

Part I: City or Native American Community Description

Milwaukee, Wisconsin is a city of 600,000 located on the western shore of Lake Michigan. The city is racially, ethnically and linguistically diverse; its population is 44% Caucasian, 40% African-American, and 17% Latino. Latinos are the fastest-growing population group. Other growing ethnic groups include people of Hmong, Somali, and Burmese origin. With a poverty rate of 29.1%, according to the 2009-13 American Community Survey estimates, Milwaukee qualifies as a priority community under the standards of the Startup-in-a-Day Challenge.

As the largest city in Wisconsin, Milwaukee plays a pivotal role in the state's economic success. The Milwaukee region's economy was built on industry, and, with nearly 20 percent of the regional workforce employed in manufacturing, remains one of the nation's leading manufacturing centers. At the same time, historic employment patterns, in which most adults worked for someone else, left a legacy of low rates of entrepreneurship and business start-up. With only 7.9% of the region's adult population self-employed, the Milwaukee region is 2.3% below the national average for self-employment. Statewide, in 2013, only 170 businesses were created for every 100,000 adults in Wisconsin, ranking the state 45th in the U.S.

Occupancy certificate and license data collected by City agencies provides a snapshot of the demand for small business formation here. The City of Milwaukee issued approximately 2,600 occupancy certificates in 2014; most of these certificates allow a business to open at a specific location. City government also issues approximately 20,000 business licenses annually. In 2014, approximately one-third of licenses issued were first-time applications. The most popular business types receiving first-time licenses included restaurants, retail food dealers, taverns, home improvement contractors, and filling stations.

Part II: Problem(s) and Solutions(s)

Milwaukee municipal government has actively worked to improve its services to businesses. The City opened the Development Center, a one-stop permitting center, in 2000; certain construction trades permits have been available online for a decade; and many licensing functions have been moved into a single License Bureau. The City is currently installing Acela software that will provide more robust online permit and license application and tracking functionality. This software goes live later this year.

Despite these measures, a 2013 nationwide survey of 8,000 small business owners, conducted by Thumbtack.com and the Kaufmann Foundation, gave a grade of C+ to Milwaukee's regulatory friendliness.

This grade reflects frustration that local start-ups have *no single point of contact to help them determine which permits, licenses and fees are required to open their doors, and what information is needed to apply for them.* The occupancy certificate, required to locate in a particular space, is issued by one department; more than 125 types of licenses are administered by multiple departments.

The details of a business operation determine the configuration of licenses required and the number of departments with which the start-up must deal, and this information can be confounding to the customer.

While there are sound public policy reasons to spread licensing and permitting responsibilities across departments, business customers, and the organizations that assist entrepreneurs, must navigate a complex and confusing maze.

To address this problem, we propose to use grant funds from the Startup-in-a-Day Challenge to build a mobile-friendly web tool, *Milwaukee Business Navigator ("Navigator")*, to allow users to take control of the licensing and permitting process by providing the following functionality:

Navigation: Users will answer a series of targeted questions relating to proposed business activities and locations. Based on the answers provided, Navigator will generate customized roadmaps of all local and state licenses and permits required by individual startup businesses to meet regulatory and zoning requirements. The roadmap will include an explanation of which activities of the proposed operations cause certain licenses and permits to be required, and a summary of associated fees or fee ranges.

Education: Interface elements within Navigator will help users to answer the targeted questions. These interfaces, provided in both English and Spanish in text and video format, will define and illustrate key terms, concepts, and application and approval processes.

Connection: Navigator will allow users to contact staff for further help. Once a user's roadmap is generated, users will be linked to appropriate online applications or resources via the City's web site.

Part III: Implementation

Milwaukee Business Navigator will be developed by a team of City employees, including subject matter experts and software developers, with advice from local organizations that assist startup businesses, such as BizStarts Milwaukee; the Multicultural Entrepreneurial Institute; Hispanic, Hmong, American Indian, Pan-African and African-American Chambers of Commerce; local Business Improvement Districts, and the Wisconsin Women's Business Initiative Corp. The involvement of these groups will be critical to ensure that Business Navigator meets the needs of startup customers, and to publicize the availability of the tool to startups.

Models such as NYC Business Express will provide a starting point for the team's work. We expect it will take 6 to 9 months to develop and launch Milwaukee Business Navigator. We will focus initially on providing assistance to entrepreneurs starting the most common new business types, particularly food and beverage businesses, and expand the breadth of Navigator over time.

We will measure the use and impact of Milwaukee Business Navigator by tracking:

- The number of customers that use the software.
- The percentage of license applicants who are aware of Navigator.
- The number of Acela license/permit application accounts created by Navigator users.
- The number of Navigator trainings provided to and by business support organizations.
- A customer satisfaction survey within the software.

Part IV: Service to Priority Communities

With a poverty rate of 29.1%, according to the 2009-13 American Community Survey estimates, Milwaukee qualifies as a "High Poverty" community under the standards of the Startup-in-a-Day Challenge. Poverty is particularly prevalent within the city's minority communities; according to the ACS, 41.4% of Milwaukee's African-American residents and 32.3% of the city's Hispanics are poor.

While local government does not track the race, ethnicity or income status of individuals who apply for business licenses and permits, data collected by the Wisconsin Women's Business Initiative Corporation (WWBIC) signals that a growing number of low-income and minority residents are turning to business formation as a strategy to gain employment and financial security. WWBIC, an innovative economic development corporation that assists individuals who face barriers in accessing traditional financing or resources to start businesses, reports that, in 2014, 80% of its Milwaukee clients were racial or ethnic minorities, and 62% of its clients were from households with low- to moderate-income.

WWBIC further reports that about 70% of the businesses it counsels are very small businesses that provide goods and services to the local population. According to research done by Gazelle Index, when such businesses are minority-owned, they bring the added benefit of providing employment opportunities and needed goods and services in underserved low-income neighborhoods. According to Gazelle Index, Latino-owned businesses tend to locate in neighborhoods in which 37% of the population is Latino, while African American-owned businesses locate in areas that are 44% African American. Two-thirds of the employees of African American-owned businesses are also African American.

We are confident that Milwaukee Business Navigator will assist significant numbers of low-income and minority individuals to establish businesses that contribute to the economic prosperity of Milwaukee households and neighborhoods.