



November 5, 2012

John Dickert, Mayor  
City of Racine  
730 Washington Avenue  
Racine, WI 53403

Dear Mayor Dickert and Members of the Common Council:

This letter is intended to serve as an agreement between the City of Racine, hereinafter the "City" and the Racine County Economic Development Corporation, hereinafter the "RCEDC". In accordance with this agreement, the RCEDC agrees to continue to manage the small business development program, Launch Box. Launch Box consists of proactive small business development strategies that will focus on providing shared work space and resources that will encourage interaction between entrepreneurs to enhance innovation and productivity that leads to an increase in new business startups and creation of new jobs. Such assistance would be coordinated with the Mayor, Department of City Development, City Council and the Launch Box Partners.

## **PURPOSE**

The purpose of the agreement is to further the overall goals of Launch Box by facilitating job growth and investment, resulting in accrued revenues and wealth for the City, through interagency cooperation and services provided by the RCEDC.

## **AGREEMENT**

The RCEDC agrees to coordinate the implementation of the strategies and activities outlined below. Such assistance will include assigning a lead economic development staff person to the City who, together with other RCEDC staff members, will expend his/her best efforts to ensure a successful program.

In addition, to RCEDC Staff, the following Lead Partners will assist with the implementation of this initiative: BizStarts Milwaukee, Inc., Community Economic Development Corporation (CEDCO), *EigerLab*, Gateway Technical College, Junior Achievement, Innovation in Milwaukee (MiKE), Racine Area Manufacturers and Commerce (RAMAC), Racine County Workforce Development Center, UW-Parkside Small Business Development Center (SBDC), Wisconsin Entrepreneurs Network (WEN), Wisconsin Housing and Economic Development Authority (WHEDA) and Wisconsin Women's Business Initiative Corporation (WWBIC),

hereinafter the “Partners.” In addition, the RCEDC will engage a variety of fee based private consultants to address needs that are not being met by public and quasi-public agencies.

Launch Box was initiated in 2011 and responded to four small business development challenges. These challenges were identified in a 2010 study commissioned by the City to better understand the ways in which the City could foster small business creation and growth in order to achieve job creation and tax base from this important economic development strategy. The four challenges include:

1. To strengthen, revitalize and coordinate business assistance provided by the Partners that include CEDCO, UW- Parkside SBDC and WWBIC for both neighborhood and high impact entrepreneurs.
2. To act as a Small Business Ombudsman that will serve as an intermediary and champion between the entrepreneur and the Partners, as well as City agencies.
3. To encourage more people to consider entrepreneurship as a potential career option by creating and feeding the entrepreneurial pipeline and creating an entrepreneurial culture in the City.
4. To focus on a proactive retail trade industry recruitment and growth program that will create and retain jobs as well as create tax base and increase personal income in the City of Racine.

#### 2013 LAUNCH BOX WORK PROGRAM

Throughout 2012, the Launch Box program implemented and continued to evaluate various strategies to grow small businesses in the City. As a result of the knowledge gained in 2012, as well as input from our partners, the following proactive small business development activities are planned for 2013:

- 1) Launch Box One-Stop Center - Launch Box will establish and manage a highly visible One Stop Center for entrepreneurial and small business development services and resources, including co-working space that will be located in downtown Racine. The Center is being developed with the assistance of MiKE and the Greater Milwaukee Committee. The collaboration and technical assistance space will include classroom training and counseling by technical assistance partners. The co-working space will be available to members at no cost and provide work space for entrepreneurs, including work and meeting space, internet and basic office services. The space will allow entrepreneurs and small businesses to expand out of their home offices and is the first step before they expand to more permanent space such as that proposed at Root Works, as well as other multi-tenant space in the City. It is important to note that there is no fee to become a Center member, the entrepreneur simply completes an application, which is reviewed, evaluated and accepted by Staff.

2013 Goal: Fifty businesses will become members of the Center.

- 2) Networking and Collaboration Events - A key component to enhancing the entrepreneurial environment in Racine is networking and collaboration events. Events of this kind will include group training, webinars and social networking.

2013 Goal: Twelve events will be held.

- 3) One-on-One Technical Assistance – Upon joining the Center, Launch Box staff will meet with the entrepreneur to conduct an assessment of the specific needs that will help grow the business. This will include basic questions regarding business plans, financing, marketing, customer and suppliers, etc. From that point, Staff will make the appropriate referral to one of the Launch Box partners in order that appropriate assistance can be provided to the entrepreneur.

2013 Goal: One hundred entrepreneurs/small businesses will use Launch Box as a resource for one-on-one referrals to partner agencies.

- 4) Ombudsman – As in 2011 and 2012 Launch Box will continue its proactive role in serving as an intermediary and ombudsman for the entrepreneur as they work to navigate City Hall to secure permits and licenses to operate in the City.

2013 Goal: 6 entrepreneurs/small businesses will receive assistance with regard to City Hall approvals and permits.

- 5) Fast Pitch 2013 - While it's important to provide direct resources to entrepreneurs and small businesses, Launch Box must also cultivate public support and recognition for the importance of entrepreneurship in the community. This was accomplished in 2012 by hosting the First Annual Racine/Kenosha FastPitch Business competition. In 2012, 44 entrepreneurs participated in this event. Due to its success, a 2013 Fast Pitch will be held. Launch Box will promote and encourage City of Racine businesses to participate in this competition. The top City of Racine business will receive recognition through a special Mayor's Entrepreneurial Award.

2013 Goal: Fourteen City businesses will participate.

- 6) Open Innovation – Launch Box will develop an Open Innovation Program that will provide entrepreneurial teams with the opportunity to compete to solve an operational problem identified by a local established business. This program will promote collaboration among entrepreneurs with the potential for new start-ups around identified ideas. This program is currently operating at MiKE in Milwaukee and will serve as a model for Racine.

2013 Goal: Two open innovation projects will be completed.

- 7) Surveys – To date in 2012, Launch Box interviewed 35 small businesses with the goal of determining challenges and opportunities for their businesses. These surveys provide the Launch Box staff with important information regarding the programs and services that are needed to grow small businesses in the City, as well as build the relationships with the business owners enabling Launch Box staff to provide on-going mentoring services.

2013 Goal: Twenty-five businesses will be surveyed.

## **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, 2013 to December 31, 2013. The total budget for the 2013 activities is \$148,930.00. RCEDC is seeking funds from the Wisconsin Energy Foundation in the amount of \$25,000.00, the County of Racine in the amount of \$14,000.00 and S.C. Johnson, A Family Company in the amount of \$10,000.00 to support these activities. The cost to the City of Racine for this assistance is \$99,930.00. Payments will be made on the first week of January 2013 or as soon after as possible, and during the first week of each quarter thereafter, 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 the City. Neither RCEDC nor any of its officers, employees, or agents shall be considered to be an employee of the City 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 the City. In addition, RCEDC hereby holds harmless the City 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**

The RCEDC is to carry liability insurance and list the City of Racine as an additional insured on the policy.

## **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 City Clerk, 730 Washington Avenue, Racine, WI 53403, for the City, and to Gordon Kacala, Executive Director, 2320 Renaissance Boulevard, Sturtevant WI 53177, for RCEDC, or shall be personally served on either said person or the person in charge of either respective office.

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## **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 on Page Six and return to the RCEDC for RCEDC final signature.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gordon Kacala".

Gordon Kacala  
Executive Director

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement on the day of \_\_\_\_\_, 2012.

**CITY OF RACINE**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**RACINE COUNTY ECONOMIC  
DEVELOPMENT CORPORATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Gordon M. Kacala,  
Executive Director

Approved as to form:

\_\_\_\_\_  
Robert Weber,  
City Attorney

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

\_\_\_\_\_  
David Brown,  
Finance Director