



Department of Planning & Community & Economic Development

Economic Development Division

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Office of Business Resources

To: Mayor and Common Council

From: Ruth Rohlich, Business Development Specialist, Office of Business Resources

Date: January 5, 2022

Subject: Cooperative Enterprise Development Program and KIVA Madison funding in 2022

Background

A worker co-op is a business owned and controlled by its workers. A co-op is operated to maximize profit for its members, not outside investors. Worker-owners democratically control their co-op. Worker cooperatives can increase wealth in the community, are strong and stable businesses and fight income inequality and racial disparities.

2022 is the fifth fiscal year of a five year commitment by the City to support the creation of worker cooperatives.

The Madison Cooperative Development Coalition (MCDC) was the organization selected by the City to provide technical assistance services for worker cooperatives as part of the City of Madison's Cooperative Enterprise Development Program.

Kiva Madison provides zero interest loans that help to make entrepreneurship more inclusive to women, people of color, immigrants, veterans, and lower income entrepreneurs and business owners. The City of Madison has been considered a "KIVA City" for the past three years.

We are proposing two separate but connected resolutions:

- 1. Resolution approving the Scope of Services for the Cooperative Enterprise Development Program for 2022 and authorizing the City to execute a 2022 contract for \$300,000 with C4CS, as budgeted for the program**

This is our annual request from Council for permission to execute the 2022 contract with Center for Community Services (C4CS). C4CS acts as the fiscal agent for the Madison Cooperative Development Coalition.

- 2. Resolution authorizing the provision of \$200,000 to continue Kiva Madison, through the Wisconsin Women's Business Initiative Corporation (WWBIC), by supporting the staffing and administrative costs for the Kiva Madison Lead Position for three years,; \$50,000 in general Kiva match dollars, and \$50,000 in match dollars for worker cooperatives.**

Kiva Madison provides zero interest loans that help to make entrepreneurship more inclusive to women, people of color, immigrants, veterans, and lower income entrepreneurs and business owners. This resolution will continue the partnership the City of Madison has with KIVA, through the Wisconsin Women's Business Initiative Corporation (WWBIC), in two ways. First, City funding of \$200,000 allows WWBIC to maintain a full-time KIVA Madison Coordinator position to work with entrepreneurs interested in taking advantage of the KIVA Madison Program. Second, \$50,000 can be used as a match to the funding that they are able to raise on the KIVA platform.

Kiva Madison is connected to the Worker Cooperative Enterprise Program in that in 2020, the City expanded the KIVA match dollars designated for the Worker Cooperative Program to be expanded to include any business in need of a KIVA match that is owned by a person or persons who identify as historically disadvantaged.

We made this decision so that more businesses could be supported during the unprecedented disruptions due to the pandemic. In 2021 all of the original \$50,000 of match was used to support Kiva campaigns by Madison businesses. As such, additional funding needs to be directed to this match. We are requesting \$50,000 from the Worker Cooperative Enterprise Loan Fund to be directed to KIVA to serve as a match for only worker cooperative businesses.

These three allowances are:

Item	Amount	Funding Source
KIVA Partnership	\$200,000	SBER (ARPA)
KIVA General Match	\$50,000	SBER (ARPA)
KIVA Worker Cooperative Match	\$50,000	Worker Cooperative Enterprise Program

Kiva is an extremely successful program and we are asking to both continue the program and replenish the match funds.

The Worker Cooperative Enterprise Program continues to be a positive and successful program that is supporting the growth of the cooperative community in Madison and KIVA has proved to be an extremely important partner for micro businesses owned by historically disadvantaged business owners. We look forward to continuing these partnerships and helping to support Madison's diverse small business community.

Thank you,

Ruth Rohlich
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