



April 4, 2011

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

Dear Mayor Dickert and Member 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 manage the new small business development program that consists of proactive small business development strategy that will focus on new business start ups as well as moving Stage One companies that are poised for growth and success into Stage Two companies and a comprehensive retail trade industry recruitment and growth program in the City. Such assistance would be coordinated with the Mayor, Department of City Development, City Council, City Economic Development Committee, and Small Business Advisory Council. Stage One companies are typically defined as those having 2-9 employees while Stage Two companies are firms with anywhere from 10-99 employees and roughly \$1.0 million in total sales.

## **PURPOSE**

The purpose of the agreement is to further the overall goals of the small business development initiative by facilitating job growth and investment, resulting in accrued revenues and wealth for the City, through interagency cooperation and retail recruitment services provided by the RCEDC.

## **AGREEMENT**

The RCEDC agrees to coordinate the implementation of the strategies and activities outlined in the Program Plan (Attachment A) as well as provide technical assistance to the City. 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: Community Economic Development Corporation (CEDCO), UW-Parkside Small Business Development Center (SBDC) and Wisconsin Women's Business Initiative Corporation (WWBIC), hereinafter the "Lead Partners." In addition, the RCEDC will engage a variety of Support Partners that provides services to entrepreneurs.

This program is the second phase of the Commercial Corridor initiative that started in 2004, when three commercial corridors (Uptown, Douglas and West Racine) were identified as in need of revitalization and support to maintain a healthy mix of retail, office and housing land use within the City. The successful revitalization of each of these areas required a comprehensive and coordinated strategy that was lead by RCEDC through a contract with the City. The main goal was to grow the districts into more organized and self sufficient entities through the creation of self assessments districts known as business improvement districts (BIDs). These efforts are now complete. RCEDC will continue to providing technical assistance to the BID Boards through separate contracts being funded directly by the BID's.

The program is designed around four challenges. The challenges were developed as a result of recommendations within the "Building a More Entrepreneurial Racine" a report completed by EntreWorks Consulting, and commissioned by the City of Racine, as well as active participation by the partner organizations. The small business development/entrepreneurial services and coordination to be provided by the RCEDC to address the challenges will consist of the following:

**Challenge One:** To strengthen, revitalize and coordinate business assistance provided by the Partners that include the Community Economic Development Corporation (CEDCO), UW-Parkside Small Business Development Center (SBDC) and the Wisconsin Women's Business Initiative Corporation (WWBIC) for both neighborhood and high impact entrepreneurs. Neighborhood businesses are described as retail and service companies that purchase and resell merchandise or services, while high impact businesses are described as those that enhance or add value to a product or service. This Challenge is expected to include 50% of the program resources.

1. Increase the number of Stage One companies that mature into Stage Two companies.
  - a. Identify Stage One companies located in the City of Racine.
  - b. Provide assistance in determining and filling the gaps that exist in each of the assistance areas.
  - c. Create a seed loan fund for entrepreneurs.
2. The Lead Partners will focus their roles and responsibilities to market and communicate the resources and services available to entrepreneurs within the City.
  - a. RCEDC will coordinate quarterly meetings with Lead Partners to share ideas and encourage continued support for the City's new strategies.
  - b. Develop a list of services and references of private professionals (i.e. legal services, accounting services, etc.). This will provide a resource list of professionals for small business owners and entrepreneurs to use when seeking assistance in these areas of expertise.
  - c. Develop a website and utilize social media marketing to educate the public on the resources available and as a resource for the Partners.
  - d. Develop and market existing virtual training and networking opportunities for small business owners and entrepreneurs.

3. Existing entrepreneurial services will be maintained and new programs and resources will be developed to address the gaps that prevent the starting and growing of new businesses within the City.
  - a. The following describes the current and proposed services:

| Entrepreneurial Services | Organizations |       |      |       |
|--------------------------|---------------|-------|------|-------|
|                          | RCEDC         | CEDCO | SBDC | WWBIC |
| Business Financing       | X             | X     |      | X     |
| Mentoring                |               | X     |      |       |
| Classroom Training       |               |       | X    | X     |
| Counseling               |               | X     | X    | X     |
| Youth Entrepreneurialism | X             |       |      |       |

4. Develop a Small Business Advisory Council to provide guidance, input and support for creating an entrepreneurial culture in the City.
  - a. Designate the City’s Economic Development Committee or establish a Sub-Committee as the Small Business Advisory Council.
  - b. Coordinate monthly meetings of the Small Business Advisory Council to oversee the initiative.
  
5. Create a Small Business Enterprise center at RAMAC to serve as the one-stop location for all entrepreneurial and small business development services and resources.
  - a. RCEDC to negotiate lease terms with RAMAC and establish the one-stop.
  - b. Market one-stop to the public through a series of press releases and grand opening.
  - c. Create and develop criteria for co-working space for entrepreneurs.
  - d. Develop marketing material to distribute to all Lead and Support Partners regarding location of one-stop and outlining services available.
  - e. Schedule all appropriate classroom training and off-site counseling at RAMAC.
  
6. Bolster the mentoring of small business and entrepreneurs, specifically for Stage One businesses moving to Stage Two and for a minimum of 2 years thereafter.
  - a. Develop an entrepreneur mentoring strategy.
  - b. Develop criteria for mentor program i.e. what’s expected of both the mentor and the client.
  - c. Establish a network of mentors that can provide specific expertise.
  - d. Utilize social media to develop a virtual network for small businesses and entrepreneurs.

**Challenge Two:** 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. This Challenge is expected to include 25% of the program resources.

7. RCEDC Staff will guide entrepreneurs through the network of small business development service providers to ensure their interests and needs are met.
  - a. Develop assessment tool to ensure entrepreneurs are referred to the appropriate partner organization, public and/or private service provider.
  - b. Investigate creation of a local crowd funding site similar to Kickstarter.com or ProFounder.com. Crowd funding is described as the collective cooperation and trust by people who pool their money and other resources together to fund business ideas posted, usually via the internet, by entrepreneurs.
8. RCEDC Staff will review and make recommendations to the Racine Economic Development Small Business Advisory Council regarding the initiative.
  - a. The RCEDC Staff will make recommendations to the Small Business Advisory Council regarding how to make the City more business friendly.
  - b. The RCEDC Staff will suggest changes to City codes and regulations that may adversely affect the local business climate.

**Challenge Three:** 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. This Challenge is expected to include 12.5% of the program resources.

9. To aggressively promote youth entrepreneurship in order to make this a career option for Racine's youth throughout their adults lives.
  - a. Coordinate these efforts with Junior Achievement to maximize the benefit to youth entrepreneurs.
  - b. Host a youth business plan competition.
  - c. Create a local youth entrepreneurship boot camp that will foster the entrepreneurial spirit in middle and high school students through a hands on experience designed to guide students in becoming business owners.
  - d. Create a job shadowing mentor program with local businesses – providing mentoring and guidance from local business leaders.
  - e. Identify funding source to develop a seed grant program or micro loans to youth for starting their own businesses.
10. Cultivate broad public support and recognition for the importance of entrepreneurship.
  - a. Create a Mayor's award series including Entrepreneur of the Year or New Business of the Year.
  - b. Host a business plan competition.
  - c. Create an adult entrepreneurship boot camp that will foster the entrepreneurial spirit in adults (high school and up) through a hands on experience designed to guide them in becoming business owners.

**Challenge Four:** 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.

11. RCEDC will implement a targeted and proactive retail trade recruitment and growth program.
  - a. Make available market data both on the RCEDC website and in hard copy that provides key demographic information necessary for retail businesses.
  - b. Develop a highly detailed building and land inventory that includes buildings located in older traditional retail commercial districts.
  - c. Develop a strong network of brokers and developers with whom RCEDC staff has frequent contact regarding the retail trade and service industry opportunities.
  
12. Provide staff assistance to businesses and the City of Racine that supports retail trade recruitment and expansion.
  - a. Explore sources for development of an incentive/financing program specific to retail trade establishments.

#### **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, 2011 to December 31, 2011. The cost to the City of Racine for this assistance is \$69,400.00. Payments will be made on the first week of January 2011 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.

The parties acknowledge that this agreement is complementary to a separate agreement allocating Community Development Block Grant (CDBG) funds for small business development enterprise staffing. The parties agree that the priority for work under this agreement is for work in areas of the City and for activities that are not eligible for compensation by the CDBG funding.

#### **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 Boulevard, 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 Seven and return to the RCEDC for RCEDC final signature.

Sincerely,

A handwritten signature in black ink, appearing to read "Gordon Kacala". The signature is fluid and cursive, written over a white background.

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