



**CITY OF RACINE, WISCONSIN**  
**TAX INCREMENTAL DISTRICT NO. 10**  
**PROJECT PLAN AMENDMENT**  
**REFLECTING DISTRESSED STATUS**



October 5, 2012 **[DRAFT]**

<i>Joint Review Board Organizational Meeting Held:</i>	<i>Scheduled October 8, 2012</i>
<i>Public Hearing Regarding Project Plan Amendment Held:</i>	<i>Scheduled October 10, 2012</i>
<i>Consideration for Adoption by Plan Commission:</i>	<i>Scheduled October 10, 2012</i>
<i>Public Hearing Regarding Distressed Designation Held:</i>	<i>Scheduled October 16, 2012</i>
<i>Consideration for Adoption by Common Council:</i>	<i>Scheduled October 16, 2012</i>
<i>Consideration for Approval by the Joint Review Board:</i>	<i>To Be Scheduled</i>

# Tax Incremental District No. 10 Amendment Project Plan

## City of Racine Officials

### *Common Council*

John Dickert	Mayor
Dennis Wiser	Council Member
Gregory T. Holding	Council President
James Morgenroth	Council Member
Jim Kaplan	Council Member
Krystyna Sarrazin	Council Member
Melissa Kaprelian-Becker	Council Member
Michael D. Shields	Council Member
Molly Hall	Council Member
O. Keith Fair	Council Member
Q.A. Shakoor, II	Council Member
Raymond DeHahn	Council Member
Robert Mozol	Council Member
Ronald D. Hart	Council Member
Sandy Weidner	Council Member
Terrence A. McCarthy	Council Member

### *City Staff*

Thomas Friedel	City Administrator
Brian F. O'Connell	Director of City Development
Janice Johnson-Martin	City Clerk/Treasurer
Robert Weber	City Attorney
David Brown	City Finance Director

### *Plan Commission*

Mayor John Dickert, Chair	Brian F. O'Connell, Director of City Development, Secretary
Elaine Sutton-Ekes	Alderman Molly Hall
Vincent Esqueda	Tony Veranth
Alderman Dennis Wiser	C. Judley Wyant

## Joint Review Board

Mayor John Dickert

Daniel Eastman

Mark Zlevor

David Hazen

John Engel

City Representative

Racine County

Gateway Technical College District

Racine Unified School District

Public Member

# TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>5</b>
<b>TYPE &amp; GENERAL DESCRIPTION OF DISTRICT .....</b>	<b>8</b>
<b>MAP OF CURRENT DISTRICT BOUNDARIES.....</b>	<b>9</b>
<b>MAP SHOWING EXISTING USES &amp; CONDITIONS.....</b>	<b>10</b>
<b>EQUALIZED VALUE TEST.....</b>	<b>10</b>
<b>STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS .....</b>	<b>10</b>
<b>MAPS SHOWING PROPOSED IMPROVEMENTS AND USES .....</b>	<b>10</b>
<b>DETAILED LIST OF PROJECT COSTS.....</b>	<b>10</b>
<b>ECONOMIC FEASIBILITY STUDY &amp; A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED .....</b>	<b>11</b>
<b>ANNEXED PROPERTY.....</b>	<b>15</b>
<b>PROPOSED CHANGES IN ZONING ORDINANCES.....</b>	<b>15</b>
<b>PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF RACINE ORDINANCES.....</b>	<b>15</b>
<b>RELOCATION .....</b>	<b>15</b>
<b>ORDERLY DEVELOPMENT OF THE CITY OF RACINE.....</b>	<b>16</b>
<b>A LIST OF ESTIMATED NON-PROJECT COSTS .....</b>	<b>16</b>
<b>OPINION OF ATTORNEY FOR THE CITY OF RACINE ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105.....</b>	<b>17</b>

# 1

## EXECUTIVE SUMMARY

### **DESCRIPTION OF ORIGINAL DISTRICT AND PROPOSED AMENDMENT**

- Original District Purpose. Tax Incremental District (“TID”) No. 10 (the “District”) is an existing industrial district, created by a resolution of the Common Council adopted on March 18, 2003. The City created the District to eliminate blight and to rehabilitate certain property on State Street.
- Proposed Amendment. The purpose of this amendment is to reflect the distressed status of Tax Incremental District No. 10 to make it eligible for that designation under Wisconsin Statutes 66.1105(4e). In addition to extending the maximum life of the District by ten years, this designation will also make the District eligible to receive allocations of excess increment from Tax Incremental Districts Nos. 8 and 9.

### **QUALIFICATION FOR DISTRESSED STATUS**

- On May 12, 2010, Governor Doyle signed into law Wisconsin Act 310 allowing for designation of certain qualifying Tax Incremental Finance Districts as “distressed” or “severely distressed”. In general, the law provides districts with additional time over which to collect increment to pay project costs. Designation of a district as distressed or severely distressed is accomplished by resolution of the Common Council. Consideration of such a resolution must be preceded by the adoption of a Project Plan amendment reflecting the district’s status as distressed or severely distressed.
- The District meets the requirements for designation as distressed, which are as follows:
  - Based on the financial data included within this Project Plan amendment, the project costs incurred by the District exceed the amount of revenues from all sources that the City expects the District to generate to pay off such project costs during the life of the District.
  - The District was created before October 1, 2008.
  - The District’s Project Plan has not been amended after October 1, 2009.
- Approval of the resolutions amending the District’s Project Plan and designating it as distressed by the Joint Review Board would impact the District as follows:
  - The District’s maximum life will be extended by 10 years; with a new termination date of March 18, 2036 (the District’s current maximum life is 23 years). Although the District’s life will be extended, the City does not expect to need the additional term as the allocation of surplus increment from other Districts will be sufficient to allow recovery of all project costs within the existing un-extended term.

- The District will become an eligible recipient of surplus tax increments from Tax Incremental Districts Nos. 8 and 9 under Section 66.1105(6)(f), Wisconsin Statutes.
- For the remainder of its life, the District will be precluded from:
  - Amending its project plan to add any new project costs.
  - Becoming part of a district with overlapping boundaries.
  - Expending any funds outside of the District's boundaries.
  - Adding any territory to the District.
  - Becoming a donor district.
  - Making any expenditure beyond the end of its original expenditure period termination date of March 18, 2021.
- If any tax increments allocated to the District exceed the amount needed to meet the District's annual expenditures identified in its existing Project Plan, the excess amount must be used to retire any outstanding debt obligations of the District or to establish a reserve fund that may be used only to retire outstanding debt obligations of the District.

## **SUMMARY OF FINDINGS**

As required by Wisconsin Statutes 66.1105, and as documented in this Project Plan Amendment and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” amendment of the District’s Project Plan, the remaining development projected to occur as detailed in this Project Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** The findings required by statute cannot be applied in the conventional sense insofar as there is no current development proposed for the District, and since the District would in any event be unable to provide Tax Incremental Financing assistance to facilitate additional development as a result of its financial condition and impending designation as distressed. The City expects that additional development may eventually take place, and believes that this proposed amendment meets the intent of the “but for” test since “but for” a distressed designation, it is clear that prospects for additional development that could improve the District’s financial position would be eliminated or greatly diminished.
2. **The economic benefits of amending the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** While development has not occurred as anticipated by the City, all of the overlapping taxing jurisdictions stand to ultimately benefit from future development of this improved site through increased employment, business and personal income, and property value benefits envisioned in the original Project Plan and its subsequent amendment.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.** For the reasons set forth in findings 1. and 2. above, the City believes that the benefits to property owners in the overlapping taxing jurisdictions exceed the potential consequences associated with not making a distressed designation. As shown in the economic feasibility portion of this plan, the ability to receive surplus increment alone from Tax Incremental Districts Nos. 8 and 9 will allow the City to pay its project costs within six years.

4. The boundaries of the District are not being amended. At the time of creation, and any subsequent additions of territory, not less than 50%, by area, of the real property within the District is suitable for industrial sites and zoned for industrial use within the meaning of Section 66.1101 of the Wisconsin Statutes. Any real property within the District that is found suitable for industrial sites and is zoned for industrial use at the time of the creation of the District, or at the time its boundaries were amended, will remain zoned for industrial use for the life of the District.
5. Based upon the findings as stated above, and the original findings as stated in the Creation Resolution and in any subsequent resolutions amending the boundaries of the District, the District remains declared an industrial district based on the identification and classification of the property included within the district.
6. The project costs will not change as a result of this amendment.
7. There are no additional improvements as a result of this amendment.
8. The amount of retail business will not change as a result of this amendment,
9. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

## 2

### TYPE & GENERAL DESCRIPTION OF DISTRICT

The District was created under the authority provided by Wisconsin Statutes 66.1105 on March 18, 2003 by resolution of the Common Council. The District's valuation date, for purposes of establishing base value, was January 1, 2003.

The District is an "Industrial District," created on a finding that at least 50%, by area, of the real property within the District was zoned and suitable for industrial sites within the meaning of Wisconsin Statutes Section 66.1101. Since this amendment does not add any territory to the District, the District remains in compliance with this provision. Any real property within the District that was found suitable for industrial sites and was zoned for industrial use at the time of the creation of the District, or at the time its boundaries were amended, will remain zoned for industrial use for the life of the District.

Wisconsin Statutes Section 66.1105(4)(h)2. provides authority for a City to amend the boundaries of an existing Tax Increment District for purposes of adding and/or subtracting territory up to a total of four times during the life of the District. The boundaries of the District have been amended once prior to this Amendment. Since this amendment does not involve the addition or subtraction of territory from the District, it is not counted against the number of available boundary amendments.

This Project Plan Amendment supplements, and does not supersede or replace any component of the original Project Plan, or any component of previously adopted Project Plan Amendments, unless specifically stated. All components of the original Project Plan, and its previously adopted Project Plan Amendments, remain in effect.

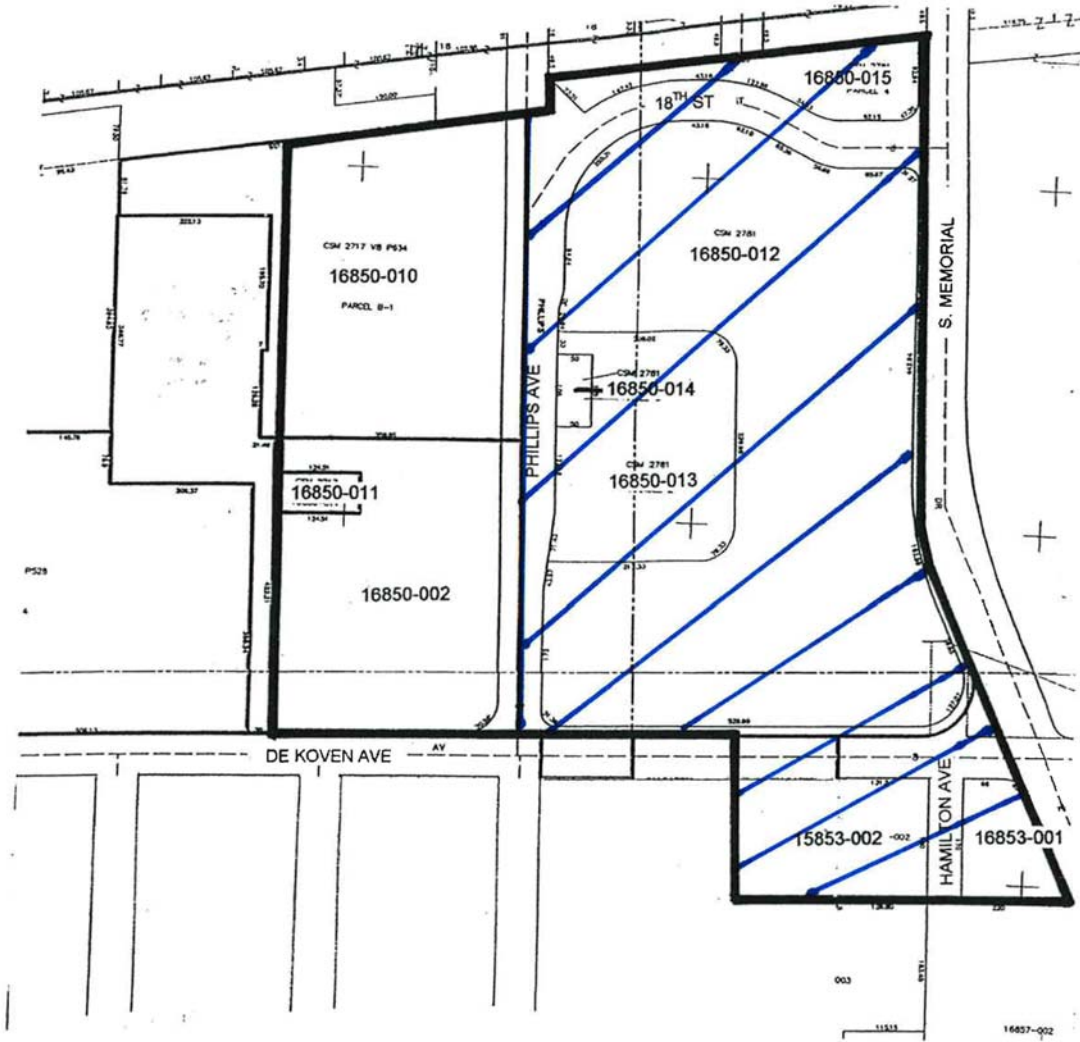
A map depicting the current boundaries of the District is found in Section 3 of this Plan. Based upon the findings stated above, the original findings stated in the Creation Resolution, and the findings contained in any subsequent resolution adding territory to the District, the District remains an industrial district based on the identification and classification of the property included within the District.





**3**

**MAP OF CURRENT DISTRICT BOUNDARIES**

CITY OF RACINE  
TID 10 ORIGINAL &  
AMENDED AREA  
BOUNDARIES



Original =   
Addition = 

## 4

### MAP SHOWING EXISTING USES & CONDITIONS

A map depicting the *Existing Uses and Conditions* of property within the Donor District is included in the original District Project Plan approved on March 18, 2003. A copy of that Project Plan is on file with the City Clerk. Since the scope of this Amendment is limited to reflecting the distressed status of the District, no changes to the map are necessary.

## 5

### EQUALIZED VALUE TEST

No additional territory will be added to the District. Demonstration of compliance with the equalized value test is not required for this Amendment.

## 6

### STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS

The scope of this amendment is limited to reflecting the District's distressed status. No other additional project costs are involved, and the *Statement of Kind, Number and Location of Proposed Public Works and Other Projects* as documented in the March 18, 2003 Project Plan remains in effect.

## 7

### MAPS SHOWING PROPOSED IMPROVEMENTS AND USES

Maps depicting the *Proposed Improvements and Uses* within the Donor District are included in the original District Project Plan approved on March 18, 2003. A copy of that Project Plan is on file with the City Clerk. Since the scope of this Amendment is limited to reflecting the distressed status of the District, no changes to the map are necessary.

## 8

### DETAILED LIST OF PROJECT COSTS

This amendment provides the authority for the Donor District to allocate surplus increments with the Recipient District. No other additional project costs are involved and the *Detailed List of Project Costs* as documented in the March 18, 2003 Project Plan remains in effect.

# 9


## **ECONOMIC FEASIBILITY STUDY & A DESCRIPTION OF THE METHODS OF FINANCING AND THE TIME WHEN SUCH COSTS OR MONETARY OBLIGATIONS RELATED THERETO ARE TO BE INCURRED**

The Exhibits included in this section provide a projection of the District's increment, a cash flow projection reflecting the District's current distressed status, and a cash flow projection demonstrating that the ability to receive shared increment from Tax Incremental Districts No. 8 and No. 9 will allow it to recover its project costs.

### **Summary of Exhibits**

- **Exhibit 1 – Projection of Tax Increment Collections.** The present increment value of the District is negative \$393,100. While development of the site may occur at some future point in time, no current proposals are under consideration; therefore no estimates as to future value are included in the projections. At present, the City does not expect to receive any increment collections from the District.
- **Exhibit 2 – Projected Cash Flow Prior to Sharing.** Exhibit 2 shows projected District revenues and expenditures. The District presently has a \$1,419,187 negative fund balance which is projected to grow to \$6,518,145 based on current debt service and other project cost obligations. Given the magnitude of the forecasted fund balance deficit, it will not be possible for the District to recover its Project Costs without being designated distressed, which in turn makes it an eligible to receive shared increment from Tax Increment Districts Nos. 8 and 9.
- **Exhibit 3 –Projected Cash Flow After Sharing.** Exhibit 3 demonstrates that with the receipt of shared increment from Tax Incremental Districts Nos. 8 and 9, the District can successfully recover all Project Costs by 2018.


Exhibit 1 – District Projection of Tax Increment Collections



**City of Racine, WI**

**Tax Increment District No. 10**  
**JACOBSON**

**Tax Increment Projection Worksheet**



Apply Inflation Factor to Base?

Type of District		Actual Base Value		Pre-Amendment Base Value (Actual)		Property Appreciation Factor		Current Tax Rate (Per \$1,000 EV)		Tax Rate Adjustment Factor (Next 2 Years)		Tax Rate Adjustment Factor (Following 2 Years)		Tax Rate Adjustment Factor (Thereafter)		Discount Rate 1 for NPV Calculation		Discount Rate 2 for NPV Calculation	
Ind (Pre 10-1-04)	Valuation Date	Actual Base Value	NA	Actual Base Value	Special	Property Appreciation Factor	Special	Current Tax Rate (Per \$1,000 EV)	Per Rate Model	Tax Rate Adjustment Factor (Next 2 Years)	Per Rate Model	Tax Rate Adjustment Factor (Following 2 Years)	Per Rate Model	Tax Rate Adjustment Factor (Thereafter)	Per Rate Model	Discount Rate 1 for NPV Calculation	Discount Rate 2 for NPV Calculation	Cumulative @ 1.00%	Cumulative @ 3.00%
8	2010	(7,600)	1,180,400	488,800	26.67	0.00%	0	29.48	0	0	0	0	0	0	0	0	0	0	0
9	2011	95,700	NA	(993,100)	29.04	0.00%	0	29.48	0	0	0	0	0	0	0	0	0	0	0
10	2012	0	NA	(993,100)	29.48	0.00%	0	29.92	0	0	0	0	0	0	0	0	0	0	0
11	2013	0	NA	(885,164)	30.21	0.50%	0	30.21	0	0	0	0	0	0	0	0	0	0	0
12	2014	0	NA	(885,207)	30.51	0.50%	0	30.51	0	0	0	0	0	0	0	0	0	0	0
13	2015	0	NA	(885,207)	30.66	1.00%	0	30.66	0	0	0	0	0	0	0	0	0	0	0
14	2016	0	NA	(885,207)	30.81	1.00%	0	30.81	0	0	0	0	0	0	0	0	0	0	0
15	2017	0	NA	(885,207)	30.81	1.50%	0	30.81	0	0	0	0	0	0	0	0	0	0	0
16	2018	0	NA	(885,207)	30.81	1.50%	0	30.81	0	0	0	0	0	0	0	0	0	0	0
17	2019	0	NA	(885,207)	30.81	2.00%	0	30.81	0	0	0	0	0	0	0	0	0	0	0
18	2020	0	NA	(885,207)	30.81	2.00%	0	30.81	0	0	0	0	0	0	0	0	0	0	0
19	2021	0	NA	(885,207)	30.81	2.50%	0	30.81	0	0	0	0	0	0	0	0	0	0	0
20	2022	0	NA	(885,207)	30.81	2.50%	0	30.81	0	0	0	0	0	0	0	0	0	0	0
21	2023	0	NA	(885,207)	30.81	3.00%	0	30.81	0	0	0	0	0	0	0	0	0	0	0
22	2024	0	NA	(885,207)	30.81	3.00%	0	30.81	0	0	0	0	0	0	0	0	0	0	0
				(993,100)	29.63	3.00%	0	29.63	0	0	0	0	0	0	0	0	0	0	0
				181,803															

Construction Year	Value Added	Valuation Year	Inflation Increment	Inflation Factor	Valuation Increment	Revenue Year	Tax Rate	Tax Increment	Future Value of Increment
2010	(7,600)	2011	0	0.00%	0	2012	26.67	0	0
2011	95,700	2012	0	0.00%	0	2013	29.04	0	0
2012	0	2013	0	0.00%	0	2014	29.48	0	0
2013	0	2014	3,937	0.50%	(885,164)	2015	29.92	0	0
2014	0	2015	3,956	0.50%	(885,207)	2016	30.21	0	0
2015	0	2016	7,952	1.00%	(885,207)	2017	30.51	0	0
2016	0	2017	8,031	1.00%	(885,207)	2018	30.66	0	0
2017	0	2018	12,168	1.50%	(885,207)	2019	30.81	0	0
2018	0	2019	12,350	1.50%	(885,207)	2020	30.81	0	0
2019	0	2020	16,714	2.00%	(885,207)	2021	30.81	0	0
2020	0	2021	17,048	2.00%	(885,207)	2022	30.66	0	0
2021	0	2022	21,736	2.50%	(885,207)	2023	30.51	0	0
2022	0	2023	22,280	2.50%	(885,207)	2024	30.22	0	0
2023	0	2024	27,404	3.00%	(885,207)	2025	29.92	0	0
2024	0	2025	28,226	3.00%	(885,207)	2026	29.63	0	0

Exhibit 2 – Projected District Cash Flow Without Distressed Designation



City of Racine, WI

Tax Increment District No. 10

JACOBSON

Cash Flow Pro Forma

Year	Revenues					Expenditures				Balances		Project Cost Principal Outstanding	Year	
	Tax Increments	Exempt Computer Aid	Investment Earnings	Transfer from TID No. 8	Transfer from TID No. 9	Total Revenues	Debt Service	Interest on Advance	Project Costs	Total Expenditures	Annual			Cumulative
2011	0	176				176	355,119	18,137	25,244	398,500	(398,324)	(1,419,187)	0	2011
2012	0	234				234	352,319		25,244	377,562	(377,328)	(1,817,511)	3,410,000	2012
2013	0	208				208	354,319		25,244	379,562	(379,354)	(2,194,839)	3,210,000	2013
2014	0	206				206	355,919		25,244	381,162	(380,956)	(2,574,194)	3,000,000	2014
2015	0	216				216	352,119		25,244	377,362	(377,146)	(2,955,150)	2,780,000	2015
2016	0	210				210	353,119			353,119	(352,909)	(3,332,296)	2,555,000	2016
2017	0	211				211	352,544			352,544	(352,333)	(3,685,205)	2,320,000	2017
2018	0	212				212	356,519			356,519	(356,306)	(4,037,538)	2,075,000	2018
2019	0	211				211	354,819			354,819	(354,608)	(4,393,844)	1,815,000	2019
2020	0	211				211	352,669			352,669	(352,457)	(4,748,452)	1,545,000	2020
2021	0	212				212	354,719			354,719	(354,507)	(5,100,909)	1,265,000	2021
2022	0	211				211	356,075			356,075	(355,864)	(5,455,416)	970,000	2022
2023	0	212				212	351,350			351,350	(351,138)	(5,811,280)	660,000	2023
2024	0	212				212	356,150			356,150	(355,938)	(6,162,418)	340,000	2024
2025	0	211				211				0	211	(6,518,357)		2025
2026	0	211				211				0	211	(6,518,145)		2026
<b>Total</b>	<b>0</b>	<b>3,154</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,154</b>	<b>4,957,756</b>	<b>18,137</b>	<b>126,218</b>	<b>5,102,112</b>	<b>(5,098,958)</b>		<b>Callable</b>	

NOTES: Projected TID Closure

Exhibit 3 – Projected District Cash Flow With Distressed Designation



*City of Racine, WI*  
Tax Increment District No. 10  
**JACOBSON**  
Cash Flow Pro Forma

**Cash Flow Does Not Reflect 10 Year Life Extension Resulting from Distressed Designation (Projected TID Closure in 2018 Results from Increment Sharing)**

Year	Revenues					Expenditures				Balances		Project Cost Principal Outstanding	Year	
	Tax Increments	Exempt Computer Aid	Investment Earnings	Transfer from TID No. 8	Transfer from TID No. 9	Total Revenues	Debt Service	Interest on Advance	Project Costs	Total Expenditures	Annual			Cumulative
2011	0	0	0	0	0	1,817,687	355,119	18,137	25,244	398,500	1,419,187	(1,419,187)	0	2011
2012	0	176	0	218,943	1,598,568	835,006	352,319	0	25,244	377,562	457,444	457,444	3,410,000	2012
2013	0	234	0	634,772	200,000	843,196	354,319	0	25,244	379,562	463,634	921,078	3,210,000	2013
2014	0	208	0	642,988	200,000	656,564	355,919	0	25,244	381,162	275,402	1,196,479	3,000,000	2014
2015	0	206	0	656,358	0	666,876	352,119	0	25,244	377,362	289,514	1,485,993	2,780,000	2015
2016	0	216	0	666,660	0	683,567	353,119	0	0	353,119	330,448	1,816,442	2,555,000	2016
2017	0	210	0	683,357	0	697,216	352,544	0	0	352,544	344,672	2,161,114	2,320,000	2017
2018	0	211	0	697,005	0	212	356,519	0	0	356,519	(356,306)	1,804,807	1,815,000	2018
2019	0	212	0	0	0	211	354,819	0	0	354,819	(354,608)	1,450,200	1,545,000	2019
2020	0	211	0	0	0	211	352,669	0	0	352,669	(352,457)	1,097,742	1,265,000	2020
2021	0	211	0	0	0	212	354,719	0	0	354,719	(354,507)	743,235	970,000	2021
2022	0	212	0	0	0	211	356,075	0	0	356,075	(355,864)	387,372	660,000	2022
2023	0	211	0	0	0	212	351,350	0	0	351,350	(351,138)	36,233	340,000	2023
2024	0	212	0	0	0	212	356,150	0	0	356,150	(355,938)	(319,705)	0	2024
2025	0	212	0	0	0	211	0	0	0	0	211	(319,494)	0	2025
2026	0	211	0	0	0	211	0	0	0	0	211	0	0	2026
<b>Total</b>	<b>0</b>	<b>3,154</b>	<b>0</b>	<b>4,200,083</b>	<b>1,998,568</b>	<b>6,201,805</b>	<b>4,957,756</b>	<b>18,137</b>	<b>126,218</b>	<b>5,102,112</b>	<b>1,099,693</b>		<i>Callable</i>	

Projected TID Closure

NOTES:

## **10** ANNEXED PROPERTY

No territory will be added or subtracted from the District as a result of this amendment.

## **11** PROPOSED CHANGES IN ZONING ORDINANCES

The City of Racine does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Project Plan amendment. And any real property within the District that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District.

## **12** PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND CITY OF RACINE ORDINANCES

It is expected that this Plan will be complementary to the City's Master Plan. There are no proposed changes to the Master Plan, map, building codes or other City ordinances for the implementation of this Plan.

## **13** RELOCATION

It is not anticipated there will be a need to relocate any persons or businesses in conjunction with this Plan. In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the City will follow applicable state statutes as required in Wisconsin Statutes Chapter 32.

# 14

## ORDERLY DEVELOPMENT OF THE CITY OF RACINE

Adoption of this Project Plan amendment to reflect the District's distressed status and extending its maximum life will enhance the ability of the City to pay the District's project costs. The successful repayment of project costs and eventual closure of the District is necessary for maintenance of the financial health of the City, and to provide for future opportunities for economic expansion. As a significant component of the City's overall economic development strategy, successful closure of its Tax Incremental Districts promotes the orderly development of the community.

# 15

## A LIST OF ESTIMATED NON-PROJECT COSTS

Non-Project Costs are public works projects that only partly benefit the District or are not eligible to be paid with tax increments, or costs not eligible to be paid with tax incremental finance funds. Examples would include:

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

The City does not expect to incur any non-Project Costs in the implementation of this Project Plan.



**16**

**OPINION OF ATTORNEY FOR THE CITY OF RACINE ADVISING  
WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN  
STATUTES, SECTION 66.1105**

October 5, 2012

**SAMPLE**

Mayor John Dickert  
City of Racine  
730 Washington Avenue  
Racine, Wisconsin 53403

**RE: City of Racine, Wisconsin Tax Incremental District No. 10 Amendment**

Dear Mayor:

As City Attorney for the City of Racine, I have reviewed the Project Plan and, in my opinion, have determined that it is complete and complies with Section 66.1105 of the Wisconsin Statutes. This opinion is provided pursuant to Section 66.1105(4)(f), Wis. Stat.

Sincerely,

Attorney Robert Weber  
City of Racine