



Legislation Text

File #: 1268-19, **Version:** A

Subject: Communication sponsored by Mayor Mason requesting the Ajax Incentive Agreement be approved.

Recommendation of the Finance and Personnel Committee on 11-11-19: Approve of the Developer Incentive Agreement between the City of Racine, Racine RDA, and Cardinal Capital Management, Inc., for the Redevelopment of 141 units of new multi-family housing on the RDA-owned, former Walker Manufacturing- Ajax industrial property at 1520 and 1536 Clark Street in Uptown.

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