



August 12, 2014

Project Plan for the Creation of Tax Incremental District No. 18



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Planning Assistance and Maps by Vandewalle & Associates

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Approval by the Joint Review Board:	Scheduled for: TBD



Tax Incremental District No. 18 Project Plan

City of Racine Officials

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Krystyna Sarrazin	Council Member
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DRAFT



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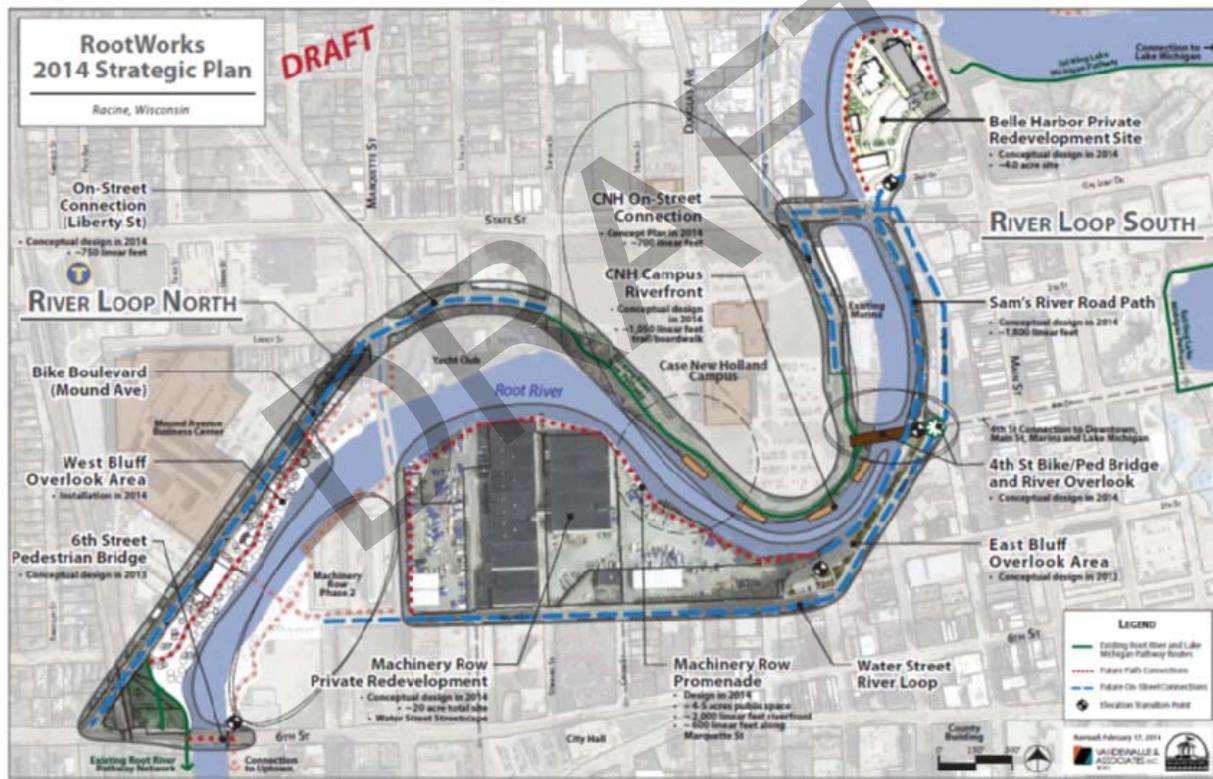
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SECTION 1: Executive Summary

Introduction – Project Background

The decline in manufacturing in the heart of the City of Racine, one of Wisconsin’s key historic industrial coastal communities, has left behind underutilized and largely blighted property along and minimal access to the Root River which once shaped the area’s geography, culture, and economy. After years of neglect, and following the completion of the *RootWorks: Root River Corridor Redevelopment Plan (RootWorks)*, adopted July 2012, the area is poised again to become the center for Racine’s economic revitalization through increasing public outdoor recreation space along the River.

RootWorks includes a revitalization strategy for redevelopment of the 325-acre area in the core of the City. The Plan specifically focuses on achieving four goals: Create a Sense of Place; Stimulate Economic Growth; Allow Public Access and Interaction; and Improve Water Quality. These four goals are integrated into Plan recommendations and implementation strategies. The Plan identifies several sub-areas for targeted investment, including a group of former commercial, industrial and marine storage properties collectively known as Machinery Row.



The Machinery Row Area has emerged as an economic development priority for the City and its project partners. The area includes various potential redevelopment sites which the City identified in the *RootWorks* planning process. In their current state, these sites are underutilized and, given their prominent location, also impact the economic vitality and appeal of downtown Racine more broadly.

The approximately 20-acre Machinery Row Phase I redevelopment site is located at the center of Tax Incremental District No. 18 (the “TID”, “TID No. 18”, or the “District”) on the southern bank of the Root River, between South Marquette Street to the west, Sam’s River Road to the east, and Water Street to the south. Historically, the site was a manufacturing center, housing companies such as J.I. Case PlowWorks,

Mitchell Wagons, Fish Brothers, Massey Harris Co., and Western Publishing. The site contains two large, historic manufacturing buildings, which are currently used for warehousing and manufacturing. Surrounding these buildings are a mix of metal sided industrial buildings, boat and vehicle storage, a metal seawall, overhead power line towers, and numerous adjacent commercial and industrial parcels in varying states of vacancy and/or disrepair.



Given the size and scale of redevelopment activities being pursued on the Machinery Row site, ongoing Plan implementation activities have focused on the identification of specific physical improvements to public utilities and right of ways, environmental evaluation of the riverfront that must be completed as part of an anticipated multi-phase, mixed-use development. TID No. 18 is being created to address those infrastructure and redevelopment needs and opportunities and provide a critical funding tool to implement the recommendations contained in the Plan.

The *RootWorks* area will not fully realize its potential without public improvements in infrastructure along the riverfront and, more importantly, a public commitment to redevelopment. The creation of TID No. 18 would provide the financing vehicle for the City to undertake the public improvements necessary to stimulate private reinvestment and redevelopment within Machinery Row and the greater *RootWorks* area. Without these public improvements, it is unlikely that significant redevelopment or revitalization of the area within the proposed TID would occur. In fact, it is more likely that the area would continue its slow decline, economically, socially and physically

Description of District

Type of District, Size and Location

TID No. 18 is proposed to be created as a blighted area district and comprises 32 parcels totaling approximately 42 acres. The estimated base value of the land, improvements and personal property located within the District is approximately \$10.2 million. A map of the proposed boundaries is located in Section 3 of this plan.

Estimated Total Project Expenditures.

The purpose of TID No. 18 is to provide the necessary improvements in public infrastructure to eliminate blight, encourage economic development, and increase property values. This project plan is written to provide funding for infrastructure improvements aimed at stimulating and enhancing economic development opportunities. Expenditures would be permitted to be made within the first 22 years of the District's life. Within that period, the City anticipates making project cost expenditures of approximately \$30.5 million. These are projects that the City has identified as being "priority" projects that must be undertaken to fully achieve the objectives for the area. The City has also identified an additional \$16.4 million in eligible "contingent" project costs that it may undertake if the tax increments generated exceed the levels anticipated in this plan. The projects are expected to be financed with General Obligation Bonds issued by the City, however, the City may use other alternative financing methods which may provide overall lower costs of financing, preserve debt capacity, mitigate risk to the City, or provide other advantages as determined by the Common Council. A discussion and listing of other possible financing mechanisms, as well as a summary of total project financing, is located in Section 10 of this plan. The Common Council is not mandated to make the public expenditures in this plan. The public expenditures are an itemization of TIF-eligible project costs that the City may undertake as well as a guide for the Plan Commission and City Council to assist them in the decision-making process for public expenditures. Redistribution of project costs within the total budget estimate will not require amendments to the plan, provided that the project meets the purpose and intent of TID No. 18.

Economic Development

As a result of the creation of this District, the City projects that over time additional land and improvements value of approximately \$114 million will be created as a result of redevelopment and appreciation in the value of the redeveloped and other existing properties. This additional value will be a result of the improvements made and projects undertaken within the District. A table detailing assumptions as to the timing of new development and redevelopment and associated values is located in Section 10 of this Plan. In addition, creation of the District is expected to result in other economic benefits as detailed in the Summary of Findings hereafter.

Expected Termination of District

Based on the Economic Feasibility Study located in Section 10 of this plan, this District would be expected to generate sufficient tax increments to recover all project costs by the year 2034; eight years earlier than the 27 year maximum life of this District.

Summary of Findings

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

1. **That “but for” the creation of this District, the 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.** In making this determination, the City has considered the following information:
 - The proposed developer of the Machinery Row Phase I redevelopment site has identified a gap of \$6,500,000 between the capital requirement to undertake the project, and available non-TIF public and private funding sources. The City has engaged auditing and accounting firm CliftonLarsonAllen to provide a review of the developer’s sources and uses, and cash flows and to provide an independent opinion as to need for public investment in the project.
 - To support redevelopment within the District the City will need to make a substantial investment to pay for the costs of necessary public infrastructure. Due to extensive investment required, the City has determined that redevelopment of the area will not occur solely as a result of private investment. Accordingly, the City finds that absent the use of TIF, redevelopment of the area is unlikely to occur.
2. **The economic benefits of the Tax Incremental District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered the following information:
 - As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected are expected to be sufficient to pay for the proposed project costs.
 - The development expected to occur within the District in the first phase would create an expected 107 residential units for occupancy in 2015, providing housing opportunities for workers. The development expected to occur within the District in the second phase would create another estimated 200, anticipated for 2017. Over time the District is expected to add a total of 800 residential units to support the large existing downtown workforce as well as the new growth in jobs resulting from RootWorks and other downtown redevelopment.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.**
 - If approved, the District’s creation would become effective for valuation purposes as of January 1, 2014. As of this date, the values of all existing development would be frozen and the property taxes collected on this base value would continue to be distributed amongst the various taxing entities as they currently are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2014 would be collected by the TID and used to repay the costs of TIF-eligible projects undertaken within the District.
 - Since the development expected to occur is unlikely to take place or in the same manner without the use of TIF (see Finding #1) and since the District will generate economic benefits that are more than sufficient to compensate for the cost of the improvements (see Finding #2), the City reasonably concludes that the overall benefits of the District outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. It is further concluded that since the “but for” test is satisfied, there would, in fact, be no foregone tax

increments to be paid in the event the District is not created. As required by Section 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been made and can be found in Appendix A of this plan.

4. Not less than 50% by area of the real property within the District is a blighted area within the meaning of Wisconsin Statutes Section 66.1105(2)(ae)1. Furthermore, any property standing vacant for the entire seven years preceding adoption of the Creation Resolution does not comprise more than 25% of the area in the District in compliance with Wisconsin Statutes Section 66.1105(4)(gm)1.
5. Based upon the findings, as stated above, the District is declared to be a blighted area District based on the identification and classification of the property included within the District.
6. The project costs relate directly to promoting the elimination of blight consistent with the purpose for which the District is created.
7. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
8. The equalized value of taxable property of the District, plus the value increment of all existing tax incremental districts within the City, does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that approximately 20% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1.
10. The Project Plan for the District in the City is feasible, and is in conformity with the master plan of the City.

SECTION 2: Type and General Description of District

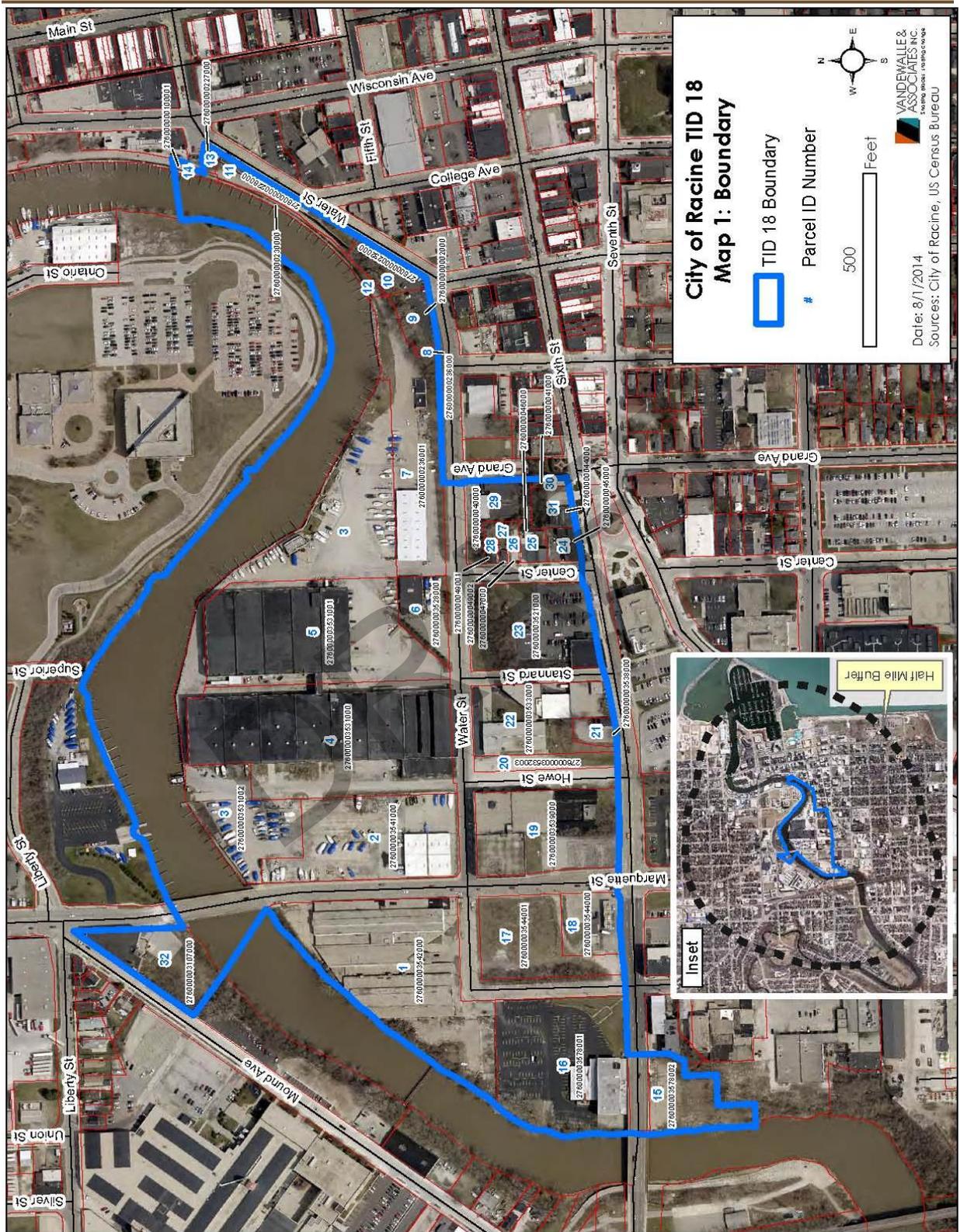
The District is being created by the City under the authority provided by Wisconsin Statute Section 66.1105. The District is created as a “Blighted Area District” based upon a finding that at least 50%, by area, of the real property within the District is blighted. In Section 5 of this Plan, the City has identified those properties within the District that meet the criteria of “blighted areas” as defined in Wisconsin Statutes Section 66.1105(2)(ae)1 and relies on these characterizations as the basis for making the above finding.

Property standing vacant for seven years immediately preceding adoption of the Creation Resolution for this District will not comprise more than 25% of the area in the District in compliance with Wisconsin Statutes Section 66.1105(4)(gm)1. A calculation demonstrating compliance with this test is found as part of the Preliminary Parcel List in Section 5 of this plan.

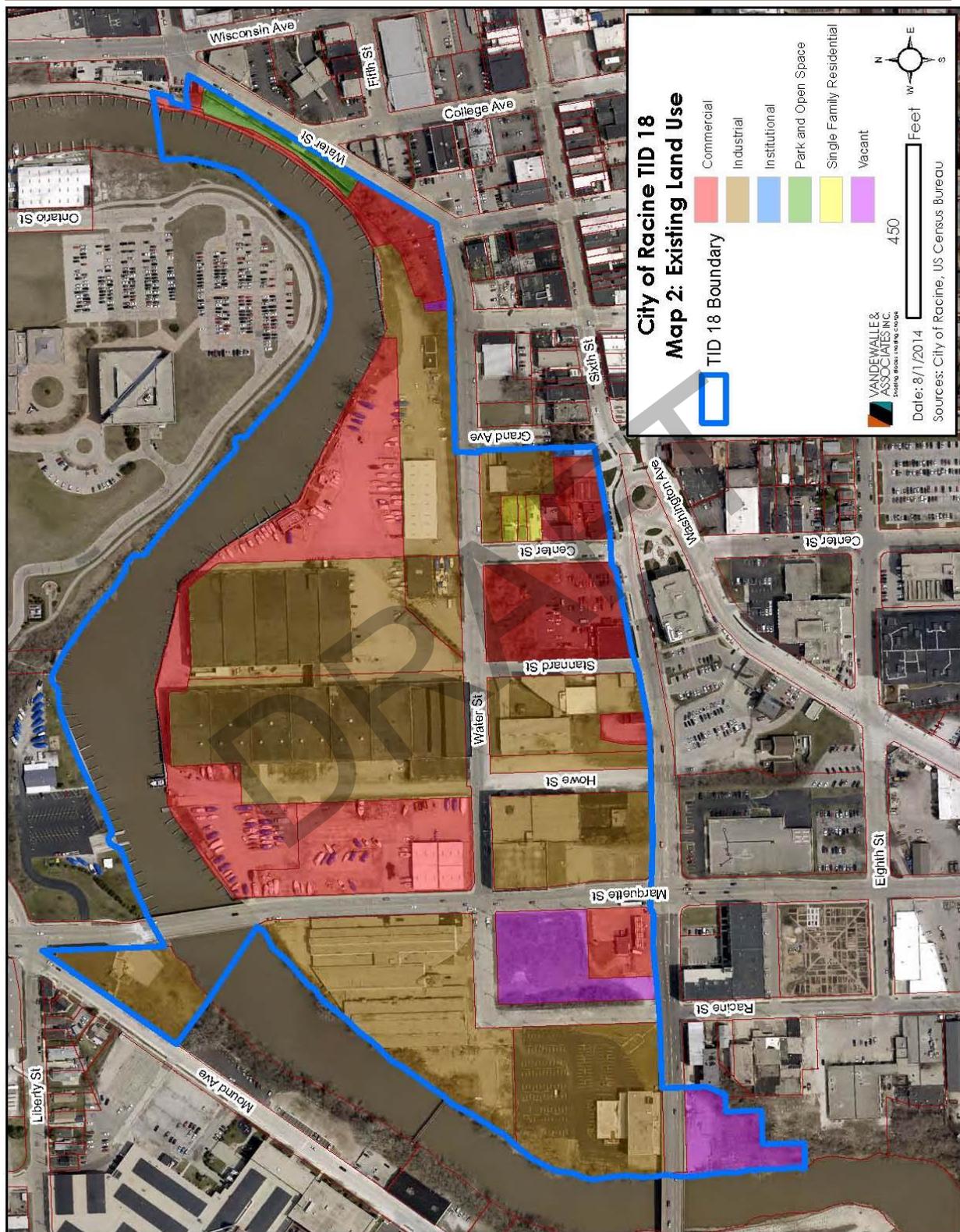
A map depicting the boundaries of the District is found in Section 3 of this Plan, and a map depicting the proposed uses of the District is found in Section 8 of this Plan. The City intends that TIF will be used to assure that private development occurs within the District consistent with the City’s redevelopment objectives. This will be accomplished by installing public improvements and making necessary related expenditures to promote redevelopment within the District. The goal is to increase the tax base and to provide for and preserve employment opportunities within the City. The project costs included in this Plan relate directly to the elimination of blight and are consistent with the purpose for which the District is created.

Based upon the findings, as stated within this Plan, the District is declared to be a blighted area District based on the identification and classification of the property included within the district.

SECTION 3: Map of Proposed District Boundary



SECTION 4: Map Showing Existing Uses and Conditions



SECTION 5: Preliminary Parcel List and Analysis

City of Racine, Wisconsin																									
Tax Increment District # 18																									
Base Property Information																									
Property Information						Assessment Information				Equalized Value				Blighted Conditions ¹					District Classification		Comments				
Map Ref #	Parcel Number	Street Address	Owner	Acreage	Municipally Owned	Land	Imp	PP	Total	Equalized Value Ratio	Land	Imp	PP	Total	Buildings Dilapidated or Deteriorated	Buildings Old or Obsolete	Inadequate Vent., Light, Air, Sani., Open Space	Population, High Density, Over-crowding	Endangers Life or Property	Deteriorated Structure or Surface	Blighted	Vacant			
1	27600003542000	526 MARQUETTE ST	MARQUETTE WAREHOUSE, LLC	4.42		365,900	404,100	600	770,600	103.61%	353,151	390,020	579	743,751	X	X	X			X		4.42			
2	27600003541000	1010 WATER ST	AZARIAN, SAM + SONS MARINA, INC	2.64		276,900	100,100		377,000	103.61%	267,252	96,612	0	363,864		X					X		2.64	Demo - Also Contaminated	
3	27600003531002	702 WATER ST	AZAR, LLC	4.98		459,500	72,500	21,900	553,900	103.61%	443,490	69,974	21,137	534,601		X					X		4.98	Contaminated	
4	27600003531000	900 WATER ST	OLSON, RICHARD C	5.23		558,500	863,500		1,422,000	103.61%	539,041	833,414	0	1,372,454	X	X	X				X		5.23		
5	27600003531001	820 WATER ST	BJJ, LLC	4.07		442,700	591,300	23,400	1,057,400	103.61%	427,275	570,698	22,585	1,020,558	X	X	X				X		4.07		
6	27600003528000	800 WATER ST	AZARIAN, SAM + SONS MARINA INC	0.65		67,200	61,800		129,000	103.61%	64,859	59,647	0	124,505	X	X	X				X		0.65	Demo	
7	27600000236001	712 WATER ST	AZARIAN, SAM + SONS MARINA INC	2.40		254,200	144,800		399,000	103.61%	245,343	139,755	0	385,098		X							2.40	Demo	
8	27600000002000	512 WATER ST	AZAR, LLC	0.04		4,200	0		4,200	103.61%	4,054	0	0	4,054							X		0.04		
9	27600000236000	502 WATER ST	SW INCOME PROPERTIES LLC	0.37		66,500	0		66,500	103.61%	64,183	0	0	64,183							X		0.37		
10	27600000232000	482 WATER ST	SW INCOME PROPERTIES LLC	0.41		41,000	0		41,000	103.61%	39,571	0	0	39,571							X		0.41		
11	27600000228000	404 WATER ST	RACINE, CITY OF (SAM AZARIAN OVERLOOK)	0.28	X	0	0		0	103.61%	0	0	0	0											
12	27600000230000	470 WATER ST.	AZARIAN SAM + SONS MARINA	0.59		61,500	204,500		266,000	103.61%	59,357	197,375	0	256,732							X		0.59		
13	27600000227000	309 FOURTH ST	PUGH, W H OIL CO	0.04		13,100	83,900		97,000	103.61%	12,644	80,977	0	93,620		X					X		0.04		
14	27600000010010	308 FOURTH ST	AZARIAN SAM + SONS MARINA INC	0.03		3,200	8,800		12,000	103.61%	3,089	8,493	0	11,582							X		0.03		
15	27600003578002	1229 SIXTH ST	GOSPEL LIGHTHOUSE PENTEC	1.02		0	0		0	103.61%	0	0	0	0							X		1.02	0.00	
16	27600003578001	1230 SIXTH ST	GOSPEL LIGHTHOUSE PENTEC	3.29		0	0		0	103.61%	0	0	0	0		X							3.29	0.00	
17	27600003544001	626 S MARQUETTE ST	JALIL M. MIAN	1.52		118,000	0		118,000	103.61%	113,889	0	0	113,889							X		1.52	Contaminated	
18	27600003544000	1100 SIXTH ST	JALIL M MIAN	0.69		101,500	202,500		304,000	103.61%	97,964	195,444	0	293,408		X							0.69		
19	27600003539000	615 S MARQUETTE ST	MARQUETTE DISTRIBUTION C	2.18		166,900	586,100		753,000	103.61%	161,085	565,679	0	726,764	X	X	X				X		2.18		
20	27600003532003	922 SIXTH ST	MARQUETTE DISTRIBUTION C	0.42		17,600	0		17,600	103.61%	16,987	0	0	16,987							X		0.42	0.42	
21	27600003538000	910 SIXTH ST	J + A OF RACINE LLC	0.21		21,000	139,000	10,900	170,900	103.61%	20,268	134,157	10,520	164,945		X							0.21		
22	27600003533000	620 STANNARD ST	TOEPE PROPERTIES INC	1.68		71,500	239,400		310,900	103.61%	69,009	231,059	0	300,068		X					X		1.68		
23	27600003521000	816 SIXTH ST	G R S DEVELOPMENT, LLC	2.03		289,000	1,361,000	128,800	1,778,800	103.61%	278,931	1,313,580	124,312	1,716,823		X							2.03		
24	2760000045000	716 SIXTH ST	KNECHT, WILLAIN A	0.20		57,100	198,900		256,000	103.61%	55,111	191,970	0	247,080	X	X	X	X					0.20		
25	2760000046000	519 CENTER ST	J + J PROPERTIES RACINE, LLC	0.18		33,200	86,800	8,300	128,300	103.61%	32,043	83,776	8,011	123,830	X	X							0.18		
26	2760000047000	513 CENTER ST	DEMARCO, TOM	0.10		10,200	0		10,200	103.61%	9,845	0	0	9,845							X		0.10	0.10	
27	2760000049002	511 CENTER ST	DE MARCO THOMAS A	0.06		7,600	17,400		25,000	103.61%	7,335	16,794	0	24,129		X							0.06		
28	2760000049001	509 CENTER ST	DE MARCO THOMAS A	0.11		10,800	25,200		36,000	103.61%	10,424	24,322	0	34,746	X	X					X		0.11		
29	2760000040000	701 WATER ST	VAN DER ZEE, WILLIAM P	0.66		114,200	129,400	7,600	251,200	103.61%	110,221	124,891	7,335	242,448		X	X						0.66		
30	2760000041000	700 SIXTH ST	RACINE, CITY OF(BI-CENTENNIAL GARDENS	0.05	X	0	0		0	103.61%	0	0	0	0		X							0.05	0.00	
31	2760000044000	710 SIXTH ST	PEGLEG PROPERTIES LLC	0.31		87,500	152,500	25,600	265,600	103.61%	84,451	147,187	24,708	256,346		X							0.31		
32	27600003107000	1101 MOUND AVE	STANLEY E. + REBECCA POSTORINO	1.22		29,500	555,500	40,200	625,200	103.61%	28,472	536,145	38,799	603,417		X							1.22		
Total Acreage						42.08																			
						3,750,000	6,229,000	267,300	10,246,300		3,619,342	6,011,968	257,987									41.8	4.39		
																							99.33%	10.43%	
														Estimated Base Value 9,889,296					Notes: ¹ Blighted conditions as identified by City of Racine 8-5-2014						

SECTION 6: Equalized Value Test

The following calculations demonstrate that the City is in compliance with Wisconsin Statutes Section 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the increment of existing tax incremental districts within the City, plus the estimated base value of the proposed District, totals \$68,726,346. This value is less than the maximum of \$384,998,748 in equalized value that is permitted for the City of Racine. The City is therefore in compliance with the statutory equalized valuation test and may proceed with creation of this District.

City of Racine, Wisconsin					
Tax Increment District # 18					
Valuation Test Compliance Calculation					
Creation Date	9/16/2014				
	Valuation Data Currently Available 2014 (Preliminary)	Dollar Charge	Percent Change	Valuation Data Est. Creation Date	
Total EV (TID In)	3,208,322,900			3,208,322,900	
12% Test	384,998,748			384,998,748	
Increment of Existing TIDs					
TID #2	0			0	
TID #8	19,034,250			19,034,250	
TID #9	27,095,100			27,095,100	
TID #10	0			0	
TID #11	0			0	
TID #12	4,889,200			4,889,200	
TID #13	7,784,000			7,784,000	
TID #14	34,500			34,500	
TID #15	0			0	
TID #16	0			0	
TID #17	0			0	
Total Existing Increment	58,837,050			58,837,050	
Projected Base of New or Amended District	9,889,296			9,889,296	
Total Value Subject to 12% Test	68,726,346			68,726,346	
Compliance	PASS			PASS	

SECTION 7: Statement of Kind, Number and Location of Proposed Public Works and Other Projects

This section describes the proposed TID No. 18 projects and their estimated costs. These are referred to as Project Costs. The Table found in Section 9 details the projects, their estimated costs, and breaks them into two phases. These Project Costs are preliminary estimates and may be adjusted and refined. The adjustments and refinements may include changing the year in which a project activity is undertaken and reallocating the cost of specific projects within the limitation of the total estimated project costs. The City reserves the right to increase these costs to reflect inflationary increases and other uncontrollable circumstances between 2015 and the time of construction. The City also reserves the right to increase certain project costs to the extent others are reduced or not implemented, without amending the project plan. The tax increment allocation is preliminary and is subject to adjustment based upon the implementation of this Project Plan. Adjustments to the proposed Project Plan will be made on the recommendation of the City Plan Commission to be reviewed and adopted by the Common Council. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges. To the extent the costs benefit the City outside TID No. 18, that proportionate share of the cost is not a Project Cost.

The Project Plan for TID No. 18 should be considered as a local enabling tool that allows the City Plan Commission, the Redevelopment Authority (RDA) and Common Council to implement the project activities described herein. Project expenditures will require specific action by the Common Council even though they are included in this Project Plan.

The proposed project costs included in Section 9 have been established on the basis of providing public improvements that have the greatest chance of stimulating immediate economic development. Scheduling of project activities will be monitored to ensure that the projected economic stimulation is occurring prior to proceeding with other project activities. This monitoring will occur on an annual basis. If economic conditions are not altered by the proposed project activity, other project activities may be delayed and/or removed from the project schedule. The goal of the proposed project costs is to provide the necessary public improvements to attract and stimulate private reinvestment and redevelopment.

Redevelopment of the Machinery Row Area should increase economic activity and connectivity between the existing Root River Pathway and to the nearby Downtown business district, as well as spur activity on nearby redevelopment sites. Public amenities should celebrate the industrial heritage of the site, and provide opportunities for educational and artistic displays and artifacts. Projects intended to facilitate further reinvestment include:

- 1. Machinery Row Public Streets & Utilities.** To facilitate improved access to redevelopment sites within the District, the City may need to construct or extend existing streets, alleys, and access drives. Public street improvements are expected to include, but are not limited to: extensions of Stannard Street, Sam's River Road and Center Street; construction of a new access road immediately west of the 900 Water Street building; reconstruction of a portion of Water Street, and replacing Water Street underground power lines. There may be inadequate water distribution facilities serving the District. To allow redevelopment to occur, the City may need to construct, alter, rebuild or expand water system infrastructure within TID No. 18. Eligible Project Costs are expected to include public water and sanitary sewer upgrades, and the installation of a private water loop serving the Machinery Row site. Other improvements to underground electrical, storm sewer, sanitary sewer, water, and/or telecommunications infrastructure may be undertaken by the City as necessary pursuant to this Project Plan, and are considered eligible Project Costs.

2. **Water Street Streetscape.** In order to attract redevelopment consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities are expected to include, but are not limited to: wood pylon features, trees, wayfinding signage and landscaping along the Water Street entrance to Machinery Row; lighting of streets, sidewalks, and other public areas, installation of planters, benches, clocks, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings as deemed appropriate.
3. **Machinery Row Entrance Plaza.** Similarly, an entrance plaza within the Machinery Row redevelopment area itself will serve as an attractive and symbolic gateway to the redeveloped District, and may include elements such as gateway signage; public art or historic heritage feature; wood pylon features; colored concrete; sidewalks, trees, trash receptacles and landscaping as appropriate.
4. **Machinery Row Green Infrastructure/Stormwater Best Management Practices.** Currently the Machinery Row project Area experiences significant run-off, potentially contaminating the Root River, based on the prevalence of impervious pavement. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within TID No. 18. Eligible Project Costs include, but are not limited to, construction of evapotranspiration ponds, green parking lot bioswales, green street planters, rain gardens, outfall infiltration cisterns, aeration jets, porous concrete pavers, roof water collection systems, and water features as a stormwater harvesting/management technique.
5. **Machinery Row Parking Lots.** Parking lots to support new development are necessary to accommodate new businesses, residents and visitors to the Machinery Row Area TID No. 18. East and West parking lots on either side of the 900 Water Street building are planned, and may also include flexible event staging/parking near the riverfront. Additional public or private parking lots may be developed over the long-term in the greater Machinery Row Area.
6. **Machinery Row River Edge Improvements.** Improvements to existing infrastructure immediately adjacent to the Root River may be needed to shore up existing infrastructure and control sediment and erosion along the banks of the Root River, as well as facilitate public safety along the planned Promenade. Activities pursuant to this category may include replacement of the existing seawall and natural river edge treatments of native plants and rip rap.
7. **Machinery Row Promenade.** The approximately 3.5 acre area of Machinery Row Promenade will include six waterfront zones for public gathering, event, passive and active recreation, and access to the Root River. Site preparation and construction activities related to the creation of a publicly owned and maintained Promenade, a critical component to attracting a variety of uses and enhance recreational opportunities along the riverfront may include vegetation removal; construction of a concrete walkway and seawall cap; installation of trees, planters, benches, lighting bollards, natural plantings, trash receptacles, drinking fountains, and lighting controls and infrastructure as deemed necessary to the safe operation of the Promenade for public and private uses.
8. **Machinery Row Promenade Area - Harbor Activity Zone.** The Machinery Row Promenade Area features several subcomponents of expenditure that are considered eligible Project Costs. Eligible elements within the Harbor Activity Zone may include, but are not limited to: stairs, harbor flags, plantings, concrete ramps and walkways, floating piers, and wooden pylons.

- 9. Machinery Row Promenade Area - Point Park.** Site preparation and aesthetic improvements are necessary to promote the Machinery Row Point Park as a suitable public recreational space and promote the site's historic importance to Racine's economy. Eligible project costs may include, but are not limited to: construction of scenic overlooks, trellis, poured concrete and pavilions; installation of turf, native plantings benches, interpretive panels and historic artifacts.
- 10. Machinery Row Promenade Area - Root River Heritage & Event Space.** TID No. 18 is expected to host a substantial public space suitable for large events, concerts, festivals and general recreation. Project costs related to the creation of a flexible, multipurpose public space may include, but are not limited to: a performance stage, poured concrete, trees, trellis/seating, turf, landscaping, pedestrian lights, light controls and conduits, benches, flag poles and wood pylons. Interpretive displays, public art and historic artifacts may be purchased and installed to promote thematic continuity within Machinery Row and honor the District's manufacturing heritage.
- 11. Machinery Row Promenade Area - River Access.** Reopening the riverfront to public use after more than one hundred years of private ownership is a priority of redevelopment desired within TID No. 18. Eligible Project Costs pursuant to this goal may include, but are not limited to: construction of scenic overlooks, poured concrete, trees, and site appropriate landscaping; installation of turf, pedestrian lights, controls and conduits; boating access facilities including floating platforms, floating pier ramps with railings and benches; and aesthetic improvements to an existing waterfront crane and other site features.
- 12. West Bluff Overlook.** The City recently acquired the *RootWorks* Area titled the West Bluff Overlook as new parkland and off road connection along the Root River Pathway (within ½ mile radius of the TID No. 18 boundary). The West Bluff Overlook Design plans for pathway, scenic overlook and parkland area which complement the City's Jens Jensen-designed park system. The project includes:
- Trail ~1,500 linear feet including retaining walls and railings.
 - Park features including landscaping, grading, lighting, benches
 - Historic Western Publishing Pedestrian Bridge rehabilitation
 - Bicycle Boulevard features street markings and signage
 - Outdoor Classroom
 - West Bluff Overlook feature defined by a Council Ring inspired gathering space that overlooks the Root River valley. The Overlook will provide long vistas up-river toward Racine's parkway system and down-river toward Downtown, the Harbor, the planned East Bluff Overlook and Machinery Row redevelopment area.
 - Outdoor Classroom education node and interpretive features to promote environmental education, Racine's industrial heritage, and Machinery Row interpretive features to connect the West Bluff to viewpoints across river.
 - Reuse of existing commercial building (1251 Mound) for park related use.
 - 6th Street Bridge Pedestrian "Marsupial Bridge" connection.
- 13. Property Acquisition for Redevelopment.** In order to promote and facilitate redevelopment the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred in order to make the property suitable for redevelopment. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development and/or redevelopment exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as defined in Wisconsin Statutes Section 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

- 14. Environmental Audits and Remediation.** If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediations are eligible Project Costs.
- 15. Demolition.** In order to make sites suitable for redevelopment, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.
- 16. Cash Grants (Development Incentives).** The City may enter into agreements with property owners, lessees, or developers of land located within the District for the purpose of sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover project costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs
- 17. Projects Outside the Tax Increment District.** Pursuant to Wisconsin Statutes Section 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City’s corporate boundaries and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs, and may include any project cost that would otherwise be eligible if undertaken within the District. The following is a list of projects that may be undertaken in whole or in part within areas outside of, but within ½ mile of, the District boundaries:

	Phase 1 2015 (Red)	Phase 2 2016 (Orange)	Phase 3 2017 (Yellow)	Contingent 2018-Beyond (Blue)
Priority Projects				
Green Infrastructure/Stormwater Best Management Practices (includes stormwater management techniques for areas in Machinery Row and TID 18, and 1/2 mile area)	\$600,000	\$1,400,000	\$175,000	\$2,000,000
River Loop (includes amenities, wayfinding, trails, landscaping within TID 18 and 1/2 mile area)			\$1,000,000	
River Loop River Edge Treatments (includes seawall etc. treatments within TID 18 and /2 mile area)			\$1,000,000	\$1,000,000
Other Public Streets & Utilities (includes TID 18 Area and within 1/2 mile: street reconstruction with lighting, Area utility replacement and extensions for water, storm, sanitary and interceptors)			\$3,000,000	\$3,000,000
West Bluff Overlook (within 1/2 mile: includes path, park features, bicycle boulevard, outdoor classroom, overlook, 6th Street ped/marsupial bridge)			\$1,400,000	\$4,100,000
4th Street Pedestrian Bridge (within 1/2 mile)				\$5,000,000

- 18. Miscellaneous.** Miscellaneous eligible Project Costs related to the development of the elements listed above and other future projects within TID No. 18 may include design, engineering, architecture, administration and contingency costs. Additional costs may include, but are not limited to: professional service, legal and administrative costs for TID creation and administration, financing costs, interest, bond issuance and any other fees related to obtaining public financing for eligible Project Costs within TID No. 18. A category of Miscellaneous Redevelopment Funding has also been created to include TID No. 18 project marketing and recruitment of developers and businesses for redevelopment sites; low interest loans or interest write down; façade improvement projects; potential property acquisition costs as determined integral to the successful redevelopment of the project area.

The Machinery Row Development Project Management Team and Project Plan Implementation project cost has been designated to facilitate and bring to fruition successful redevelopment implementation. This cost category is further detailed in the next section.

Redevelopment Implementation

Miscellaneous Redevelopment Funding and Machinery Row Development Project Management are a key activities and expenditures for successful implementation of the TID No. 18 Project Plan. It is the intent of the City of Racine City Council and RDA to work with individual property owners on redevelopment of their individual sites by offering different types of redevelopment services. These services may include, but not be limited to: recruitment of appropriately-qualified developers for each potential redevelopment site; marketing for potential businesses; low-interest loans and/or interest write-downs for property rehabilitation and redevelopment; grants for façade improvements and/or developer recruitment; and site acquisition and preparation.

The Machinery Row Development Project Management Team is responsible for overall project management, conditioned on the review and approval of the City Council and/or the RDA. The Team's duties include the following related to TID No. 18:

1. Implementing this Project Plan;
2. Conducting more detailed planning and engineering studies;
3. Developing more refined land use and redevelopment plans for implementation;
4. Developing standards for which development within the district will need to conform to;
5. General guidance and referral of actions to other City Committees and the City Council;
6. Establishing and managing an economic development master fund;
7. Identifying and applying for additional non-TIF revenue sources such as grants;
8. Public infrastructure construction oversight;
9. Developing and implementing a business marketing plan;
10. Developer recruitment; and
11. Business recruitment.

Each project will need to be addressed on an individual basis with developer negotiations and ultimate development agreement that will guarantee increment and repayment of any City participation in the project. Each project will also be reviewed in a manner addressing the criteria of blight elimination, housing development, job creation, tax increment creation, and similar redevelopment criteria. One redevelopment project may address certain criteria while another may address different criteria. Consequently, the RDA and the City Council will need to review each project individually and make its determination based on the project's implementation goals. The City reserves the right to implement only those projects that remain viable as the Plan period proceeds.

SECTION 9: Detailed List of Project Costs

Proposed TID No. 18 Priority Projects and Cost Estimates***

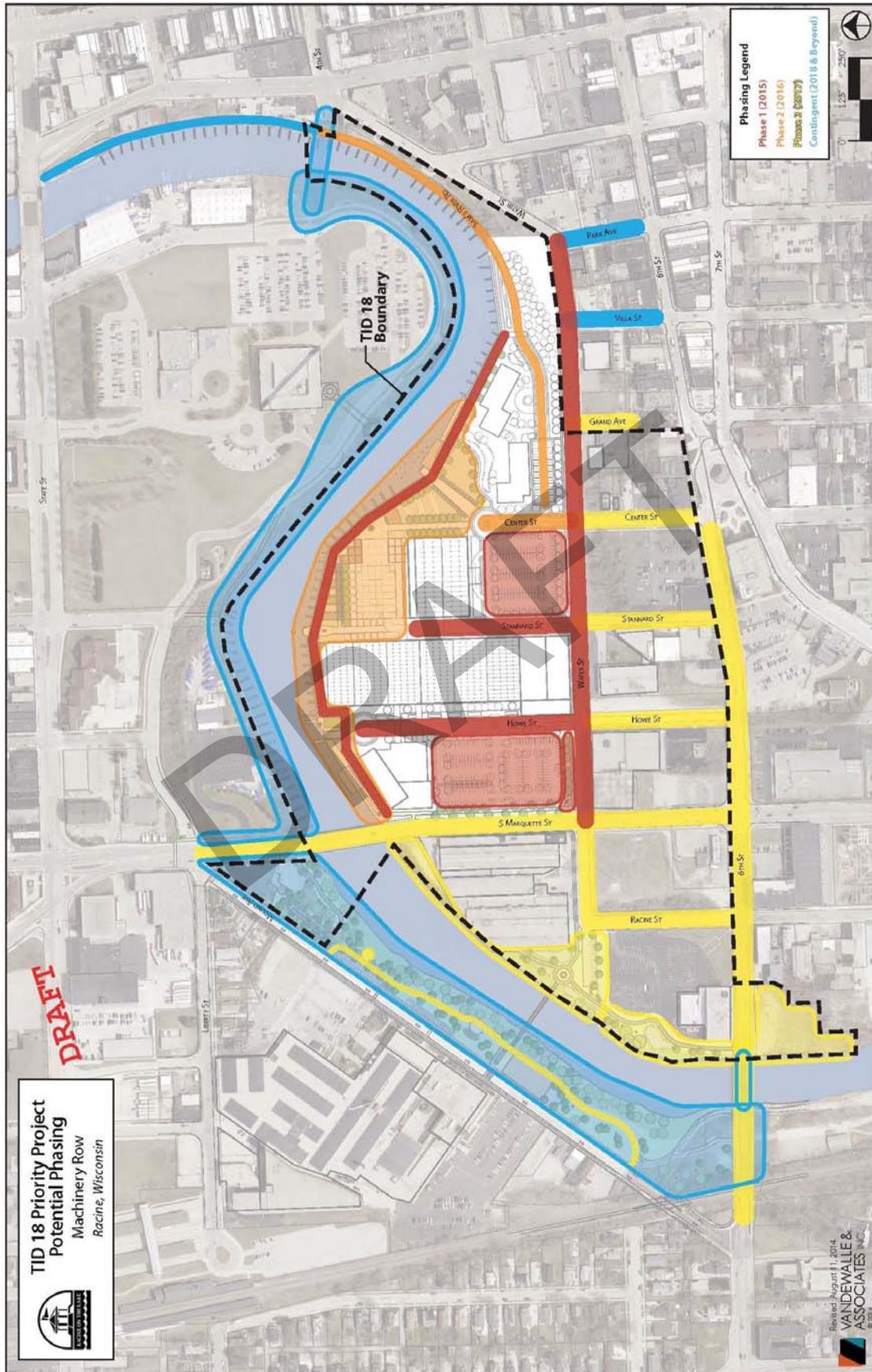
	Phase 1 2015 (Red)	Phase 2 2016 (Orange)	Phase 3 2017 (Yellow)	Contingent 2018-Beyond (Blue)	Potential Grants
Priority Projects					
Brownfield Site Preparation Costs (includes Machinery Row abatement and sub-surface remediation)	\$1,400,000	\$2,000,000			USEPA, WisDNR, WEDC
Stannard Street Extension	\$607,200				WEDC
Howe Street Extension	\$662,400				WEDC
Machinery Row Parking Lots (East and West) (includes parking lot, green drive with bioswales)	\$1,445,000				WEDC, WisDNR, GLRI, USEPA
River Edge Improvements (Seawall and River Edge Treatment)	\$1,505,000				USEPA, WisDNR
Water Street Reconstruction	\$2,070,000				EDA, WisDOT, USDOT
Underground Powerlines (includes Water Street and others within TID 18)	\$620,000		\$500,000	\$500,000	
Public Water and Sanitary Sewer	\$1,725,000				EDA, WEDC
Water Street Streetscaping (Branding/Special Features)	\$157,000				WisDOT, USDOT
Entrance Plaza (Machinery Row entrance feature)	\$200,000				WisDOT, USDOT
Green Infrastructure/Stormwater Best Management Practices (includes stormwater management techniques for areas in Machinery Row and TID 18, and 1/2 mile area)	\$600,000	\$1,400,000	\$175,000	\$2,000,000	USEPA, WisDNR, GLRI, NOAA, DOE
Machinery Row Promenade (Public Area pathway, basic promenade amenities)	\$1,100,000	\$150,000			WisDOT, USDOT, WisDNR
Site Analysis/Investigation, Preparation/Demolition, Projects Design, Engineering, Architecture	\$500,000	\$500,000	\$500,000	\$500,000	USEPA, WisDNR
Redevelopment/Economic Development Project Advancement (includes TID creation, district administration, project plan implementation, developer agreement negotiations, marketing and recruitment of developers and businesses for redevelopment sites, property acquisition, low-interest loans or interest write-down, façade improvement projects, etc.)	\$250,000	\$1,000,000	\$500,000	\$250,000	WEDC, WisDNR
Sam's River Road Extension (includes sidewalk, trees, ped lights, roadway)		\$940,000			WisDOT, USDOT, WisDNR
Center Street Extension (includes sidewalk, trees, ped lights, roadway, amenities, stormwater management feature)		\$375,000			WEDC, WisDNR, GLRI
Machinery Row Public Space and Interpretive Features (includes programmed areas including: Root River Heritage, Point Park, Harbor Activity Zone, River Access Zone)		\$1,000,000	\$1,800,000		NEA, WEDC, WisDNR, WisDOT, USDOT
Machinery Row Public Flexible Event Space/Parking		\$456,000			NEA, WEDC, WisDNR, WisDOT, USDOT
River Loop (includes amenities, wayfinding, trails, landscaping within TID 18 and 1/2 mile area)			\$1,000,000		NEA, WEDC, WisDNR, WisDOT, USDOT
River Loop River Edge Treatments (includes seawall etc. treatments within TID 18 and 1/2 mile area)			\$1,000,000	\$1,000,000	USEPA, WisDNR, GLRI, NOAA, DOE
Other Public Streets & Utilities (includes TID 18 Area and within 1/2 mile: street reconstruction with lighting, Area utility replacement and extensions for water, storm, sanitary and interceptors)			\$3,000,000	\$3,000,000	EDA, WisDOT, USDOT
West Bluff Overlook (within 1/2 mile: includes path, park features, bicycle boulevard, outdoor classroom, overlook, 6th Street ped/marsupial bridge)			\$1,400,000	\$4,100,000	USEPA, WisDNR, WisDOT, USDOT, GLRI, NOAA, DOE
4th Street Pedestrian Bridge (within 1/2 mile)				\$5,000,000	WisDOT, USDOT
Total:	\$12,841,600	\$7,821,000	\$9,875,000	\$16,350,000	

1. Estimated costs include 20% Contingency and 15% Design/Engineering.

2. Grants have been and will continue to be pursued to assist in project implementation, and it is anticipated that the City will be successful in securing additional funding due to the nature and scope of the proposed projects. Any non-tax revenues received will help to reduce the applicable TIF project expenditures that, in turn, will assist in reducing the total amount of TIF project costs. This reduction may allow the Common Council more flexibility in determining the timeframe for other project expenditures.

3. Additional public infrastructure projects are included in the project plan and will be considered for implementation if additional funds become available in the TIF District.

Detailed List of Project Costs – Phasing Map



SECTION 10: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

The information and exhibits contained within this Section demonstrate that the proposed District is economically feasible insofar as:

- The City has available to it the means to secure the necessary financing required to accomplish the projects contained within this Plan. A listing of “Available Financing Methods” follows.
- The City expects to complete the projects in three phases, and can adjust the timing of implementation as needed to coincide with the pace of redevelopment. A discussion of the phasing and projected timeline for project completion is discussed under “Plan Implementation” within this Section. A table identifying the financing method for each phase and the time at which that financing is expected to be incurred is included.
- The development anticipated to occur as a result of the implementation of this Plan will generate sufficient tax increments to pay for the cost of the projects. Within this Section are tables identifying: 1) the redevelopment expected to occur, 2) a projection of tax increments to be collected resulting from that redevelopment and other economic growth within the District, and 3) a cash flow model demonstrating that the projected tax increment collections and all other revenues available to the District will be sufficient to pay all Project Costs.

Available Financing Methods

The following is a list of the types of obligations the City may choose to utilize.

General Obligation (G.O.) Bonds or Notes

The City may issue G.O. Bonds or Notes to finance the cost of projects included within this Plan. The Wisconsin State Constitution limits the principal amount of G.O. debt that the community may have outstanding at any point in time to an amount not greater than five percent of its total equalized value (TID IN). As of the date of this plan, the City has a G.O. debt limit of \$160,416,145, of which approximately \$52.7 million is currently unused and could be made available to finance Project Costs.

Bonds Issued to Developers (“Pay as You Go” Financing)

The City may issue a bond or other obligation to one or more developers who provide financing for projects included in this Plan. Repayment of the amounts due to the developer under the bonds or other obligations are limited to an agreed percentage of the available annual tax increments collected that result from the improvements made by the developer. To the extent the tax increments collected are insufficient to make annual payments, or to repay the entire obligation over the life of the District, the City’s obligation is limited to not more than the agreed percentage of the actual increments collected. Bonds or other obligations issued to developers in this fashion are not general obligations of the City and, therefore, do not count against the City’s statutory borrowing capacity.

Tax Increment Revenue Bonds

The City has the authority to issue revenue bonds secured by the tax increments to be collected. These bonds may be issued directly by the City, or as a form of lease revenue bond by its Redevelopment Authority (RDA). Tax Increment Revenue Bonds and Lease Revenue Bonds are not general obligations of the City and therefore do not count against the City's statutory borrowing capacity. To the extent tax increments collected are insufficient to meet the annual debt service requirements of the revenue bonds, the City may be subject to either a permissive or mandatory requirement to appropriate on an annual basis a sum equal to the actual or projected shortfall.

Utility Revenue Bonds

The City can issue revenue bonds to be repaid from revenues of the its various systems, including revenues paid by the City that represent service of the system to the City. There is neither a statutory nor constitutional limitation on the amount of revenue bonds that can be issued, however, water rates are controlled by the Wisconsin Public Service Commission and the City must demonstrate to bond purchasers its ability to repay revenue debt with the assigned rates. To the extent the City utilizes utility revenues other than tax increments to repay a portion of the bonds, the City must reduce the total eligible Project Costs in an equal amount.

Special Assessment "B" Bonds

The City has the ability to levy special assessments against benefited properties to pay part of the costs for street, curb, gutter, sewer, water, storm sewers and other infrastructure. In the event the City determines that special assessments are appropriate, the City can issue Special Assessment B bonds pledging revenues from special assessment installments to the extent assessment payments are outstanding. These bonds are not counted against the City's statutory borrowing capacity. If special assessments are levied, the City must reduce the total eligible Project Costs under this Plan in an amount equal to the total collected.

Plan Implementation

Projects identified will provide the necessary anticipated governmental services to the area. A reasonable and orderly sequence is outlined on the following page. However, public debt and expenditures should be made at the pace redevelopment occurs to assure increment is sufficient to cover expenses.

It is anticipated developer agreements between the City and property owners will be in place prior to major public expenditures. These agreements can provide for development guarantees or a payment in lieu of development. To further assure contract enforcement, these agreements might include levying of special assessments against benefited properties.

The order in which public improvements are made should be adjusted in accordance with development and execution of developer agreements. The City reserves the right to alter the implementation of this Plan to accomplish this objective.

Interest rates projected are based on current market conditions. Municipal interest rates are subject to constantly changing market conditions. In addition, other factors such as the loss of tax-exempt status of municipal bonds or broadening the purpose of future tax-exempt bonds would affect market conditions. Actual interest expense will be determined once the methods of financing have been approved and securities or other obligations are issued.

If financing as outlined in this Plan proves unworkable, the City reserves the right to use alternate financing solutions for the projects as they are implemented.

Implementation and Financing Timeline

City of Racine, Wisconsin				
Tax Increment District # 18				
Estimated Financing Plan				
	G.O. Bond 2015	G.O. Bond 2016	G.O. Bond 2017	Totals
Projects				
Phase I	12,841,600			12,841,600
Phase II		7,821,000		7,821,000
Phase III			9,875,000	9,875,000
Less Anticipated Grant Funds	(5,000,000)			
Total Project Funds	7,841,600	7,821,000	9,875,000	30,537,600
Estimated Finance Related Expenses	195,025	195,875	228,625	
Capitalized Interest ¹	540,186	631,749	214,866	
Total Financing Required	8,576,811	8,648,624	10,318,491	
Estimated Interest	0.25%	0.25%	0.25%	
Assumed spend down (months)	6	6	6	
	(9,802)	(9,776)	(12,344)	
Rounding	2,991	1,152	3,853	
Net Issue Size	8,570,000	8,640,000	10,310,000	27,520,000
Notes:				
¹	The 2015 and 2016 issues include 24 months of capitalized interest expense. The 2017 issue includes 6 months of capitalized interest expense.			

Development Assumptions

City of Racine, Wisconsin									
Tax Increment District # 18									
Development Assumptions									
Construction Year	Actual	Development Phase I ¹	Development Phase II ²	Development Phase III ²	Development Phase IV ²	Annual Total	Construction Year		
1	2014	(306,700)				(306,700)	2014	1	
2	2015		10,000,000			10,000,000	2015	2	
3	2016		12,801,000	11,960,000		24,761,000	2016	3	
4	2017				8,260,000	8,260,000	2017	4	
5	2018				14,567,500	14,567,500	2018	5	
6	2019					8,630,000	2019	6	
7	2020					3,762,500	2020	7	
8	2021					0	2021	8	
9	2022					0	2022	9	
10	2023					0	2023	10	
11	2024					0	2024	11	
12	2025					0	2025	12	
13	2026					0	2026	13	
14	2027					0	2027	14	
15	2028					0	2028	15	
16	2029					0	2029	16	
17	2030					0	2030	17	
18	2031					0	2031	18	
19	2032					0	2032	19	
20	2033					0	2033	20	
21	2034					0	2034	21	
22	2035					0	2035	22	
23	2036					0	2036	23	
24	2037					0	2037	24	
25	2038					0	2038	25	
26	2039					0	2039	26	
27	2040					0	2040	27	
Totals		0	22,494,300	11,960,000	22,827,500	12,392,500	69,674,300		

Notes:

¹ Projected valuation per City Assessor 6-4-2014. 2014 value loss shown reflects improvements on parcels 1010, 800 & 712 Water Street that will be demolished for the redevelopment project.

² Projected Phase II valuations reflect 50% of the estimated construction cost listed in August 7, 2014 draft "TID No. 18 Machinery Row Area Parcel Redevelopment" prepared by Vandewalle & Associates. Redevelopment assumed to occur in the latest year shown in the range listed on the table.

Development Assumptions Supporting Data

TID No. 18 Machinery Row Area Parcel Redevelopment
Draft Updated August 7, 2014

Development Phase	Anticipated Project Year	TID 18 Parcel ID	Project Description (Uses)	Commercial sf* (new construction)	Residential sf* (new construction)	# Stories	# Res. Units	Estimated Construction Cost
1	2014-15	4	900 Water adaptive reuse, 1st/2nd floor; grocery, distillery, office, bike shop, restaurant, day care, coffee shop, aquaculture, exhibit hall, 2nd/3rd story residential (107 units)	Core & Shell = 224,910 Retail= 22,080 Distillery = 13,470 Office = 17,280 Other Rec/office = 14,400 bike shop = 2,880 restaurant = 6,720 day care = 5,760 grocery = 19,200	44,160 (2nd floor) 69,120 (3rd floor)	3	107	\$ 50,000,000
SUBTOTAL				326,700	113,280		107	\$ 50,000,000
1	2014-15	2, 3 (west section)	Commercial building and outside Promenade, Festival Area	50,000	-	2	-	\$ 11,000,000
				376,700			107	\$ 61,000,000
2	2015-16	5, 6	820 Water adaptive reuse 1st floor commercial, 3 stories residential or hotel above Parking plaza (56 spaces), Parking for Building B, promenade and future residential on Parcel 3/7 (138 spaces)	45,000	90,000	3	90	\$ 12,150,000
2	2015-16	7, 12, 3 (east section)	Residential and marina (two residential buildings, new construction)	-	80,000	3	80	\$ 6,800,000
2	2015-16	32	Postorino Building - adaptive reuse residential, 1st floor commercial	14,000	42,000	4	42	\$ 4,970,000
				59,000			212	\$ 23,920,000
3	2016-17	1	Northwest corner Marquette/Water - clear site (2015-2016) for green space, terrace, connection to Promenade in short-term (2) Waterfront residential buildings, (3) commercial buildings around parking courtyard (all four stories)	10,500 (bldg 3) 13,000 (bldg 4) 21,000 (bldg 5)	37,000 (bldg 1) 40,000 (bldg 2) 31,500 (bldg 3) 13,000 (bldg 4) 21,000 (bldg 5)	4	142	\$ 16,520,000
SUBTOTAL				44,500	142,500			
3	2017-18	19	Southeast corner Marquette/Water building adaptive reuse, mixed use office, tech space & retail (4 story x 40,000) 6th Street Frontage new construction (commercial, residential)	160,000 (bldg 1) 13,200 (bldg 2)	26,400	4	26	\$ 19,530,000
				173,200				
3	2017-18	16	Riverfront residential with promenade frontage (2 buildings)		47,520 (bldg 1) 66,000 (bldg 2)	4		
SUBTOTAL					113,520		113	\$ 9,605,000
3	2017-18	15	Open space- connect to Parcel 16 under 6th street bridge, develop simultaneously			-	-	\$ -
				217,700			281	\$ 45,655,000
4	2018-19	20	old right of way -public use/space; Potential demo on east side, new construction (Water St frontage)	9,000	18,000	3	18	\$ 2,430,000
4	2018-19	23	Office, private residential	3,000	55,000	4	55	\$ 4,975,000
4	2018-19	17	3 stories, first floor commercial, second/3rd floor residential	16,500	33,000	3	33	\$ 4,455,000
4	2018-19	18	3 stories, first floor commercial, second/3rd floor residential	20,000	40,000	3	40	\$ 5,400,000
4	2020+	8, 9, 10, 11, 12, 13, 14	East Bluff Overlook - City owned			-	-	\$ -
4	2020+	25 to 31	Block between Center and Grand: parcels east of Center Street residential, additional retail, Mixed use - 4 stories along Water Street, 3 behind (4) townhouses	3,000	85,000	3 to 4	85	\$ 7,525,000
				51,500			231	\$ 24,785,000
TOTAL				704,900	983,220		831	\$155,360,000

Increment Revenue Projections – Phase I

City of Racine, Wisconsin										
Tax Increment District # 18										
Tax Increment Projection Worksheet - Phase I Only										
Type of District	Blighted Area			Base Value	9,889,296		Special			X Apply to Base Value
Creation Date	September 16, 2014			Appreciation Factor ¹	Special		Special			
Max Life (Years)	27			Rate Adjustment Factor	Special					
Expenditure Periods/Termination	22	9/16/2036		Tax Exempt Discount Rate	4.00%					
Revenue Periods/Final Year	27	2042		Taxable Discount Rate	5.50%					
Extension Eligibility/Years	Yes	3								
Recipient District	Yes									

Construction Year	Valuation Year	Inflation Increment ¹	Total Increment	Revenue Year	Tax Rate ²	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation	
1	2014	(306,700)	30,817	(275,883)	2016	\$31.56	0	0	
2	2015	10,000,000	96,134	9,820,251	2017	\$31.88	313,046	289,429	
3	2016	12,801,000	197,095	22,818,347	2018	\$32.20	734,798	942,661	
4	2017	0	327,076	23,145,423	2019	\$32.37	749,103	1,582,998	
5	2018	0	495,521	23,640,944	2020	\$32.53	769,014	2,215,071	
6	2019	0	502,954	24,143,897	2021	\$32.69	789,349	2,838,904	
7	2020	0	510,498	24,654,395	2022	\$32.69	806,039	3,451,428	
8	2021	0	690,874	25,345,269	2023	\$32.69	828,626	4,056,896	
9	2022	0	704,691	26,049,960	2024	\$32.69	851,665	4,655,265	
10	2023	0	718,785	26,768,746	2025	\$32.69	875,164	5,246,494	
11	2024	0	733,161	27,501,906	2026	\$32.69	899,134	5,830,554	
12	2025	0	747,824	28,249,730	2027	\$32.69	923,583	6,407,422	
13	2026	0	762,781	29,012,511	2028	\$32.69	948,521	6,977,079	
14	2027	0	778,036	29,790,547	2029	\$32.69	973,958	7,539,515	
15	2028	0	793,597	30,584,144	2030	\$32.69	999,903	8,094,725	
16	2029	0	809,469	31,393,613	2031	\$32.69	1,026,367	8,642,711	
17	2030	0	825,658	32,219,271	2032	\$32.69	1,053,361	9,183,479	
18	2031	0	842,171	33,061,442	2033	\$32.69	1,080,895	9,717,039	
19	2032	0	859,015	33,920,457	2034	\$32.69	1,108,979	10,243,407	
20	2033	0	876,195	34,796,652	2035	\$32.69	1,137,625	10,762,604	
21	2034	0	893,719	35,690,371	2036	\$32.69	1,166,843	11,274,654	
22	2035	0	911,593	36,601,964	2037	\$32.69	1,196,647	11,779,586	
23	2036	0	929,825	37,531,790	2038	\$32.69	1,227,046	12,277,431	
24	2037	0	948,422	38,480,211	2039	\$32.69	1,258,053	12,768,224	
25	2038	0	967,390	39,447,602	2040	\$32.69	1,289,681	13,252,005	
26	2039	0	986,738	40,434,340	2041	\$32.69	1,321,940	13,728,815	
27	2040	0	1,006,473	41,440,812	2042	\$32.69	1,354,846	14,198,697	
Totals	22,494,300	18,946,512	Future Value of Increment	25,684,182					

Notes:
¹ Assumes equalized values within the TID will increase 1% annually through 2017, 1.50% annually through 2020, and 2% annually each year thereafter.

Increment Revenue Projections – Phase II, III & IV

City of Racine, Wisconsin										
Tax Increment District # 18										
Tax Increment Projection Worksheet - Phase II, III & IV										
Type of District	Blighted Area				Base Value	9,889,296		Apply to Base Value		
Creation Date	September 16, 2014				Appreciation Factor ¹	Special				
Valuation Date	Jan 1, 2014				Base Tax Rate	\$31.56				
Max Life (Years)	27				Rate Adjustment Factor	Special				
Expenditure Periods/Termination	22		9/16/2036		Tax Exempt Discount Rate	4.00%				
Revenue Periods/Final Year	27		2042		Tableable Discount Rate	5.50%				
Extension Eligibility/Years	Yes		3							
Recipient District	Yes									

Construction Year	Value Added	Valuation Year	Inflation Increment ¹	Total Increment	Revenue Year	Tax Rate ²	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation
1 2014	0	2015	0	0	2016	\$31.56	0	0	0
2 2015	0	2016	0	0	2017	\$31.88	0	0	0
3 2016	11,960,000	2017	0	11,960,000	2018	\$32.20	385,137	342,385	327,988
4 2017	8,260,000	2018	119,600	20,339,600	2019	\$32.37	658,292	905,096	859,372
5 2018	14,567,500	2019	305,094	35,212,194	2020	\$32.53	1,145,413	1,846,542	1,735,767
6 2019	8,630,000	2020	528,183	44,370,377	2021	\$32.69	1,450,623	2,992,991	2,787,826
7 2020	3,762,500	2021	665,556	48,798,433	2022	\$32.69	1,595,392	4,205,358	3,884,557
8 2021	0	2022	975,969	49,774,401	2023	\$32.69	1,627,300	5,394,410	4,944,904
9 2022	0	2023	995,488	50,769,889	2024	\$32.69	1,659,846	6,560,596	5,970,073
10 2023	0	2024	1,015,398	51,785,287	2025	\$32.69	1,693,043	7,704,355	6,961,232
11 2024	0	2025	1,035,706	52,820,993	2026	\$32.69	1,726,904	8,826,118	7,919,509
12 2025	0	2026	1,056,420	53,877,413	2027	\$32.69	1,761,442	9,926,310	8,845,995
13 2026	0	2027	1,077,548	54,954,961	2028	\$32.69	1,796,671	11,005,343	9,741,744
14 2027	0	2028	1,099,099	56,054,060	2029	\$32.69	1,832,604	12,063,626	10,607,777
15 2028	0	2029	1,121,081	57,175,141	2030	\$32.69	1,869,256	13,101,558	11,445,078
16 2029	0	2030	1,143,503	58,318,644	2031	\$32.69	1,906,641	14,119,529	12,254,602
17 2030	0	2031	1,166,373	59,485,017	2032	\$32.69	1,944,774	15,117,924	13,037,269
18 2031	0	2032	1,189,700	60,674,717	2033	\$32.69	1,983,669	16,097,119	13,793,972
19 2032	0	2033	1,213,494	61,888,212	2034	\$32.69	2,023,343	17,057,483	14,525,570
20 2033	0	2034	1,237,764	63,125,976	2035	\$32.69	2,063,810	17,999,379	15,232,897
21 2034	0	2035	1,262,520	64,388,495	2036	\$32.69	2,105,086	18,923,162	15,916,759
22 2035	0	2036	1,287,770	65,676,265	2037	\$32.69	2,147,188	19,829,179	16,577,933
23 2036	0	2037	1,313,525	66,989,791	2038	\$32.69	2,190,131	20,717,773	17,217,173
24 2037	0	2038	1,339,796	68,329,586	2039	\$32.69	2,233,934	21,589,279	17,835,205
25 2038	0	2039	1,366,592	69,696,178	2040	\$32.69	2,278,613	22,444,024	18,432,734
26 2039	0	2040	1,393,924	71,090,102	2041	\$32.69	2,324,185	23,282,333	19,010,440
27 2040	0	2041	1,421,802	72,511,904	2042	\$32.69	2,370,669	24,104,520	19,568,980
Totals	47,180,000		25,331,904		Future Value of Increment		44,773,964		

Notes:
¹ Assumes equalized values within the TID will increase 1% annually through 2017, 1.50% annually through 2020, and 2% annually each year thereafter.
² Assumes that the city, county, school district and technical college levies will increase by 2% annually. Technical college levy has been reduced by 89 cents/\$1,000 to reflect the estimated impact of Wisconsin Act 145.

Cash Flow – Phase I Only

City of Racine, Wisconsin													
Tax Increment District # 18													
Cash Flow Projection - Phase I Only													
Year	Projected Revenues				Expenditures				Balances				
	Tax Increments (Phase I Only)	Interest Earnings/ (Cost) ¹	Bond Proceeds	Total Revenues	General Obligation Bond Dated Date: Principal	Est. Rate ² Interest	Finance Related Expense	Admin. Expenditures	Total Expenditures	Annual	Cumulative	Principal Outstanding	Year
2014	0			0				50,000	50,000	(50,000)	(50,000)	8,570,000	2014
2015	8,569,875	(125)	8,570,000	8,569,875	8,570,000	03/01/15	135,047	10,000	8,181,672	388,204	338,204	8,570,000	2015
2016	846	846		846			270,093	10,000	280,093	(279,247)	58,956	8,570,000	2016
2017	313,046	147		313,194			270,093	10,000	280,093	33,101	92,057	8,570,000	2017
2018	734,798	230		735,028			268,973	10,000	478,973	256,055	348,111	8,370,000	2018
2019	749,103	870		749,973			266,247	10,000	496,247	253,726	601,838	8,150,000	2019
2020	769,014	1,505		770,519			262,457	10,000	512,457	258,061	859,899	7,910,000	2020
2021	789,349	2,150		791,498			257,438	10,000	537,438	254,060	1,113,959	7,640,000	2021
2022	806,039	2,785		808,824			251,167	10,000	551,167	257,657	1,371,616	7,350,000	2022
2023	828,626	3,429		832,055			243,489	10,000	578,489	253,566	1,625,182	7,025,000	2023
2024	851,665	4,063		855,728			234,260	10,000	599,260	256,468	1,881,650	6,670,000	2024
2025	875,164	4,704		879,868			223,559	10,000	623,559	256,310	2,137,960	6,280,000	2025
2026	899,134	5,345		904,479			211,364	10,000	646,364	258,115	2,396,075	5,855,000	2026
2027	923,583	5,990		929,573			197,536	10,000	672,536	257,038	2,653,113	5,390,000	2027
2028	948,521	6,633		955,154			181,927	10,000	701,927	253,227	2,906,340	4,880,000	2028
2029	973,958	7,266		981,223			164,507	10,000	724,507	256,716	3,163,056	4,330,000	2029
2030	999,903	7,908		1,007,811			145,205	10,000	750,205	257,606	3,420,662	3,735,000	2030
2031	1,026,367	8,552		1,034,919			123,837	10,000	778,837	256,082	3,676,744	3,090,000	2031
2032	1,053,361	9,192		1,062,553			100,278	10,000	805,278	257,275	3,934,019	2,395,000	2032
2033	1,080,895	9,835		1,090,730			74,367	10,000	834,367	256,363	4,190,382	1,645,000	2033
2034	1,108,979	10,476		1,119,455			46,020	10,000	861,020	258,435	4,448,817	840,000	2034
2035	1,137,625	11,122		1,148,747			15,624	10,000	865,624	283,123	4,731,940	0	2035
2036	1,166,843	11,830		1,178,673				10,000	10,000	1,168,673	5,900,613	0	2036
2037	1,196,647	14,752		1,211,398					0	1,211,398	7,112,011	0	2037
2038	1,227,046	17,780		1,244,826					0	1,244,826	8,356,837	0	2038
2039	1,258,053	20,892		1,278,945					0	1,278,945	9,635,783	0	2039
2040	1,289,681	24,089		1,313,770					0	1,313,770	10,949,553	0	2040
2041	1,321,940	27,374		1,349,314					0	1,349,314	12,298,867	0	2041
2042	1,354,846	30,747		1,385,593					0	1,385,593	13,684,460	0	2042
Total	25,684,182	250,386	8,570,000	34,504,568	8,570,000	03/01/15	3,943,484	270,000	20,820,109	7,841,600	195,025	270,000	Total

Projected TID Closure

Notes:

¹ Assumes interest rate charged on advances, and interest rate on investment of cash balances, of 0.25%.

² Assumes MMD AA Scale of 8-7-2014 plus 0.50%. Also assumes that all expenditures will qualify for tax-exempt financing. Potential private activity considerations will need to be reviewed.

Cash Flow – All Phases

City of Racine, Wisconsin																						
Tax Increment District # 18																						
Cash Flow Projection - All Phases																						
Year	Projected Revenues				Expenditures												Balances			Year		
	Tax Increments (Phase I Only)	Interest Earnings/ (Cost) ¹	Bond Proceeds	Total Revenues	General Obligation Bond 8,570,000 Dated Date: 03/01/15			General Obligation Bond 8,640,000 Dated Date: 03/01/16			General Obligation Bond 10,310,000 Dated Date: 03/01/17			Finance Related Expense	Admin.	Total Expenditures	Annual	Cumulative	Principal Outstanding			
2014				0												50,000	50,000	(50,000)	(50,000)		2014	
2015		(125)	8,570,000	8,569,875												195,025	10,000	8,181,672	388,204	338,204	8,570,000	2015
2016	0	846	8,640,000	8,640,846												195,875	10,000	8,454,905	185,940	524,144	17,210,000	2016
2017	313,046	1,310	10,310,000	10,624,357												228,625	10,000	10,914,459	(290,102)	234,042	27,520,000	2017
2018	1,119,934	585		1,120,519	200,000	1.120%	268,973										10,000	1,224,580	(104,061)	129,981	27,320,000	2018
2019	1,407,396	325		1,407,721	220,000	1.460%	266,247	200,000	1.620%	314,255							10,000	1,440,234	(32,513)	97,467	26,900,000	2019
2020	1,914,427	244		1,914,671	240,000	1.820%	262,457	220,000	1.960%	310,479							10,000	1,472,668	442,003	539,470	26,440,000	2020
2021	2,239,972	1,349		2,241,321	270,000	2.100%	257,438	240,000	2.320%	305,539	235,000	2.4600%	426,842				10,000	1,744,819	496,502	1,035,972	25,695,000	2021
2022	2,401,431	2,590		2,404,021	290,000	2.370%	251,167	270,000	2.600%	299,245	370,000	2.8200%	418,735				10,000	1,909,146	494,875	1,530,847	24,765,000	2022
2023	2,455,926	3,827		2,459,753	325,000	2.610%	243,489	290,000	2.870%	291,573	395,000	3.1000%	407,395				10,000	1,962,457	497,296	2,028,143	23,755,000	2023
2024	2,511,510	5,070		2,516,581	355,000	2.810%	234,260	325,000	3.110%	282,358	420,000	3.3700%	394,196				10,000	2,020,813	495,768	2,523,911	22,655,000	2024
2025	2,568,207	6,310		2,574,517	390,000	2.930%	223,559	355,000	3.310%	271,429	450,000	3.6100%	378,996				10,000	2,078,983	495,533	3,019,445	21,460,000	2025
2026	2,626,037	7,549		2,633,586	425,000	3.050%	211,364	390,000	3.430%	258,865	480,000	3.8100%	361,730				10,000	2,136,958	496,628	3,516,072	20,165,000	2026
2027	2,685,024	8,790		2,693,815	465,000	3.160%	197,536	425,000	3.550%	244,633	510,000	3.9300%	342,564				10,000	2,194,732	499,082	4,015,155	18,765,000	2027
2028	2,745,191	10,038		2,755,229	510,000	3.240%	181,927	465,000	3.660%	228,580	540,000	4.0500%	321,608				10,000	2,257,114	498,116	4,513,270	17,250,000	2028
2029	2,806,561	11,283		2,817,845	550,000	3.330%	164,507	510,000	3.740%	210,533	575,000	4.1600%	298,713				10,000	2,318,753	499,092	5,012,363	15,615,000	2029
2030	2,869,159	12,531		2,881,690	595,000	3.410%	145,205	550,000	3.830%	190,464	620,000	4.2400%	273,609				10,000	2,384,277	497,413	5,509,776	13,850,000	2030
2031	2,933,008	13,774		2,946,783	645,000	3.480%	123,837	595,000	3.910%	168,299	660,000	4.3300%	246,176				10,000	2,448,311	498,472	6,008,247	11,950,000	2031
2032	2,998,135	15,021		3,013,156	695,000	3.550%	100,278	645,000	3.980%	143,831	705,000	4.4100%	216,341				10,000	2,515,450	497,706	6,505,953	9,905,000	2032
2033	3,064,564	16,265		3,080,829	750,000	3.620%	74,367	695,000	4.050%	116,922	755,000	4.4800%	183,884				10,000	2,585,172	495,657	7,001,610	7,705,000	2033
2034	3,132,322	17,504		3,149,826	805,000	3.670%	46,020	750,000	4.120%	87,398	810,000	4.5500%	148,545				10,000	2,656,962	492,863	7,494,473	5,340,000	2034
2035	3,201,434	18,736		3,220,171	840,000	3.720%	15,624	850,000	4.170%	54,226	865,000	4.6200%	110,136				10,000	2,744,985	475,186	7,969,658	2,785,000	2035
2036	3,271,929	19,924		3,291,853				865,000	4.220%	18,252	940,000	4.6700%	68,205				10,000	1,901,457	1,390,397	9,360,055	980,000	2036
2037	3,343,834	23,400		3,367,234							980,000	4.7200%	23,128					1,003,128	2,364,106	11,724,162	0	2037
2038	3,417,177	29,310		3,446,488														0	3,446,488	15,170,649	0	2038
2039	3,491,987	37,927		3,529,914														0	3,529,914	18,700,563	0	2039
2040	3,568,293	46,751		3,615,045														0	3,615,045	22,315,608	0	2040
2041	3,646,125	55,789		3,701,914														0	3,701,914	26,017,522	0	2041
2042	3,725,514	65,044		3,790,558														0	3,790,558	29,808,080	0	2042
Total	70,458,146	431,967	27,520,000	98,410,113	8,570,000		3,943,484	8,640,000		4,586,562	10,310,000		6,124,863	25,537,600	619,525	270,000	68,602,033					Total

Notes: Projected TID Closure

¹ Assumes interest rate charged on advances, and interest rate on investment of cash balances, of 0.25%.
² Assumes MMD AA Scale of 8-7-2014 plus 0.50% for 2015 issue; plus 1.00% for 2016 issue; and plus 1.50% for 2017 and 2019 issues. Also assumes that all expenditures will qualify for tax-exempt financing. Potential private activity considerations will need to be reviewed.

SECTION 11: Annexed Property

There are no lands proposed for inclusion within the District that were annexed by the City on or after January 1, 2004.

SECTION 12: Estimate of Property to be Devoted to Retail Business

Pursuant to Wisconsin Statutes Sections 66.1105(5)(b) and 66.1105(6)(am)1, the City estimates that 20% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 13: Proposed Zoning Ordinance Changes

Any zoning changes required to implement the projects listed herein will be made in accordance with the zoning ordinance on a project by project basis.

SECTION 14: 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.

SECTION 15: Relocation

It is not anticipated there will be a need to relocate 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 Wisconsin Statutes Section Chapter 32.

SECTION 16: Orderly Development of the City of Racine

In past years, the City of Racine has made a concerted effort to improve the economic, physical and social vitality of the downtown area. *RootWorks* established a vision for Machinery Row that was developed through significant public involvement before adoption by the Common Council. As stated in the Introduction, the vision includes promoting a diversity of uses; opening up the waterfront to the public, extending a waterfront Promenade and walkway, and promoting waterfront activities, amenities, and commerce; promoting rehab and reuse of existing structures, and new development that is environmentally sensitive and contributes to improved water quality in the Root River. *RootWorks* develops an actionable land use plan and strategies to further this vision and facilitate the proposed development and redevelopment.

The City of Racine has employed tax increment finance districts in the past to stimulate private reinvestment and redevelopment. The creation of TID No. 18 will provide the City with the tools to effectively implement the land use goals and objectives for the Machinery Row area, as defined in *RootWorks*.

The boundary for TID No. 18 encompasses what has been broadly defined as the Machinery Row redevelopment area, which sits directly adjacent to the Root River, City Hall and downtown Racine. Reactivation of the riverfront with a diversity of business and recreational uses will reopen this segment of the riverfront to public use for the first time in over a century. Adaptive reuse of the historic J.I. Case properties for residential and commercial purposes salutes the city's manufacturing legacy while opening up new opportunities for twenty-first century commerce.

This project plan is aimed at implementing necessary infrastructure construction recommendations as well as redevelopment funding. Additional project activities may include acquisition and relocation activities aimed at eliminating blight and achieving the highest and best use in the greater *RootWorks* area, and additional leverage for securing state and federal grant funds for long-range planning and construction activities.

Catalytic Sites and Potential Uses

The initial phases of redevelopment in the Machinery Row Area are expected to generate significant private investment and tax base, which may in turn spur further development within TID No. 18. Planned future uses and catalytic projects for the Machinery Row Area, as part of TID No. 18, include:

- **Mixed-Use Residential/Adaptive Reuse Commercial.** The 900 Water Street building will be an adaptive reuse of historic manufacturing and warehouse spaces dating from the late 1800's. The first phase of development is expected to house a combination of retail and commercial spaces on the first floor, and more than 100 market-rate residential units on the second and third stories. Additional parcels to the south of Water Street and west of Marquette have potential for additional mixed-use development during the life of the District.
- **Market-Rate Residential.** The current marine storage area southeast of 820 Water Street is well suited for additional market-rate housing in future phases of development, to maximize the use of this prime location with water views and central business district accessibility.

- **Machinery Row Promenade.** Located between the recently designed West Bluff Overlook to the west and Downtown and Harbor to the east, the Machinery Row Promenade is envisioned as a dynamic waterfront gathering space tightly knit into the future private development of Machinery Row. This project includes the conceptual alignment of a pedestrian promenade and associated public spaces from South Marquette Street to Sam's River Road. This promenade is also an important component of the planned ~2.5 mile Water Street/River Loop system.
- **River Loop Trailhead.** The western terminus of Water Street, overlooking the river, offers an ideal spot for the Trailhead of the planned River Loop. This area will offer historic interpretive features, water edge improvements and stormwater best management practices, a potential landing for a pedestrian bridge to the West Bluff Overlook, and additional public parking and amenities.
- **River Loop.** The Machinery Row Area is intended to serve as an extension of the existing Root River Pathway, and will feature a roughly 2.5 mile bicycle and pedestrian-friendly River Loop extending from Sam's River Road, along the Machinery Row Promenade on the southern bank of the river, over the Marquette Street Bridge to the West Bluff Overlook, along the northern bank and CNH Industrial properties to State Street and existing paths beyond. Lighting, benches, native plantings, scenic overlooks and interpretive features will offer thematic continuity throughout the Machinery Row Area and improve the City's network of recreational paths.
- **West Bluff Overlook.** Located within a ½ mile radius of TID No. 18, between the Jens Jensen designed park system to the west and Downtown and Harbor to the east, the Root River West Bluff Overlook is the missing link to unite a city-wide off-street bicycle and pedestrian path. This project includes the conceptual alignment of an off-street path located between 6th and Marquette Streets. The design vision for the pathway and overlook is to create a public space that is more than a simple pathway; rather it is a Jens Jensen inspired natural area enriched with place-based interactive learning opportunities. The design vision contains four main zones that are defined by their potential learning opportunities: (1) Overlook, (2) Outdoor Classroom, (3) Stormwater and (4) Fishery & Water Quality.
- **Sam's River Road.** The eastern edge of TID No. 18 includes a portion of Sam's River Road, which could be improved through streetscaping, seawall and dock renovation, and public right-of-way and trail construction, connecting to the planned bicycle/pedestrian River Loop and offer an additional public access route to riverfront redevelopment parcels.
- **4th Street Bridge.** Within a half mile of the TID No. 18 boundary, future development phases could present an opportunity to restore a historic footbridge at the eastern terminus of 4th Street, connecting downtown Racine to the CNH Industrial campus. This would provide further integrate the site of thousands of workers with Machinery Row, RootWorks area and Downtown attractions.
- **Water Street/6th Street.** In addition to necessary infrastructure improvements on Water Street and 6th Street, these main access points to the Machinery Row redevelopment area should visually connect to the Promenade. Features such as pylon features may be erected along Water Street and 6th Street to reflect those proposed along the Promenade. These features would contain space for large banners which can tell the history of the site and could line the street displaying the products, employees, or historic businesses of Machinery Row.

SECTION 17: List of Estimated Non-Project Costs

The City will make application for grants from various sources (State and Federal) to pay the costs or portions of the costs of planned improvements to be made within the District. Identification of the potential grant sources is included in the List of Detailed Project Costs found in Section 9.

To the extent the City receives grant funding for a project, the portion of that project paid for with grant funds is a non-project cost.

The City has plans to make application for the following grants:

Grant Source	Type of Grant	Requested Amount
WisDNR/ WEDC	Brownfield Investigation and Cleanup Related Grants	\$2,000,000
WEDC	Site Reuse Grant Program (Idle Industrial Sites)	\$1,000,000
WisDOT	Public Infrastructure Grants (Road, Utilities, Off-Road Pedestrian Routes)	\$2,000,000

DRAFT

SECTION 18:
Opinion of Attorney for the City of Racine Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105

August 12, 2014

SAMPLE

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

RE: City of Racine, Wisconsin Tax Incremental District No. 18

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 Wisconsin Statutes Section 66.1105(4)(f).

Sincerely,

Attorney Robert Weber
City of Racine

Exhibit A:
**Calculation of the Share of Projected Tax
 Increments Estimated to be Paid by the Owners of
 Property in the Overlying Taxing Jurisdictions**

Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.							
Statement of Taxes Data Year: 2013/14		Percentage					
County	11,736,653	11.83%					
Municipality	51,066,797	51.48%					
School District	31,267,514	31.52%					
Technical College	5,132,487	5.17%					
Total	99,203,451						

Revenue Year	Racine County	City of Racine	Racine Unified School District	Gateway Technical College	Total	Revenue Year
2016	0	0	0	0	0	2016
2017	37,036	161,146	98,668	16,196	313,046	2017
2018	132,498	576,507	352,987	57,942	1,119,934	2018
2019	166,507	724,483	443,591	72,814	1,407,396	2019
2020	226,494	985,486	603,400	99,047	1,914,427	2020
2021	265,009	1,153,067	706,007	115,889	2,239,972	2021
2022	284,111	1,236,181	756,897	124,243	2,401,431	2022
2023	290,558	1,264,233	774,073	127,062	2,455,926	2023
2024	297,134	1,292,846	791,592	129,938	2,511,510	2024
2025	303,842	1,322,032	809,462	132,871	2,568,207	2025
2026	310,684	1,351,801	827,690	135,863	2,626,037	2026
2027	317,662	1,382,166	846,281	138,915	2,685,024	2027
2028	324,781	1,413,138	865,245	142,028	2,745,191	2028
2029	332,041	1,444,729	884,588	145,203	2,806,561	2029
2030	339,447	1,476,952	904,318	148,442	2,869,159	2030
2031	347,001	1,509,820	924,442	151,745	2,933,008	2031
2032	354,706	1,543,345	944,969	155,114	2,998,135	2032
2033	362,565	1,577,541	965,907	158,551	3,064,564	2033
2034	370,582	1,612,420	987,263	162,057	3,132,322	2034
2035	378,758	1,647,997	1,009,046	165,633	3,201,434	2035
2036	387,098	1,684,286	1,031,265	169,280	3,271,929	2036
2037	395,605	1,721,300	1,053,929	173,000	3,343,834	2037
2038	404,283	1,759,055	1,077,046	176,794	3,417,177	2038
2039	413,133	1,797,564	1,100,625	180,665	3,491,987	2039
2040	422,161	1,836,844	1,124,675	184,613	3,568,293	2040
2041	431,369	1,876,910	1,149,207	188,639	3,646,125	2041
2042	440,762	1,917,777	1,174,229	192,747	3,725,514	2042
	<u>8,335,827</u>	<u>36,269,624</u>	<u>22,207,404</u>	<u>3,645,291</u>	<u>70,458,146</u>	

Notes:
 The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.