



# City of Racine

City Hall  
730 Washington Ave.  
Racine, WI 53403  
[www.cityofracine.org](http://www.cityofracine.org)

## Legislative Report

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**File Number: Res. 1268-19**

**Agenda Date: 11/19/2019**

**File Type: Resolution**

### Ajax Incentive Agreement

Resolved, that the Developer Incentive Agreement among the City of Racine, the Redevelopment Authority of the City of Racine (RDA) or its successor Community Development Authority of the City of Racine, and Cardinal Capital Management, Inc. (Developer), for the redevelopment of 141 units of new multi-family housing on the RDA-owned, former Walker Manufacturing-Ajax industrial property at 1520 and 1536 Clark Street in Uptown is approved.

Fiscal Note: The FY2019 CIP Budget for the I. G. funds contained the first \$500,000 for the site remediation and parking incentive; and the FY2020 I.G. Budget contains the other \$500,000. Under the 11-year TID, because it is pay-as-you-go, the Developer must first pay all taxes in order to have 90% of said payments then returned as an incentive, leaving the remaining 10% for the TID to repay a portion of the \$1M in incentive. The estimate is that the Developer will receive \$2,900,961 in TID increment capture rebates; while the City is expected to get back an estimated \$322,324 during the 11-year capture life of the TID. The REC Fees are expected to cost \$50,500, which is budgeted in the FY2020 I.G. Funds Budget. The cost of the water-line replacement in Clark Street is estimated at \$275,000 and will be paid by the Water Utility Capital budget, as included in FY2020. The Board of Commissioners of Public Lands Loan will cost the City nothing except staff time, because all repayment of debt service will be made by the Developer. Following TID closure, the project is expected to produce at least \$184,500 in new yearly property taxes to the City.