

October 31, 2018 (2nd Draft)

Tax Incremental District No. 21 Project Plan



Organizational Joint Review Board Meeting Held:	Scheduled for November 14, 2018
Public Hearing Held:	Scheduled for November 14, 2018
Consideration for Adoption by Plan Commission:	Scheduled for November 14, 2018
Consideration for Adoption by Common Council:	Scheduled for December 4, 2018
Consideration for Approval by the Joint Review Board:	TBD

Tax Incremental District No. 21 Project Plan

City of Racine Officials

Common Council

Cory Mason	Mayor
Jeff Coe	Council Member
Mollie Jones	Council Member
John Tate II	Council Member
Tracey Larrin	Council Member
Steve Smetana	Council Member
Sandy Weidner	Council Member
Raymond DeHahn	Council President
Q.A. Shakoor, II	Council Member
Terrence McCarthy	Council Member
Carrie Glenn	Council Member
Mary Land	Council Member
Henry Perez	Council Member
James Morgenroth	Council Member
Jason Meekma	Council Member
Melissa Lemke	Council Member

City Staff

James Palenick	City Administrator
Amy Connolly, AICP	Director of City Development
Janice Johnson-Martin	City Clerk
Scott Letteney	City Attorney

Joint Review Board

David Brown	City Representative
Jonathan Delagrave	Racine County
Gary Flynn	Gateway Technical College District
Brian O' Connell	Racine Unified School District
James Palenick	Public Member

Table of Contents

EXECUTIVE SUMMARY.....	1
TYPE AND GENERAL DESCRIPTION OF DISTRICT	3
DISTRICT BOUNDARY MAP	4
MAP SHOWING EXISTING USES AND CONDITIONS	5
PRELIMINARY PARCEL LIST AND ANALYSIS	6
EQUALIZED VALUE TEST	7
STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND OTHER PROJECTS.....	8
DETAILED LIST OF PROJECT COSTS	10
MAP SHOWING PROPOSED IMPROVEMENTS AND USES.....	11
ECONOMIC FEASIBILITY STUDY, FINANCING METHODS, AND THE TIME WHEN COSTS OR MONETARY OBLIGATIONS RELATED ARE TO BE INCURRED.....	12
ANNEXED PROPERTY.....	17
PROPOSED ZONING ORDINANCE CHANGES.....	17
PROPOSED CHANGES IN MASTER PLAN, MAP, BUILDING CODES AND ORDINANCES	17
RELOCATION.....	17
ORDERLY DEVELOPMENT OF THE CITY	17
LIST OF ESTIMATED NON-PROJECT COSTS	18
OPINION OF ATTORNEY FOR THE CITY OF RACINE ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES 66.1105	19
CALCULATION OF THE SHARE OF PROJECTED TAX INCREMENTS ESTIMATED TO BE PAID BY THE OWNERS OF PROPERTY IN THE OVERLYING TAXING JURISDICTIONS.....	20

SECTION 1:

Executive Summary

Description of District

Tax Incremental District (“TID”) No. 21 (“District”) is a proposed blighted area district comprising approximately 3.54 acres located at 233 Lake Avenue which the Racine Redevelopment Authority purchased from WE Energies in 2014. Prior to the purchase, WE Energies demolished the existing structures and undertook environmental remediation of the former coal to gas plant site. The District is being created in anticipation of likely redevelopment of the site in the nearer term. For purposes of this Project Plan (“Plan”), it is assumed that the redevelopment project would include a mix of market rate apartments and a potential hotel with an onsite parking garage (“Project”).

Estimated Total Project Cost Expenditures

The City anticipates making total expenditures of approximately \$20.5 million (“Project Costs”) to undertake the projects listed in this Plan. Project Costs include an estimated \$17.45 million in potential development incentives and \$3.06 million in potential public infrastructure costs paid from a combination of cash and tax increments generated by the Project.

Incremental Valuation

The City projects that new land and improvements value of approximately \$31.19 million will result from completion of the Project. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumptions as to the development timing and associated values is included in Section 9 of this Plan.

Expected Termination of District

Based on the Economic Feasibility Study located within this Plan, the City anticipates that the District will generate sufficient tax increment to pay all Project Costs within nineteen of its allowable twenty-seven years.

Summary of Findings

As required by Wis. Stat. § 66.1105, and as documented in this Plan and the exhibits contained and referenced herein, the following findings are made:

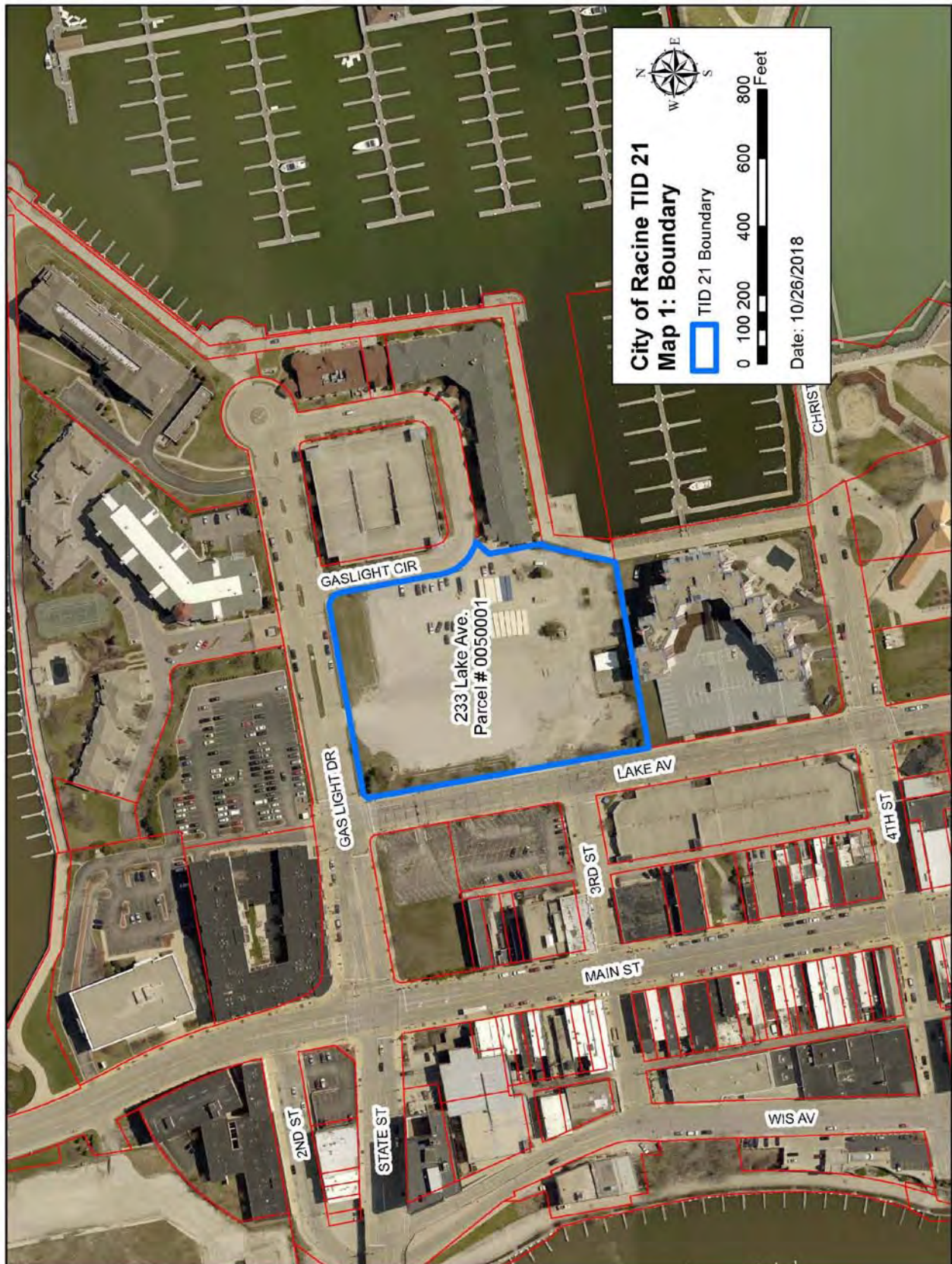
1. **That “but for” the creation of this District, the development projected to occur as detailed in this Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** The City finds that but for public investment in the Project, that it is unlikely the type of development that the City desires for the site will occur. The City’s elevated tax rate, low rents, and site conditions related to environmental contamination, utility easements and insufficient parking present barriers to raising the needed investment capital from private sources alone. Prior to entering into any agreement with a potential developer, the City will require that an independent third-party analysis be completed to confirm the necessity for, and appropriate level of, any City investment in the Project.

2. **The economic benefits of the 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:
 - That the projected tax increments to be collected from the Project are more than sufficient to pay the related Project Costs.
 - The expectation that the Project will create short-term construction jobs, and long-term management, hospitality, and maintenance employment opportunities.
 - That construction and subsequent operation of the Project is likely to result in the purchase of goods and services from local suppliers, and induced effects of renter households and hotel guests spending locally for goods and services from retailers, restaurants and service companies.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.** As required by Wis. Stat. § 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 prepared and can be found in Section 17 of this plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
4. Not less than 50% by area of the real property within the District is a blighted area as defined by Wis. Stat. § 66.1105(2)(ae)1.
5. Based on the foregoing finding, the District is designated as a blighted area district.
6. The Project Costs relate directly to the elimination of blight in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value 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 less than 35% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. §66.1105(5)(b).
10. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

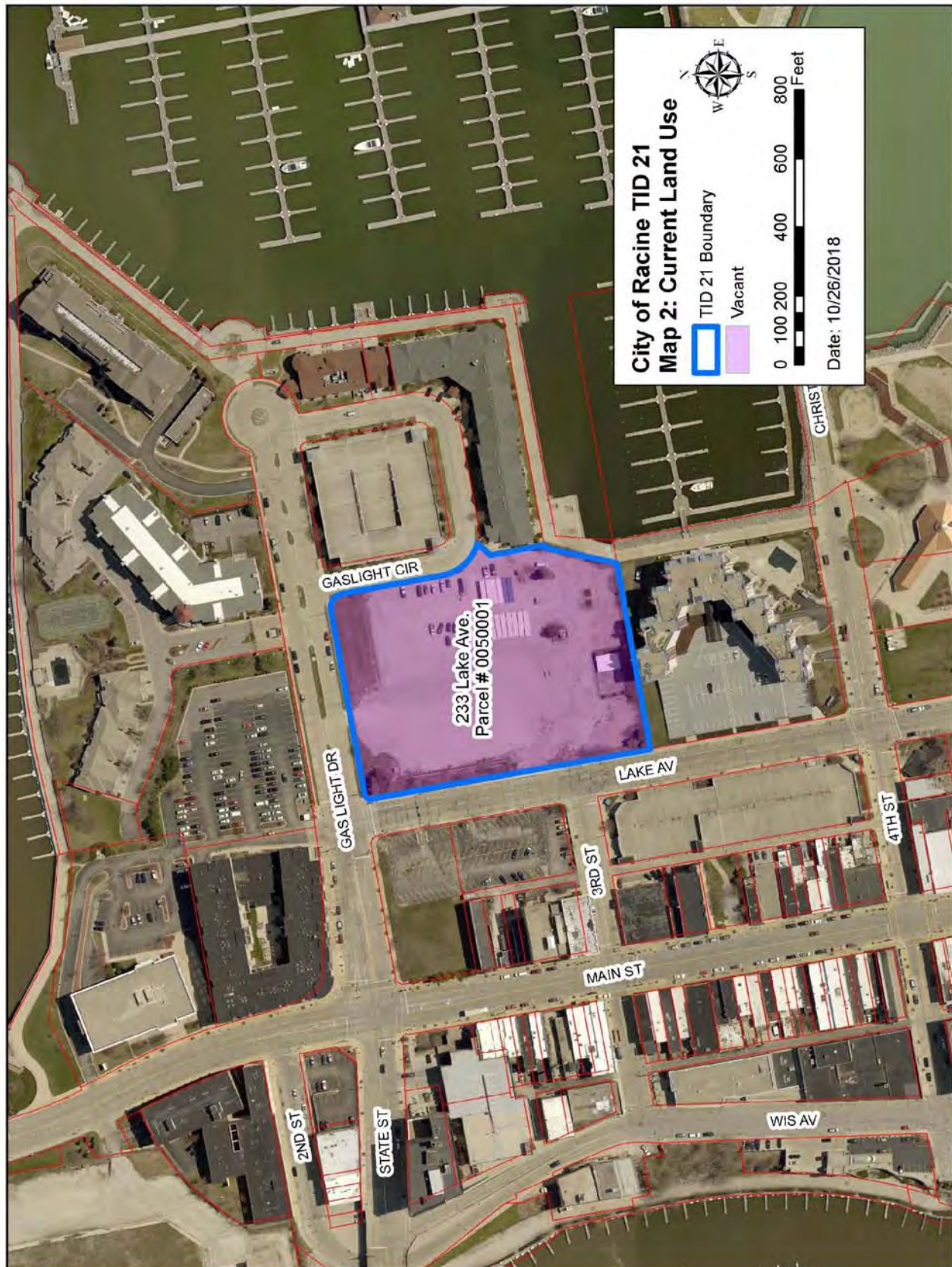
SECTION 2: Type and General Description of District

The District is a proposed blighted area district comprising approximately 3.54 acres located at 233 Lake Avenue which the Racine Redevelopment Authority purchased from WE Energies in 2014. Prior to the purchase, WE Energies demolished the existing structures and undertook environmental remediation of the former coal to gas plant site. The District is being created in anticipation of likely redevelopment of the site in the nearer term. For purposes of this Plan, it is assumed that the redevelopment project would include a mix of market rate apartments and a potential hotel with an onsite parking garage.

SECTION 3: District Boundary Map



SECTION 4: Map Showing Existing Uses and Conditions



SECTION 5: Preliminary Parcel List and Analysis

The proposed District consists of a single tax parcel:

Parcel ID:	00050001
Address:	233 Lake Drive
Owner:	City of Racine Redevelopment Authority
Acreage:	3.54
Assessed Value:	\$0 (Tax-Exempt)

The City finds that this parcel is blighted as defined in Wis. Stat. 66.1105(2)(ae) insofar as the conditions detailed below make development of the site without the use of tax increment financing uneconomical, which substantially impairs or arrests the sound growth of the City.

1. Insufficient availability of on and off-street parking near the parcel to support redevelopment. Construction of an on-site parking structure will be required, which will increase the cost of the Project.
2. Pre-existing environmental contamination which will place certain restrictions on plans for redevelopment. Ground disturbance restrictions will require use of spread footings and installation of vapor containment measures will increase costs of parking structure construction by an estimated total of 30% - 40%.
3. The presence of a utility easement and a groundwater monitoring system that reduce the developable area, thereby reducing potential density and related rents.

SECTION 6: Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 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 base value of the proposed District, totals \$93,215,950. This value is less than the maximum of \$412,278,372 in equalized value that is permitted for the City.

City of Racine, Wisconsin			
Tax Increment District # 21 (Lake Ave. Site Redevelopment)			
Valuation Test Compliance Calculation			
District Creation Date	12/18/2018		
	Valuation Data Currently Available 2018	Dollar Charge	Valuation Data Est. Creation Date
Total EV (TID In)	3,435,653,100		3,435,653,100
12% Test	412,278,372		412,278,372
Total Existing Increment	93,215,950		93,215,950
Projected Base Value of District	0		0
Total Value Subject to 12% Test	93,215,950		93,215,950
Compliance	PASS		PASS

SECTION 7:

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

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning, design and construction is completed.

With all Project Costs, the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number and location of potential Project Costs.

Community Development

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for 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.

Streets and Streetscape

Street Improvements

Implementation of the Plan may require that the City make improvements in the street rights-of-way adjacent to or near the District to include roadway, roadway conversion, parking, driveway, intersection, traffic management, bike, pedestrian, and signalization and safety improvements.

Streetscaping and Landscaping

The City may need to make streetscape improvements, install wayfinding signage, trees and landscaping.

Utilities

Stormwater Management System Improvements

Implementation of the Plan may require the City to make storm water management system improvements in the street rights-of-way adjacent to or near the District.

Communications Infrastructure

Implementation of the Plan may require the City to make fiber or other connectivity improvements in street rights-of-way adjacent to or near the District.

Miscellaneous

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include but are not limited to: architectural; environmental; planning; engineering; legal; audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

Administrative Costs

The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan.

Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

Projects Outside the Tax Increment District

Pursuant to Wis. Stat. § 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. Implementation of the Plan may require that the City make the following types of expenditures in street rights-of-way adjacent to or near the District.

- Intersection Improvements
- Bike and/or Pedestrian Improvements
- Signalization and Safety Improvements
- Roadway/Driveway Improvements
- Streetscape Improvements
- Wayfinding
- Traffic Management
- Storm Water Management
- Landscaping and Forestry
- Roadway Conversion
- Parking
- Smart Road/Smart City Improvements
- Fiber and Connectivity Improvements

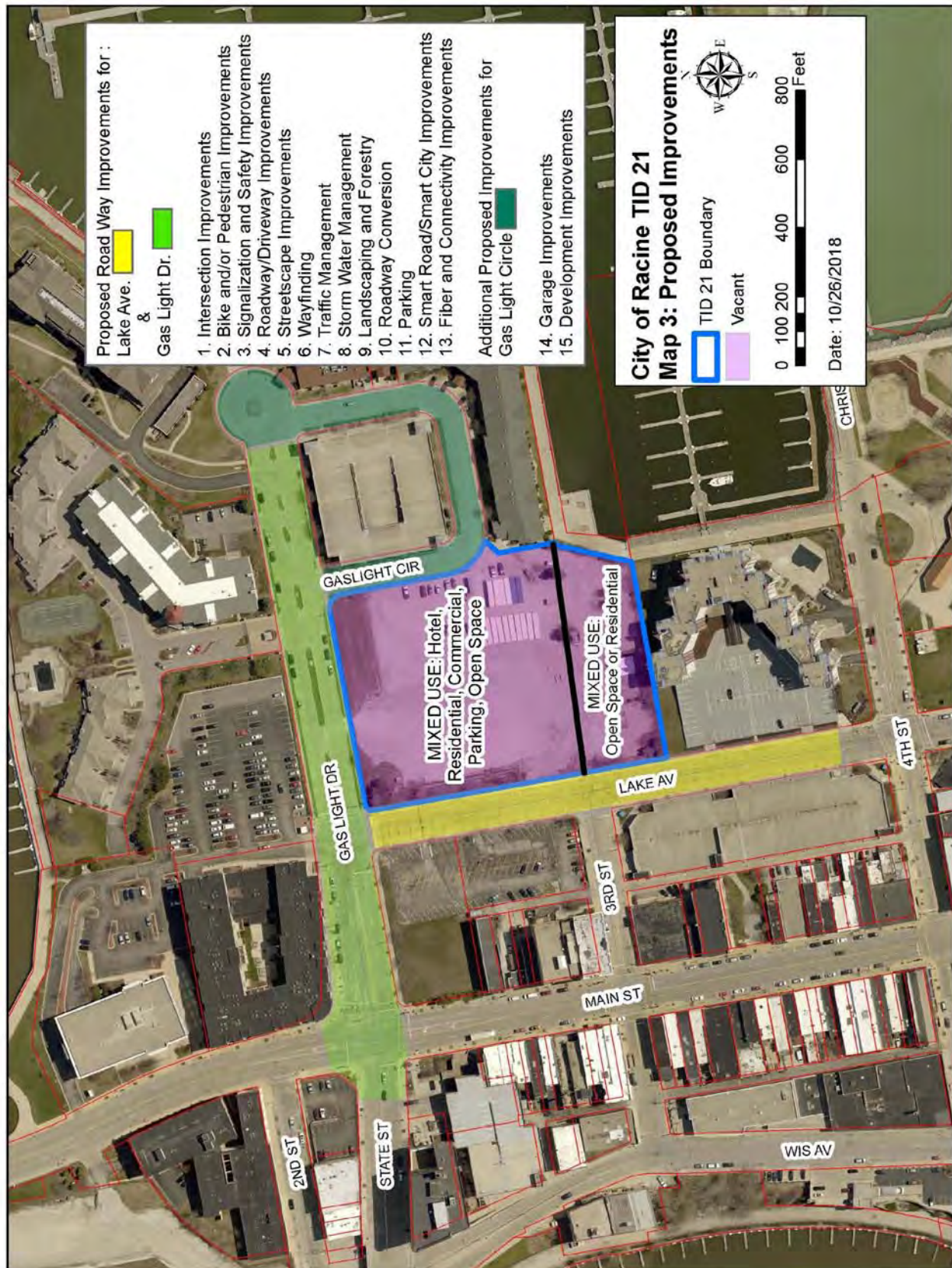
Inclusion of the above Project Cost categories in the Plan will permit the City to make these types of expenditures outside of the District's boundaries without seeking further approval or amending the Plan.

SECTION 8: Detailed List of Project Costs

The following list identifies the Project Costs that the City currently expects to incur in implementing the District's Plan. All projects identified, and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

City of Racine, Wisconsin			
Tax Increment District # 21 (Lake Ave. Site Redevelopment)			
Estimated Project List			
Project ID	Project Name/Type	Phase I 2019 - 2039	Total
1	Development Incentives	17,446,326	17,446,326
2	Other Project Costs ¹	3,067,043	3,067,043
3			0
4			
5			0
Total Projects		<u>20,513,369</u>	<u>20,513,369</u>
Notes:			
¹ Includes street improvements, streetscaping and landscaping, stormwater management system improvements, communications infrastructure, professional service and organizational costs, administrative costs, and financing costs.			

SECTION 9: Map Showing Proposed Improvements and Uses



SECTION 10:

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

This Section includes a forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how Project Costs would be financed, and a projected cash flow demonstrating that the District is economically feasible.

Key Assumptions

The Project Costs the City plans to make are expected to create \$31,190,000 in incremental value by 2025. The development Project, estimated valuations and timing are included in **Table 1**. Assuming the City's current equalized TID Interim tax rate of \$31.29 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate \$23,820,343 in incremental tax revenue over the twenty-seven-year term of the District as shown in **Table 2**.

City of Racine, Wisconsin

Tax Increment District # 21 (Lake Ave. Site Redevelopment)

Development Assumptions

Construction Year		Actual	Apartments/ Hotel		Annual Total	Construction Year	
1	2019		1,200,000		1,200,000	2019	1
2	2020		6,400,000		6,400,000	2020	2
3	2021		15,750,000		15,750,000	2021	3
4	2022		0		0	2022	4
5	2023		1,000,000		1,000,000	2023	5
6	2024		2,136,000		2,136,000	2024	6
7	2025		4,704,000		4,704,000	2025	7
8	2026				0	2026	8
9	2027				0	2027	9
10	2028				0	2028	10
11	2029				0	2029	11
12	2030				0	2030	12
13	2031				0	2031	13
14	2032				0	2032	14
15	2033				0	2033	15
16	2034				0	2034	16
17	2035				0	2035	17
18	2036				0	2036	18
19	2037				0	2037	19
20	2038				0	2038	20
21	2039				0	2039	21
22	2040				0	2040	22
23	2041				0	2041	23
24	2042				0	2042	24
25	2043				0	2043	25
26	2044				0	2044	26
27	2045				0	2045	27
Totals		0	31,190,000	0	31,190,000		

Table 1 – Development Assumptions

City of Racine, Wisconsin

Tax Increment District # 21 (Lake Ave. Site Redevelopment)

Tax Increment Projection Worksheet

Type of District	Blighted Area	Base Value	0
District Creation Date	December 18, 2018	Appreciation Factor	0.00%
Valuation Date	Jan 1, 2019	Base Tax Rate	\$31.29
Max Life (Years)	27	Rate Adjustment Factor	
Expenditure Period/Termination	22 12/18/2040		
Revenue Periods/Final Year	27 2047		
Extension Eligibility/Years	Yes 3	Tax Exempt Discount Rate	
Recipient District	Yes	Taxable Discount Rate	1.50%

	Construction		Inflation	Total				
	Year	Value Added	Valuation Year	Increment	Increment	Revenue Year	Tax Rate ¹	Tax Increment
1	2019	1,200,000	2020	0	1,200,000	2021	\$31.29	37,546
2	2020	6,400,000	2021	0	7,600,000	2022	\$31.29	237,789
3	2021	15,750,000	2022	0	23,350,000	2023	\$31.29	730,574
4	2022	0	2023	0	23,350,000	2024	\$31.29	730,574
5	2023	1,000,000	2024	0	24,350,000	2025	\$31.29	761,862
6	2024	2,136,000	2025	0	26,486,000	2026	\$31.29	828,693
7	2025	4,704,000	2026	0	31,190,000	2027	\$31.29	975,872
8	2026	0	2027	0	31,190,000	2028	\$31.29	975,872
9	2027	0	2028	0	31,190,000	2029	\$31.29	975,872
10	2028	0	2029	0	31,190,000	2030	\$31.29	975,872
11	2029	0	2030	0	31,190,000	2031	\$31.29	975,872
12	2030	0	2031	0	31,190,000	2032	\$31.29	975,872
13	2031	0	2032	0	31,190,000	2033	\$31.29	975,872
14	2032	0	2033	0	31,190,000	2034	\$31.29	975,872
15	2033	0	2034	0	31,190,000	2035	\$31.29	975,872
16	2034	0	2035	0	31,190,000	2036	\$31.29	975,872
17	2035	0	2036	0	31,190,000	2037	\$31.29	975,872
18	2036	0	2037	0	31,190,000	2038	\$31.29	975,872
19	2037	0	2038	0	31,190,000	2039	\$31.29	975,872
20	2038	0	2039	0	31,190,000	2040	\$31.29	975,872
21	2039	0	2040	0	31,190,000	2041	\$31.29	975,872
22	2040	0	2041	0	31,190,000	2042	\$31.29	975,872
23	2041	0	2042	0	31,190,000	2043	\$31.29	975,872
24	2042	0	2043	0	31,190,000	2044	\$31.29	975,872
25	2043	0	2044	0	31,190,000	2045	\$31.29	975,872
26	2044	0	2045	0	31,190,000	2046	\$31.29	975,872
27	2045	0	2046	0	31,190,000	2047	\$31.29	975,872
Totals		31,190,000		0		Future Value of Increment		23,820,343

Notes:

¹Tax rate shown for 2021 revenue year is actual rate for the 2017/18 levy year per DOR Form PC-202 (Tax Increment Collection Worksheet)

Table 2 – Tax Increment Projection Worksheet

Financing and Implementation

The City expects that implementation of the Plan will require payment of development incentives as well as the costs of various public improvements.

1. Based on current projections, potential incentives of \$17.45 million would be paid from two sources. Transfers of excess revenues from Tax Incremental District's No. 9 and No. 14 would provide for the ability to provide cash funded up front incentives of up to \$4.5 million. Additional incentive amounts would be paid from annual tax increment collections on a "pay as you go" basis.
2. Funds not paid as incentives would be used as needed to pay the cost of street improvements, streetscaping and landscaping, stormwater management system improvements, communications infrastructure, professional service and organizational costs, administrative costs, and financing costs. As specific projects and costs will be determined by the plan of development, the City has identified as a placeholder a total of \$3.07 million. Actual costs for public improvements will vary based on the implementation plan. Fund identified in the cashflow for other project costs may be used to pay for any or all of the costs on a cash basis, as reimbursements to other advancing funds, or to pay debt service costs.

Based on assumed incentive payment schedules and public improvement and other cost outlays as included within the cash flow exhibit (**Table 3**), the District is projected to accumulate sufficient funds by the year 2039 to pay off all Project related liabilities and obligations. The projected early closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

City of Racine, Wisconsin

Tax Increment District # 21 (Lake Ave. Site Redevelopment)

Cash Flow Projection¹

Year	Projected Revenues				Expenditures			Balances			Year
	Tax Increments	Transfer from TID No. 9	Transfer from TID No. 14	Total Revenues	Development Incentives	Other Project Costs ²	Total Expenditures	Annual	Cumulative	Principal Outstanding	
2018		400,000	725,000	1,125,000			0	1,125,000	1,125,000		
2019		400,000	725,000	1,125,000	1,125,000		1,125,000	0	1,125,000		2019
2020		400,000	725,000	1,125,000	1,125,000		1,125,000	0	1,125,000		2020
2021	37,546	400,000	725,000	1,162,546	1,160,668	1,877	1,162,546	0	1,125,000		2021
2022	237,789			237,789	1,350,899	11,889	1,362,789	(1,125,000)	0		2022
2023	730,574			730,574	694,045	36,529	730,574	0	0		2023
2024	730,574			730,574	694,045	36,529	730,574	0	0		2024
2025	761,862			761,862	723,769	38,093	761,862	0	0		2025
2026	828,693			828,693	787,258	41,435	828,693	0	0		2026
2027	975,872			975,872	927,078	48,794	975,872	0	0		2027
2028	975,872			975,872	927,078	48,794	975,872	0	0		2028
2029	975,872			975,872	927,078	48,794	975,872	0	0		2029
2030	975,872			975,872	927,078	48,794	975,872	0	0		2030
2031	975,872			975,872	927,078	48,794	975,872	0	0		2031
2032	975,872			975,872	927,078	48,794	975,872	0	0		2032
2033	975,872			975,872	927,078	48,794	975,872	0	0		2033
2034	975,872			975,872	927,078	48,794	975,872	0	0		2034
2035	975,872			975,872	927,078	48,794	975,872	0	0		2035
2036	975,872			975,872	598,320	377,552	975,871	0	0		2036
2037	975,872			975,872	598,320	377,552	975,872	0	0		2037
2038	975,872			975,872	122,649	853,223	975,872	0	0		2038
2039	975,872			975,872	122,649	853,223	975,872	0	0		2039
2040	975,872			975,872			0	975,872	975,872		2040
2041	975,872			975,872			0	975,872	1,951,744		2041
2042	975,872			975,872			0	975,872	2,927,616		2042
2043	975,872			975,872			0	975,872	3,903,487		2043
2044	975,872			975,872			0	975,872	4,879,359		2044
2045	975,872			975,872			0	975,872	5,855,231		2045
2046	975,872			975,872			0	975,872	6,831,102		2046
2047	975,872			975,872			0	975,872	7,806,974		2047
Total	23,820,343	1,600,000	2,900,000	28,320,343	17,446,326	3,067,043	20,513,369				Total

Projected TID Closure

Notes:

¹Revenues, expenditures and fund balance shown for 2017 are actual. (Source - DOR Form PE-300 and City provided financial statements.)

²Includes street improvements, streetscaping and landscaping, stormwater management system improvements, communications infrastructure, professional service and organizational costs, administrative costs, and financing costs.

Table 3 – Cash Flow

SECTION 11: Annexed Property

A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. None of the property within the proposed District boundary was annexed during the past three years.

SECTION 12: Proposed Zoning Ordinance Changes

The proposed Plan Amendment is in general conformance with the City's current zoning ordinances. Individual properties may require rezoning at the time of development.

SECTION 13: Proposed Changes in Master Plan, Map, Building Codes and Ordinances

The proposed Plan Amendment is in general conformance with the City's Comprehensive Plan. Development within the District will be required to conform to State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

SECTION 14: Relocation

Should implementation of this Plan Amendment require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92

SECTION 15: Orderly Development of the City

This Plan promotes the orderly development of the City by creating redevelopment opportunity through provision of necessary and appropriate financial incentives for private redevelopment project within the District. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Project will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as increased employment opportunities, housing, lodging, parking facilities and increased direct and indirect spending within the local economy.

SECTION 16:

List of Estimated Non-Project Costs

Non-Project Costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- 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.

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

SECTION 17:
Opinion of Attorney for the City of Racine Advising
Whether the Plan is Complete and Complies with
Wisconsin Statutes 66.1105

December 4, 2018

SAMPLE

Mayor Cory Mason
City of Racine
730 Washington Avenue
Racine, Wisconsin 53403

RE: City of Racine, Wisconsin Tax Incremental District No. 21 Creation

Dear Mayor Mason:

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 Scott Letteney
City of Racine

SECTION 18:

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 Overlying District Would Pay by Jurisdiction ¹						
Statement of Taxes Data Year:		2017	Percentage			
Racine County		11,201,594	10.87%			
Gateway Technical College		2,599,919	2.52%			
City of Racine		57,219,711	55.50%			
Racine Unified School District		32,072,349	31.11%			
Total		103,093,573				
Revenue Year	Racine County	City of Racine	Racine Unified School District	Gateway Technical College	Total	Revenue Year
2021	4,079	20,839	11,680	947	37,546	2021
2022	25,837	131,979	73,976	5,997	237,789	2022
2023	79,380	405,488	227,281	18,424	730,574	2023
2024	79,380	405,488	227,281	18,424	730,574	2024
2025	82,780	422,854	237,015	19,213	761,862	2025
2026	90,041	459,947	257,806	20,899	828,693	2026
2027	106,033	541,635	303,593	24,611	975,872	2027
2028	106,033	541,635	303,593	24,611	975,872	2028
2029	106,033	541,635	303,593	24,611	975,872	2029
2030	106,033	541,635	303,593	24,611	975,872	2030
2031	106,033	541,635	303,593	24,611	975,872	2031
2032	106,033	541,635	303,593	24,611	975,872	2032
2033	106,033	541,635	303,593	24,611	975,872	2033
2034	106,033	541,635	303,593	24,611	975,872	2034
2035	106,033	541,635	303,593	24,611	975,872	2035
2036	106,033	541,635	303,593	24,611	975,872	2036
2037	106,033	541,635	303,593	24,611	975,872	2037
2038	106,033	541,635	303,593	24,611	975,872	2038
2039	106,033	541,635	303,593	24,611	975,872	2039
2040	106,033	541,635	303,593	24,611	975,872	2040
2041	106,033	541,635	303,593	24,611	975,872	2041
2042	106,033	541,635	303,593	24,611	975,872	2042
2043	106,033	541,635	303,593	24,611	975,872	2043
2044	106,033	541,635	303,593	24,611	975,872	2044
2045	106,033	541,635	303,593	24,611	975,872	2045
2046	106,033	541,635	303,593	24,611	975,872	2046
2047	106,033	541,635	303,593	24,611	975,872	2047
		2,588,191	13,220,932	7,410,494	600,726	23,820,343

Notes:

¹The projection shown above is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.