

MEMORANDUM

TO: AMY CONNOLLY, DIRECTOR OF CITY DEVELOPMENT

FROM: LAURA MILLION, BUSINESS DEVELOPMENT MANAGER, RCEDC

RE: 2017 YEAR END RESULTS AND ACTIVITIES GENERAL ECONOMIC DEVELOPMENT CONTRACT

DATE: JANUARY 4, 2018

Quarterly, RCEDC provides an update to our Board of Directors and the City on our activities within Racine County and City specific projects. This 2017 Year End Report reflects the updated 2017 format that includes cumulative quarterly progress toward our 2017 goals.

The Snapshot reports on four primary strategy areas: 1) proactive business development including assisting existing businesses, recruiting new businesses and providing business loans; 2) activities to build relationships with internal and external stakeholders through programming; 3) relevant economic and demographic data affecting businesses and the community; and 4) education and training programs implemented to provide a competitive workforce.

Project Highlights

In addition to the metrics presented in the Snapshot, the following projects were successfully completed in 2017:

- Building Waters, Inc. – Facilitated the purchase of 2101 and 2111 Lathrop Avenue with a loan of \$71,910 which included City Revolving Loan Fund dollars to allow for the company expansion at that location. This is a full service plumbing contractor with currently 11 employees planning to add three more.
- Nailed It, LLC – Facilitated the purchase of 333 Main Street for the relocation and expansion of this business in the downtown area. The Company is a nail salon with plans to expand and add two employees. Total loan from City and other RLF Funds was \$75,600.
- The Covenant at Murray Mansion—Secured financing through RCEDC's BLP division and assistance from the City through TID 19. The project resulted in a total investment of \$2,028,322 and creation of 6 jobs.
- Fischer USA Expansion—Secured sale of neighboring parkland to company for expansion and TRIP assistance. Total investment expected of \$3,000,000, retention of 60 existing positions and creation of 20 new positions. In addition, Racine County Workforce Solutions staff are collaborating with Fischer to develop a customized recruitment and training plan.
- Racine Heat Treat—Facilitated the sale of Racine Heat Treat to new owners. Total loan of \$476,000 and the creation of 11 new jobs.

- TID 20—Assisted and coordinated meetings to facilitate development of TID 20 around Regency Mall.
- 314-324 and 400 6th Street—Facilitated the purchase and renovation for ground level commercial spaces to be fully leased. Total loan of \$143,700.
- Cookinpellets.com—Facilitated purchase of former Rapids Business Center to support ongoing growth of Cookinpellets and provide quality space for small or start-up businesses in the City of Racine to locate. Total loan of \$189,750 and creation of 3 new jobs.
- Cookinpellets.com – Facilitated purchase of equipment with SEED Grant dollars to support innovative products and packaging distributed across the U.S., Canada and now the UK.

In addition to the results shown within the Snapshot, RCEDC continues to work with several prospects including 7 existing business expansions, 5 new business recruitment, and 8 financing projects in the City of Racine.

RACINE COUNTY ECONOMIC DEVELOPMENT CORPORATION: ECONOMIC DEVELOPMENT PLAN - QUARTERLY SNAPSHOT

RCEDC CHALLENGE #2: To implement a proactive business development program that includes business retention and expansion and business recruitment activities that utilize local, State and Federal resources including financial, technical assistance and workforce resources that when successfully implemented result in the creation and retention of jobs and increased tax base in Racine County.

I STRATEGY A: RCEDC will develop and implement community and economic development programs, with priority on 1st and 2nd stage companies, that result in the retention and creation of jobs and increase the tax base in Racine County.						
		2017 Goal	As of 3/31/17	As of 6/30/17	As of 9/30/17	As of 12/31/17
1	Number of businesses and development recruited to Racine County (Delineate by Stage 1, 2, etc.)	10	<u>Total: 3 (2 City)</u> Stage 1: 1, Stage 2: 1, Stage 3: 1	<u>Total: 6 (2 City)</u> Stage 1: 2, Stage 2: 3, Stage 3: 1	<u>Total: 9 (3 City)</u> Stage 1: 3, Stage 2: 3, Stage 3: 3	<u>Total: 10 (3 City)</u> Stage 1: 3, Stage 2: 3, Stage 3: 4
2	Number of businesses retained/expanded (Delineate by Stage 1, 2, etc.)	18	<u>Total: 5 (1 City)</u> Stage 1: 1, Stage 2: 1, Stage 3: 3	<u>Total: 9 (3 City)</u> Stage 1: 4, Stage 2: 1, Stage 3: 4	<u>Total: 10 (3 City)</u> Stage 1: 5, Stage 2: 1, Stage 3: 4	<u>Total: 12 (5 City)</u> Stage 1: 7, Stage 2: 1, Stage 3: 4
3	Number of businesses assisted with micro-funding programs (MGP, Façade, Rent Assistance)	25	0	11 MGP (9 City)	14 MGP (11 City)	23 (16 City)
4	Number of jobs created and retained	550	499 (97 City)	759 (102 City)	857 (112 City)	13,841 (115 City)
5	Amount of private investment, including subcategory of construction investment and public/private leverage	T: \$71,000,000 C: \$40,000,000	T: \$52,495,676 (\$6,854,722 City) C: \$39,427,517 (\$4,483,517 City)	T: \$64,099,928 (\$7,621,632 City) C: \$39,902,517 (\$4,508,517 City)	T: \$66,742,528 (\$7,755,232 City) C: \$40,911,827 (\$4,690,151 City)	T: \$10,067,340,528 (\$8,353,232 City) C: \$5,790,911,827 (\$4,690,151 City)
6	Average wage level of jobs created and/or jobs retained	\$20/hr.	\$27.40/hr. (\$19.85 City)	\$23.34/hr. (\$20.02 City)	\$22.30/hr. (\$19.12 City)	\$25.69/hr. (\$18.92 City)
7	Amount of incentives awarded	\$6,500,000	\$6,784,748 (\$197,234 City)	\$6,864,748 (\$277,234 City)	\$6,881,348 (\$293,834 City)	\$274,881,348 (\$293,834 City)
8	Number of loans approved	26	5 (2 City)	13 (4 City)	17 (5 City)	19 (7 City)
9	Dollar amount of RCEDC loans approved	\$12,076,400	\$6,575,000 (\$1,101,000 City)	\$9,613,510 (\$1,219,673 City)	\$10,683,400 (\$1,392,210 City)	\$10,737,960 (\$1,560,123 City)
10	Dollar amount of RCEDC loans closed	\$9,941,400	\$1,881,000 (\$152,000 City)	\$4,117,910 (\$712,910 City)	\$9,131,510 (\$7888,510 City)	\$10,690,260 (\$1,597,260 City)
11	Number of outreach calls and visits completed	200	86	96	180	247
II STRATEGY B: RCEDC will build and strengthen relationships with internal and external stakeholders.						
		2017 Goal	As of 3/31/17	As of 6/30/17	As of 9/30/17	As of 12/31/17
1	Number of programs undertaken with Partner Organizations	4	2	3	3	7
2	Dollar amount received from RCEDC Investors	\$150,000	\$53,045	\$100,650	\$114,270	In Process
3	Percentage rate of potential RCEDC investors identified, contacted and converted to investors	10%	N/A	N/A	N/A	In Process

RACINE COUNTY ECONOMIC DEVELOPMENT CORPORATION: ECONOMIC DEVELOPMENT PLAN - QUARTERLY SNAPSHOT

III STRATEGY C: RCEDC will measure the well-being of Racine County by compiling relevant data including demographic, development, workforce, other business related factors and work with Partners to mitigate challenges.

	Context	As of 3/31/17	As of 6/30/17	As of 9/30/17	As of 12/31/17
1 Real Estate Data					
a. Vacancy and absorption rates	Regional: 3.7% Ind. 7.6% Ret.	County: 4.7% Ind. 13.1% Ret.	County: 4.6% Ind. 10.4% Ret.	County: 5.0% Ind. 8.2% Ret.	County: 3.7% Ind. 7.8% Ret.
b. Residential market (number of homes sales and median prices)	Regional: 29,375 Sales (Decrease); \$185,000 median (Increase)	County: 488 Sales (Increase); \$137,100 median (Increase)	County: 819 Sales (Flat); \$160,000 median (Increase)	County: 708 Sales (Decrease); \$157,250 median (Decrease)	County: 2,841 (Increase); \$155,000 (Increase)
2 Business Related Factors					
a. Identify manufacturing activity indicators	National: 58.2 (Growing)	SE WI: 61.77 (Growing)	SE WI: 58.68 (Growing)	SE WI: 60.24 (Growing)	SE WI: 65.57 (Growing)
b. Identify inventory level indicators	National: 47.0 (Declining)	SE WI: 50.0 (Growing)	SE WI: 39.58 (Declining)	SE WI: 44.12 (Declining)	SE WI: 42.86 (Declining)
c. Identify retail sales indicators	National: Q4 2016	Ret. Sales 1.9% Increase; E-Com. 8.3% of Total	Q1 2017: Ret. Sales 5.1% Increase; E- Com. 8.5% of Total	Q2 2017: Ret. Sales 4.1% Increase; E- Com. 8.9% of Total	Q3 2017: Ret. Sales 4.3% Increase; E-Com. 9.1 of Total

IV STRATEGY D: RCEDC leadership will manage the efficacy of its activities to ensure that RCEDC is conducting the business of the organization that results in measureable outcomes.

	2017 Goal	As of 3/31/17	As of 6/30/17	As of 9/30/17	As of 12/31/17
1 Strategy D measurements are reviewed annually		N/A	N/A	N/A	In Process

RACINE COUNTY WORKFORCE SOLUTIONS - BUSINESS SOLUTIONS TEAM ECONOMIC DEVELOPMENT PLAN - QUARTERLY SNAPSHOT

RCWS Challenge #5: To link education and training in a manner that provides a competitive workforce to meet the present and future needs of local employers and to create opportunities for low-income, disadvantaged and minority individuals to prepare for and obtain employment.

	2017 Goal	As of 3/31/17	As of 6/30/17	As of 9/30/17	As of 12/31/17
I STRATEGY C: Develop diversified approaches to meet the workforce needs of employers within Racine County.					
1 Business Resources*	12	3	8 (2 City)	18 (4 City)	21 (7 City)
2 On-site Recruitments	60	24 (8 City)	50 (21 City)	80 (33 City)	110 (44 City)
3 Job Fairs	3	2	3	3	5
4 Youth Internships	75	4 (4 City)	5 (5 City)	5 (5 City)	5 (5 City)
5 Employee Training	10	1 (1 City)	4 (1 Racine)	4 (2 City)	4 (2 City)
6 Collaborate to meet business needs**	12	8 (4 City)	11 (5 City)	12 (5 City)	12 (5 City)
7 Engage business customers from previous years	90% Engaged (307 out of 341 businesses (2016))	48% Engaged (165 out of 341 businesses (2016))	69% Engaged (234 out of 341 businesses (2016))	77% Engaged (263 out of 341 businesses (2016))	91% Engaged (310 out of 341 businesses (2016))
8 Increase business engagement from previous year	10% Increase (35 Businesses)	9% Increase (31 Businesses)	15% Increase (52 Businesses)	16% Increase (55 Businesses)	17% Increase (59 Businesses)
9 Assist eligible candidates in successfully obtaining a GED	100	12	28	48	69

* On-the-job training (OJT), Wisconsin Fast Forward Grant, Workforce Advancement Training (WAT) Grant, Outplacement Services, Tech Hire Grant, Wage\$ Apprenticeship Program, etc.

** Assist business with another job center; place candidate referral from another team; host regional team meetings at business, etc.