



Reshoring Institute



WISCONSIN

State Economic Survey and Incentive Comparison

CONTACT INFORMATION

This section will aid manufacturers in identifying helpful contact information during consideration of your state for relocation.

Your Name: Kristie Pulvermacher

Your Phone Number: (608) 210-6827

Your Email Address: kristie.pulvermacher@wedc.org

US State Name: Wisconsin

State Abbreviation: WI

State Economic Development Web Address: InWisconsin.com

State Economic Development Email Address: dobusiness@inwisconsin.com

State Economic Development Phone Number: 855-INWIBIZ

Additional Relevant Links for Relocating Companies:

INCOME AND OUTPUT

This section highlights your state's productivity and income to provide an understanding of the amount of business conducted and the rate of growth for businesses and individuals.

Gross Domestic Product, in millions: \$284,203,126,679

Gross Domestic Product % Growth: 4.9%

Per Capita Personal Income (*GDP/Population) This is often used as a standard of living measurement: \$49,487.74

Per Capita Personal Income % Change: 4.7%

WORKFORCE

This section gives manufacturers an idea of the industry's environment in your state, including the makeup of the available workforce, the labor requirements, and recent trends.

Total Population: 5,797,200

Total Civilian Labor Force: 3,095,376

Total Number of Persons Employed: 2,952,797

Total Number of Persons Unemployed: 142,579

Unemployment Rate %: 4.6%

Manufacturing Employment: 472,956

Professional and Business Services Employment: 120,194

State Right-to-Work Law Y/N: Y

Large Factory Openings during Previous year:

Large Factory Closures during Previous year:

EDUCATION

This section provides further insight into the potential workforce education levels, advanced areas of education, and partnerships between higher education and industry for insight into quality of labor force and growth sustainability.

% High School Diploma or More: 90.1%

% Bachelor's Degree or Higher: 26.9%

Enrollment in Higher Education Institutions: 89,251

Science and Engineering Graduate Students: 2,913

List of High school, College, or University Manufacturing Partnership Programs *These are partnerships with manufacturers to help train future employees in certain skills:* Contact Wisconsin Manufacturing Extension Partnership – 2601 Crossroads Drive, Suite 145, Madison, WI 53718 (877) 856-8588

List of Additional Manufacturing Training Programs: Contact Wisconsin Manufacturing Extension Partnership – 2601 Crossroads Drive, Suite 145, Madison, WI 53718 (877) 856-8588

List of Future Planned Manufacturing Training Programs *If known please include expected implementation date:* Contact Wisconsin Manufacturing Extension Partnership – 2601 Crossroads Drive, Suite 145, Madison, WI 53718 (877) 856-8588

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COST OF DOING BUSINESS

This section highlights the costs associated with doing business in your state including taxes, wages, insurance, and energy expenses.

State Corporate Income Tax %: 7.9 but the Manufacturing and Agriculture Tax Credit may apply to businesses of those industries and offset the corporate tax rate, to a possible 0.4% in 2016 and beyond.

State Individual Income Tax %: 4.40-7.65

State Level Sales Tax %: 5

State Use Tax: 5%-6.75% depending on county

Unemployment Insurance Tax % (estimate): 1.92

Additional Relevant Taxes:

Workers' Compensation Employer Insurance Costs per \$100 of Payroll: \$14,000

Average Industrial Electric Rate: 7.04 Cents per Kilowatthour

Average Price of Natural Gas Delivered to Industrial Consumers: 5.75 Dollars per Thousand Cubic Feet

Average Hourly Earnings of Production Workers in Manufacturing: \$16.39

Minimum Wage (current): \$7.25

Pending Legislation Regarding Minimum Wage: NA

If you answered YES to the above question, What is the proposed minimum wage?:

If you answered YES to the above question, What is the legislative bill number?:

ENTREPRENEURSHIP AND INNOVATION

This section underscores the successes of your state in terms of business innovation through awards, venture capital, and intellectual property attainment.

Total Small Business Innovation Research (SBIR) Awards *Found at:* https://www.sbir.gov/reports/state-summary?year=2016&program_tid=105791: do these

Total Small Business Technology Transfer (STTR) Awards *Found at:* https://www.sbir.gov/reports/state-summary?year=2016&program_tid=105792:

Venture Capital Deals, in millions: \$209,479,099

% of State with Internet Accessibility: As June 2014, 91.4% of Wisconsin's population had access to a wired option of at least 10 Mbps. This is data that populates the National Broadband Map.

Newly Registered Businesses: 8025 (2014)

Newly Registered Patents: 2039 (2015)

FOREIGN DIRECT INVESTMENT

This section provides insight into the amount of current investment overseas and the potential state market for manufacturers to reshore.

Foreign Direct Announcements: 47

Foreign Direct Employment: 3,202

Foreign Direct Investment, in millions: 1,168.50

TRANSPORTATION AND INFRASTRUCTURE

This section sheds light on the basic infrastructure of your state and what a company can expect in terms of the logistics of shipping their product.

Number of major 2 or 4-Lane Highways running through state: I94, I90, I41, I43, Hwy 39, Hwy 29, Hwy 10, Hwy 18, Hwy 12, Hwy 14, Hwy 151,

Number of major railways going through state: 10 – Burlington Northern-Santa Fe, Canadian National, Canadian Pacific, Escanaba & Lake Superior, East Troy Railroad, Progressive Rail, Tomahawk Railway, Union Pacific, Wisconsin Great Northern, and Wisconsin & Southern Railroad

Number of major ports connected to state: 7 – Milwaukee, Manitowoc, Green Bay, Marinette, Superior-Duluth, La Crosse, and Prairie du Chien

Number of airports throughout state: 8 Commercial Service airports and 90 diverse general aviation public-use airports

Number of International airports throughout state: 4 -Dane County Regional Airport, Austin Straubel international Airport, General Mitchell International Airport, and Appleton International Airport

Number of distribution centers:

Number of foreign trade zones: 3 – FTZ #41 Milwaukee, FTZ #167 Brown County and FTZ #266 Dane County

INCENTIVES

Different states offer different incentives to entice companies to move to their state. This section will allow you to highlight these incentives.

Pending Legislation

Proposed Incentives Currently Pending Approval (Y/N): No

If you answered YES above, Please describe the pending incentives including the bill number if applicable:

Cash Incentives

Does your state provide any CASH incentives? (Y/N): No

If you answered YES above, Please provide details of this incentive including the contact information and website if applicable:

State Tax Credits

Does your state provide any Tax Credit incentives? (Y/N): Y

If you answered YES above, Please describe the available tax credits:

The state of Wisconsin offers refundable tax credits. Tax credits are determined based on new jobs brought to the state and the capital expenditures of the project. The Business Development Tax Credit has roughly \$18,000,000 for 2016 and \$22,000,000 available in 2017.

The state also has Enterprise Zones. Enterprise Zone projects receive refundable tax credits. The amount of tax credits for an Enterprise Zone project is determined by new jobs, capital expenditures, workforce training, and supply chain utilization. The state has 10 available Enterprise Zone designations in 2016; 2 of which are allocated for low population communities (<5,000 population)

Manufacture and Agriculture Tax Credit: The Manufacture and Agriculture Tax Credit was fully phased in in 2016. Companies identified as a manufacture or agriculture based company received a 7.5% tax credit on their corporate income tax. The state of Wisconsin has a 7.9% corporate income tax. This tax credit reduces the corporate income tax to 0.4% in perpetuity. Existing companies and new companies are eligible for this credit.

Development Zones: The state of Wisconsin has two Development Zones; the City of Kenosha and Rock County. Projects in these territories are eligible for non-refundable tax credits.

State Tax Exemptions

Does your state provide any Tax Exemptions? (Y/N): Y

If you answered YES above, Please describe the available tax exemptions:

The state of Wisconsin does not require companies to pay property tax on manufacturing equipment or data servers.

The state of Wisconsin does not require companies to pay sales tax on manufacturing equipment purchases.

State Grants

Does your state provide any Grant incentives? (Y/N): Yes

If you answered YES above, Please describe the available grants:

The state of Wisconsin offers a variety of grants. The state has a small \$1,000,000 grant fund for workforce development and training.

The state also has a wide range of community development grants. The state offers a community development initiative grant to help with catalytic projects in communities. These grants max out at \$250,000 per project.

The state also has brownfield development grants to help communities redevelop contaminated sites and buildings.

Capacity Building Grants: Capacity Grants are a competitive grant process that are awarded to communities who create new processes or programs that build economic capacity in their community and are able to be duplicated by other communities in the future.

FAB Labs Grant: The state allocated funds in 2016 to help create FAB Labs in local schools to help educate and promote innovation, entrepreneurs, and manufacturing in the state's youth.

State Loans

Does your state provide any Low-Interest Financing incentives? (Y/N): Yes

If you answered YES above, Please describe the available financing opportunities:

The state's Business Opportunity Loan Fund is a low interest revolving loan fund that offers projects gap financing.

Training Programs

Does your state provide any Specialized Training Program incentives? (Y/N): Yes

If you answered YES above, Please describe the available training programs:

The state has a \$1,000,000 workforce development/ training grant fund.

The Wisconsin Fast Forward Program provides reimbursement grants to assist Wisconsin employers and their partners with customized skills training to fill current job openings and ongoing skill requirements.

Zoning

Does your state provide any Special Zoning incentives? (Y/N): No

If you answered YES above, Please describe the available special zoning opportunities:

State Marketing and Promotions

Does your state provide any Marketing and Promotional incentives? (Y/N): Yes

If you answered YES above, Please describe the available special marketing or promotional opportunities:

INTERNATIONAL MARKET ACCESS GRANT (IMAG)—Wisconsin companies can be reimbursed for specific expenses associated with executing their new and/or expanded international market access strategies.

COLLABORATIVE MARKET ACCESS GRANT (CMAG)—This program is designed to help industry associations, alliances, agencies, nonprofits, regional economic development organizations or other state/local departments located in Wisconsin to work with Wisconsin companies to increase exports. This grant provides pass-through reimbursed funds.

Innovation Centers

Does your state have Innovation Centers or Additional Resource available for companies? (Y/N): Yes

If you answered YES above, Please describe the available innovation centers or additional resources:

WEDC's Targeted Industry Projects Program advances targeted, high growth business clusters to develop high quality jobs and significant job growth in Wisconsin. Eligible participating organizations include industry alliances and consortia and public institutional entities. Typically, qualifying recipients may receive financial grants ranging from \$500,000 up to \$1 million, depending upon the scope of the project, participating co-investment, relevance to industry competitiveness and job-growth potential.

Establishing industry "centers of excellence" is a powerful deployment of Targeted Industry Project Grants. Centers of excellence serve as cluster "anchors" around which educational R&D; corporate R&D and commercialization; external investment; and company attraction (domestic and international) connections are made. These networks serve to propel company growth, job creation, new product development, federal and foundation awards, state marketing and promotion, talent attraction, and workforce development and retention.

WEDC's targeted industry support also includes additional investments in seed accelerator programs located within the centers of excellence we've helped fund. The BREW (water technology); FabCap (food and beverage) and WERC Bench Labs (energy) are all successful seed accelerator programs that have helped to inspire Scalerator in Milwaukee.

Such directed organization of an industry ecosystem gives Wisconsin a competitive differentiation. Examples of successful WEDC investments in industry centers of excellence through its Targeted Industry Projects Grant Program include the following:

Global Water Center

WEDC invested \$750,000 to underwrite startup water technology companies' tenancy costs in the Global Water Center in Milwaukee in 2013. This seed investment helped spur interest in redevelopment of what has become known as Milwaukee's Water Technology Development district, which encompasses parts of the Walker's Point, Fifth Ward and Harbor District neighborhoods. The District has attracted more than \$211 million worth of redevelopment between 2010 and 2015, including The Water Council's Water Tech One and UW-Milwaukee's School of Freshwater Sciences' Freshwater Plaza. Since its inception, the District has also spurred redevelopment in a previously economically dormant section of the city, bringing in new anchor tenants, as well as retail and housing projects. The success of the cluster also caught the eye of top economic analysts at MIT and Harvard, who announced the launch of a study dedicated to understanding the cluster's success for use in modeling in other cities. The District solidifies Wisconsin's leadership in the water technology sector—providing a hub for more companies to collaborate to solve the world's water issues.

Milwaukee and Wisconsin have been cited by Michael Porter (the guru of cluster development strategy) as being best-in-class with its water technology development, and our leadership in this area is widely recognized globally as one of the most successful examples of such a strategy anywhere. The Water Council was recently named the winner of CoreNet Global's 2016 Economic Development Leadership award for 'Water Technology Cluster Leadership.' CoreNet Global's Economic Development Leadership award celebrates the successful implementation of innovative, economically promising projects in a community or region. The Water Council will receive the award for our 'Water Technology Cluster Leadership' on October 18 in Philadelphia, PA, during CoreNet's Global Summit – Americas.

Energy Innovation Center

In 2014, WEDC awarded M-WERC more than \$850,000 in grants to support the establishment of the Energy Innovation Center. The center is housed in the Century City Tower at 4201 N. 27th St. in Milwaukee (formerly Eaton Corp.). Its mission is to affirm and leverage the Midwest's standing as a global hub for the industry by providing a collaborative space designed to attract, grow and develop companies. It brings together industry and academic scientists, engineers and business leaders to conduct joint research, jump-start innovative technologies, transition prototype products to the commercial stage, and nurture startup companies. By developing an environment where entrepreneurs are paired with research institutions and mature businesses, the organization has created an environment designed to foster innovation.

Starting Block

WEDC has committed \$750,000 to the development of an Advanced Application Development, Software Engineering and Cybersecurity center of excellence to be sited within the Starting Block development on East Washington Avenue in Madison. The physical location designed to spur collaboration between regional IT groups specifically within healthcare, gaming and advanced manufacturing is already generating additional development interest. Starting Block will be at near capacity due to claimed tenant space by the time it opens its doors.

WEDC's FY17 Proposed budget includes plans to incent additional centers of excellence in the following industry sectors: Aerospace and Aviation (Milwaukee); Advanced Composites (location to be determined); and Food and Beverage (Milwaukee).

The state has a variety of incubators and FAB Labs throughout the state. The state also partnered with several local businesses in the creation of the Global Water Center. This facility houses an incubator for water technology companies called BREW. This businesses have direct access to major companies in the water industry, including senior level management.

The state also has an innovation center focused on aerospace.

REGIONAL INFORMATION

Many states have "regions" that specialize in certain industries such as automotive in Detroit or high tech in Silicon Valley. This section is to help you highlight these regions. If your state doesn't have any special regions please skip this page.

Please note that a "region" could be an area, county, city etc...

Region One

Name of Region (This can include nicknames such as Silicon Valley):

Does this region have a designated web site? (Y/N):

If you answered YES to the question above, What is the website:

Geographic Location Information (For example, Silicon Valley spans several major cities including San Jose, Cupertino and Palo Alto):

What industry or industries are prominent in this region?

- Aerospace
- Apparel
- Appliances
- Automotive
- Biomedical
- Building Materials and Equipment
- Computer and Electronic Products
- Distribution Centers
- Food or Beverage
- Furniture
- Machinery and Capital Equipment
- Paper
- Plastics
- Telecom
- Toys or Children's Products
- Warehousing
- Other:

What are some unique aspects of this region? *Could include information about transportation, education, weather etc...:*

Are there any special programs or incentives for companies wanting to move to this region? (Y/N):

If you answer YES to the question above, Please list the programs or incentives for this region if not already mentioned in the Incentives section:

Does this region offer site selection assistance? (Y/N) *Please describe programs and resources:*

If you answer YES to the question above, Please list the contact information for the site selection assistance:

Is there any extraordinary information that you would like to add about this region?

Region Two

Name of Region (This can include nicknames such as Silicon Valley):

Does this region have a designated web site? (Y/N):

If you answered YES to the question above, What is the website:

Geographic Location Information (For example, Silicon Valley spans several major cities including San Jose, Cupertino and Palo Alto):

What industry or industries are prominent in this region?

- Aerospace
- Apparel
- Appliances
- Automotive
- Biomedical
- Building Materials and Equipment
- Computer and Electronic Products
- Distribution Centers
- Food or Beverage
- Furniture
- Machinery and Capital Equipment
- Paper
- Plastics
- Telecom
- Toys or Children's Products
- Warehousing
- Other:

What are some unique aspects of this region? *Could include information about transportation, education, weather etc...:*

Are there any special programs or incentives for companies wanting to move to this region? (Y/N):

If you answer YES to the question above, Please list the programs or incentives for this region if not already mentioned in the Incentives section:

Does this region offer site selection assistance? (Y/N) *Please describe programs and resources:*

If you answer YES to the question above, Please list the contact information for the site selection assistance:

Is there any extraordinary information that you would like to add about this region?

Region Three

Name of Region (This can include nicknames such as Silicon Valley):

Does this region have a designated web site? (Y/N):

If you answered YES to the question above, What is the website:

Geographic Location Information (For example, Silicon Valley spans several major cities including San Jose, Cupertino and Palo Alto):

What industry or industries are prominent in this region?

- Aerospace
- Apparel
- Appliances
- Automotive
- Biomedical
- Building Materials and Equipment
- Computer and Electronic Products
- Distribution Centers
- Food or Beverage
- Furniture
- Machinery and Capital Equipment
- Paper
- Plastics
- Telecom
- Toys or Children's Products
- Warehousing
- Other:

What are some unique aspects of this region? *Could include information about transportation, education, weather etc...:*

Are there any special programs or incentives for companies wanting to move to this region? (Y/N):

If you answer YES to the question above, Please list the programs or incentives for this region if not already mentioned in the Incentives section:

Does this region offer site selection assistance? (Y/N) *Please describe programs and resources:*

If you answer YES to the question above, Please list the contact information for the site selection assistance:

Is there any extraordinary information that you would like to add about this region?

AMERICAN MADE LABEL REQUIREMENTS

Federal Trade Commission oversees "Truth in Advertising" regulations including promotion or disclosure of products displaying "Made in USA" labeling. FTC requires products advertised as "Made in USA" be "all or virtually all" made in the U.S. "all or virtually all" means the product should contain no – or negligible – foreign content.

Made In USA Requirements

Does your state have any specific requirements for labeling products "Made in USA"? (Y/N): N

If you answered YES to the question above, What are the requirements for labeling products "Made in USA":

Is there pending legislation regarding these requirements? (Y/N): N

If you answered YES to the question above, Please describe the proposed legislation including the bill number:

Made In YOUR STATE Requirements

Does your state have any specific requirements for labeling products "Made in YOUR STATE"? (Y/N): Y

If you answered YES to the question above, What are the requirements for labeling products "Made in YOUR STATE":

MADE IN WISCONSIN OR PRODUCED IN WISCONSIN

To use any WEDC certification mark that contains the statement “Made In Wisconsin” or “Produced In Wisconsin,” all or virtually all of significant parts, ingredients and processing that go into the product must be of Wisconsin origin. In other words, your product should contain no — or negligible — non-Wisconsin content.

If you do not meet this standard, but a significant amount of parts, ingredients or processing is from Wisconsin, then you must qualify the claim. For example, you may state: "Made In Wisconsin from U.S. and Foreign Parts."

Because of your particular product or industry, you may be required to use additional or more specific language. Please consult with your legal counsel for any particular specifications that must be included for claims related to your product or situation.

BUILT IN WISCONSIN OR MANUFACTURED IN WISCONSIN

To use any WEDC certification mark that contains the statement “Built In Wisconsin” or “Manufactured In Wisconsin,” the principal assembly of the product must occur in Wisconsin AND the product's last "substantial transformation" must have occurred in Wisconsin.

In addition to meeting the above standard, if the assembly or manufacturing of the product occurs in Wisconsin using non-Wisconsin parts or ingredients, you should also qualify the “Built in Wisconsin” or “Manufactured In Wisconsin” claim. For example, you may say, "Built In Wisconsin from U.S. and Foreign Parts."

Because of your particular product or industry, you may be required to use additional or more specific language. Please consult with your legal counsel for any particular specifications that must be included for claims related to your product or situation.

OTHER WEDC CERTIFICATION MARKS:

The claims made in the other WEDC certification marks, such as "Grown In Wisconsin", "Invented In Wisconsin", "Designed In Wisconsin", "Engineered In Wisconsin" and "Brewed In Wisconsin", may not be expressly regulated by the FTC, but they each require you to be able to substantiate the claim made in the WEDC certification mark.

For example, even if you use the "Designed in Wisconsin" logo, you will likely be required to indicate the country of origin of the product. For example, “Designed In Wisconsin – Made in China.”

Because of your particular product or industry, you may be required to use additional or more specific language. Please consult with your legal counsel for any particular specifications that must be included for claims related to your product or situation.

Is there pending legislation regarding these requirements? (Y/N): N

If you answered YES to the question above, Please describe the proposed legislation including the bill number:

Is there an organization or entity that monitors state labeling? (Y/N): Yes

If you answered YES to the question above, Please provide the name and contact information for the the organization or entity: The Wisconsin Economic Development Corporation, Kelly Lietz, vice President of Marketing (kelly.lietz@wedc.org). See also www.made.inwisconsin.com.

Date of Submission _____

Thank you for your time. Please email your responses to ireed@reshoringinstitute.org and your responses will be recorded and available online for review at www.reshoringinstitute.org.