



December 18, 2015

John Dickert, Mayor
Members of the Common Council
City of Racine
730 Washington Avenue
Racine, WI 53403

RE: 2016 Economic Development Contract Agreement

Dear Mayor Dickert and Members of the Common Council:

This letter is intended to serve as a continuation of the current 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 and Common Council 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. 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:

Business Retention and Expansion Assistance

1. Continue to conduct an on-going business expansion and retention program that consists of the following:
 - Provide a comprehensive business call program that will include a comprehensive interview with Racine County manufacturers and other prominent industries. 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. RCEDC will contact the City relative to any significant concerns.
 - Identify and work with growing companies, including, but not limited to 2nd stage companies (companies that include approximately 100 employees or less and no more than \$50 million in sales) through the CEO Roundtable program and providing one-on-one technical assistance.
2. Assist existing businesses per direct contact or referral from the Mayor and Director of City Planning 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.
3. Evaluation and determination of new objectives, strategies and action items related to the City's economic development plan as directed by the Mayor.
4. 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 available 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

5. Implement a targeted business recruitment program that includes emphasis on the following:
 - The geographic target of the Chicago-Milwaukee Corridor, with emphasis on the industry targets of: advanced manufacturing, logistics and distribution.
 - Second stage companies or those companies that include approximately 100 employees or less and no more than \$50 million in sales, through the identification of these companies in the Chicago-Milwaukee Corridor and working to recruit the companies to Racine County.
 - The geographic target of foreign direct investment or companies locating North American headquarters in the Chicago-Milwaukee Corridor or establishing initial sales offices that will lead to distribution facilities and ultimately, manufacturing facilities.
 - Milwaukee 7 or regional industry targets to include: water industries, advanced manufacturing and food processing.
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 members of

the City's Staff, or other reliable sources. 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.

Business Finance Activities

7. 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.
8. RCEDC finance staff, through its finance division, doing business as Business Lending Partners (BLP), will under a separate Agreement administer the City of Racine Revolving Loan Fund (City-RLF) formerly known as the Industrial/Commercial Building RLF, which is regulated by the U.S. Economic Development Administration (EDA). The original grant, approved in 1998, and re-capitalized in 2001, together with \$400,000 of matching funds from the City of Racine, established a \$1,466,000 loan fund for the re-cycling of older vacant commercial and industrial buildings in the City of Racine. In 2011 and 2012, BLP, in collaboration with the Director of City Development submitted a new application for funding which resulted in additional funds for the RLF of \$68,355.50 from the EDA matched with an additional investment of \$68,355.50 from the City of Racine. In addition to the recapitalization of the loan fund, the EDA and City of Racine approved a new Policy Manual, which regulates the use of funds, expanding the eligible use of funds to target not only vacant buildings but also provide traditional gap financing making the loan fund more accessible to City businesses.
9. RCEDC staff continues to seek new resources to make available to local businesses. A Seed Capital Fund program will be in place by 2016 and will be managed by RCEDC as part of the Wisconsin Economic Development Corporation's (WEDC's) Capital Catalyst program. This program will provide 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.
10. RCEDC, through the separate Agreement noted above, will continue to service any loans made through the City-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, the regulating agency.
11. Business Lending Partners administers the Racine Development Group (RDG) loan fund, a privately sourced 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.

12. 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.

Marketing Activities

13. 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:
 - Represent the community through participation in:
 - Trade show events,
 - The 'Chicago Industrial Properties Summit' emphasizing newly constructed buildings and land opportunities,
 - The Hannover Messe Trade show in Germany to meet with international companies seeking location within the Chicago/Milwaukee corridor,
 - Milwaukee 7 marketing activities, and,
 - Chicago's Area Industrial Real Estate (AIRE) professional networking functions.
 - Host events including the RCEDC annual meeting;
 - Author Journal Times newspaper articles featuring economic/workforce development issues.
 - Update RCEDC website, blog, LinkedIn and Facebook page with postings on projects, local company news and national and international articles of business interest.
 - Feature local project successes on the RCEDC website.
14. Community Engagement – Work with the following partners to provide an infrastructure for economic development in the City of Racine:
 - Entrepreneurship: UW-Parkside SBDC, Wisconsin Women's Business Initiative Corporation, the Community Economic Development Corporation; Gateway Technical College; and Launch Box, the Gateway Technical College's entrepreneur drop-in center.
 - Workforce Development: Racine County Workforce Development Board's strategic plan;
 - Appropriate Land Use: Racine County Planning and Development Department, and
 - Image/Quality of Life: Promoting our quality of life through Real Racine.
15. 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

16. RCEDC will provide the services of our Workforce Development Center representatives to assist recipients of Racine County Revolving Loan Fund loans and related assistance to employ unemployed and underemployed Racine County residents.
17. 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". Specifically, the RCEDC Executive Director represents the City through:
 - Participation in the Center's Management Team; on
 - Participating on the Workforce Development Board Planning Committee.

Organizational Development Assistance

19. Identification and implementation of appropriate strategies to address additional economic development issues and concerns that are identified throughout the contract period.
20. 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.
21. 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
22. Provide economic development technical assistance through attendance at economic development related staff meetings and meetings with the Mayor of the City. The RCEDC staff will also attend other City committee meetings and City Council meetings that are related to economic development, as requested.

Special Program Assistance

23. 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.
24. 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.

Support Activities

25. 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.
26. 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, 2016 to December 31, 2016. The cost to the City of Racine for this assistance is \$69,000. 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.

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 City Clerk, 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 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,

Jenny Trick
Executive Director

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the ___ day of _____, 2016.

CITY OF RACINE

By: _____

Title: _____

ATTEST:

By: _____

Title: _____

**RACINE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

By: _____

Title: _____

Jenny Trick, 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