



WISCONSIN
BUSINESS DEVELOPMENT



HCCW-City of Madison 'Nuevo Futuro' Entrepreneurship & Small Business Development Resource Fund ¹



¹ RFP No. 8452-0-2015RR



March 21 Board of Estimates Action

After learning of the HCCW Proposal and its \$6 Million in match funding along with its substantial economic impact potential in the form of new income, sales, and property tax revenues, the Board of Estimates did not accept the Economic Development Division Staff's recommendation of Doyenne Group and by motion, and unanimous consent, referred the proposals back to this Economic Development Committee for further review.

HCCW \$6 Million Settlers Bank Letter of Intent Omitted



12 April 2016

Ms. Ruth Rohlich
Business Development Specialist
City of Madison Economic Development Division
215 Martin Luther King Jr. Blvd, MMB 300
Madison, WI 53703

CC: Matthew Mikolajewski, Director, City of Madison Economic Development Division
Natalie Erdman, Director, City of Madison Department of Planning and Community and Economic Development
Michael Miller, Grants Administrator, City of Madison

RE: HCCW-Settlers Bank Letter of Intent for HCCW Grant Application to the City of Madison RFP#8452-0-2015-RR Entrepreneurship & Small Business Development Resource Fund

Dear Ms. Rohlich and City of Madison Review Team:

Settlers bank is pleased to submit this letter of intent as lead investor in regards to a total of \$6 million in funding for the Hispanic Chamber of Commerce of Wisconsin, Inc. (HCCW-Madison) Nuevo Futuro: Entrepreneurship & Small Business Development Resource Fund ("the Fund") program.

The Fund will provide capital for the growth and expansion of technology businesses in Madison led by women and people of color among others. Settlers bank, in partnership with several financial institutions, including those that attended the in-person interview with the HCCW and the City of Madison Review team on Monday, February 8, 2016, will provide funding to deploy \$6 Million in revolving loan funding in the form of subordinated debt (performs like equity) and other forms of capital for technology businesses as described herein. Given the structure and anticipated technology companies that will be a part of the deal flow, we expect there will be an additional \$2 million of senior debt to be provided by the investors referred to herein, subject to technology companies that qualify to participate in the Nuevo Futuro Entrepreneurship & Small Business Development Resource Fund.

I have known the HCCW and its staff for many years and I have witnessed the success of its programs. The HCCW's ability to leverage our investment and its commitment to keeping the program dollars local makes the HCCW the right partner at the right time for the City of Madison.

Sincerely,

Thomas E. Spitz
Founder & CEO, Settlers bank

Settlers bank 4021 Meridian Drive Windsor, WI 53598 Phone: 608.842.5000 Fax: 608.842.5001 www.SettlersWI.com Member FDIC

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Total Annual Match:

HCCW:

\$3,000,000

Doyenne Group:

\$300,000

Financial Comparison w/ Appropriate Match

Hispanic Chamber of Commerce of Wisconsin (HCCW) Annual Budget		Doyenne Group (DG) Annual Budget	
Sources		Sources	
HCCW-Settlers Bank Match	\$3,000,000	WEDC	\$100,000
City of Madison	\$300,000	WWBIC	\$100,000
Debt Leverage	\$1,000,000	Doyenne	\$100,000
		City of Madison	\$300,000
Total	\$4,300,000	Total	\$600,000
Uses		Uses	
Personnel	\$197,000	Personnel	\$123,750
HCCW Partnership	\$3,000,000	WWBIC Loans	\$180,000
Debt Leverage	\$1,000,000	Equity Investments	\$150,000
Essential Entrepreneurship Skills Workshops	\$23,000	Programming	\$46,250
Annual Salute to Women in Technology Conference	\$15,000	Grants	\$100,000
Consultant	\$50,000		
Economic News Media Message	\$15,000		
Total	\$4,300,000	Total	\$600,000

**Total Capital
Deployed Per
Year:**

**HCCW
\$4,000,000**

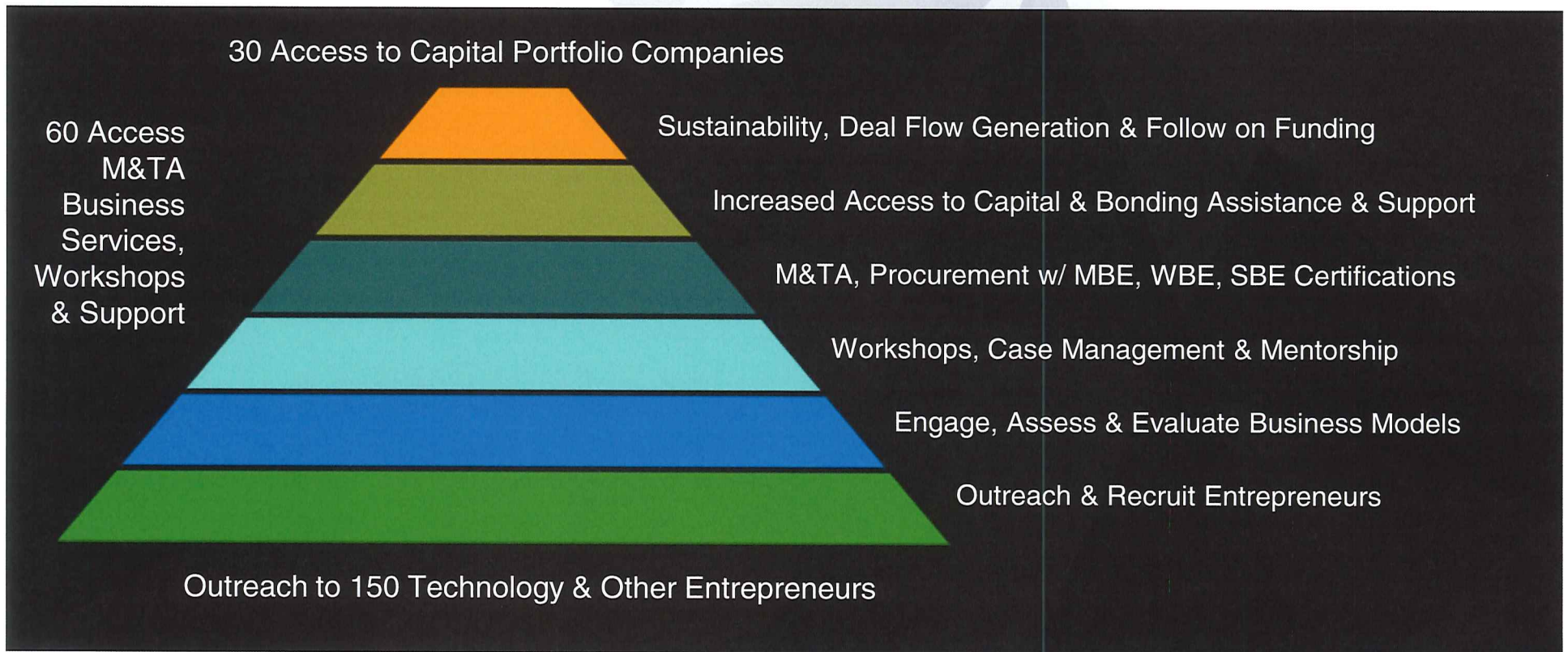
**Doyenne Group
\$430,000**

Economic Impact Comparison

Annual Economic Impact		
	HCCW	DG
Capital Deployed	\$4,000,000	\$430,000
Jobs Created Per \$1 Million in Capital Deployed	30	30
Total Technology Jobs Created	120	13
Avg. Annual Wages Per Technology Job	\$60,000	\$60,000
Total Annual Wages Generated	\$7,200,000	\$780,000
Income, Sales & Property Tax Revenue Rate	9.00%	9.00%
Income, Sales & Property Tax Revenues Generated	\$648,000	\$70,200



Outstanding HCCW Access to Capital Qualifications





Outstanding HCCW Capital Continuum

- **Seed**
- **Early Stage**
- **Later Stage**
- **Growth Capital**
- **Subordinated Debt (Performs Like Equity)**
- **Senior Debt**

For entrepreneurs who do not otherwise qualify for traditional financing



Racial Equity & Social Justice Initiative Tool Used by City of Madison

- The Economic Development Division Staff have asked proposers to be informed on the use of this tool and how the experiences of persons within communities of color and low income populations could be affected by the proposal.
- Although the HCCW proposal includes access to capital for technology based and other small business entrepreneurs who are of low and moderate income (LMI), the HCCW proposal does not restrict deal flow to any individuals based on their personal income.

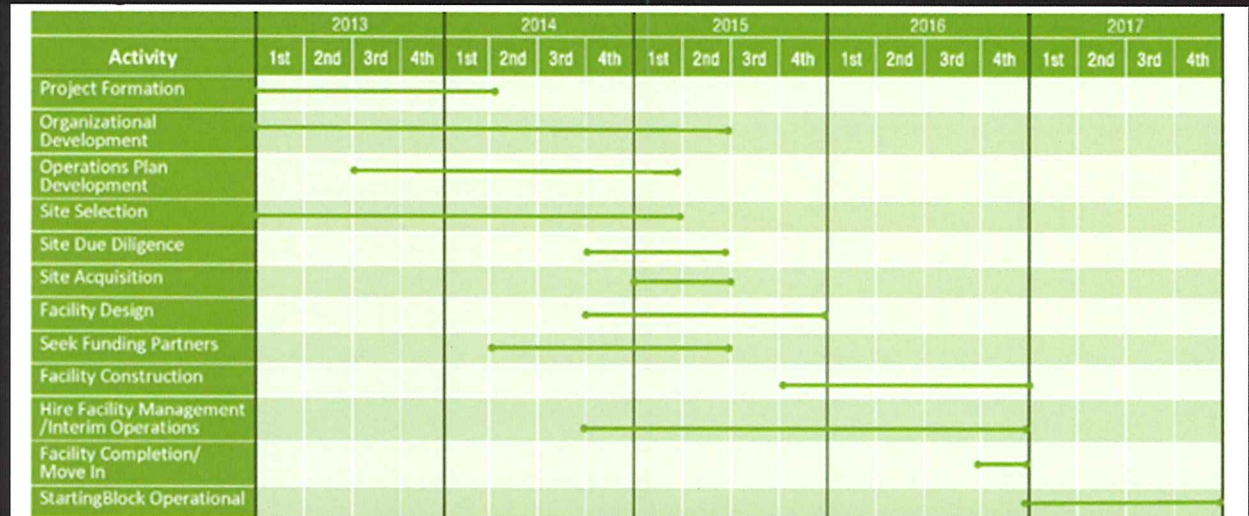


HCCW-Starting Block Collaboration ¹

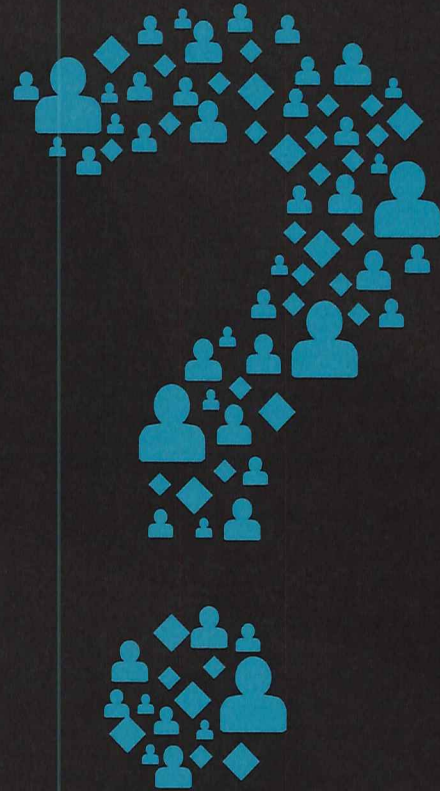


HCCW-City of Madison Entrepreneurship Resource Fund- Starting Block Madison Public-Private Partnership Proposal:

- HCCW Onsite Occupancy
- HCCW annual service grant funding to Starting Block for 2016-2017 Biannual Period
- HCCW Proposal Includes HCCW Onsite Occupancy w/ CAM



Q&A



THANK YOU !

