

January 4, 2022

Cory Mason, Mayor
Members of the Common Council
City of Racine
730 Washington Avenue
Racine, WI 53403

Dear Mayor Mason and Members of the Common Council:

This letter is intended to serve as a letter agreement between the City of Racine, hereinafter referred to as "Racine" and the Racine County Economic Development Corporation (RCEDC). In accordance with this agreement, the RCEDC agrees to continue to provide economic and community development technical assistance to Racine. Such assistance will be coordinated on a day-to-day basis with the Administration and, with regard to policy-related issues coordinated with the Mayor, Department of City Development and Common Council.

PURPOSE

The purpose of the agreement is to further the overall goals of community and economic development by facilitating job growth and investment, resulting in new tax base for Racine, through interagency cooperation and services provided by the RCEDC. In particular, this Agreement will result in the provision of technical assistance relative to Racine's initiative to conduct various development and redevelopment projects in the central business district and its environs.

AGREEMENT

The RCEDC agrees to provide direct economic and community development assistance to Racine in accordance with the objectives promulgated by the Mayor, City Council and Department of City Development. The RCEDC has assigned Laura Million, Deputy Director as the economic development staff person as the lead with direct support provided by Carolyn Engel, Business Finance Manager and Jenny Trick, Executive Director. Ms. Million will act as the City's economic development advocate, in partnership with other RCEDC staff, and will expend best efforts to promote business retention and expansion, business recruitment, talent attraction, community development and business finance resources to support Racine and its companies.

This agreement is broken into three sections. First, RCEDC's 2022 strategic plan focuses efforts to deliver financial and technical resources in the City and throughout Racine County as described in Sections I-IV. Second, RCEDC is responsible to administer the various City of Racine loan programs

(Section V), and third, the City leadership has assigned a number of special projects to RCEDC to complete (Section VI). The RCEDC Board of Directors adopted the 2022 RCEDC Strategic Plan at its December 2021 meeting.

All of the goals have measurable outcomes and are shown in the attached Snapshot document. In addition to the monthly scheduled meetings and ongoing communications, RCEDC will deliver written and if allowed, verbal semi-annual reports to the Mayor, City Council, and Administrator.

I. Business Retention and Expansion

Existing businesses are the primary source of job creation in the local economy. In 2010 RCEDC established a Business Retention & Expansion Call Program to meet one-on-one with business owners throughout Racine County. The primary objective, through one-on-one meetings, is to identify and address the needs of businesses to facilitate growth and expansion that leads to new jobs and capital investment.

In 2022, RCEDC's Business Retention and Expansion activities will:

- a. Engage with Racine County's existing businesses through an active outreach program to support retention and expansion needs. When meeting with local companies, RCEDC staff will provide information on existing State, federal and local economic development resources that may assist the needs of local businesses. These programs include low-interest loans, tax credit programs, grants and workforce development assistance.
- b. Provide business loans and grant programs to meet the needs of Racine County businesses, including an emphasis on supporting DBE companies.
- c. Enhance the likelihood of new "homegrown" success stories by dedicating time and resources to "economic gardening" programs to grow second stage businesses (10-99 employees) through programs such as the CEO Roundtable, Talent Roundtable, and Living as a Leader.
- d. Stabilize and support small business growth by launching the Coaching Council, to support and grow late-first stage and early-second stage (5-40 employees) businesses.

II. Business Recruitment

Racine County is a highly competitive location for production and distribution of goods. Business recruitment activities will leverage Racine County's location in the Chicago-Milwaukee corridor and assets such as connectivity to transportation networks, quality and quantity of water, competitive cost of living and doing business, access to experienced professional economic development staff, and

strong workforce to attract new industrial, residential and commercial development to grow the local tax base and facilitate job creation. In 2022, RCEDC's business recruitment activities will:

- a. Through an active outreach program to real estate professionals, developers and site selectors, position Racine County's assets in a manner to attract new development and investment. These actions may be done independently or in partnership with WEDC and Milwaukee 7.
- b. In partnership with Foxconn and Racine County municipalities, work cooperatively to pursue new development in the Wisconsin Valley Science and Technology Park and other business parks in Racine County.
- c. In support of our local communities, support the recruitment and development of new residential development.
- d. Through the provision and administration of business loans and incentives, support recruitment efforts.
- e. Provide assistance through the development of customized proposals to businesses interested in establishing a location within the City per direct contact or referral from the Mayor or City Leadership. This activity includes providing copies of such proposals, when requested, to the Mayor, City Administrator and Director of City Development, as well as a status report on such businesses as part of this agreement's semi-annual reports, coordinating regular meetings with the Mayor and City Administrator, and maintaining a periodic business follow-up procedure.

III. Talent Attraction

Talent supply is vitally important to any community's long-term competitiveness. RCEDC will continue to market Racine County to individuals seeking employment through the Greater Racine County talent initiative. This marketing initiative was developed as a result of the 2018 Manpower Group study, commissioned by Racine County, which identified a growing gap between supply and demand of talent in several primary industries including healthcare, advanced manufacturing, and STEM related industries.

In 2022, RCEDC's talent attraction activities will:

- a. Increase awareness of Racine County as a prime location to visit, work and live through the Greater Racine County website (www.GreaterRacineCounty.com) and social media. Highlight the breadth of local job opportunities, quality of life, as well as racial, ethnicity and cultural diversity. Seek opportunities for increased funding opportunities to accelerate results and seek opportunities to partner with local employers and residential developers to highlight assets and opportunities.
- b. Partner with local coalition of manufacturers to brand Greater Racine County as a manufacturing hub, resulting in increased awareness of job opportunities in manufacturing and quality of life assets in Racine County with a long-term goal of attracting new manufacturing talent to Racine County.

- c. Promote the Greater Racine County website as the “front door” for talented people considering a relocation to Racine County. Through outreach to local employers and HR professionals, identify near- and long-term workforce needs of primary industries in Racine County. Highlight the breadth of local job opportunities, as well as racial, ethnicity and cultural diversity.
- d. Based on the feedback resulting from outreach initiatives, advise workforce training and educators of the findings.
- e. Working with regional higher education institutions, identify and implement opportunities to engage and retain young talent in Southeast Wisconsin.

IV. Community Development

Quality of place plays a significant role in community and economic development, particularly when it comes to talent attraction and retention. Research shows that community attachment is heavily influenced by factors such as how a place looks and the availability of opportunities and places to socialize. Additionally, many talented and educated workers are increasingly attracted to various types of communities in which they do not have to use a car to access shops, restaurants or even jobs. In 2022, Community Development efforts will include:

- a. In partnership with Racine County Executive, RCEDC will continue to work with local municipalities and partners to identify needs and barriers to encourage community development. Assist municipalities with implementation of special projects that support short and long-term development goals that result in higher tax base, more jobs, and residents.
- b. Tourism is economic development and often the first occasion to showcase Racine County as a place to potentially live and work. It is in Racine County’s best interest to increase marketing efforts to encourage more visitors that can experience all the assets of Racine County so that if a job opportunity occurs, the acceptance is more likely given the positive experience.

V. RCEDC - Business Finance, Racine Specific Activity

- a. RCEDC staff, through its finance specialty area doing business as Business Lending Partners (BLP), administers the City of Racine Revolving Loan Fund (City RLF). The City RLF is federally regulated by the U.S. Economic Development Administration (EDA) and is administered in accordance with the local City of Racine Title IX Revolving Loan Fund Plan last updated and approved by the EDA in June 2019. The original grant for the City RLF was approved in 1998, re-capitalized in 2001 and again in 2011. Together with \$468,355.50 of matching funds from the City of Racine, the total fund capitalization was \$1,602,711 and is used to provide gap financing to City businesses including addressing vacant industrial and commercial buildings. In 2022, RCEDC will follow procedures established by EDA allowing the program to operate independent of EDA oversight and federal regulations. This will include an update of the City RLF Policies and Procedures Manual updating program parameters to meet businesses current financing needs.

- b. RCEDC staff continues to seek new resources to make available to local businesses. In 2015, a Seed Capital Fund program was established and is administered by RCEDC as part of the Wisconsin Economic Development Corporation's (WEDC's) Capital Catalyst program. This program provides financing to high-growth and emerging growth businesses in the City of Racine and is funded with \$100,000 from the WEDC and \$100,000 through the City of Racine. RCEDC administers this loan fund in accordance with the Policies and Procedures Manual approved by the City in November 2015.
- c. RCEDC will continue to service any loans made through the City-RLF and Seed Capital RLF. The servicing of loans is an extensive process that includes ensuring monthly payments are made, managing periodic changes in collateral or other loan terms, ensuring job requirements are met, collecting business financial statements and reviewing them for how the company is performing financially and whether there are any concerns need to be addressed and providing periodic reports to the federal EDA and WEDC, the regulating agencies.
- d. Compensation for administration of the City RLF and the Seed Capital RLF is through loan fees charged to the loan recipients as described in the Policies and Procedures Manuals for each RLF Program and by retaining 100% of the interest earned to reduce the overall cost of the program. There are no costs charged to the City for program administration.
- e. Business Lending Partners processes, closes and services loans from the City of Racine Brownfield Clean Up Revolving Loan Fund (BC-RLF) working with the City's Brownfield team of consultants and staff.
- f. Business Lending Partners administers other loan and grant programs making them available to City of Racine businesses including:
 - o The Racine Development Group loan program funded through financial institutions and private corporations including RCEDC cash reserves to provide gap financing to primarily City of Racine businesses and real estate projects;
 - o The EDA Cares Act Recovery Assistance RLF loan program established through federal dollars to help with recovery of local businesses and the economy from the impact of COVID 19 pandemic;
 - o The Greater Racine County RLF established to support business connected to the Foxconn development;
 - o The U.S. Small Business Administration 504 loan program for large equipment, and building expansion projects as well as refinancing of building and equipment loans;

- o The RXR RLF loan program established with RCEDC cash reserves to support small business microloans of typically up to \$100,000; and
 - o The Racine County Matching Grant Program.
- g. RCEDC staff will participate on the Advisory Committee of the First-Ring Industrial Redevelopment Enterprises, Inc. relative to the New Markets Tax Credit initiative in the State of Wisconsin.

VI. RCEDC Special Projects, Racine Specific Activities

In addition to the above activities, RCEDC will work in partnership with the City on the special projects detailed below:

- a. Develop a framework for the creation of a funding pool to support development projects in designated areas in the City.
- b. Engage with multi-family housing development prospects, providing site selection assistance and supporting analysis review for requested incentives.
- c. Provide technical assistance in support of priority redevelopment projects.
- d. Process, close, and service loans from the City of Racine Brownfield Clean Up Revolving Loan Fund (BC-RLF) in partnership with the City's Brownfield consultants and staff.
- e. Monitor compliance of 7 City of Racine development agreements to ensure capital expenditures and/or job retention and creation activities are documented.

TIME PERIOD FOR THIS AGREEMENT AND COMPENSATION

The above-referenced assistance will be provided by the RCEDC staff during the time period beginning January 1, 2022 to December 31, 2022.

The cost of this assistance to the City of Racine is \$84,000. Payments will be made during the first week of each quarter, upon the receipt of an invoice from the RCEDC. The cost of developing any additional materials and significant printing and mailing of items necessary to implement these services are outside the scope of the Agreement and will be negotiated on an as necessary basis.

INDEPENDENT CONTRACTOR

RCEDC shall be an independent contractor of Racine. Neither RCEDC nor any of its officers, employees, or agents shall be considered to be an employee of Racine as a result of the obligations undertaken pursuant to this agreement. RCEDC's officers, employees and agents shall make no commitments or representations to third parties without prior approval of Racine. In addition, RCEDC hereby holds

harmless Racine and its departments, officers, employees and agents from and against all claims, demands and liability for damages to third persons of any type whatever arising solely out of the actions of RCEDC under this agreement.

INSURANCE

RCEDC shall not commence work under this contract until proof of insurance required has been provided to the City of Racine City Attorney's Office before the contract or purchase order is considered for approval by the City of Racine.

It is hereby agreed and understood that the insurance required by the City of Racine is primary coverage and that any insurance or self-insurance maintained by the City of Racine, its elected and appointed officials, officers, employees, or authorized representatives or volunteers, and each of them, will not contribute to a loss. All insurance shall be in full force prior to commencing work and remain in force until the entire job is completed and the length of time that is specified, if any, in the Contractor listed below whichever is longer.

1. PROFESSIONAL LIABILITY

A. Limits

- (1) \$1,000,000 each claim
- (2) \$1,000,000 annual aggregate

B. Must continue coverage for 2 years after final acceptance of work.

2. GENERAL LIABILITY COVERAGE

A. Commercial General Liability

- (1) \$1,000,000 each occurrence limit
- (2) \$1,000,000 personal liability and advertising injury
- (3) \$2,000,000 general aggregate
- (4) \$2,000,000 products - completed operations aggregate

B. Claims made form of coverage is not acceptable.

C. Insurance must include:

- (1) Premises and Operations Liability
- (2) Contractual Liability
- (3) Personal Injury
- (4) Explosion, collapse and underground coverage
- (5) Products/Completed Operations must be carried for 2 years after acceptance of completed work
- (6) The general aggregate must apply separately to this project/location

3. BUSINESS AUTOMOBILE COVERAGE

- A. \$1,000,000 combined single limit for Bodily Injury and Property Damage each accident
- B. Must cover liability for all automobiles used in RCEDC operations.

4. WORKERS COMPENSATION AND EMPLOYERS LIABILITY – As required by Wisconsin State Statute or any Workers Compensation Statutes of a different state.

A. Must carry coverage for Statutory Workers Compensation, and an Employers Liability limit of:

- (1) \$100,000 Each Accident
- (2) \$500,000 Disease Policy Limit
- (3) \$100,000 Disease - Each Employee

5. UMBRELLA LIABILITY – If exposure exists, provide coverage at least as broad as the underlying Commercial General Liability, Watercraft Liability (if required), Automobile Liability and Employers Liability, with a minimum limit of \$2,000,000 each occurrence and \$2,000,000 aggregate, and a maximum self-insured retention of \$10,000.

6. ADDITIONAL PROVISIONS

A. Primary and Non-contributory requirement - all insurance must be primary and noncontributory to any insurance or self-insurance carried by City of Racine.

B. Acceptability of Insurers - Insurance is to be placed with insurers that have an A. M. *Best* rating of no less than A- and a Financial Size Category of no less than Class VII, and who are authorized as an admitted insurance company in the state of Wisconsin.

C. Additional Insured Requirements - The following must be named as additional insureds on the General Liability and Business Automobile liability coverage arising out of project work:

The City of Racine, its elected and appointed officials, officers, employees, authorized representatives, and volunteers.

On the Commercial General Liability Policy, the additional insured coverage must be ISO form CG 20 10 0704 and also include Products - Completed Operations additional insured coverage per ISO form CG 20 37 07 04 or their equivalents for a minimum of 2 years after acceptance of work. This does not apply to Workers Compensation Policies.

D. Deductibles and Self-Insured Retentions - Any deductible or self-insured retention must be declared to and approved by the City of Racine.

E. Evidences of Insurance - Prior to execution of the agreement, the Contractor shall file with the City of Racine a certificate of insurance (Accord Form 25-S or equivalent) signed by the insurer's representative evidencing the coverage required by this agreement. In addition, form CG 20 10 07 04 for ongoing work exposure and form CG 20 37 07 04 for products-completed operations exposure must also be provided or their equivalent.

TERMINATION

This agreement may be terminated by either party upon thirty (30) days written notice in the event of default by the other party of any material provision hereof which remains unremedied for thirty (30) days following written notice of such default.

NOTICES

Notices under this agreement shall be mailed by registered mail to the Mayor and City Administrator, 730 Washington Avenue, Racine, WI 53403, for the City, and to Jenny Trick, Executive Director, 2320 Renaissance Blvd., Sturtevant, WI 53177, for RCEDC, or shall be personally served on either said person of the person in charge of either respective office.

ASSIGNMENT

RCEDC agrees that it will not assign this agreement or any portion thereof, or any of its responsibilities hereunder, to any other party without first obtaining the written permission of the City.

If the terms and conditions of this proposal are satisfactory, please sign the two original documents where indicated and return to the RCEDC for RCEDC final signature.

Sincerely,



Jenny Trick, Executive Director

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the _____ day of _____, 2022.

CITY OF RACINE

By: _____
Cory Mason, Mayor

Witness: _____
Tara Coolidge, City Clerk

**RACINE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

By: _____
Jenny Trick, Executive Director

Approved as to form:

Scott Letteney,
City Attorney

Provisions have been made to pay the liability that will accrue hereunder.

David Brown,
Finance Director

Attachment 1

2022 RCEDC Strategic Plan

Goal: Facilitating business expansion projects with financial and technical resources that when successfully implemented result in the creation and retention of jobs and new tax in Racine County. Said quite simply, Grow good paying jobs and tax base in Racine County.

Mission: Ensuring the economic vitality of Racine County by working with our partners to support innovation and creativity that leads to business investment.

Strategy		2022 Annual Goals	2022 Actual	2022 % of Target	Status
1.	Business Retention & Expansion				
a.	Technical Assistance	250			
b.	Leadership Training Programs	4			
c.	Outreach	405			
d.	Total Businesses Assisted (Includes Businesses receiving LoansRLF, Grant and SBA 504)"	115			
	Total Private Investment	\$100,000,000			
	Total Construction Investment	\$50,000,000			
e.	Businesses Assisted through Lending, Grants and Incentives*	68			
	RLF Loan and Grant Amounts ⁸	\$3,020,000			
f.	Businesses Assisted through SBA 504"	47			
	SBA Loan Amounts	\$28,800,000			
	* Totals contained in 1 d. include all businesses assisted in 1.e and 1.f.				
2.	Business Recruitment				
a.	Outreach Activities to Real Estate Professionals, Developers and Site Selectors	50			
b.	Businesses Assisted in Business Park Development	4			
c.	Residential Development Projects	2			
d.	Business Recruitment Marketing (Direct Marketing Campaigns)	2			
3.	Talent Attraction				
a.	Increase awareness of GRC through website and social media-2022	2,220 visitors/month; 2,410 Social Media			
b.	Digital Manufacturing Campaign	Social: 100,000 impress/month			
c.	Front Door to Talent: Engage local employers and HR professionals (Business Profiles/Job Posts Monthly)	130/400			
d.	Feedback to Partners on Talent Demand and Programming (Quarterly Communications)	4			
e.	Partner with regional higher education institutions to engage and retain young talent	1			

Strategy		2022 Annual Goals	2022 Actual	2022 % of Target	Status
4.	Community Development				
a.	Assist contract communities with implementation of special projects	8			
b.	Explore.Work.Live.	Build on Visit/Explore messaging in GRC website			
5.	Leadership				
a.	Program Review	Inventory programs and activities, determine measure of effectiveness and success			
b.	Internal Talent Development Initiative	Refresh individual professional development plans to retain and attract RCEDC staff			
c.	Private Contribution	\$160,000			
d.	Diverse Leadership	3			
e.	Sound reputation	Sound financial planning; progressive work culture; retain positive reputation			