



October 27, 2017

Dennis Wisner, Mayor
Members of the Common Council
City of Racine
730 Washington Avenue
Racine, WI 53403

RE: 2018 Economic Development Contract Agreement

Dear Mayor Wisner 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 will continue to provide economic development technical assistance to the City to implement the activities set forth in this agreement. The assistance provided by RCEDC will be coordinated on a day-to-day basis with the appropriate City staff 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 economic development by facilitating job growth and investment, resulting in new tax base for the City, through interagency cooperation and 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. 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. The lead staff, together with other RCEDC and City staff members will expend his/her best efforts to promote economic development including the recruitment, retention and expansion of business within the City.

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

Special Program Assistance

1. Develop Recruitment Proposals for Priority Sites. RCEDC will work with the City staff to promote and support development of priority sites within the City, including development of remaining lots within the City's industrial 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.
2. City Staff Support. Meet with the Mayor of the City and City staff on a monthly basis to review all pending and active projects, provide support relative to development agreements, letters of assistance to developers and site selectors and other activities that are consistent with the purpose of this agreement, including attending other City committee meetings and City Council meetings that are related to economic development, as requested.

Business Retention and Expansion (BRE) Assistance

3. Continue to conduct an on-going business expansion and retention program that consists of the following:
 - Continued implementation of the RCEDC CEO Call Program which includes comprehensive interviews with Racine County businesses with a goal to provide technical and financial assistance to these businesses. Additionally, survey results will assist RCEDC in identifying gaps in resources to support local companies. Market and support peer-learning and leadership programs such as the RCEDC CEO Roundtable, Living as a Leader and others.
4. Assist City businesses via direct contact or referrals from the Mayor and Director of City Planning and report these findings to the Mayor. When meeting with local companies, RCEDC staff will provide information on existing State, federal and local economic development assistance programs that may assist the needs of local businesses. These programs include low-interest loans, tax credit programs, grants and workforce development assistance.

Business Recruitment Activities

5. Continue the implementation of a targeted business recruitment program that includes emphasis on the following:
 - Businesses seeking a location in the Chicago-Milwaukee corridor to grow their market and access Racine County prominent employers that include machinery manufacturing, fabricated metal products manufacturing, food manufacturing, electrical equipment manufacturing, chemical manufacturing, logistics and distribution and healthcare services.
 - International businesses that are seeking an upper Midwest location to establish a sales office, distribution facility and/or manufacturing facility. This effort will be undertaken independent of or

in partnership with the Wisconsin Economic Development Corporation, Milwaukee 7, international chambers, referrals from other intermediaries and more.

6. 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 and City Administrator, 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.

Marketing Activities

7. Continue to implement a proactive Business Development initiative that includes business recruitment and business retention and expansion strategies by undertaking the following:
 - Independent or in partnership with Wisconsin Economic Development Corporation and/or the Milwaukee 7, attend domestic and international tradeshows and events for the purpose of recruiting new investment and businesses to Racine County;
 - Maintain membership and regularly attend Chicago Area Industrial Real Estate (AIRE) networking functions;
 - Maintain membership and regularly attend Milwaukee's NAIOP Commercial Real Estate Development Association and Commercial Association of Realtors Wisconsin (CARW) networking functions;
 - Publish quarterly e-newsletter on economic development activities and events;
 - Host events including the RCEDC annual meeting;
 - Author local newspaper articles featuring economic development issues;
 - Update RCEDC website, marketing materials and social media platforms with projects, local company news and national and international articles of business interest; and
 - Feature local project successes on the RCEDC website.

Workforce Development Solutions

8. RCEDC will provide the services of our Workforce Solutions representatives to assist companies in filling newly created job positions as a result of local Revolving Loan Fund loans or other incentives, which may require targeting and related assistance to employ unemployed and underemployed residents.
9. RCEDC will continue to be an advocate for the City in working with the Racine County Workforce Solutions staff to implement the WDC's workforce development plan "Higher Expectations."

Business Finance Activities

10. Through business retention and recruitment activities, provide existing and potential businesses with information and assistance relative to available State, federal and local business development

financing programs. This activity includes providing business loans to businesses utilizing appropriate RCEDC business finance staff to develop loan applications.

11. RCEDC staff, through its finance division 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 City of Racine on May 1, 2012. 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 \$1,534,355.50 and is used for the re-cycling of older vacant commercial and industrial buildings in the City of Racine and to provide gap financing to City businesses.
12. RCEDC staff continues to seek new resources to make available to local businesses, including a Seed Capital Fund program established in 2015 and administered by RCEDC as part of the Wisconsin Economic Development Corporation's (WEDC's) Capital Catalyst program. This program provides financing and grants 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.
13. 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 to be addressed and providing periodic reports to the federal EDA and WEDC, the regulating agencies.
14. 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 cover administrative costs of the program. There are no costs charged to the City for program administration.
15. Business Lending Partners administers the Racine Development Group (RDG) loan fund primarily through investments from financial institutions. This fund was previously held by a separate corporation which contracted with RCEDC for its administration. It has now become a loan fund held by and directly administered by RCEDC. The fund provides business financing to small businesses and real estate development projects primarily in the City of Racine.
16. Business Lending Partners will administer the City of Racine Brownfield Clean Up Revolving Loan Fund (BC-RLF) under the Brownfield Redevelopment contract with the City of Racine.
17. RCEDC staff will participate on the Advisory Committee of the First-Ring Industrial Redevelopment Enterprises, Inc. and Delta Institute relative to the New Markets Tax Credit initiative in the State of Wisconsin.

Organizational Development Assistance

18. Identification and implementation of appropriate strategies to address additional economic development issues and concerns that are identified throughout the contract period.
19. Provide written and verbal semi-annual reports to the Mayor, City Council and City Administrator. This activity will include a summary of the activities conducted during the reporting period.
20. Coordinate the City's economic development initiatives with, but not limited to, the following agencies:
 - Gateway Technical College
 - Milwaukee 7
 - Real Racine
 - Southeastern Wisconsin Regional Planning Commission
 - U.S. Economic Development Administration
 - U.S. Small Business Administration
 - UW-Parkside
 - UW-Parkside Small Business Development Center
 - Wisconsin Economic Development Corporation
 - Wisconsin Department of Administration
 - We Energies

Support Activities

21. The RCEDC will maintain demographic, socio-economic and economic development program information for the purpose of providing such information to expanding and new businesses in the City of Racine.
22. 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.

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, 2018 to December 31, 2018. The cost to the City of Racine for this assistance is \$82,400. 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.

LIABILITY 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 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 on Page Eight 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 _____, 2017.

CITY OF RACINE

By: _____

Title: _____

ATTEST:

By: _____

Title: _____

DEVELOPMENT CORPORATION

RACINE COUNTY ECONOMIC

By: _____

Title: _____

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