



CITY OF RACINE, WISCONSIN TAX INCREMENTAL DISTRICT NO. 2

Project Plan Amendment to Extend District Life (Wis. Act 67) and Allow Allocation of Tax Increments to TID No. 14



June 1, 2010

Joint Review Board Organizational Meeting Held:

May 26, 2010

Public Hearing Held:

May 26, 2010

Plan Commission Approval:

June 1, 2010

Common Council Approval:

June 1, 2010

Joint Review Board Consideration Scheduled:

June 22, 2010

www.ehlers-inc.com

Tax Incremental District No. 2 Amendment Project Plan

City of Racine Officials

Common Council

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Jeff Coe	Council Member
Eric Marcus	Council Member
Michael D. Shields	Council Member
Jim Kaplan	Council Member
David L. Maack	Council Member
Sandy Weidner	Council Member
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Aron Wisneski	Council Member
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Brian F. O'Connell	Director of City Development
David Brown	Finance Director
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Robert Weber	City Attorney

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John Engel

City Representative

Racine County

Gateway Technical College District

Racine Unified School District

Public Member

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EXECUTIVE SUMMARY

DESCRIPTION OF ORIGINAL DISTRICT AND PROPOSED AMENDMENT

- Original District Purpose.
 - Tax Incremental District No. 2 (the “TID” or “Donor District”) was created by a resolution of the Common Council adopted on June 24, 1983 for purposes of conserving and rehabilitating property within the TID. Projects undertaken within the TID in furtherance of its Project Plan objectives included provision of shore land protection, construction of a marina and bulkhead, and creation of a park area and pedestrian walkway along Christopher Columbus Causeway.
- Subsequent Amendments.
 - The TID was amended on October 16, 2001 to allow it to allocate positive tax increments to Tax Incremental Districts No. 3, No. 5, No. 6 and No. 8 for a period of five years.
 - The TID was amended on May 6, 2008 to allow it to allocate positive tax increments to Tax Incremental Districts No. 3, No. 6 and No. 8. As part of this amendment, the Project Plans of Tax Incremental Districts No. 5 and No. 7 were also amended to allow those districts to similarly allocate positive tax increments to the same recipients.
- Status of Allocations to Other Districts.
 - As of January 1, 2010, Tax Incremental District’s No. 3, No. 6 and No. 8 have generated tax increments or other revenues sufficient to pay their project costs on a current and/or projected basis. The City does not anticipate a need to further allocate any increments from the TID to these districts.
- Purpose of This Amendment.
 - On November 12, 2009, Wisconsin Act 67 was enacted. Provisions of this act allow Tax Incremental District No. 2 in the City of Racine to remain open for 37 years, and to make expenditures for a period of 32 years from the date of its original creation.
 - The purpose of this amendment is two-fold:
 - To extend the life of the TID for a period of 10 years (to June 23, 2020) as authorized by Wisconsin Act 67.
 - To authorize the TID to allocate positive tax increments with Tax Incremental District No. 14 (the “Recipient District”) under the provisions of Wisconsin Statutes 66.1105(6)(f).

- Additional Expenditures

- Other than allocation of positive tax increments to the Recipient District, the City does not expect to incur additional project costs, other than costs associated with the ongoing maintenance of the TID including DOR annual fees, accounting and audit charges, legal expense and other professional services.
- The TID is projected to generate \$14.23 million in tax increments, investment income and exempt computer aids beginning with the 2009 tax levy and ending with the 2020 tax levy. These amounts would be available to the Recipient District.

- Economic Development.

Authorizing the Donor District to share increments with the Recipient District will provide additional resources needed to assist the Recipient District in accomplishing the economic development goals set forth in its Project Plan. Without this assistance, it is unlikely this will happen, or will happen within the timeframe, or at the levels originally projected. The application of the Donor District's surplus increment, as permitted by Wisconsin Statutes, promotes the overall economic development of the City to the benefit of all overlapping taxing jurisdictions.

- Expected Termination of District. The Donor District has a maximum statutory life of 37, years, and must close not later than June 23, 2020, resulting in a final collection of increment in budget year 2021.

SUMMARY OF FINDINGS

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

1. **That “but for” amendment of the Donor District’s Project Plan, the economic development objectives of the Recipient District’s Project Plan will not be achieved.** In evaluating the appropriateness of the proposed amendment, the Joint Review Board must consider “(w)hether the development expected in the tax incremental district would occur without the use of tax incremental financing” customarily referred to as the “but for” test. Since the purpose of this amendment is to allow for the sharing of the Donor District’s increment with the Recipient District, this test cannot be applied in the conventional way. The Joint Review Board has previously concluded, in the case of both the Donor District and the Recipient District, that the “but for” test was met. As demonstrated in the Economic Feasibility section of this Project Plan Amendment, the up front costs of providing the necessary infrastructure to facilitate redevelopment within the Recipient District would create a significant financial burden for City taxpayers. Since all taxing jurisdictions will ultimately share in the benefit of the redevelopment projects and increased tax base, it is appropriate for all taxing jurisdictions to continue to share in the costs to implement them. Accordingly, the City finds that it is reasonable to conclude the “but for” test continues to be satisfied. *Finding Required by Wisconsin Statutes 66.1105(4m)(c)1.a.*

2. **The economic benefits of amending the Donor District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** Tax increment collections in the Donor District are already sufficient to pay for the cost of all improvements made in the District, thus allowing for this District to become a donor. *Finding Required by Wisconsin Statutes 66.1105(4m)(c)1.b.*
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.** Given that it is likely that the Recipient District will not achieve all of the objectives of its Project Plan without the ability to share in the surplus increments of the Donor District (see finding # 1), and since the District is expected to generate additional economic benefits that are more than sufficient to compensate for the additional cost of the improvements (see Finding #2), the City reasonably concludes that the overall additional 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 Project Plan is not amended. *Finding Required by Wisconsin Statutes 66.1105(4m)(c)1.c.*
4. The boundaries of the District are not being amended. At the time of creation, not less than 50%, by area, of the real property within the District was in need of rehabilitation or conservation work within the meaning of Section 66.1337(2m)(b) of the Wisconsin Statutes. At the time of adoption of the creation resolution for this District, and any subsequent resolutions amending its boundaries, any property standing vacant for seven years immediately preceding adoption of the resolution(s) did not comprise more than 25% of the total area in the District as required by Section 66.1105(4)(gm)1 of the Wisconsin State Statutes.
5. Based upon the findings as stated in 4. above, and the original findings as stated in the Creation Resolution and in any subsequent resolutions amending the District, the District remains declared a rehabilitation and conservation district based on the identification and classification of the property included within the district.
6. The Project Costs of the District relate directly to promoting the rehabilitation of the area consistent with the purpose for which the District was created. The project costs will not change as a result of this amendment.
7. The improvements of such area are likely to enhance significantly the value of substantially all of the other real property in the District. There are no additional improvements as a result of this amendment.
8. 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 Section 66.1105(5)(b) of the Wisconsin Statutes. The amount of retail business will not change as a result of this amendment.
9. The Project Plan for the District, as amended, is feasible, and is in conformity with the Master Plan of the City.

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TYPE & GENERAL DESCRIPTION OF DISTRICT

Tax Incremental District No. 2 was created under the authority provided by Wisconsin Statutes Section 66.1105 on June 24, 1983 by resolution of the Common Council. The District's valuation date, for purposes of establishing base value, was January 1, 1983.

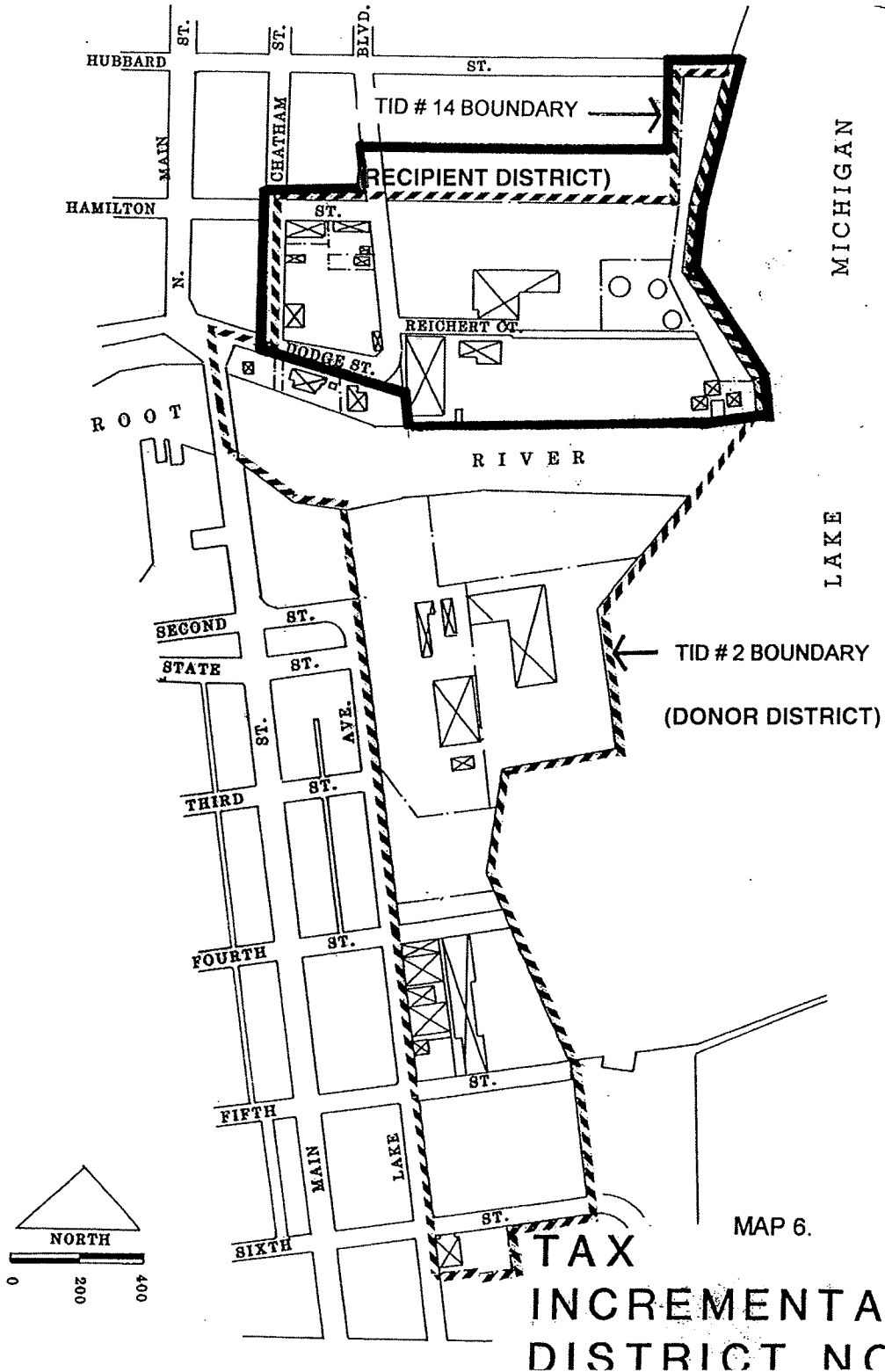
The District is a "Rehabilitation or Conservation District" created on a finding that at least 50%, by area, of the real property within the District was in need of rehabilitation or conservation work, as defined in Section 66.1337(2m)(a) of the Wisconsin Statutes. At the time of adoption of the creation resolution for this District, any property standing vacant for seven years immediately preceding adoption of the resolution did not comprise more than 25% of the total area in the District required by Section 66.1105(4)(gm)1 of the Wisconsin State Statutes. Since this amendment does not add any territory to the District, the District remains in compliance with these provisions.

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

A map depicting the current boundaries of the District is found in Section 3 of this Plan. Based upon the findings stated above, the original findings stated in the Creation Resolution, and the findings contained in subsequent resolutions amending the Project Plan of the District, the District remains a rehabilitation or conservation district based on the identification and classification of the property included within it.

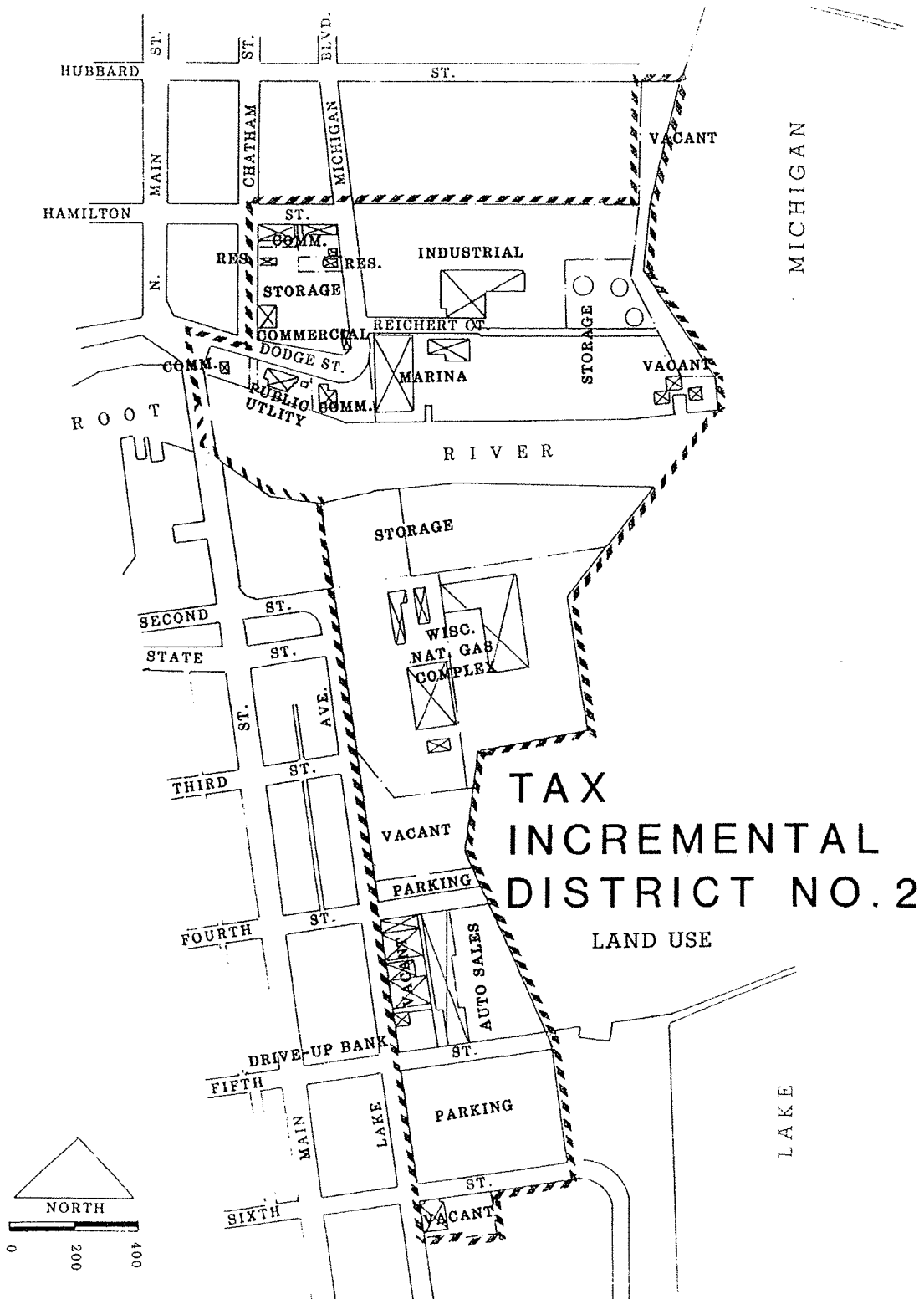
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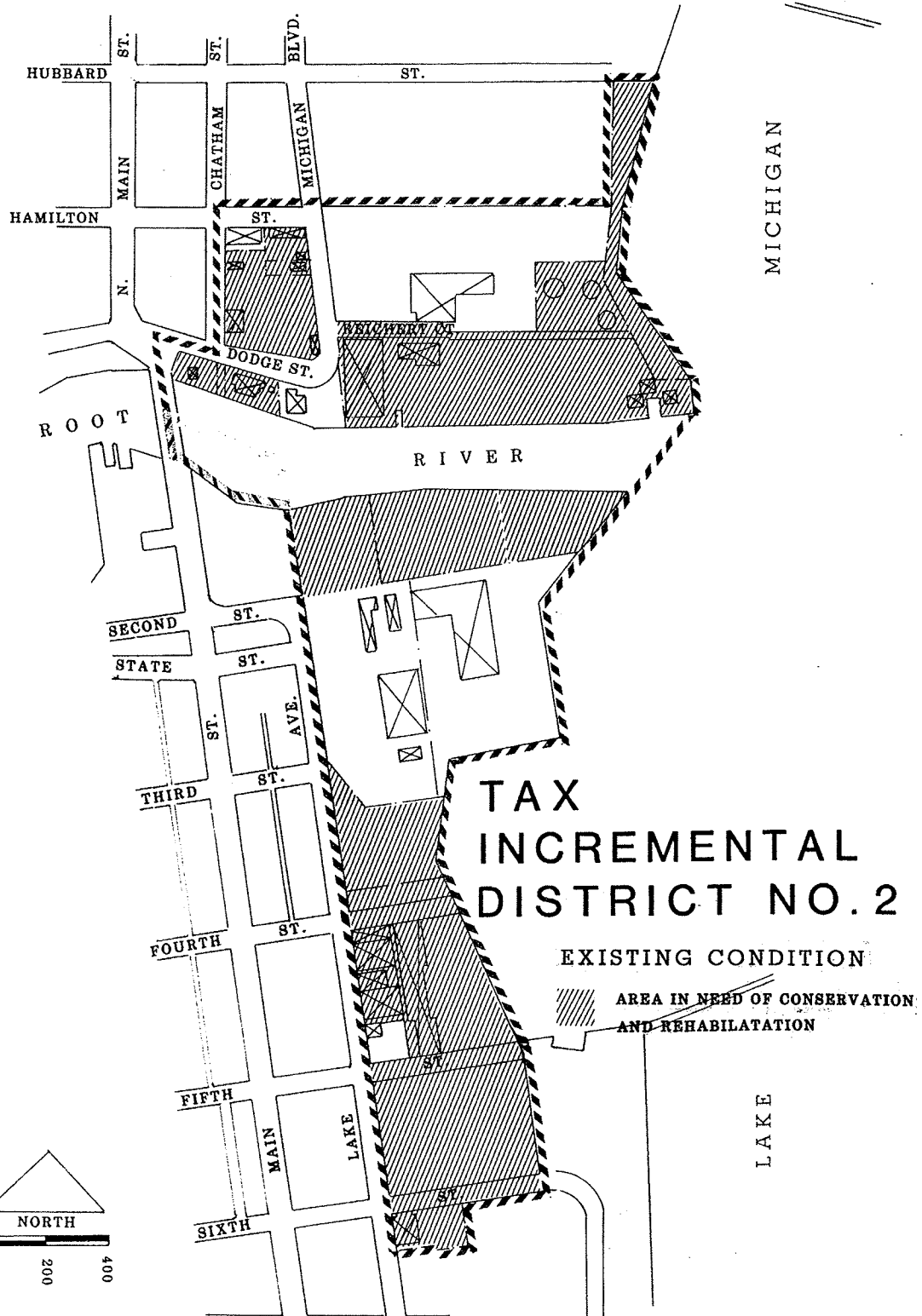
MAP OF CURRENT DISTRICT BOUNDARIES (DONOR & RECIPIENT)



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MAPS SHOWING EXISTING USES & CONDITIONS (FROM ORIGINAL PROJECT PLAN)





5

EQUALIZED VALUE TEST

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

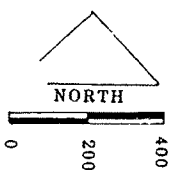
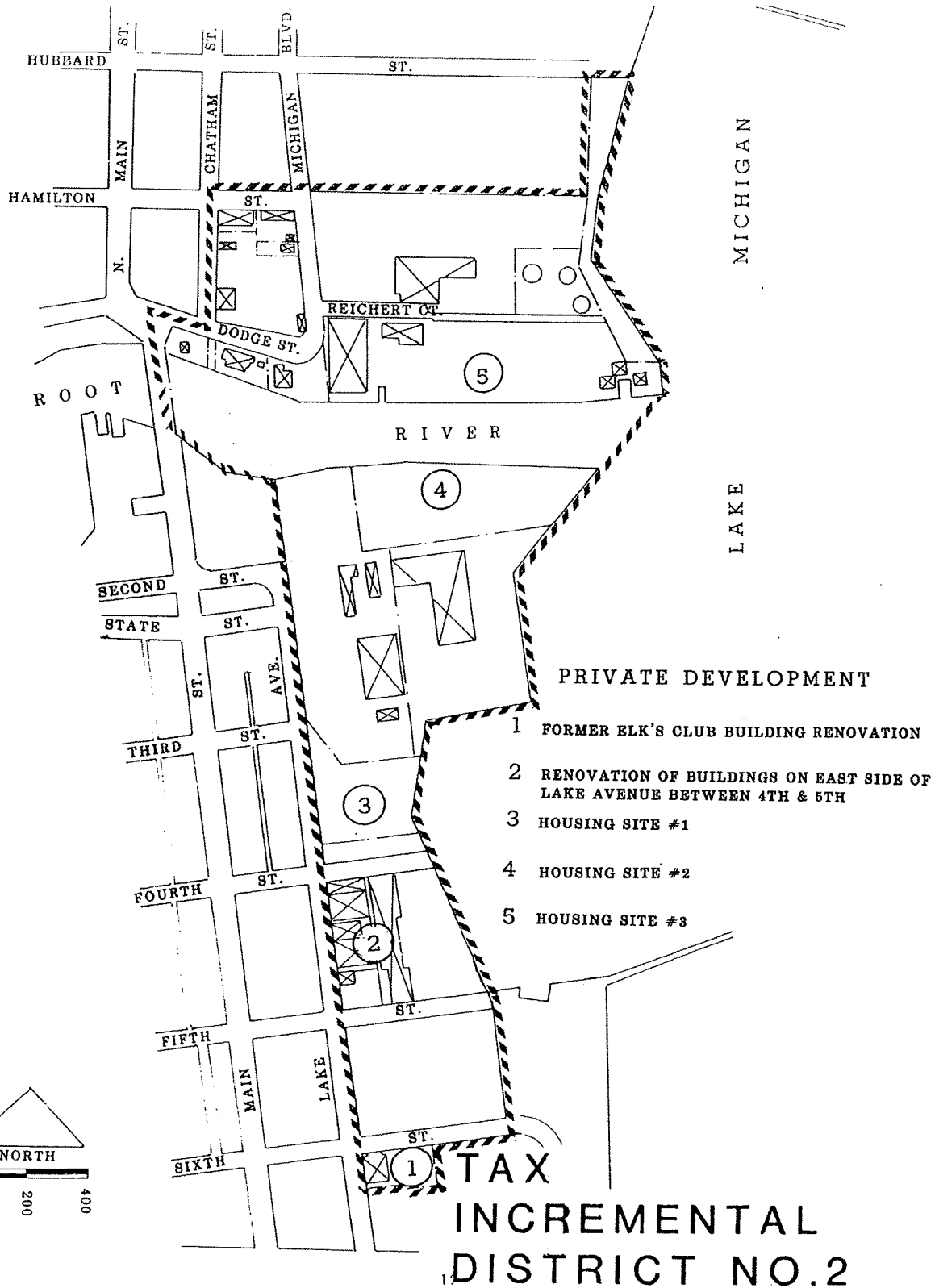
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**STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED
PUBLIC WORKS AND OTHER PROJECTS**

This amendment provides the authority for the Donor District to allocate surplus increments with the Recipient District. No new project costs are involved, and the statement of kind, number and location of proposed public works and other projects as documented in the Original Project Plan adopted June 4, 1983 remains in effect. As permitted by the original Project Plan document, the City may continue to incur project costs associated with the ongoing maintenance of the TID including DOR annual fees, accounting and audit charges, legal expense and other professional services.

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MAP SHOWING PROPOSED IMPROVEMENTS AND USES
(FROM ORIGINAL PROJECT PLAN)



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DETAILED LIST OF PROJECT COSTS

This amendment provides the authority for the Donor District to allocate surplus increments with the Recipient District. No new project costs are involved, and the statement of kind, number and location of proposed public works and other projects as documented in the Original Project Plan adopted June 4, 1983 remains in effect. As permitted by the original Project Plan document, the City may continue to incur project costs associated with the ongoing maintenance of the TID including DOR annual fees, accounting and audit charges, legal expense and other professional services.

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

On November 12, 2009, Wisconsin Act 67 was enacted. Provisions of this act allow Tax Incremental District No. 2 in the City of Racine to remain open for 37 years, and to make expenditures for a period of 32 years from the date of its original creation. The first purpose of this amendment is to extend the life of the TID for a period of 10 years (to June 23, 2020) as authorized by Wisconsin Act 67.

The second purpose of this Project Plan Amendment is to allow the Donor District to allocate positive tax increments to the Recipient District. The authority for this Amendment is Wisconsin Statutes 66.1105(6)(f) which provides for the allocation of increments providing that the following are true:

- The Donor District and the Recipient District have the same overlying taxing jurisdictions.
- The allocation of tax increments is approved by the Joint Review Board.
- The Donor District is able to demonstrate, based on the positive tax increments that are currently generated, that it has sufficient revenues to pay for all project costs that have been incurred under the Project Plan for that District and sufficient surplus revenues to pay for some of the eligible costs of the Recipient District.
- The Recipient District was created upon a finding that not less than 50 percent, by area, of the real property within the District is blighted or in need of rehabilitation, or the project costs in the District are used to create, provide, or rehabilitate low-cost housing or to remediate environmental contamination.

The Exhibits following this section demonstrate that the Donor District is generating sufficient tax increments to pay for its project costs, and that surplus increments remain that can be allocated to pay some of the project costs of the Recipient District. Accordingly, the statutory criteria under which this amendment can be approved are met.

DEVELOPMENT ASSUMPTIONS (DONOR AND RECIPIENT DISTRICTS)



City of Racine, WI

Tax Increment District No. 2 and No. 14
Development Assumptions



TAX INCREMENT DISTRICT NO. 2 (DONOR) TAX INCREMENT DISTRICT NO. 14 (RECIPIENT)

Construction Year	Actual	Additional Development	Annual Total TID NO. 2	Actual	# Residential Units ¹	@ Assumed \$200,000 Per Unit Value ¹	Annual Total TID NO. 14
2008	(272,800)		(272,800)	114,700			114,700
2009			0				0
2010			0				0
2011			0				0
2012			0				0
2013			0		45	9,000,000	9,000,000
2014			0		45	9,000,000	9,000,000
2015			0		45	9,000,000	9,000,000
2016			0		45	9,000,000	9,000,000
2017			0		45	9,000,000	9,000,000
2018			0		45	9,000,000	9,000,000
2019			0		45	9,000,000	9,000,000
2020					45	9,000,000	9,000,000
2021					55	11,000,000	11,000,000
2022							0
2023							0
2024							0
2025							0
2026							0
2027							0
2028							0
2029							0
2030							0
2031							0
TOTALS	(272,800)	0	(272,800)	114,700	370	74,000,000	74,114,700

NOTES:

¹ Number of units, buildout schedule and estimated valuation provided by City Planning Department and City Assessor 5-3-2010 and 5-4-2010.

INCREMENT REVENUE PROJECTIONS (DONOR DISTRICT)

City of Racine, WI

Tax Increment District No. 2 Tax Increment Projection Worksheet



Apply Inflation
Factor to Base?

☒

2,394,700
NA
1.00%
\$23.81
0.00%
0.00%
0.00%

Actual Base Value
Pre-Amendment Base Value (Actual)
Property Appreciation Factor
Current Tax Rate (Per \$1,000 EV)
Tax Rate Adjustment Factor (Next 2 Years)
Tax Rate Adjustment Factor (Following 2 Years)
Tax Rate Adjustment Factor (Thereafter)

4.50%
6.00%

Discount Rate 1 for NPV Calculation
Discount Rate 2 for NPV Calculation

Net Present Value Calculation

Cumulative @ 4.50%	Cumulative @ 6.00%
1,120,011	1,104,162
2,192,785	2,146,789
3,220,396	3,131,389
4,204,825	4,061,268
5,147,982	4,939,536
6,051,610	5,769,123
6,917,491	6,552,788
7,747,246	7,293,133
8,542,445	7,992,603
9,304,585	8,653,508

EXTENSION TO MAXIMUM LIFE
(10 YEARS) PROVIDED BY WIS.
ACT 67

Rehabilitation
6/24/1983
Jan. 1, 1983
27
22
27
6/24/2005
No
0
Yes

Type of District
Actual Creation Date
Valuation Date
Maximum Life (in Years)
Expenditure Period (in Years)
Revenue Periods/Final Rev Year
End of Expenditure Period
Latest Termination Date
Eligible for Extension/No. of Years
Eligible Recipient District

Construction Year	Value Added	Valuation Year	Inflation Increment	Valuation Increment	Revenue Year	Tax Rate	Tax Increment
26	2008	2009	0	48,244,100	2010	23.81	1,149,839
27	2009	2010	506,388	48,750,488	2011	23.79	1,159,566
28	2010	2011	511,452	49,261,940	2012	23.76	1,170,412
29	2011	2012	516,566	49,778,506	2013	23.53	1,171,495
30	2012	2013	521,732	50,300,238	2014	23.31	1,172,675
31	2013	2014	526,949	50,827,188	2015	23.10	1,173,950
32	2014	2015	532,219	51,359,407	2016	22.88	1,175,320
33	2015	2016	537,541	51,896,948	2017	22.68	1,176,785
34	2016	2017	542,916	52,439,864	2018	22.47	1,178,344
35	2017	2018	548,346	52,988,210	2019	22.27	1,179,996
36	2018	2019	553,829	53,542,039	2020	22.07	1,181,741
37	2019	2020	559,367	54,101,406	2021	21.88	1,183,579
(272,800)							5,857,306
							11,764,298

Future Value of Increment 2012 - 2021



INCREMENT REVENUE PROJECTIONS (RECIPIENT DISTRICT)

City of Racine, WI

Tax Increment Projection Worksheet



Apply Inflation
Factor to Base?

4,103,200	NA
1.00%	23.81
0.00%	0.00%
0.00%	0.00%

Actual Base Value	4,103,200
Pre-Amendment Base Value (Actual)	NA
Property Appreciation Factor	1.00%
Current Tax Rate (Per \$1,000 EV)	23.81
Tax Rate Adjustment Factor (Next 2 Years)	0.00%
Tax Rate Adjustment Factor (Following 2 Years)	0.00%
Tax Rate Adjustment Factor (Thereafter)	0.00%

Discount Rate 1 for NPV Calculation	4.50%
Discount Rate 2 for NPV Calculation	6.00%

Net Present Value Calculation	
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Construction Year	Value Added	Valuation	Inflation	Valuation	Revenue	Tax	Tax	Increment	Cumulative @ 4.50%	Cumulative @ 6.00%
1 2006	195,100	195,100		195,100	2008	22.08		4,308	4,122	4,064
2 2007	(1,36,900)	58,200		58,200	2009	22.97		1,337	5,347	4,064
3 2008	114,700	172,900		172,900	2010	23.81		4,117	8,955	4,064
4 2009	0	215,661	42.761	215,661	2011	23.79		5,150	13,256	4,064
5 2010	0	258,550	43.189	258,550	2012	23.76		6,150	18,191	4,064
6 2011	0	302,470	43.620	302,470	2013	23.53		7,118	23,658	4,064
7 2012	0	346,527	44.057	346,527	2014	23.31		8,079	29,594	4,064
8 2013	9,000,000	44,497	44.497	9,391,024	2015	23.10		216,903	182,117	4,064
9 2014	9,000,000	134,942	134.942	18,525,966	2016	22.88		423,952	467,397	4,064
10 2015	9,000,000	226,292	226.292	21,752,258	2017	22.68		629,294	872,617	4,064
11 2016	9,000,000	318,555	318.555	37,070,813	2018	22.47		833,995	1,385,907	4,064
12 2017	9,000,000	411,740	411.740	46,482,553	2019	22.27		1,035,121	1,996,281	4,064
13 2018	9,000,000	505,958	505.958	55,988,410	2020	22.07		1,235,736	2,693,572	4,064
14 2019	9,000,000	600,916	600.916	65,989,326	2021	21.88		1,434,901	3,468,379	4,064
15 2020	11,000,000	696,525	696.525	77,286,252	2022	21.69		1,676,051	4,334,429	4,064
16 2021	0	813,895	813.895	78,100,146	2023	21.50		1,679,064	5,164,675	4,064
17 2022	0	822,033	822.033	78,922,180	2024	21.31		1,682,206	5,960,655	4,064
18 2023	0	830,254	830.254	79,752,433	2025	21.13		1,685,475	6,723,838	4,064
19 2024	0	838,556	838.556	80,590,990	2026	20.96		1,688,871	7,455,629	4,064
20 2025	0	846,942	846.942	81,437,932	2027	20.78		1,692,395	8,157,369	4,064
21 2026	0	855,411	855.411	82,293,343	2028	20.61		1,696,045	8,830,338	4,064
22 2027	0	863,965	863.965	83,157,308	2029	20.44		1,699,821	9,475,762	4,064
23 2028	0	872,605	872.605	84,029,913	2030	20.28		1,703,723	10,094,810	4,064
24 2029	0	881,331	881.331	84,911,245	2031	20.11		1,707,751	10,688,601	4,064
25 2030	0	890,144	890.144	85,801,389	2032	19.95		1,711,904	11,258,204	4,064
26 2031	0	899,046	899.046	86,700,435	2033	19.79		1,716,182	11,804,640	4,064
74,114,700									12,527,535	
									26,169,739	

74,114,700

12,527,535

Future Value of Increment

26,169,739



CASH FLOW (DONOR DISTRICT)



City of Racine, WI Tax Increment District No. 2 Cash Flow Pro Forma

Year	Revenues				Expenditures			Balances		Year
	Tax Increments	Investment Earnings	Exempt Computer Aid	Total Revenues	Admin	Increment Sharing		Annual	Cumulative	
						TID No. 14	Total Expenditures			
2009										2009
2010	1,148,839	11,488	1,000	1,161,327	1,000	1,160,327	1,161,327	0	0	2010
2011	1,159,566	11,596	1,000	1,172,162	1,000	1,171,162	1,172,162	0	0	2011
2012	1,170,412	11,704	1,000	1,183,116	1,000	1,182,116	1,183,116	0	0	2012
2013	1,171,495	11,715	1,000	1,184,210	1,000	1,183,210	1,184,210	0	0	2013
2014	1,172,675	11,727	1,000	1,185,402	1,000	1,184,402	1,185,402	0	0	2014
2015	1,173,950	11,740	1,000	1,186,690	1,000	1,185,690	1,186,690	0	0	2015
2016	1,175,320	11,753	1,000	1,188,073	1,000	1,187,073	1,188,073	0	0	2016
2017	1,176,785	11,768	1,000	1,189,553	1,000	1,188,553	1,189,553	0	0	2017
2018	1,178,344	11,783	1,000	1,191,127	1,000	1,190,127	1,191,127	0	0	2018
2019	1,179,996	11,800	1,000	1,192,796	1,000	1,191,796	1,192,796	0	0	2019
2020	1,181,741	11,817	1,000	1,194,559	1,000	1,193,559	1,194,559	0	0	2020
2021	1,183,579	11,836	1,000	1,196,415	1,000	1,195,415	1,196,415	0	0	2021
Total	14,072,704	140,727	12,000	14,225,431	12,000	14,213,431	14,225,431	0	0	

Projected TID Closure

NOTES:

CASH FLOW (RECIPIENT DISTRICT)

City of Racine, WI
Tax Increment District No. 14
Cash Flow Pro Forma



Year	Revenues										Expenditures				Balances		Pay Go Amount Outstanding	Year
	Tax Increments	Investment Earnings	Exempt Computer Aid	Shared Increment (TID No. 2)	Advance From Other Funds	Total Revenues	Capital Outlay	Development Incentives ("Pay Go")	Admin	Repayment of Advances		Total Expenditures	Annual	Cumulative				
										Principal	Interest							
2006						0	11,792					11,792	(11,792)	(11,792)		2006		
2007						0	46,319		200			46,519	(46,519)	(58,311)		2007		
2008	4,308	25	49			4,382	14,719		185		2,401	17,305	(12,923)	(71,234)		2008		
2009	1,337		32			1,369	3,403		2,500		2,290	8,193	(6,824)	(78,058)		2009		
2010	4,117	0		1,160,327		1,164,445			106,000			106,000	1,058,445	980,387		2010		
2011	5,130	9,804		1,171,162		1,186,095	1,421,000		106,000			1,527,000	(340,905)	639,482		2011		
2012	6,150	6,395		1,182,116	75,000	1,269,661	1,800,000		106,000			1,906,000	(636,339)	3,143		2012		
2013	7,118	31		1,183,210		1,190,360	400,000		106,000	75,000		584,750	605,610	608,753		2013		
2014	8,079	6,088		1,184,402		1,198,568	1,400,000		106,000			1,506,000	(307,432)	301,321	10,000,000	2014		
2015	216,903	3,013		1,185,690		1,405,606		1,000,000				1,000,000	405,606	706,927	9,000,000	2015		
2016	423,952	7,069		1,187,073		1,618,095		1,000,000				1,000,000	618,095	1,325,023	8,000,000	2016		
2017	629,294	13,250		1,188,553		1,831,097		1,000,000				1,000,000	831,097	2,156,120	7,000,000	2017		
2018	832,995	21,561		1,190,127		2,044,684		1,000,000				1,000,000	1,044,684	3,200,803	6,000,000	2018		
2019	1,035,121	32,008		1,191,796		2,258,925		1,000,000				1,000,000	1,253,925	4,459,729	5,000,000	2019		
2020	1,235,736	44,597		1,193,559		2,473,892		1,000,000				1,000,000	1,473,892	5,933,621	4,000,000	2020		
2021	1,434,901	59,336		1,195,415		2,689,653		1,000,000				1,000,000	1,689,653	7,623,274	3,000,000	2021		
2022	1,676,051	76,233				1,752,284		1,000,000				1,000,000	752,284	8,375,557	2,000,000	2022		
2023	1,679,064	83,756				1,762,820		1,000,000				1,000,000	762,820	9,138,377	1,000,000	2023		
2024	1,682,206	91,384				1,773,589		1,000,000				1,000,000	773,589	9,911,966		2024		
2025	1,685,475	99,120				1,784,594		1,000,000				0	1,784,594	11,696,560		2025		
2026	1,688,871	116,966				1,805,837		1,000,000				0	1,805,837	13,502,397		2026		
2027	1,692,395	135,024				1,827,419		1,000,000				0	1,827,419	15,329,816		2027		
2028	1,696,045	153,298				1,849,343		1,000,000				0	1,849,343	17,179,159		2028		
2029	1,699,821	171,792				1,871,613		1,000,000				0	1,871,613	19,050,772		2029		
2030	1,703,723	190,508				1,894,231		1,000,000				0	1,894,231	20,945,004		2030		
2031	1,707,751	209,450				1,917,201		1,000,000				0	1,917,201	22,862,205		2031		
2032	1,711,904	228,622				1,940,526		1,000,000				0	1,940,526	24,802,731		2032		
2033	1,716,182	248,027				1,964,209		1,000,000				0	1,964,209	26,766,940		2033		
Total	26,184,631	2,007,356	81	14,213,431	75,000	42,480,499	5,097,233	10,000,000	532,885	75,000	8,441	15,713,559	26,766,940			Total		

NOTES:

Projected TID Closure

10 ANNEXED PROPERTY

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

11 PROPOSED CHANGES IN ZONING ORDINANCES

The City of Racine does not anticipate the need to change any of its zoning ordinances in conjunction with the implementation of this Project Plan amendment.

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

It is expected that this Plan will be complementary to the City's Master Plan. No changes to the master plan, map, building codes or other City of Racine ordinances are necessary for the implementation of this Plan.

13 RELOCATION

There is no need to relocate any persons or businesses in conjunction with the implementation of this Plan. In the event relocation or the acquisition of property by eminent domain becomes necessary at some time during the implementation period, the City will follow applicable state statutes as required in Wisconsin Statutes chapter 32.

14 ORDERLY DEVELOPMENT AND REDEVELOPMENT OF THE CITY OF RACINE

This project plan amendment will have no impact on the viability of the original District Project Plan as it relates to the orderly development and redevelopment of the City.

15

A LIST OF ESTIMATED NON-PROJECT COSTS

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

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

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

16

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

Office of the City Attorney

Robert K. Weber
City Attorney



Scott R. Letteney
Deputy City Attorney

Nicole F. Loop
Assistant City Attorney

Stacey Salvo
Paralegal

May 28, 2010

Mayor John Dickert
City of Racine
730 Washington Avenue
Racine WI 53403

RE: City of Racine, Wisconsin Tax Incremental District No. 2 Amendment

Dear Mayor:

As City Attorney for the City of Racine, I have reviewed the Project Plan Amendment document and various resolutions passed by the Common Council, Plan Commission and Joint Review Board regarding the amendment of Tax Incremental District No. 2 located in the City of Racine. In my opinion, the Project Plan is complete and complies with Section 66.1105 of the Wisconsin Statutes.

Sincerely,

Robert K. Weber
City Attorney

City Hall
730 Washington Avenue, Room 201
Racine, Wisconsin 53403
262-636-9115
262-636-9570 FAX

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 Share by Taxing Jurisdiction of Projected Tax Increments to be paid by Owners of Taxable Property in each of the Taxing Jurisdictions Overlying the Tax Increment District^{1,2}

Revenue Year	City	County	School District	Tech College	Total	
	48.41%	13.25%	32.95%	5.38%		
2010	556,197	152,227	378,565	61,850	1,148,839	Tax increments available to recipient TID from Donor TIDs remaining, unextended life.
2011	561,390	153,649	382,100	62,427	1,159,566	
2012	566,641	155,086	385,674	63,011	1,170,412	
2013	567,165	155,229	386,031	63,070	1,171,495	
2014	567,736	155,386	386,420	63,133	1,172,675	Tax increments available to recipient TID during 10 year extension period permitted by Wis. Act 67
2015	568,354	155,555	386,840	63,202	1,173,950	
2016	569,017	155,736	387,291	63,275	1,175,320	
2017	569,726	155,930	387,774	63,354	1,176,785	
2018	570,481	156,137	388,288	63,438	1,178,344	
2019	571,281	156,356	388,832	63,527	1,179,996	
2020	572,126	156,587	389,407	63,621	1,181,741	
2021	573,016	156,831	390,013	63,720	1,183,579	
	6,813,130	1,864,708	4,637,237	757,629	14,072,704	
	5,695,543	1,558,832	3,876,571	633,352	11,764,298	Total of 2012-2021 Only

NOTES:

¹ The projection shown above is provided to meet the requirements of Wisconsin Statute 66.1105(4)(i)4.

² Projected tax increments shown above do not represent expenditures made by the indicated taxing jurisdictions, but rather future taxes collected and allocated to the special tax increment fund for the District.

