

FAQs

What is a TID?

A TID is a “tax increment district.” TIDs use future property tax revenue increases from a specific areas/district toward incentives and public infrastructure improvements necessary to encourage economic development and increase property values. The improvements and incentives paid through the TID trigger increases in tax revenue above what occurs, or would have occurred within the district without the investment.

The Project Plan for the Creation of Tax Incremental District No. 20 (Regency Mall area) estimates total project expenditures of \$15.7 million of future property tax revenue increases in several phases through the TID’s 22-year expenditure period. (Graphic B – TID Detailed)

Adoption of the TID plan and formation of the TID will set the base value for all properties within the boundaries of the TID. Any additional tax increment value across all taxing jurisdictions (Racine County, Racine Unified School District, Gateway Technical College and City of Racine) would be available to make identified expenditures within the district including incentives and public improvements.

Any incentive provided would require a development agreement between the developer and the City that includes agreed upon milestones and metrics to receive incentive assistance. All development agreements are approved by the City of Racine Common Council.

How long does a TID last?

TID 20 is proposed to be a 27 year TID, and has a 22 year expenditure period.

How does a TID help businesses in the area?

Businesses and property owners within the TID are eligible to receive economic assistance in the form of infrastructure improvements that benefit the district and business incentives to support improved economic activity. The TID is a tool that allows local units of government to reinvest improvements in the tax base back into the district to create even more economic development.

Does Racine have any other TIDs?

Yes. The TID presently proposed would be the 20th TID created within the City of Racine. However, there are now 13 tax increment districts that are operational within the City. The most recent, TID 19, is for the Uptown area. In just its first year it has helped incentivize two new redevelopments – Culinary Infusions and the Ajax Veteran’s Apartment Complex.

What is the taxpayer impact?

There are no impacts to the taxpayer as the taxes generated within the base year of the TID return to the local governmental units in the same amount over the next 27 years. Only increases in tax revenue (also called “increment”) are used to incentivize development or pay for infrastructure investments within the TID.

What area does TID 20 cover?

The target area for TID No. 20 includes 24 parcels and totals approximately 133.9 acres. The area includes Regency Mall, the mall outlots, Target, and High Ridge Center, which includes the Home Depot and Toys R Us. (Graphic A – Map)

Who Runs the TID?

The TID is managed by the City of Racine jointly through its Finance Department and Department of City Development. The City Redevelopment Authority often reviews and recommends TID projects and incentives to the Common Council. Annual reports on the TID are made to the State of Wisconsin. Decisions regarding the use of increment within the TID are subject to approval by Common Council or through development agreement between the developers and the City (through its Common Council).

Who bought the Mall and what's their history?

Hull Property Group is developing plans to redevelop and invest in Regency Mall. The goal is to stabilize and transform the property to stop valuable tenants from leaving and attract new nationally branded tenants. The Hull Property Group's portfolio includes 28 small market malls containing 12.3M SF. The company has a long track record of acquisition and redevelopment of distressed enclosed mall properties in secondary and tertiary markets that have been mismanaged and fallen out of favor. In over 25 years the Hull Group has never sold a mall and has a reputation as the "go to" developer for stabilization, transformation, and repositioning of distressed enclosed regional malls.

An example of Hull Property Group's success in mall redevelopment can be seen in the Danville Mall in Danville, VA. The Hull Property Group purchased the Danville Mall in 2012 as a distressed property. Since then they have carried out their programmatic approach to perform large-scale interior and exterior renovations which resulted in a first class shopping experience. The improvements include installing new carpeting and lighting throughout the property, permanently covering vacancies, and landscaping the exterior to open up sightlines and enhance visibility. The Hull Group invested \$6.2 M to stabilize, transform and reposition the property. These renovation efforts attracted national retailers including Dunham's Sports, Rue21, Justice, and Rack Room Shoes.

The improvements to the Danville Mall have encouraged adjacent property owners to invest within the retail corridor, benefiting the Danville community through increased property and sales taxes. The Hull Property Group continues to invest in improvements to the property including the development of a three tenant building anchored by Chipotle Restaurant on a small outparcel.

How and when will we know the TID is successful?

When the TID generates an increase in increment and is able to share the increment to create economic development, it is successful. Another way to show success is to achieve objectives and projects proposed within the TID Project Plan. Some successful TIDs are able to pay off project expenses and incentives early and, thus, can be "closed" early and all taxpayers within a municipality may enjoy the improvements to the tax base.

What is the difference between a TID and a BID?

A TID is essentially a plan to increase the value of the business district. A BID (business improvement district) is a representative group of business people who work together to share ideas, and marketing and event expenses with the goal to increase business for the good of the entire area. BIDs are paid for through an additional tax on property owners within the district. A BID is not a requirement of a TID, but the City encourages the creation of a BID to help accelerate business development.