

MEMORANDUM

TO: RACINE COUNTY BOARD  
FINANCE AND HUMAN RESOURCE COMMITTEE

FROM: ANDREA SAFEDIS, PORTFOLIO SERVICING SPECIALIST  
JENNY TRICK, EXECUTIVE DIRECTOR

DATE: JANUARY 18, 2023

SUBJECT: RACINE COUNTY MATCHING GRANT PROGRAM 2022 YEAR END UPDATE

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The purpose of this memorandum is to provide Racine County (“County”) with the 2022 Year End report for the Racine County Matching Grant Program (“MGP”) that is administered by Racine County Economic Development Corporation (“RCEDC”) and to request funds for the 2023 MGP.

**Overview of the Program**

Racine County has been supporting small businesses through two grant programs (manufacturing and minority owned businesses) since 2004 and 2006, respectively.

Starting in 2016, RCEDC and the Racine County Board evaluated the program and began to make small changes to streamline the grant program; changes included combining the two grants into one fund, add a job creation criterion, and strive to seek ways to make the approval process more efficient. Two years later after evaluating the changes and the results, in 2018 the Racine County Board approved additional changes to the grant program that included the following:

- 1) Increase the grant amounts from the original level of \$2,500 to \$5,000;
- 2) Add veteran owned businesses as eligible applicants; and
- 3) Reduce time required for the business to have been established and generating sales from two years to one year.

In 2021, the Racine County Board approved the following changes to the program:

- 1) Limit the grant applications from a business and any of its affiliates to a total of \$5,000 annually;
- 2) Limit the number of years an applicant, including all its affiliates, can apply for funds to a maximum of three years; and
- 3) Allow program funds to be used for a new Coaching Council program being established by RCEDC.

And finally, after delivering the mid-2022 report and reflecting that an unusually high balance available (\$36,186.06), the following changes were requested and approved:

- 1) Eligible applicants to include start-ups assuming the following:
  - Has a physical location that is not home-based;
  - Has secured funding to establish their business; and
  - Has been open (since date of first revenues) for a minimum of 30 days.

With the above 2022 mid-year changes, the following results are as of December 31, 2022:

2021 MGP Carry Forward	\$20,124.36
2022 MGP Allocation	\$75,000.00
<b>Total Available for Grants in 2022</b>	<b>\$95,124.36</b>
2022 Approvals	\$95,116.80
Balance Remaining:	\$7.56

Project Results as of December 31, 2022:

- \$95,116.80 in total grants approved
- 32 small businesses approved, including:
  - 3 manufacturers
  - 21 women-owned
  - 11 ethnic minority-owned
    - 8 – African American
    - 2 – Hispanic
    - 1 – Asian Pacific
  - 8 businesses participating in the CEO Roundtable Program
- The location of the 32 small businesses is in the following communities:
  - City of Racine: 18
  - Mount Pleasant: 6
  - Sturtevant: 1
  - Village of Raymond: 1
  - Village of Rochester: 1
  - Waterford: 4
  - Yorkville: 1

The 32 small businesses approved employ 521 full time equivalent employees. One year following the grant award, the companies will be required to report any changes in the number of employees.

Ethnic Minority Groups

At the request of Racine County leadership, RCEDC has compiled data on the ethnic minority groups which have been awarded MGP funds since RCEDC has led the administration of the program in 2016. This data is detailed below:

2016					
	African American	Hispanic	Asian-Pacific	Asian-Indian	Woman Owned
MGP Awards	4%	4%	4%	0%	27%
County Demographics	12%	13.6%	1.3%	1.3%	50.4%
Number of Applicants	1	1	1	0	7

<b>2017</b>						
	African American	Hispanic	Asian-Pacific	Asian-Indian	Woman Owned	
MGP Awards	17%	0%	0%	0%	30%	
County Demographics	12%	13.6%	1.3%	1.3%	50.4%	
Number of Applicants	4	0	0	0	7	
<b>2018</b>						
	African American	Hispanic	Asian-Pacific	Asian-Indian	Woman Owned	
MGP Awards	12%	4%	4%	0%	38%	
County Demographics	12%	13.6%	1.3%	1.3%	50.4%	
Number of Applicants	3	1	1	0	10	
<b>2019</b>						
	African American	Hispanic	Asian-Pacific	Asian-Indian	Woman Owned	
MGP Awards	14%	0%	3.4%	7.0%	45%	
County Demographics	12%	13.6%	1.3%	1.3%	50.4%	
Number of Applicants	4	0	1	2	12	
<b>2020</b>						
	African American	Hispanic	Asian-Pacific	Asian-Indian	Woman Owned	
MGP Awards	12%	0%	4%	4%	32%	
County Demographics	12%	13.6%	1.3%	1.3%	50.4%	
Number of Applicants	3	0	1	2	8	
<b>2021</b>						
	African American	Hispanic	Asian-Pacific	Asian-Indian	Woman Owned	
MGP Awards	19%	4%	4%	4%	46%	
County Demographics	12%	13.6%	1.3%	0.7%	50.4%	
Number of Applicants	5	1	1	1	12	
<b>2022</b>						
	African American	Hispanic	Asian-Pacific	Asian-Indian	Woman Owned	
MGP Awards	25%	6.3%	3.1%	0%	66%	
County Demographics	12.2%	14.8%	1.4%	.7%	50.1%	
Number of Applicants	8	2	1	0	21	

**Conclusion and Request for Funding for 2023**

In conclusion, RCEDC believes that the changes to the grant program, that include making the program available to new businesses, proved to be successful and should continue.

Similar to past years, RCEDC requests MGP funding of \$75,000 and requests that the prior approved changes continue in 2023:

1. Continue to include new businesses as eligible applicants, assuming the following:

- a. Has a physical location that is not home-based; and
  - b. Has been open (since date of first revenues) for a minimum of 30 days.
2. Remove the limitation of businesses qualifying for only three years for the grant program and instead limit it to \$15,000 per business and its affiliates in total. This recommendation follows the discovery that new businesses with limited resources are not maximizing the grant amounts for which they can apply. By limiting the program to dollars per business versus number of years they can apply, allows for each business and its affiliates to reach a total maximum of \$15,000 over time.

Attached is the proposed 2023 MGP Grant Agreement for Racine County's consideration and action.

Matching Grant Approvals - 2022 Year End Report						
Company Name	Community / County	Primary Product/Service	MGP Grant Award	MGP Partner	MGP Qualifier	MGP Application Job Count
A M I, Inc	Mt. Pleasant	Computer & Office Equipment Wholesalers	\$ 850.00	RCEDC	CEO Roundtable	35
Active Nursing dba Bellamedispa	Mt. Pleasant	Medical Spa	\$ 5,000.00	Independent Consultant	Racial/Ethnic Minority	1
Annie's Country Pantry	City of Racine	Gourmet Grocery Store	\$ 5,000.00	SBDC	Manufacturer; Women; Veteran Owned	4
Audreyanna's LLC	City of Racine	Spa	\$ 5,000.00	Independent Consultant	Women Owned	1
Baylon Incorporated	City of Racine	Fire equipment and protection supplier	\$ 5,000.00	RCEDC; Independent Consultant	Racial/Ethnic Minority	10
Cafe 213	Waterford (Town)	Restaurant	\$ 1,135.50	RCEDC	Women Owned	14
Clarity Assisted Living/Nail Salon	Mt. Pleasant	Home help service	\$ 5,000.00	Independent Consultant	Racial/Ethnic Minority; Women Owned	3
ClearCom, Inc.	Raymond	Audio & Video Equipment Manufacturing	\$ 850.00	RCEDC	CEO Roundtable	25
Confident Kids Childcare, LLC	City of Racine	Childcare	\$ 2,500.00	Independent Consultant	Racial/Ethnic Minority; Women Owned	2
Creative N'Fusion, LLC	City of Racine	Craft Studio / Custom Products	\$ 2,100.00	Independent Consultant	Racial/Ethnic Minority; Women Owned	1
FISCHER USA, Inc.	City of Racine	Handtool, Cutlery, & Flatware Manufacturing Previously Fischer Precise USA	\$ 850.00	RCEDC	CEO Roundtable; Manufacturer	60
Flitz International, Ltd.	Waterford (Village)	Soap & Other Detergent Manufacturing	\$ 5,000.00	RCEDC	Manufacturer	26
Gold Ink Consulting, LLC	City of Racine	Personal & Professional Development	\$ 4,000.00	Independent Consultant	Racial/Ethnic Minority; Women Owned	1
H.E.R. Valley	City of Racine	Health spa	\$ 2,762.50	WWBIC	Racial/Ethnic Minority; Women Owned	1
iDental Lab LLC	Mt. Pleasant	Dental lab that makes dentures and partials	\$ 850.00	RCEDC	CEO Roundtable	47
Klasse Beauty Kosmetics, LLC	City of Racine	Beauty Consulting	\$ 5,000.00	SBDC	Racial/Ethnic Minority; Women Owned	2
Laurel Massage Studio	City of Racine	Massage Therapist	\$ 5,000.00	Independent Consultant	Women Owned	2
Lovingkindness AFH, LLC	City of Racine	Group Home	\$ 1,060.00	WWBIC	Racial/Ethnic Minority; Women Owned	4
Main Street Mercantile	Waterford (Village)	Gift Shop	\$ 1,750.00	Independent Consultant	Women Owned	6
Marie Alise Beauty	Mt. Pleasant	Cosmetology	\$ 1,740.30	RCEDC	Women Owned	1
Marini Manufacturing	City of Racine	Machine Shops	\$ 850.00	RCEDC	CEO Roundtable	30
M&J Krueger Trucking, LLC	Sturtevant	Logistics Services	\$ 5,000.00	RCEDC	Racial/Ethnic Minority; Women Owned	7
Payne & Frazier Consultants	City of Racine	Consulting Agency	\$ 5,000.00	Independent Consultant	Racial/Ethnic Minority; Women Owned	2
Reliance Controls Corporation	City of Racine	Electrical Products Manufacturing	\$ 850.00	RCEDC	CEO Roundtable	74
Renew Medical Aesthetics LLC	City of Racine	Medical Spa	\$ 5,000.00	RCEDC	Women Owned	2
Skyline Landscape Design, LLC	Rochester	Landscaper	\$ 1,500.00	RCEDC	Women Owned	8
Spee-Dee Packaging Machinery, Inc.	Yorkville	Material Handling Equipment Manufacturing	\$ 850.00	RCEDC	CEO Roundtable	97
Spiritual Healing & Therapy	City of Racine	Counseling Services	\$ 2,799.50	WWBIC	Racial/Ethnic Minority; Women Owned	2
The Playroom Inc.	Mt. Pleasant	Children's education	\$ 5,000.00	Independent Consultant	Women Owned	11
Waterford Stillhouse	Waterford (Village)	Distillery	\$ 5,000.00	RCEDC	Racial/Ethnic Minority; Women Owned	11
We Rock The Spectrum	Racine County	Indoor Playground	\$ 1,969.00	Independent Consultant	Women Owned	2
Wisconsin Metal Products Company	City of Racine	Fabricated Metal Product Manufacturing	\$ 850.00	RCEDC	CEO Roundtable	32
<b>Total: 32</b>			<b>\$ 95,116.80</b>			<b>521</b>

Applications Approved but Withdrawn						
Bloom Healing Arts	City of Racine	virtual meditative services	\$ 5,000.00	SBDC	Racial/Ethnic Minority; Women Owned	1
Professional Women In Trades	City of Racine	Nonprofit	\$ 2,500.00	Independent Consultant	Racial/Ethnic Minority; Women Owned	1

Bloom Healing was withdrawn because the business relocated to Milwaukee.

Professional Women In Trades was withdrawn because the business was discovered to be a non-profit.