Northern Michigan BIDCO, Inc.	(906) 635-9794

***Capital Access Program (CAP)***

The Capital Access Program (CAP) allows banks to make business loans that are somewhat riskier than conventional bank loans. It uses a small amount of public resources to generate a large amount of private bank financing, thus providing funds to many Michigan businesses that may otherwise not be able to obtain necessary financing. The program utilizes a special loss reserve to assist banks in covering losses from a portfolio of loans that a bank makes under the program. The program is very broad based and can be used to finance most types of Michigan businesses, including manufacturers. One-time premium payments, which range from 3% to 7% of the amount borrowed, help to fund the special loss reserve. Therefore, while the loans under the program are generally more expensive than conventional bank loans, the program does allow banks to provide access to bank financing for many businesses that otherwise might not qualify for conventional loans. Potential borrowers should contact their local bankers, since loans under the program are private transactions between the bank and the borrower. The Michigan Jobs Commission plays no role in the lending decision. While the program may enable a bank to take more risk than normal, it is still the bank that bears the risk and is responsible for the lending decision. While there is no minimum/maximum loan amount, the average loan is approximately \$50,000. Fee range from 3% to 7% of the total loan amount over and above the bank's interest rate.



*For more information on this program, contact:*

**Michigan Jobs Commission**

*Phone: (517) 373-7550*

## Michigan



# Technical Assistance Programs for Manufacturers

## *Industrial Technology Institute (ITI)*

The Industrial Technology Institute (ITI) is an independent organization that partners with Federal and State Government entities, private enterprise, and industry organizations to assist manufacturers in increasing productivity, quality, and customer satisfaction. The Institute carries out applied research and pilot activities on such manufacturing issues as optics and lighting for machine vision, productivity benchmarking, electronic commerce, supply chain optimization, and artificial intelligence for factory-floor scheduling and logistical systems. These activities are funded through contracts with large manufacturers, government agencies, and industry trade associations. In addition, ITI provides direct assistance to small and medium-sized manufacturers (those with less than 500 employees) through the Michigan Manufacturing Technology Center (MMTC), the Performance Benchmarking Service, Pathway Partners, Ltd., and the Energy and Environment Center (see below).

ITI is a multi-disciplinary organization with broad knowledge in applying new manufacturing technology and business practices, and has particular expertise in several areas:

- Supply chain optimization;
- Business process re-engineering;
- Electronic commerce;
- Financial solutions;
- Quality management;
- Energy and environmental services;
- Performance benchmarking;
- Inspection and process control.



*For more information on the ITI and its programs, contact:*

**Colleen Durocher**

Industrial Technology Institute

*Phone:* (800) 292-4484

*E-mail:* inquiry@iti.org

## ***Michigan Manufacturing Technology Center (MMTC)***

The Industrial Technology Institute (ITI) established the Michigan Manufacturing Technology Center (MMTC) in 1991. The MMTC works with manufacturers in planning, implementing, and measuring improvements to their products and processes, including technical and workforce issues, in order to achieve increased profits, higher quality, and lower costs. The MMTC has statewide coverage through affiliate relationships with organizations in Grand Rapids, Saginaw, Traverse City, and Marquette, with each regional office serving as a service provider for its particular geographic area. The MMTC is organized as one of six operating units of ITI, and is the largest in terms of revenue and number of employees. The Michigan Manufacturing Technology Center (MMTC) is one of 78 Manufacturing Extension Partnership (MEP) sites nationwide sponsored by the U.S. Department of Commerce through the National Institute of Standards and Technology (NIST) program. The MMTC works with Michigan's small and medium-sized manufacturers who want to increase their competitive status by achieving higher quality, increasing productivity, reducing manufacturing costs, and eliminating waste.



*For more information on this program, contact:*

**Bonnie Burcaw**

*Phone:* (313) 769-4065

Or, contact the **Industrial Technology Institute**

*Phone:* (800) 292-4484

*E-mail:* kee@iti.org

## ***Performance Benchmarking Service***

The Performance Benchmarking Service benchmarks manufacturing plants. A company completes one of the Service's 10 user-friendly questionnaires and receives a customized report comparing it to similar plants on: sales growth, productivity, schedule integrity, delivery, scrap and rejects, computer use, and more than 30 other measures. The Service queries its database of 2,000 plants and custom-selects a set of 25 or more that fit the client's industry-price-volume-activity profile.

Customized benchmarking reports can be generated for any manufacturing plant. Most of the 3,400 reports that the Service has produced since its launch in 1992 have been commissioned on behalf of manufacturing companies by field agents of the 78 outreach centers affiliated with the National Institute for Standards and Technology (NIST). The 30 Industrial Resource Assistance Program (IRAP) centers of Canada's National Research Council also regularly commission reports on behalf of their clients and prospects. However, several hundred companies a year also order reports directly.

The staff of the Performance Benchmarking Service start with a company's responses to a simple questionnaire and provides a customized report that compares the respondent to other manufacturing plants in similar businesses on more than 40 key performance measures. The 25-page company report compares the respondent's performance against a custom-selected group of firms that are similar in product line, customer base, piece price, and order volume. Topics included:

- Design/engineering
- Scheduling/delivery
- Use of computer technology
- Quality methods
- Manufacturing/production
- Machine utilization
- Inspection and gaging
- Workforce/productivity



*For more information on this program, contact:*

**Industrial Technology Institute**

*Phone:* (800) 292-4484

*E-mail:* inquiry@iti.org

### ***Pathway Partners, Ltd.***

Pathway Partners is staffed by experienced advisors for complicated financial transactions, including:

- Mergers and acquisitions
- Management buyouts
- Corporate divestitures
- Joint ventures
- Growth financing

Financial advisory services include needs assessment, preparation of proposals, and assistance in negotiating and closing transactions, which can range from helping companies obtain bank loans and equipment leases to arranging complex mezzanine and venture capital financing.

Pathway Partners can also put together mergers, acquisitions, and strategic partnerships.



*For more information on this program, contact:*

**Pathway Partners, Ltd.**

*Phone:* (313) 769-4491 or 4258

*E-mail:* jdb@iti.org

## ***ITI Energy and Environmental Center***

The Industrial Technology Institute, an independent technology consulting organization, is committed to improving American manufacturing performance by providing R&D and technical assistance services to manufacturers. The Energy and Environment Center help firms reduce energy costs and minimize environmental waste. Since 1988, the Center has helped manufacturers find opportunities to save an average of 15% on annual energy bills. The Center's target areas include:

- High-efficiency motors
- Compressed air systems
- Heating, ventilation and air conditioning systems
- Lighting
- Rate Structures



*For more information on this program, contact:*

**Colleen Durocher**

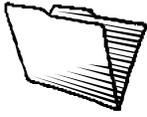
ITI Energy and Environment Center

Phone: (800) 292-4484

## ***Michigan Small Business Development Centers***

Located throughout Michigan, Michigan Small Business Development Centers (SBDC) assist people interested in starting their own business with the development of a business plan, market planning, site selection, financial projections, and licensing requirements. Some of the products available to a new entrepreneur include:

- **Business Planning Series**, a three-part series of guides which present the essential elements of a winning business plan, offer expert cash flow and control tips and outline no cost/low cost marketing methods to increase sales and expand customer base.
- **Financing Your Business** answers questions on how to manage cash flow, how to choose an investment for excess cash flow, and how to obtain a loan.
- **Starting Your Business** provides practical, how-to information for those needing a basic overview of the key elements of starting a business in Michigan.



*For more information, contact a local SBDC:*

**Alpena**

Alpena Community College  
*Phone:* (517) 356-9021 x296

**Detroit**

Wayne State University  
*Phone:* (313) 577-4850

**Grand Rapids**

Grand Valley State University  
*Phone:* (616) 771-6693

**Kalamazoo**

Kalamazoo College  
*Phone:* (616) 337-7350

**Mt. Clemens**

Macomb Co. Bus. Assistance Ctr.  
*Phone:* (810) 469-5118

**Saginaw**

Saginaw Valley State  
*Phone:* (517) 790-4048

**Traverse City**

Traverse Bay Economic  
Development Corporation  
*Phone:* (616) 946-1596

**Ann Arbor/Saline**

Washtenaw Community College  
*Phone:* (313) 944-1016

**Flint**

Com. Capital & Development Corp.  
*Phone:* (810) 239-5847

**Houghton**

Michigan Technological University  
*Phone:* (906) 487-1245

**Lansing**

Lansing Community College  
*Phone:* (517) 483-1921

**Mt. Pleasant**

Central Michigan University  
*Phone:* (517) 774-3270

**Troy**

Walsh College  
*Phone:* (810) 952-5800

## ***International & National Business Development***

The International and National Business Development (INBD) Office is responsible for promoting exports of Michigan-produced goods and services as well as stimulating investment in Michigan by out-of-state and foreign-based firms. INBD's attraction staff provide free, confidential help in the areas of site location, financial assistance, job training and in the coordination of resources and services. INBD account managers work with utilities, associations and local economic development agencies to best match business needs with Michigan opportunities. INBD also sponsors investment seminars in targeted cities and participates in select trade shows. In addition, INBD assists Michigan exporters by:

- Coordinating export assistance services with economic developers and trade associations.
- Providing referrals to public/private marketing organizations statewide.
- Compiling and produces export directories.
- Conducting trade seminars.
- Delivering export assistance, including direct company support; agent, importer and distributor search and qualification, joint venture search and qualification, advertising through foreign offices. Some of these services are offered on a fee basis.



*For more information on this program, contact:*

**Michigan Jobs Commission**

*Phone: (517) 373-7550*

## Minnesota



### Financial Assistance Programs for Manufacturers

#### ***Capital Access Program (CAP)***

In an effort to foster economic development, the Capital Access Program (CAP) encourages private lending institutions to make loans to businesses, particularly small and medium-sized businesses, including manufacturers. The terms of all loans are negotiated between the borrower and the lender. A fund created by the lender, the borrower, and the State affords the lender a high degree of protection. To encourage participation, CAP allows the lender/borrower contribution to the fund to be financed as part of the loan. They contribute between 3% and 7% of the loan amount to the loan fund; the two portions must be equal.



*For more information on this program, contact:*

**Paul Moe**

Minnesota Department of Trade and Economic Development

*Phone:* (612) 297-1391 or (800) 657-3858

*E-mail:* dted@state.mn.us

#### ***Enterprise Zone Program***

The Enterprise Zone Program is designed to provide income tax credits to businesses in select communities. The types of tax credit that businesses can receive include property tax credits, debt financing credit on new construction, sales tax credit on construction equipment and materials, and new or existing employee credits. The only businesses not eligible for the program are recreation or entertainment facilities, companies owned by a fraternal or veteran's organization and those owned by public utilities or financial institutions. Qualifying businesses must create investment, development, job creation, or retention in the designated areas.

Enterprise Zones in Minnesota:

- Breckenridge
- Dilworth
- East Grand Forks
- Moorhead
- Ortonville
- Duluth



*For more information on this program, contact:*

**Louie Jambois**

Minnesota Department of Trade and Economic Development

*Phone:* (612) 297-3172 or (800) 657-3858

*E-mail:* dted@state.mn.us

## ***Urban Challenge Grant Program***

The Urban Challenge Grant Program focuses on providing assistance to businesses located in inner-city or low-income areas. By teaming with local nonprofit organizations, the program serves those companies striving to create jobs for low-income people. The program also steers businesses to management, training, and technical assistance as needed.

Businesses may use loan proceeds for start-up and expansion costs, including normal expenses such as machinery and equipment, inventory and receivables, working capital, new construction, renovation, and site acquisition. Refinancing of existing debt is not permitted. The maximum total loan available is \$300,000, and the interest rate can range between 2% and 10%. Applications for financial assistance are made through the program's nonprofit partners who are required to provide a dollar-for-dollar match to the loan. Since the program began in 1995, 110 loans totaling more than \$2.3 million have been provided by the Department of Trade and Economic Development. The department can refer an entrepreneur to the appropriate nonprofit in his or her area. Businesses located in the following cities are eligible for assistance:

- Minneapolis
- Hilltop
- St. Anthony
- St. Paul, Hopkins
- South St. Paul
- Mendota
- Columbia Heights
- West St. Paul
- Lauderdale



*For more information on this program, contact:*

**Mark Gustafson**

Department of Trade and Economic Development

*Phone:* (612) 296-9090 or (800) 657-3858

*E-mail:* mgustafs@dted.state.mn.us

## ***Small Business Development Loan Program***

Creating jobs and providing loans for business expansions are the goals of the Small Business Development Loan Program. The program operates in conjunction with the Minnesota Agricultural and Economic Board, which makes small business loans through the issuance of industrial development bonds that are backed by a State-funded reserve of 25%. Generally, 20% of a project's costs must be privately financed through equity or other private sources. The program focuses on manufacturing and industrial businesses located in Minnesota or those intending to locate in the State. Eligible businesses are generally those with 500 or fewer employees. Loans can be used for acquisitions, building construction and renovation and other development costs. Loans range from \$250,000 to \$4 million.



*For more information on this program, contact:*

**Paul Moe**

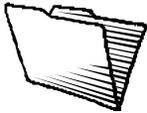
Minnesota Department of Trade and Economic Development

*Phone:* (612) 297-1391 or (800) 657-3858

*E-mail:* dted@state.mn.us

## ***Working Capital Loan Guarantee Program***

The Minnesota Export Finance Authority (MEFA) operates an export Working Capital Loan Guarantee program. The Working Capital Loan Guarantee Program can assist Minnesota exporters in funding the production of goods or services for which they have received orders. These goods or services have to be delivered outside the United States. This program provides transaction-based loan guarantees of up to 90% of bank loans between \$25,000 and \$250,000.



*For more information on this program, contact:*

**Norr Doja**

MEFA

Phone: (612) 297-4658 or (800) 657-3858

## ***Minnesota Investment Fund***

The Minnesota Investment Fund awards grants to local units of government, including cities, counties, townships, and Indian tribal governments, which then make loans to assist new or expanding Minnesota businesses with a focus on manufacturing and technological and professional services. At least 50% of total project costs must be privately financed through owner equity and other lending sources. Most applications selected for funding typically have had at least 70% private financing. Interest rates are negotiated by the business and the local government unit. All projects must meet a minimum score based on private investment and the number of quality jobs created or retained.



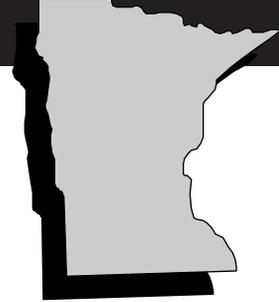
*For more information on this program, contact:*

**Minnesota Department of Trade and Economic Development**

Business and Community Development Division

Phone: (612) 296-5337

## Minnesota



# Technical Assistance Programs for Manufacturers

## *Small Business Development Centers*

Small Business Development Centers provide counseling to small businesses throughout the State on topics like business planning, capital formation, financial projections and loan packaging, accounting and record keeping, market research and analysis, process improvement, technology transfer, exporting, procurement, and Small Business Innovation Research. Counseling is customized to meet the needs of the client, and may be provided by staff or private sector counselors. Small Business Development Centers also sponsor training programs on topics like environmental compliance, employment issues, access to capital, implementation of quality processes, job costing, procurement, international trade, business planning, and taxation. Training programs frequently are co-sponsored with colleges and universities, local civic and service organizations, chambers of commerce, and State and Federal agencies.

Additionally, Small Business Development Centers target existing small companies in industries with demonstrated potential for economic growth. Initial consultations may be provided to small business owners in other industries; these individuals may be referred to more appropriate sources for further assistance. Individuals who are considering starting a business are encouraged to attend a pre-business workshop and develop a preliminary business plan before meeting with a counselor. Small Business Development Centers provide counseling at no charge. A modest fee is charged for most training programs, to cover costs. Fees may be charged for specialized services. Further information may be obtained from a Small Business Development Center counselor.



*For more information on this program, contact:*

**Minnesota Department of Trade and Economic Development**

*Phone:* (612) 297-5770 or (800) 657-3858

*E-mail:* [dted@state.mn.us](mailto:dted@state.mn.us)

Applicants may also call the following Small Business Development Centers:

**Northeast Minn. Small Business Development Center — Duluth**

University of Minnesota

*Phone:* (218) 726-6192

*Regional Subcenters:*

**Itasca Development Corporation — Grand Rapids**

*Phone:* (218) 327-2241

**Rainy River Community College — International Falls**

*Phone:* (218) 285-2255

**Hibbing Community College**

*Phone:* (218) 262-6703

**Ely/Two Harbors**

*Phone:* (218) 726-6192

**Olcott Plaza Office Building — Virginia**

*Phone:* (218) 741-4251

**North Central Minn. Small Business Development Center — Brainerd**

Central Lakes College

*Phone:* (218) 828-5302 or (800) 247-2574

*Regional Subcenter:*

**Pine Technical College — Pine City**

*Phone:* (320) 629-7340

**Northwest Minn. Small Business Development Center — Moorhead Region**

Moorhead State University

*Phone:* (218) 236-2289

*Regional Subcenter:*

**Northwest Technical College — Bemidji**

*Phone:* (218) 755-4286

**Central Minn. Small Business Development Center — St. Cloud**

St. Cloud State University

*Phone:* (320) 255-4842

**Southwest Minn. Small Business Development Center — Marshall**

Southwest State University

*Phone:* (507) 537-7386

**South Central Minn. Small Business Development Center — Mankato**

Region Nine Development Commission

*Phone:* (507) 389-8863

**Southeast Minn. Small Business Development Center — Rochester**

Rochester Community College

Phone: (507) 285-7536

*Regional Subcenters:*

**Owatonna Incubator Inc.**

Phone: (507) 451-0517

**Pottery Business and Technology Center — Red Wing**

Phone: (612) 338-4079

**Southeast Minnesota Development Corporation — Rushford**

Phone: (507) 864-7557

**Twin Cities Metro Area Small Bus. Development Center — Minneapolis**

University of St. Thomas

Phone: (612) 962-4500

*Regional Subcenters:*

**Normandale Community College — Bloomington**

Phone: (612) 832-6560

**Hennepin Technical College — Plymouth**

Phone: (612) 550-7218

**Dakota Technical College — Rosemount**

Phone: (612) 423-8262

**Northeast Metro Technical College — White Bear Lake**

Phone: (612) 779-5764

***Business Development and Site Selection Services***

For businesses interested in expanding or relocating to a Minnesota site, the Business Development and Site Location Services serves as a bridge between government and the resources that businesses seek. Business Development Specialists act as liaisons between businesses and State and local government to access financial and technical resources. The program also serves as an important information source, providing businesses with data on topics ranging from the availability of buildings and property or the labor supply in a particular location, to transportation or tax comparisons. The one-on-one nature of this program assists businesses throughout every phase of their expansion or location projects.



*For more information on this program, contact:*

**Minnesota Department of Trade and Economic Development**

Phone: (800) 657-3858 or (612) 297-1291

E-mail: [dted@state.mn.us](mailto:dted@state.mn.us)

## **Minnesota Trade Office Services**

The Minnesota Trade Office helps companies develop their export markets by providing (1) export education and training, (2) comprehensive international business counseling on market and industry opportunities, (3) market awareness through industry directory production and dissemination, international direct mail promotions, trade show support, and media relations activities, (4) information resources through the international business library, (5) assistance in developing distributorships and joint ventures through trade show and trade mission coordination, and (6) export finance and loan guarantee assistance through the Minnesota Export Finance Authority (MEFA). MEFA offers four major programs for Minnesota businesses:

- The Receivable Insurance Program assists exporters in getting coverage against nonpayment of overseas open-account sales.
- The Counseling and Training Program provides individual assessment, problem resolution and training on financing-related issues.
- The Agency Liaison Program helps businesses access various Federal agencies and international development banks that have financing and procurement opportunities.

The Minnesota Trade Office publishes a select group of publications for Minnesota exporters wishing to learn more about these programs.



*For more information on this program, contact:*

**Minnesota Trade Office**

*Phone:* (612) 297-4222 or (800) 657-3858

*E-mail:* dted@state.mn.us

## **Computer and Electrical Components Industry Services**

These services foster the growth of jobs, revenue, and investment in Minnesota's computer and electrical components industries. Computer and Electrical Components Industry Specialists provide information to businesses on financing, suppliers, business planning, trade opportunities, and venture partners. The specialist also actively markets Minnesota in response to inquiries and at industry gatherings.



*For more information on this program, contact:*

**Diane Knutson**

Minnesota Department of Trade and Economic Development

*Phone:* (612) 296-6076 or (800) 657-3858

*E-mail:* dted@state.mn.us

## ***Forest Products Industry Services***

This program fosters the growth of jobs, builds added value in Minnesota's wood processing industry, and attracts new industry consistent with environmental protection. Forest Products Industry Specialists provide information to businesses on financing, suppliers, business planning, trade opportunities, and venture partners. The specialist can also provide information on topics ranging from wood resources and markets to technologies and building sites. Specialists represent the industry and the Department of Trade and Economic Development by reviewing projects, organizing statistical data, participating in development efforts, and helping to coordinate demonstration projects like model homes.



*For more information on this program, contact:*

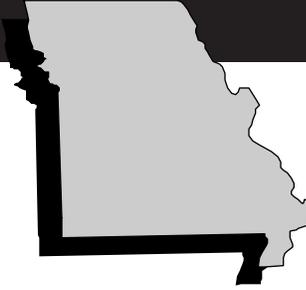
**Dentley Haugesag**

Minnesota Department of Trade and Economic Development

*Phone:* (612) 297-1174 or (800) 657-3858

*E-mail:* [dted@state.mn.us](mailto:dted@state.mn.us)

## Missouri



# Financial Assistance Programs for Manufacturers

### ***Missouri Department of Economic Development Finance Program***

The Finance Program assists industrial and commercial development in Missouri by rewarding small businesses and their investors with tax credits. Through tax increment financing, local jurisdictions retain larger portions of their property and sales taxes to use for development projects. The Department of Economic Development (DED) makes capital tax credits available for investors in small businesses. The State provides a 30% income tax credit to the investors based on their investment in approved businesses. Investors must have less than 50% stock ownership in the qualified business. Eligible investments include manufacturing, processing, assembly, research and development in firms that have fewer than 100 employees and less than \$500,000 annual revenue. Recipient firms also must be headquartered in Missouri. Investment per business eligible for tax credits ranges from \$5,000 to \$500,000. DED provides two additional tax credit programs designed to assist manufactures:

- DED's Development Tax Credit Program provides a method to lower the cost of machinery for a new or expanding industry by providing 50% tax credits to a contributor. The contribution funds can be used to purchase new machinery and equipment to be leased to the industry at a competitive rate.
- DED's Brownfield Redevelopment program provides tax credits for up to 100% of the cost of remediation of contaminated properties. Loan and grant funds are also available to fund other redevelopment costs.



*For more information on this program, contact:*

**Missouri Department of Economic Development Finance Program**

*Phone:* (573) 751-0717 or (800) 523-1434

## ***Capital Access Loans (CAP)***

The Department of Economic Development (DED) provides subordinated Action Fund Loans to manufacturing companies when needed to complete a financing package. Loans can be used for the purchase of machinery, equipment, and working capital. Additionally, DED's Interim Financing Loans provide short-term deferred payment loans to industries that need assistance to make a project feasible. DED' makes these loans possible through its Capital Access Program (CAP). CAP provides a loss reserve pool to help lenders make higher-risk loans.



*For more information on this program, contact:*

**Missouri Department of Economic Development**

*Phone:* (573) 751-4241 or (800) 523-1434

## ***Environmental Improvement and Energy Resources Authority Market Development Program***

The Environmental Improvement and Energy Resources Authority (EIERA), a division of the Department of Natural Resources, promotes the development of markets for recovered materials. An interagency agreement between the Departments of Natural Resources and Economic Development governs the fund. The program provides loans of up to \$75,000 for equipment that enables the recovering and recycling of materials. If loan criteria are met in a three-year period, the loan is forgiven and repayment not required. The authority also provides low-interest bond financing for projects that would reduce, control, and prevent damage to the environment and encourage research and development of alternative energy sources and facilities. The program finances between eight to 15 projects per year since its inception in 1990.



*For more information on this program, contact:*

**EIERA Market Development Program**

Missouri Department of Natural Resources

*Phone:* (573) 751-4919

## ***Mobucks for More Jobs Program***

A linked deposit program administered by the Missouri State Treasurer, Mobucks for More Jobs can have a total of \$110 million in loans outstanding at any given time, with interest rates 3% below the average rate on the one-year U.S. Treasury bond for the week preceding the deposit. The minimum deposit rate, however, is 2%, which remains fixed until the deposit matures. Both new and expanding firms that have more than ten employees and their headquarters and operation facilities in Missouri are eligible for this program. At least one job must be created or retained in Missouri for each \$25,000 borrowed. Deposit size ranges from \$90,000 to \$5 million. Funds may be used for:

- relocation expenses;
- working capital;
- interim construction;
- inventory;
- site development;
- machinery and equipment;
- any other expenses necessary to create or retain jobs in the recipient firm.

The Mobucks for Small Business offers loans up to \$50,000 to proprietors, firms, and corporations employing 25 or less. These small businesses must have their headquarters and operations in Missouri. Eligible uses include

- inventory;
- rent, utilities, insurance and taxes;
- professional fees;
- equipment purchase, rental, or lease;
- renovations, repairs, and maintenance of equipment and facilities;
- paving, fencing, loading docks, etc.

To apply for this program, a business must contact a bank directly.



*For more information on this program, contact:*

**Missouri State Treasurer's Office**

*Phone:* (800) 662-8257

## ***Industrial Development Bonds***

The Missouri Development Finance Board (MDFB) offers a variety of methods of issuing tax-exempt and taxable bonds for industrial development. Since August 1996, the MDFB has issued “Build Missouri Bonds” for projects in which the borrower is awarded State tax credits for the debt service. Eligible enterprises are manufacturing projects with 100 or more jobs and a \$15 million or more investment and office projects with 500 or more jobs and at least a \$10 million investment. Maturity may not exceed 30 years. Authorization is negotiable and interest rates are subject to market conditions dependent upon the borrower’s credit or credit enhancement. Rates can be fixed, variable, or a combination of the two. The Federal tax code generally requires that substantially all bond proceeds be used for the acquisition of property or renovations of fixed assets. The State volume cap for the program is currently set at \$35 million, however there is a strong effort in the State legislature to increase it to \$50 million. During its first year in existence, Build Missouri Bonds have financed five projects averaging \$1.2 million per loan.

Other bond-issuing authorities include the following:

- The Environmental Improvement and Energy Resources Authority (EIERA) provides low-interest bond financing for projects that would reduce, control, and prevent damage to the environment, and encourage research and development of alternative energy sources and facilities. (See above.)
- Municipalities, counties and incorporated towns issue industrial development general obligation bonds for factories and plants in assembling, manufacturing, fabricating and processing to aid job generation in new and expanding firms.
- Planned Industrial Expansion authorities issue bonds in undeveloped and blighted areas to acquire property for clearance and to finance private development. Abatement from ad valorem property taxation for up to 25 years is also available.
- Cities and counties may create a Land Clearance for Redevelopment Authority to develop, construct, repair or improve structures and facilities in blighted areas, and issue bonds for such purposes.
- Cities and counties may also create industrial development authorities to issue tax-exempt industrial development bonds.
- Special business districts can be established by a city for special improvements. The district may tax real property and businesses to fund these improvements, and it may issue bonds.
- Tax-increment financing commissions, created by a city or county, may initiate redevelopment progress in certain areas and issue bonds.



*For more information on this program, contact:*

**Missouri Development Finance Board**

*Phone:* (573) 751-8479

## ***The Loan Guarantee Program***

Created in 1982, the Missouri Development Finance Board (MDFB) promotes job creation and expansion of the State's tax base. The board offers loan guarantees targeted to small and mid-sized manufacturers. The Loan Guarantee Program, operated by MDFB, guarantees up to 85% of loans made by banks, up to a maximum guarantee of \$400,000 per borrower. Banks use the guarantees as a substitute for collateral when a firm has a higher risk than the bank usually accepts. Qualifying projects include manufacturing, warehouse, distribution, commercial, audio-video telecommunication, research, port, pollution control and export trade facilities. Manufacturing activities receive priority. Firms must show they have reasonable repayment abilities.



*For more information on this program, contact:*

**Missouri Development Finance Board**

*Phone: (573) 751-8479*

## ***Enterprise Zones***

Businesses within Missouri's 61 enterprise zones may earn additional job/investment credits to offset income tax liabilities for up to 10 years. Up to \$1,200 can be earned for each new job created in an enterprise zone. Additional benefits may include credits for training zone-resident employees and special employees, up to a 50% income exemption and up to 100% abatement of taxes on improvements to real property for up to 25 years.

Enterprise Zones in Missouri:

St. Louis Midtown  
*Phone: (314) 622-3400*

Macon/Callao/Bevier/  
Macon County  
*Phone: (816) 385-5627*

Potosi/Park Hills/St. Francois  
County/Washington County  
*Phone: (573) 438-6196*

Greenville/Piedmont/  
Wayne County  
*Phone: (573) 223-7660*

Brookfield (2/84)  
*Phone: (816) 258-7278*

Trenton (2/84)  
*Phone: (816) 359-4310*

Springfield  
*Phone: (417) 864-1031*

Caruthersville/Steele/Hayti/  
Cooter/Pemiscot County  
*Phone: (573) 333-4125*

Perryville  
*Phone: (573) 547-1097*

Wellston  
*Phone: (314) 385-1015*

Salem/Licking/Dent County/  
Houston/Texas County  
*Phone: (417) 967-3348*

Sedalia  
*Phone: (816) 827-0884*

Kennett  
*Phone: (573) 888-9001*

Chillicothe  
*Phone: (816) 646-2424*

Cabool  
*Phone: (417) 962-3004*

Joplin/Webb City  
*Phone: (417) 624-0820*

Kansas City  
*Phone: (816) 274-1858*

St Joseph/Buchanan County  
*Phone: (816) 271-4773*

Hannibal  
*Phone: (573) 221-1033*

Sikeston  
*Phone: (573) 471-2174*

West Plains/Willow Springs/  
Howell County  
*Phone: (417) 256-7176*

Malden/Bernie/Campbell/  
Dexter/Dunklin County/  
Stoddard County  
*Phone: (573) 276-2242*

Cuba/Steelville/  
Crawford County  
*Phone: (573) 885-4323*

Pike County/Bowling Green/  
Louisiana  
*Phone: (573) 324-2077*

Kirkville  
*Phone:* (816) 627-1224

Carrollton  
*Phone:* (816) 542-0922

Excelsior Springs  
*Phone:* (816) 630-8449

Nevada/Vernon County  
*Phone:* (417) 667-6084

Poplar Bluff/Butler County  
*Phone:* (573) 785-7761

Milan/Sullivan County  
*Phone:* (816) 265-3434

Cape Girardeau/Cape  
Girardeau County  
*Phone:* (573) 334-8326

Butler  
*Phone:* (816) 679-6465

New Madrid  
*Phone:* (573) 748-2866

Neosho  
*Phone:* (417) 451-1925

Shannon County  
*Phone:* (573) 226-3965

St. Louis Satellite  
*Phone:* (314) 622-3400

Claycomo Satellite  
*Phone:* (816) 274-1858

California/Moniteau County  
*Phone:* (573) 796-2113

Rolla  
*Phone:* (573) 364-1835

Kansas City Satellite  
*Phone:* (816) 274-1858

Doniphan/Naylor/  
Ripley County  
*Phone:* (573) 996-2212

Eldon/Miller County  
*Phone:* (573) 392-3638

Marshall  
*Phone:* (816) 886-6889

Fredericktown/Ironton/  
Pilot Knob/Madison County/  
Iron County  
*Phone:* (573) 783-3381

Windsor/Henry County/  
Pettis County  
*Phone:* (816) 647-3512

Kansas City Satellite #2  
*Phone:* (816) 274-1858

Buffalo/Dallas County  
*Phone:* (417) 345-2632

LaBelle/Lewistown/  
Lewis County  
*Phone:* (573) 767-5304

Charleston/East Prairie/  
Mississippi County  
*Phone:* (573) 649-3057

Versailles/Stover/Laurie/  
Syracuse/Morgan County  
*Phone:* (573) 378-4634

Marceline  
*Phone:* (816) 376-2000

Putnam County  
*Phone:* (816) 947-2674

Carthage  
*Phone:* (417) 358-9025

Vandalia  
*Phone:* (573) 594-6186

Gasconade Valley  
*Phone:* (573) 437-6564

Mexico  
*Phone:* (573) 581-2100

Daviess/Gentry/  
Harrison Counties  
*Phone:* (816) 663-3911

Aurora  
*Phone:* (417) 678-5121

Kansas City Federal  
Enterprise Community  
*Phone:* (816) 274-1858

St. Louis/Wellston Federal  
Enterprise Community/  
St. Louis  
*Phone:* (314) 622-3400

Wellston  
*Phone:* (314) 385-1015

East Prairie Federal  
Enterprise Community  
*Phone:* (573) 649-3057



*For more information on this program, contact:*

**Missouri Department of Economic Development**

*Phone:* (573) 751-4241 or (800) 523-1434

## ***Industrial Machinery Equipment and Materials Tax Exemptions***

Missouri provides exemptions from sales and use taxation on machinery and equipment used to manufacture a product when purchased to establish a new, or to expand an existing, facility whether bought in Missouri or in another State. The following items are exempt: (1) manufacturing machinery and equipment bought to replace existing machinery and equipment, as long as the replacement is necessitated by reason of product change or design, (2) materials and supplies used to install the categories of exempt machinery and equipment mentioned above, (3) railroad rolling stock used in interstate commerce, (4) pumping equipment and machinery used by common carriers to propel products transported by pipeline, (5) equipment used by common carriers for the manufacture, maintenance or repair of railroad rolling stock, aircraft or motor vehicles, and (6) aircraft purchased for use in interstate commerce by common carriers. The following are also exempt from sales and use taxes: materials, goods, parts, and machinery that become component parts of finished products; materials used to produce steel; motor fuel; fuel used by utilities to provide taxable services; and electricity consumed in the manufacturing process, provided the cost of the electricity exceeds 10% of total production costs. Certified machinery, equipment, and devices that abate air or water pollution are exempt from sales and use taxes.

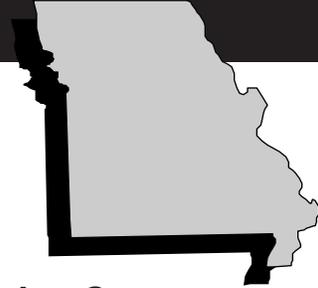


*For more information on this program, contact:*

**Missouri Department of Economic Development**

*Phone:* (573) 751-4241 or (800) 523-1434

## Missouri



### Technical Assistance Programs for Manufacturers

#### ***Missouri Technology Corporation's Innovation Centers***

The main purpose of the Missouri Technology Corporation is to bring science, technology, and quality improvement techniques to the workplace in Missouri. The Corporation also works to attract research investment from both the private and public sectors, assist in developing science education, and coordinate the State's four Innovation Centers. The Innovation Centers, which are located in Columbia, Rolla, St. Louis, and Kansas City, support entrepreneurs and innovators in developing new products and processes. Businesses with close ties to local universities can take advantage of research expertise and resources such as computers, libraries, and other facilities. They also furnish low-cost space and share both administrative and business services.



*For more information on this program, contact:*

**Missouri Technology Corporation**

*Phone:* (573) 526-1366

#### ***Center for Advanced Technology at the University of Missouri/Rolla***

Missouri has three Centers for Advanced Technology (CATs) that encourage the development and commercialization of advanced new technologies. The University of Missouri/Rolla center specializes in manufacturing technologies and training. Through the promotion of greater collaboration between the State's academic, business, and industrial communities, CATs help create new jobs and new businesses, as well as revitalize existing ones. The University of Missouri/Kansas City Center is concerned with telecommunications and networking.



*For more information on this program, contact:*

**Center for Advanced Technology**

University of Missouri/Rolla

*Phone:* (571) 341-4559 or (573) 341-4111

## ***Missouri Business Assistance Center (MBAC)***

Within the Missouri Department of Economic Development, the Missouri Business Center (MBAC) serves as a centralized point of contact for State requirements to do business in Missouri. MBAC staff can help both the seasoned business owner and the first-time entrepreneur begin operations with confidence knowing that all legal requirements have been met. MBAC staff provide a comprehensive array of business assistance. A single contact provides direct assistance and guidance to the various sources, both public and private, for assistance to start, expand, or retain a business in Missouri. Staff also present workshops and seminars on starting a new business.



*For more information on this program, contact:*

### **Missouri Business Center**

*Phone:* (800) 523-1434, extension 2

*E-mail:* mbac@mail.state.mo.us

## ***Missouri Office of Business Information***

The Office of Business Information specializes in meeting the information needs of new and existing businesses, as well as local economic development professionals, community leaders, and resource providers, through Missouri. A unique database provides information on Missouri-made products and services along with information on raw materials, brand/trade name, and by-products or surplus materials. Staff utilize Missouri Product Finder to link buyers and suppliers. Information is provided to consumers, retailers, wholesalers, and others, domestic as well as international, on Missouri sources for products, services, and raw materials. A nominal fee is charged for some printouts.



*For more information on this program, contact:*

### **Office of Business Information**

*Phone:* (800) 523-1434, extension 5

## ***Missouri International Trade and Development Office***

Through one-on-one counseling, the Missouri International Trade and Development Office helps businesses tap into new markets all over the world. The Office will analyze export possibilities for a business's product line, as well as identify potential markets. Additionally, staff from the Office will accompany Missouri firms to trade shows worldwide and will help locate overseas buyers, agents, representatives, licensing, and even joint venture partners.



*For more information on this program, contact:*

### **Missouri International Trade and Development Office**

*Phone:* (573) 751-4855 or (800) 523-1434



## Ohio



# Financial Assistance Programs for Manufacturers

## *Ohio Enterprise Zone Program*

The Ohio Enterprise Zone Program offers local and State tax incentives for businesses that expand or locate in Ohio. Business must agree to retain or create employment and establish, expand, renovate, or occupy a facility in one of 300 enterprise zones throughout the State. An agreement must be in place prior to the start of the project. Projects involving relocation of assets or employment positions within Ohio are restricted and must meet specific requirements. Local guidelines regulate the type of business and investment eligible for incentive. They include:

- In municipalities, up to 75% exemption of the value of real property improvements and/or new tangible personal property for up to 10 years. In unincorporated areas, incentives can be up to 60% exemption of the value of new real and/or personal property for up to 10 years. The exemption level can be exceeded under special circumstances with school board approval.
- State franchise tax benefits are available to businesses which are in compliance with the local enterprise zone agreement and document a minimum of 25% of the new hires coming from specific disenfranchised groups. Additional State incentives available include health care subsidies and disadvantaged worker hiring credits.

Between January 1st and April 30th of each calendar year, an eligible business may apply to the Director of the Ohio Department of Development (ODOD) for these tax incentives.



*For more information on this program, contact:*

**Ohio Department of Development**

Office of Tax Incentives

Phone: (614) 466-4551

## ***Linked Deposit Program***

The Linked Deposit Program (LDP) helps small businesses secure financing to create and retain jobs. Eligible businesses may obtain loans from an authorized State depository bank to finance fixed assets and working capital and to refinance debt. Although program regulations specify no maximum or minimum loan amount on which the State will buy down the interest, the average loan in the past few years has been \$200,000. Under LDP, the State treasury buys a CD from the bank, and the proceeds to buy down the interest rate of the loan. The depository charges small businesses a fixed interest rate of 3% below the current lending rate for two years. The bank may extend the term at current rates. Other sources of funds are allowable. To be eligible, a business must be headquartered in Ohio and have operations exclusively in Ohio, create or retain one full-time job equivalent for every \$25,000 requested, have less than 150 employees, and be organized for profit. The program can be used in conjunction with other Federal, State and local programs. Prevailing wage requirements do not apply. Businesses must apply through a qualified Ohio bank. The bank then submits an application to the program.



*For more information on this program, contact:*

**Ohio State Treasurer's Office**

*Phone:* (614) 466-8855

## ***Mini-Loan Guarantee Program***

The Mini-Loan Guarantee Program assists small businesses that would not otherwise receive financing. Eligible businesses are those with fewer than 25 employees. The State provides a partial guarantee of an eligible bank loan by placing up to 45% of the loan amount with the bank. The bank can draw on this account for a portion of the debt if the loan defaults. Fifty percent of funds are targeted for minority and women-owned businesses. Funds may be used for land, building, machinery or equipment, start-ups, renovations and lease improvements. The bank agrees to pay the State 3% on the loan guarantee account. The terms of the State guarantee are ten years or the term of the bank loan, whichever is less. The maximum loan amount is \$100,000, and the minimum is \$10,000. The business is charged an interest rate that is a blend of the rate on the bank's guaranteed portion of the loan, which is up to 5.5%, and the interest rate on the loan portion for which the bank assumes all risk. For every \$10,000 to \$15,000 of the loan, one job must be created or retained.



*For more information on this program, contact:*

**Minority Development Financing Commission**

Economic Development Division

*Phone:* (614) 644-7708

## **166 Direct Loan Program**

Since 1982, Ohio manufacturers have been eligible to receive a \$1 million maximum/\$350,000 minimum loan for land and building acquisition, expansion or renovation, and machinery and equipment purchases. Up to 30% of fixed costs are eligible for funding. A private lender must participate, and the owner must put up 10% cash equity. Rates are currently fixed at 5% plus 1/4% annual servicing fee. The Director of Development may authorize a higher loan amount or modified loan terms that address a unique and demonstrated economic development need. One job must be created for every \$15,000 received and jobs must be created within 3 years after project completion. The Ohio prevailing wage rate applies. A similar 166 Regional Loan Program is administered at the local level through 12 non-profit regional agencies. While the statewide 166 Direct Loan Program has no volume cap, the regional program is capped at \$50 million. Currently, the statewide program has approximately \$200 million worth of loans outstanding.

*166 Regional Loan Agencies:*

**Greater Cleveland Growth Association**

*Phone: (216) 621-3300*

**Cascade Development — Akron**

*Phone: (330) 376-5550*

**Columbus Countrywide Development**

*Phone: (614) 645-6171*

**Lawrence Economic Development**

**Council — Southport**

*Phone: (614) 894-3838*

**Buckeye Hills Regional Development**

**District — Marietta**

*Phone: (614) 374-9436*

**Citywide Development**

**Corporation — Dayton**

*Phone: (937) 226-0457*

**County Corporation — Dayton**

*Phone: (937) 225-6328*

**Hamilton County Development**

**Corporation — Cincinnati**

*Phone: (513) 632-8292*

**Mahoning Valley Economic Development**

**Corporation — Youngstown**

*Phone: (330) 759-3668*

**Toledo Lucas County Port Authority**

*Phone: (419) 243-8251*

**Stark Development Board Finance**

**Corporation — Canton**

*Phone: (330) 453-5900*

**West Central Partnership, Inc. — Lima**

*Phone: (419) 229-5320*



*For more information on this program, contact:*

**Ohio Department of Development**

Office of Financial Incentives

*Phone: (614) 466-5420 or (800) 848-1300*

## ***Pollution Prevention Loan Program***

The Pollution Prevention Loan Program is a joint program between the Ohio Department of Development (ODOD) and the Ohio Environmental Protection Agency (OEPA) to make low-interest capital improvement loans for the purchase of equipment and/or construction to complete pollution prevention activities at small to medium-sized businesses (i.e., 500 employees or less) within Ohio. Interest rates for these loans are fixed at 2/3 of the prime rate. The loans also carry a 25% annual servicing fee, which reduces with the principal. Preferential interest rates are available for qualifying companies in designated “distressed areas” of the State (see *Ohio Manufacturing Investment Tax Credit* below). The term on the loan will be based upon the useful life of the assets being financed and the term of bank loan, not to exceed seven years. An eligible company should demonstrate that its fixed asset expansion will retain jobs for Ohio citizens, is located in the State of Ohio, has a certified pollution prevention project by OEPA and meets the definition of small to medium-sized businesses.



*For more information on this program, contact:*

**Pollution Prevention Office of OEPA**

*Phone:* (614) 644-3469

*Or*

**Economic Development Division of ODOD**

*Phone:* (614) 644-8201

## ***Scrap Tire Loan and Grant Program***

Loans and grants are available to scrap tire recyclers who locate or expand in Ohio and who demonstrate that they will create new/reuse scrap tire products. Ohio Department of Development (ODOD) has \$2 million available for qualifying loans and grants, with additional funds earmarked to continue the program through the year 2000. Loans and grants are distributed to qualifying companies on a first-come, first-served basis. Financing is designated as “take-out” financing, wherein a business must complete its project utilizing interim financing from a conventional lender as its equity. Upon completion of the project, the State funds will be disbursed. Preferential interest rates and terms are provided for qualifying companies locating or expanding in “distressed” areas.



*For more information on this program, contact:*

**Economic Development Division of ODOD**

*Phone:* (614) 644-8201

## **Technology Investment Tax Credit Program**

Ohio's Technology Investment Tax Credit Program offers a variety of benefits to Ohio taxpayers who invest in small, research and development and technology-oriented firms. Through this innovative program, Ohio investors may reduce their State taxes by up to 25% of the amount they invest in qualified, technology-based Ohio companies. The program's maximum credit of \$37,500 per investment may be applied to personal income tax, corporation franchise tax, public utility excise tax or the tax on dealers in intangibles.

The Technology Investment Tax Credit can benefit investors who meet a variety of requirements specified by Ohio law. Once an investor has preliminarily determined that the company is eligible for tax credit investment, a number of other requirements also must be considered. The investment for which the tax credit is claimed must be a purchase of common stock, preferred stock, membership interest, partnership or other equity position which does not exceed \$150,000. An investor must incur a risk of loss which depends upon the company's success for repayment. Annual dividends or interest payments to the investor may not exceed 10% of the amount invested. Finally, an investor must prove he is not related to a majority owner of the company in which he is investing and must not be delinquent in State or local taxes.



*For more information on this program, contact:*

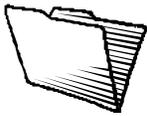
### **Department of Development's Technology Division**

*Phone:* (614) 466-3887 or (800) 848-1300

Investors interested in applying for the tax credit may also contact the Ohio Department of Development or any of the seven Edison Centers (see *Technical Assistance Programs* below).

## **Ohio Job Creation Tax Credit**

A business can receive a refundable tax credit against its corporate franchise/income tax based on the State income tax withheld on new, full-time employees. The amount of the tax credit can be up to 75% for up to 10 years. Approved projects generally range between 50% to 60% for 5 to 10 years. Municipalities can provide a similar arrangement with their local employee income taxes. Businesses must agree to create at least 25 new, full-time jobs within 3 years of operation. The average wage of all employees must be at least 150% of the current Federal minimum wage. The business must demonstrate to the State that the tax credit is a major factor in its decision to go forward with the project. The local community must also provide financial support for the project.



*For more information on this program, contact:*

### **Ohio Department of Development**

Office of Tax Incentives

*Phone:* (614) 466-4551

## **Ohio Manufacturers Investment Tax Credit**

Ohio Department of Development (ODOD) provides a non-refundable corporate franchise income tax credit for a company that purchases new or retools qualified machinery and equipment that is located in Ohio and is used for manufacturing. The company shall receive a 7.5% tax credit on machinery and equipment investments. A tax credit of 13.5% is available to companies making investments in designated areas, which are listed below and are reviewed annually and subject to change. The manufacturing machinery and equipment tax credit would be divided equally over 7 years, and the company is permitted to carry forward any unused tax credit amount for up to three years. All eligible equipment must be set in operation by December 31, 1999.

The following counties are designated either “distressed,” “labor surplus,” “inner city stress,” or “situational distressed” areas in which companies located in these areas are eligible for both the Manufacturers Investment Tax Credit and the Brownfield Site Cleanup Tax Credit (see below):

- Mercer
- Ashtabula
- Guernsey
- Perry
- Athens
- Galla
- Allen
- Jefferson
- Belmont
- Morgan
- Pike
- Adams
- Ottawa
- Harrison
- Noble
- Hocking
- Jackson
- Scioto
- Huron
- Belmont
- Monroe
- Vinton
- Meigs
- Lawrence

The following cities are also designated areas:

- Toledo
- Akron
- Alliance
- Zanesville
- Hamilton
- Union City
- Sandusky
- Warren
- Canton
- Columbus
- Lockland
- Lorain
- Youngstown
- Mansfield
- Springfield
- Norwood
- Cleveland
- Cambell
- Marion
- Dayton
- Cincinnati



*For more information on this program, contact:*

**Ohio Department of Development**

Office of Tax Incentives

Phone: (614) 466-4551

## ***Manufacturing Machinery and Equipment Investment Tax Credit***

Ohio offers a non-refundable corporate franchise and State income tax credit for the purchase of new manufacturing machinery and equipment that companies' locate in Ohio and use for manufacturing. The one-time credit is 20% (up to \$500,000) of the cost of purchasing the new eligible machinery and equipment. The new cumulative investment must equal or exceed 20% of the aggregate cost of all tangible personal property located in the United States and owned by the taxpayer or partners of the taxpayer, at the close of the taxpayer's most recent taxable year. A three-year carry forward for unused portions of the credit is allowable. Eligible machinery and equipment is defined as new equipment purchases, the original use of which is in Ohio.



*For more information on this program, contact:*

**Office of Business Development at ODOD**

*Phone:* (614) 466-4551

## ***Brownfield Site Cleanup Tax Incentives***

Brownfield sites are often in very attractive locations. Remediation of environmental problems can bring the sites back into productive use. One initiative proposes a tax credit for a company that cleans a brownfield site and commits to reusing the site for economic development. The credit would apply against the corporate franchise or personal income tax. The credit amounts to 10% of the cleanup cost, with certain ceilings, annually for five years. Eligible activities include environmental studies, site remediation, and asbestos removal. Another measure proposes a grant program to support local efforts toward brownfield site cleanup and reuse in distressed counties and municipalities. These designated areas are identical to the ones eligible for Manufactures Investment Tax Credit (see above).



*For more information on this program, contact:*

**Ohio Department of Development**

Office of Tax Incentives

*Phone:* (614) 466-4551

## ***Research and Development Tax Credit***

Ohio offers a sales tax exemption for machinery and equipment used in research and development. The exemption applies only to equipment, and the equipment must be used in qualified research and development activities. Qualified research includes “pure” research (i.e., scientific or technological inquiry and experimentation in the physical sciences) and “directed” research (i.e., research conducted to design, create, or formulate new or better products, equipment, or manufacturing processes).



*For more information on this program, contact:*

**ODOD’s Technology Division**

*Phone:* (614) 466-3086

*Or*

**Ohio Department of Taxation’s Sales and Use Tax Division**

*Phone:* (614) 466-4810

## ***Ohio Export Tax Credit***

The Ohio Export Tax Credit is a non-refundable franchise tax credit for corporate or individual taxpayers who increase export sales, if they also increase either Ohio payroll or Ohio capital expenditures. The credit is based on the average increase in export sales during the two years prior to the year in which the credit is claimed. Export sales are defined as those sales that qualify for special Foreign Sales Corporation (FSC) Federal tax treatment. Generally, a business is able to claim a 10% credit of pre-tax profit from increase in export sales, as long as either Ohio payroll or property values increased by 10% over the previous 3 years. If increase is less than 10%, the credit is proportionately reduced.



*For more information on this program, contact:*

**Governor’s Export Initiative**

Special Projects Manager

*Phone:* (614) 466-5017

*Or*

**Ohio Department of Taxation**

*Phone:* (614) 846-6712 or (614) 433-7617

## ***The Integrated Manufacturing Assessment Loan Program***

The Integrated Manufacturing Assessment Loan Program will provide six or more manufacturers in Ohio with loans of up to \$40,000 to pay for integrated manufacturing assessments that can help create jobs and preserve profitability. Under a pilot program offered through the Ohio Department of Development, loans will be issued at two-thirds of the current prime interest rate, and require limited principal payments during the first 18 months of the two-year loan.

The program will assist Ohio manufacturers to improve productivity, increase efficiency of energy use, and minimize waste. Under contract with the Ohio Department of Development, IAMS administers the loan program in partnership with service providers throughout the state. Consultants who qualify as service providers are trained to identify improvements that have immediate financial impact, and to implement improvement projects that should generate 100% payback in 12 months or less.

To apply, a company needs to complete a one-page application and supply two years of financial information. Applicants will be evaluated based on their creditworthiness as evidenced by their financial strength and ability to fully repay the loan. Program administrators seek both manufacturers interested in the assistance, and qualified service providers who can deliver a package of process enhancements, waste reductions, and energy efficiency improvements.



*For more information on this program, contact:*

**The Ohio Department of Development**

Office of Energy Efficiency

*Phone:* (614) 466-6797

**The Institute of Advanced Manufacturing Sciences**

Amby Leach

*Phone:* (513) 948-2051

## Ohio



### Technical Assistance Programs for Manufacturers

#### ***Small Business Development Center (SBDC) Program***

The Small Business Development Center (SBDC) Program is a management assistance delivery program of the U.S. Small Business Administration, administered in partnership with the Ohio Department of Development (ODOD). SBDCs give free and confidential in-depth counseling, business planning, development, training, and other specialized support services to small businesses through a network of 38 centers throughout Ohio.



*For more information on this program, contact:*

**Small Business Development Center**

*Phone:* (614) 466-2711

#### ***One-Stop Business Permit Center***

The One-Stop Business Center provides comprehensive information on permits required for business start-ups and expansions in the State of Ohio. The Center is a service of the Ohio Small Business Development Center Program. The Center serves as central depository for all State business related forms which can quickly be supplied to the public. It also develops for distribution start-up kits that are tailored for specific types of business. There are more than 270 variations of the kits available.



*For more information on this program, contact:*

**One-Stop Business Permit Center**

*Phone:* (800) 247-4040

## ***Edison Technology Centers***

Edison Technology Centers link industry with academia and Government in partnerships to strengthen industrial competitiveness through technological innovation. Each of the Centers offers capabilities in specific technologies including advanced manufacturing, polymers, materials and processes, welding and materials joining, biotechnology, and environmental. Companies involved in the Edison Technology Center programs benefit from:

- Relationships with world class universities and Federal research facilities, providing State of the art basic and applied research technologies.
- A range of technical services including testing, technology analysis and assessment, training, hotlines, business and economic studies, information database retrieval, pilot plant, and microfactory assistance and computer modeling.
- Networking and services which cover informational needs through frequent seminars, forums and conferences.

There are currently seven Edison Centers:

- Cleveland Advanced Manufacturing Program (CAMP) assists manufacturing companies in becoming more competitive through technology. CAMP's areas of activity include: manufacturing engineering, quality assurance, business systems management, simulation of process, chemical and biochemical sensors, robotics, artificial intelligence applications, and customized education and training for the workplace. (See below)
- Edison Industrial Systems Center's (EISC's) goal is to boost manufacturing competitiveness by putting technology to work on the factory floor. EISC can be contacted by calling (419) 531-8610.
- Edison Materials Technology Center (EMTC) helps industry become more competitive through the application of materials and materials processing technology. Technologies including materials such as metals, ceramics, composites and polymers and the unit processes that convert these materials into marketable products, such as casting, forging, heat treating, machining, coating, and finishing. For information call the EMTEC at (513) 259-1365.
- Edison Polymer Innovation Corporation (EPIC) provides technical resources to help polymer related companies grow and prosper. EPIC focus areas include polymer composites, coatings, adhesives and sealants, polymer blends and alloys, polymer processing, and rubber and elastomers. EPIC information can be accessed toll free at (800) 257-EPIC or (330) 668-9411.
- Edison Welding Institute's (EWI's) goal is to enhance the competitiveness of companies through improved materials joining technology, including welding processes, engineering, materials, quality control, automation, sensors, and controls. For information contact EWI by e-mail at [www.ewi.org](http://www.ewi.org) or call (614) 486-9400.

- Institute of Advanced Manufacturing Sciences' (IAMS') mission is to enhance the competitiveness of companies by accelerating the implementation of technology and improving business practices, drawing upon the resources of industry, academia, and Government. For information IAMS can be e-mailed at [www.iams.org](http://www.iams.org) or phoned at (513) 948-2000.

### ***Cleveland Advanced Manufacturing Program (CAMP)***

The Cleveland Advanced Manufacturing Program (CAMP) is a resource for manufacturers who want to be more productive, competitive and profitable. CAMP specializes in providing manufacturing, engineering, and technical and management assistance to manufacturers. CAMP assists companies to modernize their manufacturing operation and effectively manage their business through improvement projects, assessments, appropriate technology, and electronic commerce.

Since 1989, in a partnership with the National Institute of Standards and Technology (NIST), the Great Lakes Manufacturing Technology Center was established as a CAMP division. Utilizing an in-house staff of experienced engineers, this Center brings a team approach to the needs of small-and mid-sized manufacturing firms. Its capabilities also include the 11,000-square-foot Manufacturing Resource Facility, which supports technology demonstrations, education and training, and specific project work.

CAMP delivers services through five Centers based at Case Western Reserve University, Cleveland State University and Cuyahoga Community College. Through these affiliates — the Advanced Manufacturing Center, Center for Automation and Intelligent Systems Research, Edison Sensor Technology Center, Unified Technologies Center, and the Great Lakes Manufacturing Technology Center — CAMP assists industry in the following areas:

- Improving productivity on the shop floor;
- Integrating control and monitoring systems in the manufacturing process;
- Integrating new technologies in the product development process;
- Improving management of the production process;
- Integrating manufacturing engineering systems and methods;
- Selecting and utilizing CAD/CAM/CAE/CIM;
- Assessing environmental services and compliance;
- Auditing production processes;
- Offering technical and market information services;
- Supplying meeting and teleconference facilities.



*For more information on this program, contact:*

**CAMP**

*Phone:* (216) 432-5300

*Web Site:* [www.camp.org](http://www.camp.org)

## ***Cinergy (Greater Cincinnati)***

Cinergy is an experienced economic development organization with site selection specialists on staff both in Indiana and Ohio. Cinergy helps businesses find the resources they need. As the nation's 13th largest electric utility, Cinergy provides a range of services, competitive rates, technological assistance and energy efficiency assistance to customers. Cinergy offers a wide variety of opportunities for business growth and expansion.

Cinergy's Competitive Edge Program assists industries in the Greater Cincinnati area stay abreast of developments in technology, be globally competitive, and achieve financial success. The four-points to the Competitive Edge Program are as follows:

- Export Assistance;
- Environmental Assistance;
- Energy Assistance;
- Expansion Assistance.



*For more information on Cinergy, contact:*

**Karen Craddock**

Cinergy of Greater Cincinnati

*Phone:* (800) 448-0416

*E-mail:* [kcraddock@cinergy.com](mailto:kcraddock@cinergy.com)

For more information on the Competitive Edge Program, contact:

**Shirley Kruse**

Director, Economic Development

*Phone:* (800) 448-0416 or (513) 287-2595

*E-mail:* [skruse@cinergy.com](mailto:skruse@cinergy.com).

## ***Institute of Advanced Manufacturing Sciences, Inc. (IAMS)***

The Institute of Advanced Manufacturing Sciences (IAMS) is a not-for-profit industrial assistance organization located in Cincinnati, Ohio. IAMS was founded in 1982 as a joint enterprise between industry, Government, and the academic community. The Institute's mission is to enhance the competitiveness of manufacturers and related business by increasing productivity, improving business practices, and accelerating the implementation of technology. One of seven Thomas Edison Technology Centers (*See Ohio State Programs*), the Institute understands competitiveness and how an enhanced manufacturing base can positively impact the entire community. At the IAMS research facility, experienced staff members offer manufacturing direct on-site engineering services, applied research, training programs, and process demonstrations. IAMS engineers and manufacturing experts provide a variety of other services for industry, including:

- Manufacturing Consulting;
- Machining;
- Pollution Prevention;
- Productivity Assessments;
- Energy Efficiency Assessments;
- Waste Reduction Assessments;
- Computer Aided Process Planning Software.



*For more information on this program, contact:*

**Jamie Gherman Seavey**

IAMS

*Phone:* (513) 948-2000



# Financial Assistance Programs for Manufacturers

## *Development Zone Program*

The Development Zone Program can help businesses start up, expand, or relocate to Wisconsin. The Development Zone Program is a tax benefit initiative designed to encourage private investment and to improve both the quality and quantity of employment opportunities. The program has \$21 million in tax benefits available to assist businesses that meet certain requirements and are located or willing to locate in one of Wisconsin's 18 development zones. The 18 development zones have been established for seven years; however up to three one-year extensions may be granted. The zones range from rural areas to large cities.

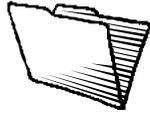
Each community has unique advantages and incentives to offer businesses in conjunction with the development zone tax credits. The State and the local governing bodies of these communities have made a long-term commitment to revitalize their local economies. The long-term development zone plan for each community features the following strategies:

- Improving services;
- Eliminating obstacles to business expansion and development;
- Providing technical assistance;
- Expanding employment opportunities;
- Ensuring the best possible economic future for the community.

The Development Zone Program has something to offer firms of all sizes in a wide variety of industries. Any firm planning a major investment, improvement, or expansion in one of Wisconsin's development zones may be eligible. Credits are available to help businesses with such activities as

- Expanding physical capacity;
- Increasing production volume;
- Developing new manufacturing capability;
- Investing in innovative research and development;
- Expanding employment.

Additionally, jobs and sales tax credits are refundable and, as a result these development zone tax credits, can benefit emerging businesses as well as those with a tax liability. Recommendations for credit allocation are made locally so the program is flexible and can respond to the needs of each zone.



*For more information on this program, contact:*

**Wisconsin Department of Commerce**

Bill Wheeler or Peter Thillman

*Phone:* (608) 267-2045 or (608) 266-375

Or contact the following Development Zones directly:

**Adams-Juneau-Marquette**

Ms. Kitty Daniel

*Phone:* (608) 339-6945

**Beloit**

Mr. Joe Heck

*Phone:* (608) 364-6700

**Eau Claire**

Mr. Mike Statz

*Phone:* (715) 839-4914

**Florence-Forest-Langlade-Lincoln**

Mr. Gary Rogers

*Phone:* (715) 623-3633

**Fond du Lac**

Mr. John Angeli

*Phone:* (414) 929-3311

**Grant-Lafayette**

Mr. Ed Bible

*Phone:* (608) 342-1214

**Green Bay**

Ms. Gail Niedzwiedz

*Phone:* (414) 448-3400

**Iron County**

Ms. Connie Loden

*Phone:* (715) 561-2922

**Janesville**

Mr. Doug Venable

*Phone:* (608) 755-3180

**Lac du Flambeau**

Mr. Emerson Coy

*Phone:* (715) 588-3303

**Manitowoc**

Mr. David Less

*Phone:* (414) 683-4435

**Milwaukee**

Mr. Michael Brodd

*Phone:* (414) 223-5845

**Racine**

Mr. Thomas Wright

*Phone:* (414) 636-9151

**Richland Center**

Ms. Judy Derse Bethke

*Phone:* (608) 647-4310

**Stockbridge-Munsee**

Mr. Bob Chicks

*Phone:* (715) 793-4111

**Sturgeon Bay**

Mr. William Chaudoir

*Phone:* (414) 743-3113

**Superior**

Mr. James Kumbera

*Phone:* (715) 394-0278

**Two Rivers**

Mr. Dan Pawlitzke

*Phone:* (414) 793-5564

## ***Enterprise Development Zone Program***

This program promotes a business start-up or expansion on a particular site in any area of the State that suffers from high unemployment, declining incomes, and property values and other indicators of economic distress. The program pays on performance. Tax credits can be taken only on income generated by business activity in the zone.

The maximum amount of tax credits per zone is \$3 million. Currently there are 28 zones designated throughout the State; however up to 50 sites can be designated for projects that are determined not likely to occur or continue unless a zone is created. A business applies to the Department of Commerce for its approval of an application and project plan including information on job creation, hiring of target group members, and investment. A business in an enterprise development zone is eligible to earn the following tax credits:

- Jobs credit: Equal to 40% of the first \$6,000 in qualified wages for the first and second years of employment of a member of a “target group.”
- Sales tax credit: Equal to the amount of sales tax paid on building materials and equipment.
- Location credit: Equal to 2.5% of the cost of acquiring, constructing, rehabilitating, remodeling or repairing real property.
- Investment credit: Equal to 2.5% of the cost of depreciable tangible personal property.
- Research credit: Equal to 5% of increased expenditures on research.
- Child care credit: Equal to expenses incurred by an employer for child care provided to children of target group members. Up to \$1,200 per year per child for two years.
- Environmental remediation credit: Equal to 7.5% of cost of the remediation of contaminated land.



*For more information on this program, contact:*

**Bill Wheeler**  
Department of Commerce  
Phone: (608) 267-2045

## ***Industrial Revenue Bonds***

Industrial Revenue Bonds (IRBs) are municipal bonds whose proceeds are loaned to private persons or to businesses to finance capital investment projects in manufacturing operations. All Wisconsin municipalities are authorized to issue IRBs. Communities can issue these bonds to retain or recruit a significant business expansion, thereby building their economic base and adding jobs and investment. Maximum loan is \$10 million. Since its establishment in 1969, over 2,300 bonds have been issued with over \$4.5 billion in proceeds and approximately 39,000 jobs generated as a result. IRBs have several attractive features:

- Even though they are municipal bonds, IRBs are not general obligations of the municipality. The municipality is not responsible for debt service, nor is it liable in the case of default. Instead, the person or business for whom the bonds are sold is responsible for paying the principal and interest on the bonds.
- Because IRBs are municipal bonds, they are exempt from Federal income tax, so they bear lower interest rates than do other forms of borrowing.
- The bond proceeds can be used to finance the entire project, including land, buildings, and equipment.
- The terms of the revenue agreement between the municipality, the bond buyer, and the business can be negotiated to conform to the needs of the business.



*For more information on this program, contact:*

**Richard Kottenbeutel**

*Phone:* (608) 266-3074

## ***Major Economic Development Program (MED)***

The Major Economic Development Program (MED) is designed to provide financial assistance for Wisconsin business startups or expansions. The goals of the program are to create or retain a significant number of jobs and to leverage a significant level of private capital investment in the State. Eligible activities include the purchase of land, buildings, equipment, and working capital. Additional consideration will be given to projects having substantial economic impact and public benefit. Funds are available for projects that are unable to secure necessary private capital financing and that are not eligible for one of the several other economic development programs found in the State. The applicant must document that all other avenues of financing have been exhausted before applying to this program. Loans amounts are between \$200,000 to \$500,000.



*For more information on this program, contact:*

**Todd Kearney**

Department of Commerce

*Phone:* (608) 266-6675

## ***Rural Economic Development Program***

The Rural Economic Development Program stimulates the start-up and expansion of small businesses in small communities. Businesses with fewer than 25 employees, located in a county with less than 150 persons per square mile or a municipal unit of 4,000 or less are eligible. The business should be starting or expanding operations. The program provides start-up funds not otherwise available through private lenders. Loan criteria include (1) extent to which the project creates jobs, (2) degree to which project will provide services to the community, (3) whether financing is available elsewhere, and (4) probability of project taking place without the loan. Funds can be used only for planning and managerial assistance. Maximum loan amount is \$30,000.



*For more information on this program, contact:*

**Todd Kearney, Program Manager**

*Phone:* (608) 266-6675

## ***Capital Access Program (CAP)***

The Milwaukee Economic Development Corporation provides a flexible, non-bureaucratic tool to enable banks to fund loans considered too risky for conventional financing. Almost any business enterprise located within the four-county, metropolitan Milwaukee area is eligible for the Capital Access Program (CAP). This program creates a loan loss reserve to help protect banks from loan losses. There is no minimum/maximum loan amount. Due to the program's simplicity, loans as low as \$500 have been made. Typical awarded loans range between \$5,000 and \$25,000. Loans over \$500,000 require prior written consent from the Wisconsin Department of Economic Development. Since CAP was established in June 1992, 270 loans have been issued to Wisconsin businesses totaling approximately \$6 million.



*For more information on this program, contact:*

**Milwaukee Economic Development Corporation**

*Phone:* (414) 286-5843

## ***Northwest Wisconsin Business Development Fund***

The Northwest Wisconsin Business Development Corporation provides loans to promote private sector investment in long-lived assets and to create jobs by addressing capital gaps in the market for long-term debt. The program serves primarily the timber and wood industry as well as manufacturing and tourism industries in Northwestern Wisconsin. Businesses must create one job for every \$5,000 loaned. The fund provides low-interest, fixed-rate subordinated debt for up to 40% of a project.

Loans between \$20,000 and \$50,000 are available. Eligible Wisconsin counties are:

- Ashland
- Bayfield
- Burnett
- Douglas
- Iron
- Price
- Rusk
- Sawyer
- Taylor
- Washburn



*For more information on this program, contact:*

**Northwest Wisconsin Business Development Fund**

*Phone: (715) 635-2197*

### ***Rural Development Loan Funds***

Rural Development Loan Funds encourage investments in Wisconsin that lead to job creation. Two funds, one in Turtle Lake and the other in Clear Lake, provide affordable interest rates and terms with a minimum of “red tape” to expansion and start-up companies. Funds can be used for the purchase of land, buildings, inventory, and working capital. Loans usually range from \$1,000 to \$5,000. Applicants must submit a business plan with financial history and projections.



*For more information on this program, contact:*

**Impact Seven, Inc.**

Rural Development Loan Fund (Turtle Lake)

*Phone: (715) 986-4171*

*Or*

Rural Development Loan Fund (Clear Lake)

*Phone: (715) 263-2532*

### ***Renewable Energy Assistance Program***

Since 1992, the Renewable Energy Assistance Program has encouraged the utilization of renewable fuels in Wisconsin by reducing the capital cost of installation of renewable energy systems. Firms are eligible for assistance if (1) corporate annual sales are less than \$100 million, (2) they produce or use a renewable fuel, and (3) they have a boiler site between 15 to 500 horsepower or produce electricity from a power source between 20 kw and 1,500 kw. Maximum grant available is \$75,000. A 50% match on technical assistance grants and a 70-90% match on equipment installation grants is required. The Wisconsin Energy Bureau provides between 15 to 25 grants per year that totals approximately \$320,000.



*For more information on this program, contact:*

**Wisconsin Department of Administration**

Energy Bureau

*Phone: (608) 266-8234*

## ***Business Development Bond Program***

The Wisconsin Housing and Economic Development Authority (WHEDA) provides below-market, fixed-rate loans to manufacturers for fixed assets via the sale of tax-exempt bonds. Manufacturers with gross sales of \$35 million or less, including parent company, affiliates and all subsidiaries, are eligible to receive low-interest loans for projects which create or retain jobs. Funds can be used for land, building and equipment purchases, but not for the refinancing of existing debt or prior obligations. Typical awarded loans are between \$1 million and \$10 million. In order to apply, a business must obtain a lender's irrevocable letter of credit and meet with WHEDA staff to discuss the project and to obtain an application.



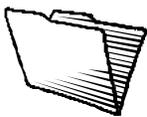
*For more information on this program, contact:*

**WHEDA**

*Phone:* (800) 642-6474

## ***Wisconsin Business Development (WBD) Loan Program***

The Wisconsin Business Development Finance Corporation (WBD), a private, nonprofit development corporation created to serve the long-term credit needs of Wisconsin's small businesses, is certified by the U.S. Small Business Administration as a development company for SBA's 504 and other programs. To be eligible for a fixed, below-rate loan, an applicant must be a for-profit business with under a \$7.5 million net worth and an average net after-tax profit of under \$2.5 million for the previous two years. The amount of WBD participation may not exceed 40% or a maximum of \$1 million of the cost of the project. At least half of the funding must come from non-Federal sources. Applicant pays roughly 3% of the debenture plus \$2,500 legal fees. Funds can be used for the acquisition of land, buildings, and equipment. The WBD can also assist in securing financing through other SBA loan programs, including SBA 7(a) loans. Additionally, the WBD can work with other sources of financing such as the Wisconsin Department of Commerce and the Wisconsin Housing and Economic Development Authority (WHEDA).



*For more information on this program, contact:*

**Wisconsin Business Development Finance Corporation**

*Phone:* (608) 258-8830

## ***Other Financial Resources Available to Wisconsin Businesses***

The Wisconsin Department of Commerce has a broad range of financial assistance programs to help businesses and communities undertake economic development. For more information, businesses and communities can call 800/HELP-BUSINESS.

- **The Employee Ownership Assistance Loan Program** can help a group of employees purchase a business by providing individual awards up to \$25,000 for feasibility studies or professional assistance. The business under consideration must have closed or suffered substantial layoffs within one year prior to the group's application. For more information contact Mr. John Stricker at (608) 267-0774.
- **The Minority Business Development Fund** can provide financial support for early business planning or stimulate acquisition or expansion of an existing business. Projects may require matching funds. To qualify for the fund, a business must be 51% controlled, owned, and actively managed by minority group members, and its project must retain or increase employment. For more information contact Mr. Robert Wynn at (608) 266-8380.
- **The WDF Customized Labor Training Fund** provides training grants to businesses that are implementing new technology or production processes. The program can provide up to 50% of the cost of customized training that is unavailable from the Wisconsin Technical College System. For more information contact Ms. Jinny Williams at (608) 266-2766.
- **The WDF Technology Development Fund** helps businesses or business academic consortia finance Phase I product development research. Firms completing Phase I projects can receive Phase II product commercialization funding. For more information contact Mr. John Stricker at (608) 267-0774.
- **The Wisconsin SBIR Bridge Financing Program** can provide up to \$40,000 to help SBIR Phase I winners maintain their research operations while awaiting Phase II Federal funding decisions. For more information call (608) 267-0775, 266-0241, or 266-2766.
- **The Wisconsin Trade Project Program** can help small export-ready firms participate in international trade shows. The business covers its own travel and lodging expenses. The Department of Commerce can then provide up to \$5,000 in reimbursements to a business to cover costs associated with attending a trade show, such as product brochure translation. For further information contact Mr. Lou Janowski at (608) 266-0393.

## Wisconsin



# Technical Assistance Programs for Manufacturers

## *Area Development Manager Program*

The Area Development Manager Program assists business expansions, promotes business retention and helps local development organizations in their respective territories. Area development managers use their knowledge of Federal, State and regional resources to provide a variety of information to expanding or relocating firms. They also mobilize resources to help struggling businesses. Local economic development practitioners can turn to area development managers for assistance with long-term marketing and planning strategies.



*For more information on this program, contact:*

**Roger Nacker**

Bureau Director

*Phone:* (608) 266-1386

Or contact an Area Development Manager by region:

- **Region 1 (Northwest):** Marty Ambros at (715) 836-2630
- **Region 2 (North Central):** Mary Jo Carson at (715) 345-5303
- **Region 3 (Green Bay/Northeast):** Dennis Russell at (414) 498-6302
- **Region 4 (Southwest/South Central):** Dan Madden at (608) 267-2250
- **Region 5 (East Central):** Larry Baker at (414) 238-2227
- **Region 6 (Milwaukee/Southeast):** Vic Grassman at (608) 266-0563
- **Region 7 (Central):** Kathy Heady at (608) 266-4499

## **Wisconsin Energy Bureau**

The Wisconsin Energy Bureau, created in 1973, administers Federal energy conservation funds (see above) and develops and coordinates emergency energy policies and programs. Analysts maintain up-to-date information on availability, use, prices, and regulatory issues for oil, gas, coal, renewable energy resources, and energy efficiency techniques. The Energy Bureau also houses the State Energy Information Clearinghouse which responds to thousands of public requests for information each year.

Financial support for the Energy Bureau's efforts comes from both Federal and State sources. The bureau administers Federal energy conservation funds provided to Wisconsin through the State Energy Conservation Plan (SECP), the Wisconsin Energy Initiative 2 and the Midwest Biomass Program. Federal energy funds also enable the bureau to carry out many of its energy research and monitoring functions. Energy efficiency programs funded by oil overcharge repayments are planned and administered by the bureau, the Governor and the U.S. Department of Energy.

The Energy Bureau's Energy Resources Section collects, analyzes and publishes Wisconsin energy use statistics, and develops analytical models to evaluate and forecast energy related trends. Forecasting activities range from evaluating the immediate outlook for petroleum supplies and predicting energy prices, to providing 20-year forecasts of the State's electricity supply requirements. It also is responsible for preparing and implementing contingency plans for energy emergencies. In addition to data collection and forecasting, the Bureau's Energy Initiatives Section administers a variety of conservation and financial assistance programs for residential, commercial, industrial and institutional energy users in Wisconsin.



*For more information on this program, contact:*

**Wisconsin Energy Bureau**

*Phone:* (608) 266-8234

*E-mail:* [energy@mail.state.wi.us](mailto:energy@mail.state.wi.us)

## **Small Business Clean Air Assistance Program**

The Small Business Clean Air Assistance Program, a joint effort between the Wisconsin Departments of Commerce and Natural Resources, helps smaller businesses understand and comply with Clean Air Act regulations. Businesses that are independently owned and operate with fewer than 100 employees may qualify for free assistance. A program representative can help with compliance information, fact sheets or rule summaries, air permitting explanations, or technical assistance.



*For more information on this program, contact:*

**Pam Christenson**

Department of Commerce

*or*

Department of Natural Resources

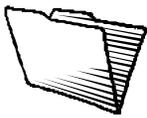
*Phone:* (608) 267-9214

*Phone:* (608) 267-3136

## ***SBIR Proposal Review Service***

The Small Business Innovation Research (SBIR) Program is one of the most important sources of Federal grants for small technology companies. The grants are offered by 11 Federal agencies. Since 1983, State firms have received 215 awards totaling \$43.6 million. The Department of Commerce offers an SBIR Proposal Review Service to help small firms successfully apply for this program. Peer reviewers review the proposal and provide comments. To take advantage of this service, an applicant should contact the Technology Clearinghouse at 1-800 TECH-LINE, where he/she will be directed to send the firm's application to the Technology Clearinghouse Coordinator. The coordinator will:

- Find appropriate reviewers and determine their availability to assess and comment on your proposal.
- Send your application to the reviewers.
- Return reviewed application and comments to the firm.



*For more information on these resources, contact:*

**Technology Clearinghouse**

*Phone:* (800) TECH-LINE (832-4546)

## ***Small Business Ombudsman***

Wisconsin's Small Business Ombudsman assists business owners with specific complaints about State laws, administrative rules or agency interpretations; provides information and referrals on special programs. The Ombudsman also monitors the progress of legislation and rules and acts as a small business advocate; conducts training and organizes local networks to encourage entrepreneurship; and administers Wisconsin's Regulatory Flexibility Act, which provides for special consideration of small businesses in State administrative rules.



*For more information on these resources, contact:*

**Cheryl Gain**

Department of Commerce

*Phone:* (608) 267-9384

## **Small Business Development Centers (SBDC)**

For small business counseling and management education, contact the following Small Business Development Centers (SBDC):

**University of Wisconsin  
(UW) Extension**

**Administrative Unit**

432 N. Lake St., #425

Madison, WI 53706

Phone: (608) 263-7766

**UW Eau Claire**

Phone: (715) 836-5811

**UW Green Bay**

Phone: (414) 465-2089

**UW LaCrosse**

Phone: (608) 785-8782

**UW Madison**

Phone: (608) 263-7680

**UW Milwaukee**

Phone: (414) 227-3240

**UW Oshkosh**

Phone: (414) 424-1453

**UW Parkside**

Phone: (414) 595-2189

**UW Stevens Point**

Phone: (715) 346-2004

**UW Superior**

Phone: (715) 394-8351

**UW Whitewater**

Phone: (414) 472-3217

For special SBDC Services for such as evaluation of commercial feasibility of new product ideas or inventions, contact:

**Center for Innovation and Development**

UW Stout (at Menomonie)

Phone: (715) 232-5026

**Wisconsin Innovation Service Center**

Preliminary evaluation of incentives

UW Whitewater

Phone: (414) 472-1365

## **Other Technical Assistance Programs**

Wisconsin offers many technical assistance programs to both small and medium-size businesses seeking to expand opportunities or to comply with various State and Federal laws and regulations. For information on State permits or licenses, available buildings and sites, labor availability, taxes, finance sources and resolution of regulatory problems, contact the Department of Commerce at (800) HELP-BUSINESS or (608) 266-1018, or contact the following agencies and programs:

- **The Business Development Initiative Program** offers technical help and grants to startup and expanding firms owned by or hire persons with disabilities. For more information contact Mr. Dale Versteegen at (414) 227-4061.
- **The Small Business Assistance Office** provides management assistance to small businesses, particularly first-time entrepreneurs. The office furnishes information on government regulations and financing alternatives, and refers businesses to appropriate resources. For more information call (800) HELP-BUSINESS

- **The Manufacturing Assessment Center** helps small and medium manufacturers improve quality and productivity through professional assessment of operations, systems, and layouts. The center maintains a list of related seminars available throughout the country, and can arrange plant tours of leading-edge manufacturers in the State. For more information contact Mr. Karl Arps, P.E., (608) 266-0165.
- **The Permit Information Center** manages regulatory and permit clearance for economic development projects. It informs companies of all sizes about permit processes and deadlines. The center speeds up the issuance of permits, and resolves delays and communication problems. For more information contact Mr. Jim Holahan at (608) 267-0297.
- **The Women's Business Services Program** helps women entrepreneurs start or expand their businesses, and improve their business operations. It identifies accessible sources of financing for these firms, and also assists in business planning, financial projections, and cash-flow-statement preparation. For more information contact the Women's Business Services at (800) 435-7287.
- **The Technology Clearinghouse** (1-800-TECH LINE) provides technical assistance, referrals, and information to technology-based businesses for State, university, private and Federal technology programs. As part of its clearinghouse efforts, the Department sponsors conferences and workshops to assist technology-based businesses. For more information contact Mr. Louie Rech, (608) 267-9382.

### ***International Development Programs***

Companies that want to learn how to begin or expand their export efforts can call the Export Hotline at (800) XPORT-WI. International Offices are located in Frankfurt, Hong Kong, Mexico City, Seoul, Tokyo, and Toronto. Participating in a variety of promotional activities, such as trade shows and Wisconsin product exhibits, the offices forward trade leads and set up business meetings between State firms and potential clients.

- Export Consultants can visit a company and discuss the mechanics of exporting. For more information contact Mr. Jim Arndt in the DePere Office at (414) 403-1333, Mr. Lou Janowski in the Middleton Office at (608) 831-9456, or Ms. Mary Lynn Murtaugh in the Waukesha Office at (414) 691-5147.
- Publications offered by the Department on international trade include the Wisconsin Directory of Foreign Investments, Wisconsin Exporters Directory, and Wisconsin International Trade Handbook. Export statistics and trade data are also available. For more information contact Mr. Stanley Pfrang at (608) 267-0639.
- Trade Shows and Trade Missions showcase Wisconsin firms and products to prospective international clients. The Department sponsors a Wisconsin-products booth at approximately 12 international trade fairs per year, and also arranges trade and reverse investment missions abroad, many of them led by the Governor. For more information contact Ms. Jane Hatleberg at (608) 267-9227.

