

RESOLUTION NO. 2018-1

**RESOLUTION BY THE FINANCE AND HUMAN RESOURCES COMMITTEE
AUTHORIZING THE ACCEPTANCE OF CHANGES MADE TO THE RACINE COUNTY
MATCHING GRANT PROGRAM**

To the Honorable Members of the Racine County Board of Supervisors:

BE IT RESOLVED that the Racine County Board of Supervisors hereby authorizes and approves the following changes to the existing Matching Grant (MPG) Program:

1. Add businesses with ownership of 51% or more by a Veteran as eligible candidates for the program;
2. Change eligibility to businesses in continuous operation for a minimum of one year, rather than two; and
3. Increase grants for each business from \$2,500.00 to \$5,000.00

BE IT FURTHER RESOLVED by the Racine County Board of Supervisors that any two of the County Clerk, the County Executive and/or the County Board Chairman are authorized to execute any contracts, agreements or other documents necessary to carry out the intent of this resolution.

Respectfully submitted,

1st Reading _____

**FINANCE AND HUMAN RESOURCES
COMMITTEE**

2nd Reading _____

BOARD ACTION

Q.A. Shakoor, II, Chairman

Adopted _____

For _____

Against _____

Absent _____

Robert N. Miller, Vice-Chairman

VOTE REQUIRED: Majority

Thomas Pringle, Secretary

Prepared by:
Corporation Counsel

Janet Bernberg

John A. Wisch

Donnie Snow

Brett A. Nielsen

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3
4 **The foregoing legislation adopted by the County Board of Supervisors of**
5 **Racine County, Wisconsin, is hereby:**

6 **Approved:** _____

7 **Vetoed:** _____

8
9 **Date:** _____,

10
11 _____
12 **Jonathan Delagrave, County Executive**

13
14
15 **INFORMATION ONLY**

16
17 **WHEREAS**, the Manufacturing Renewal Grant (MRG) program was established in
18 2004 with the goal of addressing the economic downturn of manufacturers and the related
19 job losses in Racine County by underwriting training and consulting services designed to
20 support manufacturers helping them stay in business so they could continue to retain or
21 provide jobs for Racine County residents; and

22
23 **WHEREAS**, the Minority Matching Grant (MMG) was launched in 2006 with the goal
24 of providing a means for small and medium sized businesses to obtain professional services
25 necessary to establish a strong foundation for their businesses to grow, stay in business,
26 and provide jobs for Racine County residents; and

27
28 **WHEREAS**, the programs were established with a three-part agreement between the
29 Small Business Development Center (SBDC), the Racine County Economic Development
30 Corporation (RCEDC), and Racine County; and

31
32 **WHEREAS**, in the 2018 budget, the Racine County Board of Supervisors allocated
33 \$50,000.00 for the Racine County Matching Grant Program.

RACINE COUNTY MATCHING GRANT PROGRAM AGREEMENT - 2018

This Agreement made and entered into this _____ day of _____, 2018 by and between the County of Racine (hereinafter referred to as "COUNTY") and the Racine County Economic Development Corporation (hereinafter referred to as "RCEDC".)

WHEREAS, in the 2018 budget, the Racine County Board of Supervisors (hereinafter referred to as "County Board"), has allocated \$50,000.00 for the Racine County Matching Grant Program (hereinafter referred to as the "MGP") which is described as follows:

The MGP creates grants specifically for existing small and medium-sized for profit companies. Existing company is defined as the following:

- One in operation for more than one continuous year; and
- An operation is defined as the date of the first sale; and
- One with less than \$25 million in US gross sales.

Eligible applicants must comply with one or more of the following:

- Ownership of 51% or more by a racial or ethnic minority (defined as section 16.287 Wisconsin Statutes and Chapter Adm 84 Wisconsin Administrative Code);
- Ownership of company of 51% or more by a woman;
- Ownership of company of 51% or more by a Veteran;
- Manufacturing companies (NAICS 31, 32 or 33); or
- Manufacturing companies recruited by RCEDC who begin with a sales office or distribution facility in Racine County with the intent to add manufacturing operations within a defined number of years with applying companies having less than 200 employees and less than \$25 million in US gross sales. This initiative is consistent with county economic development priorities.

Eligible MGP applicants must have no outstanding fines, penalties or delinquent financial obligations with Racine County, Wisconsin, agency, entity or any other local unit of government; and

The goal of the MGP is to provide a means for the existing small and medium sized Racine County companies to obtain professional services necessary for a strong foundation for continued business growth and provide jobs for Racine County residents; and

Eligible use of funds includes the engagement of a consultant for the purpose of training or marketing expenses; and

Eligible grant applicants must be engaged with one or more of the following organizations: RCEDC, Gateway Technical College, Small Business Development Center, Wisconsin Women's Business Initiative, RAMAC or an acceptable independent consultant to be eligible to apply for the grant; and

Engagement shall be defined as a company approved for or repaying a loan from one of the aforementioned organizations; approved for or engaged in an incentive agreement (via RCEDC assistance); actively applying for training through one of the aforementioned organizations; actively applying for or receiving consultant services from an independent consultant; or actively applying for or engaged in receiving marketing services; and

The MGP is a combination of two prior matching grant programs, the Manufacturing Renewal Grant Program and the Minority Matching Grant Program.

WHEREAS, the County Board, in the past, authorized other allocations and entered into previous contracts with RCEDC to establish, support and administer various programs for Racine County.

NOW, THEREFORE, IT IS MUTUALLY AGREED between the parties as follows:

1. COUNTY shall provide to RCEDC a grant of \$50,000.00 for the purpose of funding the MGP to be used to provide grants to existing Racine County businesses. Said amount may be augmented by carryover of unused funds from previous years.
2. That the RCEDC shall administer the MGP and shall draw down from said \$50,000.00 grant (and/or any carryover) appropriate funds pursuant to the policies and procedures outlined in this agreement. The RCEDC shall utilize the RCEDC Loan Committee ("COMMITTEE") to review and approve all grant applications. The RCEDC shall administer the MGP. The RCEDC's administration includes but is not limited to: the collection of grant applications; initial eligibility screening; coordinating and documenting the COMMITTEE decision regarding the application; sending notification to the applicant of either grant approval or denial; reviewing of the grant reimbursement request and requesting the RCEDC Accounting Manager to reimburse the grant recipient for eligible expenses.
3. There shall be no compensation from COUNTY to RCEDC for the administration of this program. RCEDC shall not charge any service fees to companies applying for or receiving said grant as part of the administration of this program.
4. If, through any cause, RCEDC shall fail to fulfill in a timely and proper manner its obligations under this contract, or if RCEDC shall violate any of the covenants, agreements or stipulations of this contract, COUNTY shall have the right to terminate this contract by giving written notice to RCEDC of such termination and specifying the effective date, at least five (5) days before the effective date of such termination. In such event, all finished or unfinished documents, data, reports or other materials related to the services prepared by RCEDC under this contract shall become the property of the COUNTY. Further, in such event, RCEDC shall return to COUNTY, all remaining funds that have not been expended out of the MGP specified in Paragraph 1 above.
5. RCEDC shall retain all of the administrative records which are relevant to this agreement for a period of seven (7) years. Said period shall commence to run from the date final action was taken in denying any requests for a grant under this program in the case of

grants which were not granted and from the date of final payment was made in the case of grants which were granted. The administrative record shall include at minimum the grant application, eligibility checklist, the COMMITTEE votes, grant approval or denial letter, and the reimbursement accounting. In the event RCEDC shall cease to exist or cease to function as a viable legal entity, RCEDC shall turn its relevant records over to the COUNTY for safekeeping.

6. RCEDC shall provide the COUNTY with reasonable access to any and all of its relevant records, at such time as the COUNTY shall request to inspect such records. The right to inspect records shall include the right to copy records, providing that the COUNTY arranges for and pays the cost and expense of such copying. The term "records" shall include all books, accounts, reports, files, correspondence and papers that are relevant to this agreement. COUNTY may examine such records for any purpose.

The parties recognized that MGP records, and only MGP records, of RCEDC may be public records under Wisconsin law, although not all information in them may be subject to disclosure. The parties recognize that, with respect to any funds granted, the following information, at a minimum, will be treated as subject to disclosure to a person making a request under Wisconsin public records law: amount of the grant, name and address of party to whom the grant was granted, the purpose of the grant, and names of any other parties involved in the grant.

7. Quarterly Reports. RCEDC shall furnish COUNTY with quarterly reports which shall include a financial report as to all funds disbursed under the terms and conditions of this contract and an update of the status of the use of the funds granted under the terms and conditions of this contract. Such reports shall be furnished to COUNTY no later than the 20th day of the month following each calendar quarter.
8. RCEDC shall perform its obligations under this contract in accordance with the letter and the spirit of applicable federal, state and local laws, rules and regulations.
9. The MGP shall be administered as follows:
 - A. The structure for administration of this program will continue the current process of organizational partnerships. RCEDC will act as the lead partner for this project providing appropriate staff support. In carrying out its responsibilities, RCEDC may collaborate with other Partner organizations, such as Gateway Technical College, Racine County Workforce Development Center (WDC), Small Business Development Center (SBDC), Wisconsin Women's Business Initiative Corporation (WWBIC) or Racine Area Manufacturers and Commerce (RAMAC) ("Partners"). RCEDC and/or other Partners will identify current and future clients that could benefit from the MGP and help these clients determine the manner in which a grant could be of assistance, as well as identifying other appropriate sources of financial assistance that could be leveraged by the MGP. The client will then be assisted, if requested, in completing a program application for review by the COMMITTEE.
 - B. Process for Awarding a Grant.

- 1) Each applicant for a grant under the MGP shall submit a completed Application Form (attached as Exhibit A). From time to time during the operation of this agreement, this form may be modified by mutual consent of representatives of the parties to this agreement.
 - 2) Each applicant for a grant under the MGP will be reviewed for eligibility criteria defined in 9.C. below.
- C. Eligibility Determination. Eligible applicants must comply the following:
- 1) Has been in continuous operation for a minimum of one year. An operation is defined as the date of the first sale; and
 - 2) Has less than \$25 million in US gross sales; and
 - 3) Ownership of 51% or more by a racial or ethnic minority (defined as section 16.287 Wisconsin Statutes and Chapter Adm 84 Wisconsin Administrative Code); or
 - 4) Ownership of company of 51% or more by a woman;
 - 5) Ownership of company of 51% or more by a Veteran; or
 - 6) Manufacturing companies (NAICS 31, 32 or 33); or
 - 7) Manufacturing companies recruited by RCEDC who begin with a sales office or distribution facility in Racine County with the intent to add manufacturing operations within a defined number of years with applying companies having less than 200 employees and less than \$25 million in US gross sales.
 - 8) Is current with Racine County Real Estate Taxes; and
 - 9) Does not have any derogatory findings on Wisconsin Circuit Court Access or the Wisconsin Department of Financial Institutions; and
 - 10) Applicant certifies that they have no outstanding fines, penalties, taxes, or delinquent financial obligations whatsoever with the County of Racine, Wisconsin, agency, entity or any other local unit of government.
- 10) On an on-going basis, the RCEDC Executive Director or his/her designee will determine the appropriateness of access to the MGP by clients that utilize, or may utilize, technical assistance services of RCEDC or other relevant entities, such as Small Business Development Center, Gateway and other Partner organizations.
 - 11) Following a determination that a business is an appropriate applicant for the MGP, RCEDC may if requested:
 - A. Assist the client in determining the appropriate consultant services that are necessary, as well as any additional funding sources that could be leveraged;
 - B. Assist the client in preparing the MGP application; and
 - C. Present the application to the COMMITTEE for its consideration.
 - 12) The COMMITTEE will consider the application, as well as provide comments as to the manner in which the application could be modified to take appropriate

advantage of additional area resources for the proposed services. The COMMITTEE may request further information from the applicant prior to a final determination if the COMMITTEE needs clarification on the application.

- 13) The applicant will be advised of the COMMITTEE decision. If the grant is awarded, appropriate fiscal arrangements will be made for payment under the grant. If the grant is not awarded, the applicant will be informed of the reasons for denial, and, if MGP funds remain available, the applicant will be afforded an opportunity to submit a revised application.
- 14) RCEDC Executive Director will serve as the deciding vote in the event of a COMMITTEE tie and can override the COMMITTEE's decision on an application if deemed necessary for the benefit of the MGP program.
- 15) Parameters for the MGP:
 - A. Grants will be available on a first come basis for the reimbursement of eligible expenses that will support existing Racine County companies. Eligible applicants must comply with the eligibility criteria defined in 9.C above.
 - B. A single grant award to any one company cannot exceed \$5,000.00 during a one-year period.
 - C. The grant must be approved prior to the purchase or services unless otherwise agreed to by the COMMITTEE.
 - D. Grants can only be made for eligible use of funds that will support existing firms.
 - E. A minimum of 50 percent (50%) of the total cost of the proposed eligible use of funds must be provided in cash or a cash equivalent by the grant recipient. In-kind contributions by the grant recipient are not considered matching funds. To ensure that the required minimum of 50 percent (50%) of the total cost of the proposed eligible use of funds is provided in cash or a cash equivalent by the grant recipient, the following procedures shall apply:
 - 1) Funds will be disbursed on a reimbursement basis;
 - 2) Grant recipients' requests for reimbursement shall include copies of all signed contracts and invoices for services for which reimbursement is requested including proof of payment (cancelled check, wire transfer, credit card receipt);
 - 3) RCEDC will review documentation submitted for reimbursement to ensure that the expenditures are properly reimbursable under the terms and conditions of the grant award.
 - F. Unless documentation is inadequate or does not clearly demonstrate that the related expenditures are properly reimbursable, the RCEDC Accounting Manager shall authorize payment within ten working days of receipt of a reimbursement request from the grant recipient.

- G. For the purpose of the MGP the RCEDC CEO Roundtable (“Roundtable”) enrollment and the RCEDC/RAMAC Living as a Leader (“LAAL”) programs are an eligible form of training and consulting services. Up to 50 percent (50%) of these costs may be reimbursed by this grant. For the Roundtable and LAAL the MGP also available to small to mid-sized non-manufacturing firms based in Racine County. A grant application may combine the Roundtable or LAAL training with other eligible expenses, up to a combined reimbursable total of \$5,000.00.
 - H. Grants are not renewable. However, should additional funding be made available by the County Board in subsequent years, grant recipients may apply for a different project. For the purpose of the MGP CEO Roundtable and LAAL may be applied for in subsequent years and considered a ‘different project.’
 - I. One year after the final reimbursement of the grant, the grant recipient will prepare a one-page memorandum, on company letter head and signed by the applicant reflecting the number of full time and part time employees that the company employed at the time of the application and one year after the final reimbursement of the grant. The memorandum will also include a summary of the results of the project that corresponds to the specific outcomes identified in the project grant application.
- 10. This document represents the full and complete agreement and understanding of the parties in regard to the MGP but does not supersede prior written agreements and understandings concerning other loan and grant amounts.
 - 11. All notices provided for in this contract shall be sent by first class mail to the address of the party as indicated below:
 - County Clerk
Racine County
730 Wisconsin Avenue
Racine, WI 53403
 - Jenny Trick
Racine County Economic Development Corporation
2320 Renaissance Blvd.
Sturtevant, WI 53177
 - 12. RCEDC agrees to administer the program described within this contract and to maintain program files at its offices located at 2320 Renaissance Blvd., Sturtevant, Wisconsin 53177.
 - 13. The contract may be amended only by written agreement among the parties.
 - 14. The authorization in this contract to award grants shall terminate as of December 31, 2018. If any funds have not yet actually been expended in reimbursements to grant recipients by January 31, 2019, said funds shall be made available for return to Racine County. The parties may agree to extend said deadlines by a mutual written agreement.

15. This agreement serves as approval for RCEDC to carryforward the unused funds from 2016 and make the carryforward funds available to eligible companies in 2018.

COUNTY OF RACINE

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

RACINE COUNTY ECONOMIC DEVELOPMENT CORPORATION

By: _____

Name: Jenny Trick

Title: Executive Director

By: _____

Name: Allison Wright

Title: Accounting Manager