



November 5, 2010

John Dickert, Mayor
Members of the Common Council
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 provide economic development technical assistance to the City and to coordinate this assistance with the Mayor, Department of City Development, Common Council, and City Economic Development Committee and to implement the activities set forth herein.

PURPOSE

The purpose of the agreement is to further the overall goals of economic development that include job creation and retention, the growth of personal income and the generation of new and retention of existing tax base by businesses through the services provided by the RCEDC.

AGREEMENT

The RCEDC agrees to provide direct economic development technical assistance to the City in accordance with the adopted Racine County Economic Development Plan and City of Racine Economic Development Plan, as well as objectives promulgated by the City's Economic Development Committee and approved by the Mayor and Common Council. The RCEDC will assign a lead economic development staff person to the City. This staff person will act as the City's economic development advocate and the lead staff person for assistance being provided to the City who together with other RCEDC staff members will expend his/her best efforts to promote economic development including the recruitment of new companies and the growth and retention of existing companies.

The economic development services to be provided by the RCEDC will consist of the following:

Organizational Development Assistance

1. Provide access to economic development services to the City through RCEDC staff specialists in business recruitment, growth and retention of existing companies, business finance and workforce development.

2. Provide economic development technical assistance through attendance at all City Economic Development Committee meetings. The RCEDC staff will also attend other City committee meetings and City Council meetings that are related to economic development, as requested, as well as economic development related staff meetings and meetings with the Mayor of the City.
3. Implementation of appropriate strategies to address economic development issues and concerns that are identified throughout the contract period.
4. Provide staff assistance to the City Economic Development Committee. This activity includes:
 - Coordination of economic development activities between the Committee Chairman, Mayor, City Council and City staff.
 - Staff assistance in the design and implementation of economic development goals, objectives and activities, as deemed necessary by the Committee.
 - Attendance at all Committee meetings.
 - Reporting of economic development activities carried out in conjunction with this agreement.
 - Draft Committee agendas and minutes.
5. Coordinate the City's economic development program with the following economic development organizations:
 - Community Economic Development Corporation (CEDCO)
 - Downtown Racine Corporation
 - Gateway Technical College
 - Racine Area Manufacturers & Commerce, Inc. (RAMAC)
 - Real Racine
 - Racine Department of City Development
 - Racine Department of Public Works
 - Southeastern Wisconsin Regional Planning Commission
 - Milwaukee 7
 - U.S. Economic Development Administration
 - U.S. Small Business Administration
 - UW-Parkside - Racine County Small Business Development Center
 - Wisconsin Department of Commerce
 - We Energies
 - Wisconsin Procurement Institute
6. Provide written semi-annual and annual activity reports to the Mayor, Director of City Development, Economic Development Committee and City Council. This activity will include a summary of the economic development activities conducted during the reporting period.
7. Participate, through staff, private sector Board members or representatives, on the Board of Directors of CEDCO.

Growth of Existing Business

8. Conduct an on-going business expansion and retention program that consists of the following:
 - Comprehensive business outreach program with an emphasis on manufacturing firms utilizing the Synchronist Business Retention Software System that will include a comprehensive interview with Racine manufacturers. Results will assist in providing direct assistance to these companies, as well as a guide in developing new, and refining existing, programs for all businesses.
 - Identify and work with 2nd stage companies or those companies that include approximately 100 employees and \$50 million in sales through the Peerspectives program as well as one-on-one technical assistance.
 - Web-Based Business Matchmaking: The purchase and implementation of a business-matchmaking software that will enable local businesses to identify both suppliers and customers, as well as market their products throughout the Chicago-Milwaukee Corridor.
 - A proactive Government Procurement program designed to assist local companies in selling products and services to the local, State and federal government through technical assistance provided by the RCEDC and the Wisconsin Procurement Institute.
 - Next Generation Manufacturing (NGM) workshops and direct assistance through the Wisconsin Manufacturing and Extension Partnership and Gateway Technical College with regard to customer-focused innovation, advanced talent management, systemic continuous improvement, extended enterprise management, sustainable product and process development and global engagement.
9. Assist existing businesses per direct contact or referral from the Mayor and Director of City Development and report findings and resolution to the respective party. When meeting with local companies, the RCEDC staff will provide information on existing State and federal economic development assistance programs that provide funding that help meet the need of local businesses. These programs include low-interest loans, tax credit programs and workforce development assistance.
10. Evaluation and determination of new objectives, strategies and action items related to the City's economic development plan.
11. Continue to work with the City to determine an appropriate strategy for meeting the needs of existing and new businesses regarding new lands for industrial development, including brownfield sites and existing Greenfield properties. This activity is based on the limited availability of industrial lands in the Southside, Young and Olsen Industrial Parks.

Business Recruitment Activities

12. Implement a targeted business recruitment program that includes emphasis on the following:
 - The Chicago-Milwaukee Corridor, with emphasis on advanced manufacturing, green industries, logistics and distribution.

- Second stage companies or those companies that include approximately 100 employees and \$50 million in sales, through the identification of these companies in the Chicago-Milwaukee Corridor and working to recruit the companies to Racine.
 - Foreign direct investment or companies locating North American headquarters in the Chicago-Milwaukee Corridor.
 - Milwaukee 7 or regional industry targets to include: water industries, advanced manufacturing and food processing.
13. Provide assistance through the development of customized letter proposals to businesses interested in establishing a location within the City per direct contact or referral from the Mayor or members of the City's Staff, or other reliable sources. This activity includes providing copies of such proposals, when requested, to the Director of City Development, as well as a status report on such businesses as part of this agreement's semi-annual and annual reports, coordinating regular meetings with the Director of City Development, and maintaining a periodic business follow-up procedure.

Business Finance Activities

14. Through existing business growth and business recruitment activities, provide existing and new businesses with information and assistance relative to available State, federal and local business development financing programs. This activity includes the referral of businesses to appropriate RCEDC business finance staff to further develop loan applications.
15. RCEDC finance staff, doing business as Business Lending Partners (BLP), will administer the Industrial/Commercial Building Revolving Loan Fund (I/CB-RLF) which is regulated by the U.S. Economic Development Administration (EDA). The grant, approved in 1998, and re-capitalized in 2001, together with \$400,000 of matching funds from the City of Racine, establishes a \$1,466,000 loan fund for the re-cycling of older vacant commercial and industrial buildings in the City of Racine. In addition, BLP, in collaboration with the Director of City Development will continue to explore future options of re-capitalizing this fund.
16. Business Lending Partners will continue to service any loans made through the I/CB-RLF. The servicing of loans is an extensive process that includes ensuring monthly payments are made, periodic changes in collateral, ensuring and substituting collateral, ensuring job requirements are met and providing periodic reports to the federal EDA, the original source of capital.
17. Provide staff support to the Racine Development Group (RDG), the City of Racine's multi-bank community development corporation, in the provision of business financing to small businesses, housing redevelopment and real estate development with a focus on Census Tracts 1-5.
18. Business Lending Partners will administer the City of Racine Brownfield Clean Up Revolving Loan Fund (BC-RLF) under a separate contract with the City of Racine. However, it should be noted that the initial and on-going marketing of this loan fund is provided through this contract.

Marketing Activities

19. Continue to develop and implement the county-wide Jobs for Racine County (JRC) initiative. This program includes: a proactive business recruitment strategy, business retention and expansion (BRE) strategy, community engagement strategy and marketing activities to include the following:
 - Attend trade show events
 - Conduct a broker/developer visitation program
 - Provide e-newsletters
 - Conduct periodic business information and networking events and
 - Participate in Milwaukee 7 marketing activities

20. Community Engagement – Work with the following partners to provide an infrastructure for economic development in the City of Racine:
 - International Opportunities: Leveraging Sister City relationships with the City
 - Entrepreneurship: UW-Parkside SBDC, Wisconsin Women’s Business Initiative Corporation, the Community Economic Development Corporation and Gateway Technical College
 - Green Initiatives/Sustainability: Green community and private business initiatives
 - Workforce Development: Racine County Workforce Development Board’s strategic plan
 - Appropriate Land Use: City of Racine Planning and Development Department
 - Image/Quality of Life: Promoting our quality of life through Real Racine

21. RCEDC will continue to broaden its marketing efforts of the Southside Industrial Park, Walker Manufacturing Redevelopment Area, and the Racine Steel Castings Redevelopment Area, and explore multiple options of recruiting new and existing businesses, as well as developers to that location.

Workforce Development Services

22. RCEDC will provide the services of our Workforce Development Representatives to assist recipients of City loans and related assistance to employ unemployed and underemployed City residents.

23. RCEDC will continue to be an advocate for the City in working with the Racine County Workforce Development Center (WDC) to implement the WDC’s workforce development plan “Higher Expectations” that, in part, will address high unemployment in the City. Specifically, the RCEDC Executive Director represents the City through:
 - Participation in the Plan’s Management Team;
 - Chairing the Challenge III group of the Plan working to bring jobs to the City;
 - Chairing the Workforce Development Board Planning Committee;
 - Participating on the Racine County and Tri-County Workforce Development Boards.

Special Program Assistance

24. RCEDC will continue to represent the interests of the City relative to the ongoing operations of the Center for Advanced Technology and Innovation (CATI). CATI is designed to provide a range of activities related to improving the workforce, technology transfer among business, and creation of a technology incubator. It should be noted that on January 1, 2011, CATI will cease operations as a separate entity and become a part of Gateway Technical College.
25. RCEDC staff will participate on the Advisory Committee of the Johnson Bank Community Development Corporation, M & I Community Development Corporation, First-Ring Industrial Redevelopment Enterprises, Inc. and Delta Institute relative to the New Markets Tax Credit initiative in the State of Wisconsin.
26. RCEDC will maintain information on the City's industrial parks for the purpose of assisting those interested in purchasing the remaining lots in the parks. RCEDC staff will assist purchasers with the completion of applications of land purchase, and reviewing these applications with City staff, appropriate City Committees, and the City Council. This service will also be extended to vacant redeveloped lands through the brownfield initiative.
27. RCEDC will provide assistance to commercial corridors not funded under separate CDBG contracts.

Support Activities

28. RCEDC will maintain, together with other appropriate agencies, demographic and socio-economic data and community facilities and services information necessary to support the City economic development program. In 2011, the RCEDC will be investigating new software that enables more comprehensive data availability to City businesses.
29. RCEDC will maintain an inventory of significant, marketable industrial and commercial buildings and land sites in the City and a system for providing this information to interested parties. In 2010, the RCEDC purchased a new software system, Xceligent that provides a more comprehensive listing of land and buildings available for purchase and lease.

TIME PERIOD FOR THIS AGREEMENT AND COMPENSATION

The above-referenced assistance will be provided by the RCEDC staff during the time period beginning February 1, 2011 to January 31, 2012. The cost to the City of Racine for this assistance is \$67,000. 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 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.

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 Blvd., Sturtevant, WI 53177, for RCEDC, or shall be personally served on either said person or 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 on Page Eight and return to the RCEDC for RCEDC final signature.

Sincerely,

Gordon Kacala
Executive Director

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the ____ day of _____, 2011.

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