

PROJECT PLAN
TAX INCREMENTAL DISTRICT #8
STATE STREET CORRIDOR
CITY OF RACINE, WISCONSIN

PLAN COMMISSION APPROVAL

DATE: 6-13-90 (Public Hearing held 6-13-90)

COMMON COUNCIL APPROVAL

DATE: 7-17-90

DEPARTMENT OF CITY DEVELOPMENT - 1990
CITY OF RACINE, WISCONSIN*

INDEX

PAGE

I	BACKGROUND INFORMATION.....	A
II	MAP OF TAX INCREMENTAL DISTRICT #8 BOUNDARIES.....	B
III	LIST OF ESTIMATED PROJECT COSTS - (Exhibit C) (KIND, NUMBER AND LOCATION OF ALL PROPOSED PUBLIC WORKS OR IMPROVEMENTS WITHIN DISTRICT).....	1
IV	MAP OF PUBLIC PROJECTS AND PROPERTY ACQUISITION SCHEDULE.....	4
V	MAP OF STREET IMPROVEMENTS SCHEDULE.....	5
VI	MAP OF STREETScape AND OPEN SPACE SCHEDULES.....	6
VII	MAP OF PUBLIC UTILITIES IMPROVEMENT SCHEDULES.....	7
VIII	MAP OF EXISTING LAND USE AND CONDITION.....	8
IX	ECONOMIC FEASIBILITY STUDY, METHODS OF FINANCING, AND TIMETABLE OF COSTS OR MONETARY OBLIGATIONS - (Exhibit A).....	9
X	ESTIMATE OF MARKET VALUES - LAND AND IMPROVEMENTS (DEVELOPMENT OPPORTUNITIES - (Exhibit B) (PROPOSED IMPROVEMENTS AND USES IN DISTRICT).....	13
XI	MAP OF DEVELOPMENT OPPORTUNITIES.....	15
XII	NON-PROJECT COSTS, IF ANY.....	16
XIII	CHANGES TO ZONING ORDINANCE, MASTER PLAN, BUILDING CODES OR OTHER CITY ORDINANCES, IF ANY.....	16
XIV	PROPOSED METHOD OF RELOCATION, IF ANY PERSONS ARE TO BE DISPLACED.....	16
XV	HOW CREATION OF DISTRICT PROMOTES THE ORDERLY DEVELOPMENT OF THE CITY.....	16
XVI	PLAN ASSUMPTIONS AND PROPERTIES TO BE ACQUIRED.....	17
XVII	CITY ATTORNEY OPINION ON PLAN.....	17

BACKGROUND INFORMATION

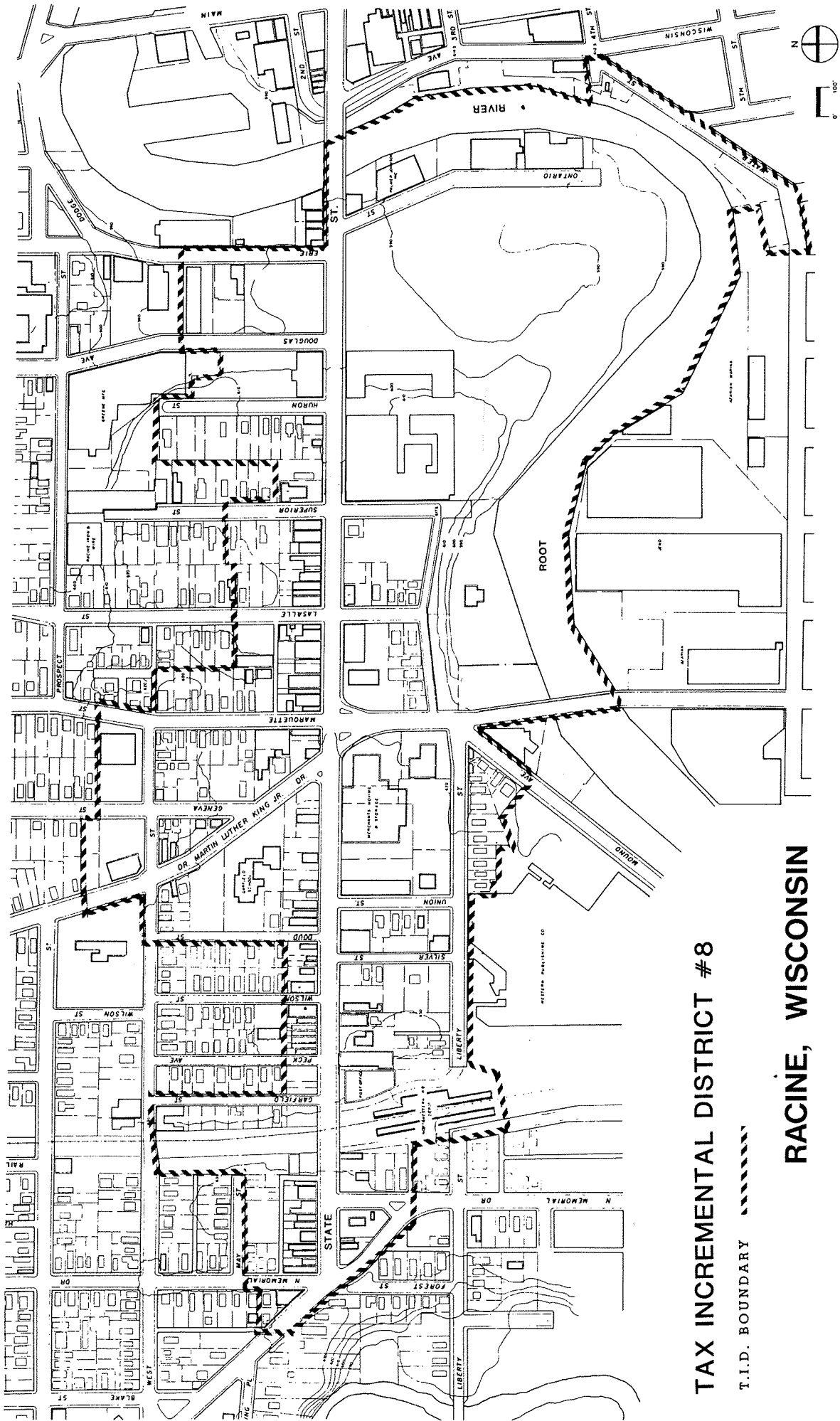
Tax Incremental District #8 (TID #8) was formulated to provide the principal source of public funding for the revitalization of the State Street Corridor.

On September 21, 1989, the Common Council of the City of Racine unanimously approved the STATE STREET CORRIDOR REVITALIZATION CONCEPT which analyzed the area along State Street in Racine running between the Root River and Downtown on the east, to Spring Street on the west. The findings and concepts thus approved were refined and expanded and a final plan, THE STATE STREET CORRIDOR COMPREHENSIVE PLAN was adopted by the Common Council on May 15, 1990. The final plan contains plans and recommendations for LAND USE, TRANSPORTATION, APPEARANCE, PUBLIC UTILITIES, RESIDENTIAL AREAS, and for IMPLEMENTATION of the recommendations. The plan calls for a public expenditure exceeding \$21 Million. It also projects new construction which, if realized, would provide considerable new real estate and personal property taxes. The adopted plan recommended that TAX INCREMENTAL DISTRICT #8 be created to allow the City to use the new taxes to offset the public debt in the area.

Tax Incremental District #8 is approximately 88 acres in size, contains 26 full and partial city blocks with 190 structures, has 17.2 acres of vacant land, and has an assessed value of \$13,600,000. It is projected that the district will increase in value sufficiently over the 23 year life of TID #8 to retire all public debt incurred to revitalize the State Street Corridor.

Revitalization of State Street will continue the ongoing program of renewal and conservation instituted by the City of Racine. Other programs such as development of industrial parks, and renewal of the Downtown and Lakeshore areas have been financed through the creation of other TIF districts. Without the creation of TID #8, revitalization of State Street will not become a reality.

The Comprehensive Plan presents two proposals for re-use of land to be acquired, one of which is for the possible construction of a new U. S. Postal facility. For the purpose of projecting costs and revenues, the "POST OFFICE OPTION" is used as it represents the most conservative projections (i.e. more costs and less revenues). If the POST OFFICE OPTION is not selected, the TIF will not be under financed.



TAX INCREMENTAL DISTRICT #8

T.I.D. BOUNDARY

RACINE, WISCONSIN

TAX INCREMENTAL DISTRICT NUMBER EIGHT
STATE STREET CORRIDOR, RACINE, WISCONSIN
ESTIMATE PROJECT COSTS

POST OFFICE OPTION

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>TOTAL</u>
1.*Acq/Reloc/Demo for State/Memorial Intersection	\$546,750					\$ 546,750
2. Acq/Reloc/Demo for Public Parking Open Space			\$494,350			494,350
3. Acq/Reloc/Demo for Office Parking				\$61,400		61,400
4. Acq/Reloc/Demo for office		\$ 174,350				174,350
5. Acq/Reloc/Demo for school/parking open space		1,074,900				1,074,900
6. Acq/Reloc/Demo for Post Office				378,150		378,150
7. Acq/Reloc/Demo for Post Office Open Space	324,850		2,603,650			2,928,500
8. Acq/Reloc/Demo Public Parking	62,600					62,600
9. Acq/Reloc/Demo for Public Park- ing Lincoln Build- ing Area	295,150					295,150

* NUMBERS REFER TO ACQUISITION AREAS ON ACQUISITION SCHEDULE, PAGE 4.

TAX INCREMENTAL DISTRICT NUMBER EIGHT
STATE STREET CORRIDOR, RACINE, WISCONSIN
ESTIMATE PROJECT COSTS

POST OFFICE OPTION

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>TOTAL</u>
10. Acq/Reloc/Demo for Case Visitor Exhibit Hall Parking	\$596,900					\$ 596,900
11. Acq/Reloc/Demo for Comm. Parking		\$ 235,000				235,000
12. Acq/Reloc/Demo for Office/Retail/Parking	179,400					179,400
13. Acq/Reloc/Demo for Office/Retail/Parking		1,005,063				1,005,063
14. Acq/Reloc/Demo for Silver Street & Comm. Expan.	284,450	138,150				422,600
15. Acq/Reloc/Demo for Industrial Expan.				\$726,500		726,500
16. Acq/Reloc/Demo for Comm. Parking	513,950					513,950
17. Acq/Reloc/Demo for Comm. Parking	337,650					337,650
Rehabilitation	565,000		435,000			1,000,000
Streetscape/Open Space Improvements	203,000	\$1,610,000	\$1,573,000	145,000	\$320,000	3,851,000

TAX INCREMENTAL DISTRICT NUMBER EIGHT
STATE STREET CORRIDOR, RACINE, WISCONSIN
ESTIMATE PROJECT COSTS

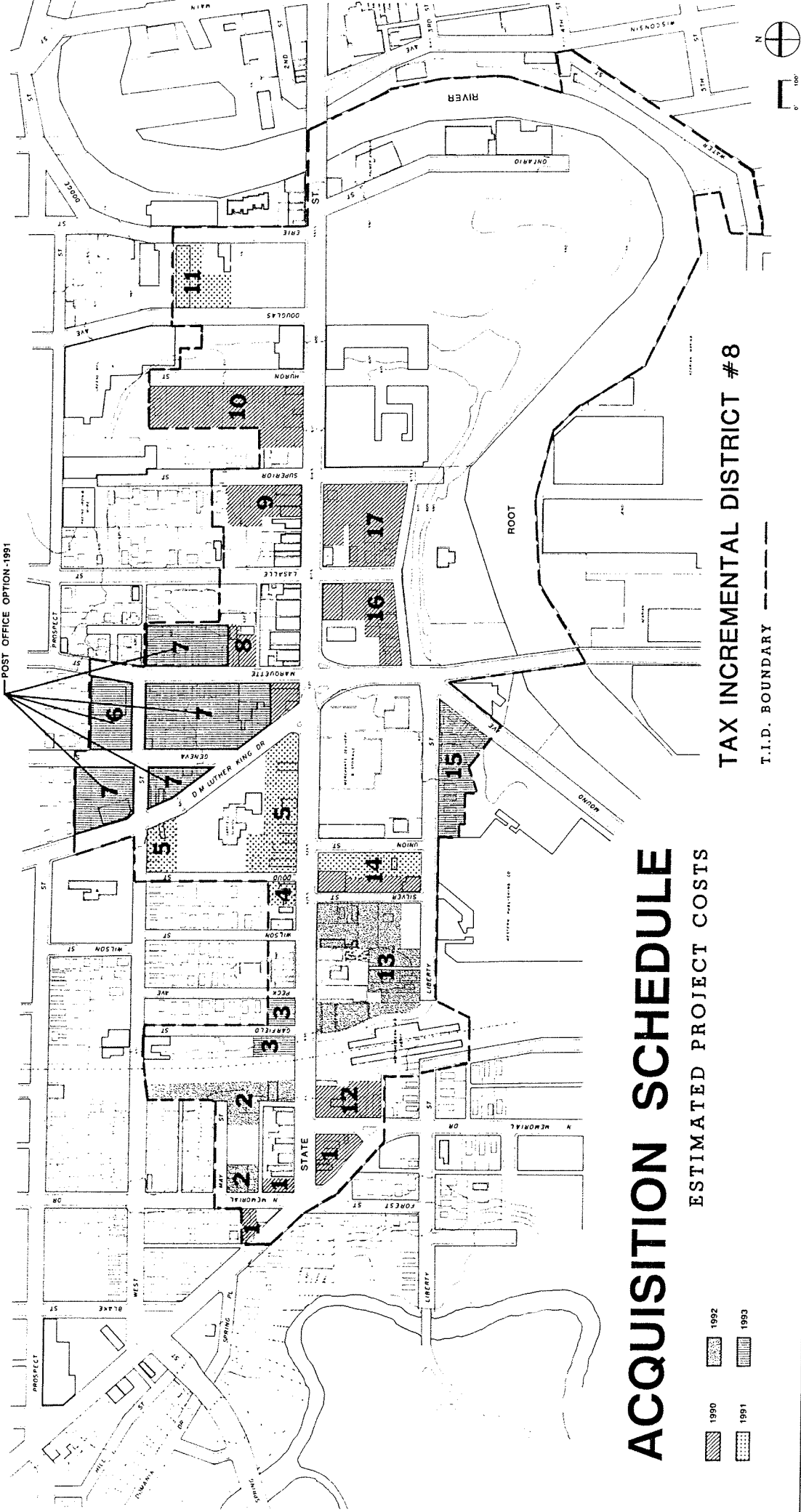
POST OFFICE OPTION

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>TOTAL</u>
Street Improvements/ Parking Improvements *	\$ 480,000	\$1,441,000	\$1,202,000	\$ 333,000	\$ 89,000	\$ 3,545,000
Public Utility Improvements	213,000	442,000	282,000			937,000
Miscellaneous Streets Sewer Water Work - Demo- lition site improvements	300,000	300,000	300,000	300,000	300,000	1,500,000
TID Planning	150,000					150,000
Administration	150,000	150,000	150,000	150,000	150,000	750,000

TOTALS	\$5,202,700	\$9,609,113	\$4,001,350	\$2,094,050	\$859,000	\$21,766,213

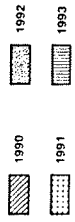
* Including paving, curb and gutter, sidewalks, lighting, traffic signals, landscaping, etc.

POST OFFICE OPTION-1991



ACQUISITION SCHEDULE

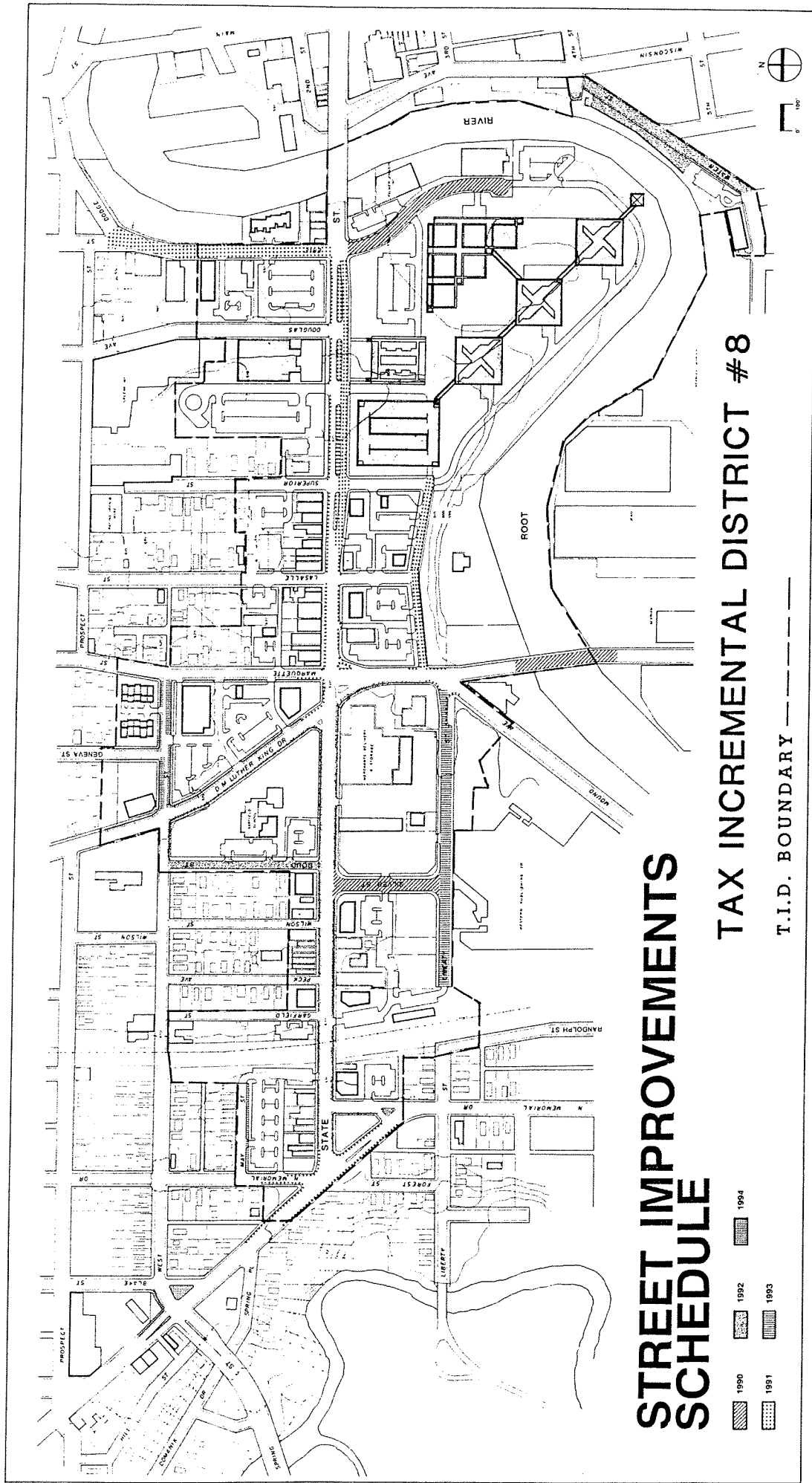
ESTIMATED PROJECT COSTS

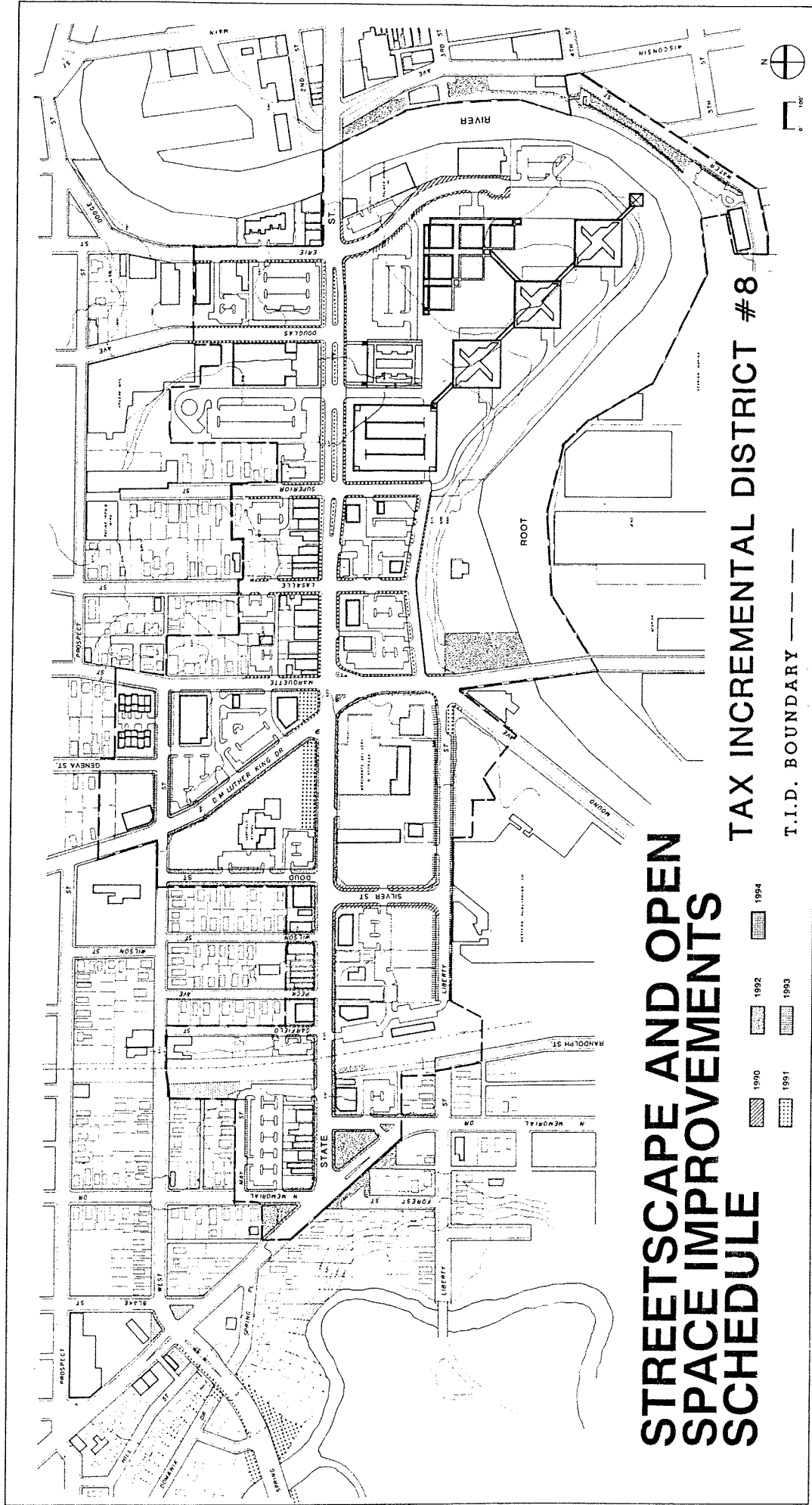


TAX INCREMENTAL DISTRICT #8

T.I.D. BOUNDARY - - - - -

STATE STREET CORRIDOR RACINE, WISCONSIN





STATE STREET CORRIDOR **RACINE, WISCONSIN**

ECONOMIC FEASIBILITY STUDY

METHODS OF FINANCING

AND

TIMETABLE OF COSTS OR MONETARY OBLIGATIONS

Project Timing and Costs

Exhibit C sets forth estimated expenditures to be incurred as the project plan. Conditions may call for changes in the timing of the proposed expenditures. Section 133Lh. 66.46 (6) (am) 1. of the Wisconsin Statutes provides that no expenditure may be made later than 7 years after the tax incremental district is created, which for District #8 will be July 17, 1997.

Financing Method

Financing the public improvements identified in this plan will be determined by the City as project costs become firm. The actual cost of debt service cannot be fully determined until the financing structure is known. The City will consider all debt service costs related to implementing the project plan to be eligible project costs under Section 66.56 (2) (f) 2, of the Wisconsin Statutes. It may be necessary for the City to advance resources to the T.I.D. in order to cover temporary cash requirements. The City will issue both short and long-term debt instruments for project costs as well as temporary cash flow coverages, and for the purpose of refinancing any current debt. Debt instruments may provide for a call feature.

Economic Feasibility

Two important factors must be stressed, the financial feasibility of this district is dependent on the timing of development construction, and the estimated assessed valuation of that construction.

It is estimated, as detailed on Exhibit B, that private development will incur resulting in value increments for T.I.D. #8 as follows:

<u>Year</u>	<u>Amount</u>
1991	\$ 156,000.
1992	14,006,089.
1993	26,638,267.
1994	2,861,262.
1995	12,815,000.
<u>Total</u>	<u>\$56,476,618.</u>

It must also be recognized that the plan calls for \$4,456,140. of base value to be removed through demolition from the project area resulting in a net value increment increase of \$52,019,778.

Estimated Project Costs, Exhibit C, sets forth various proposed City expenditures. These represent, at this time, the best estimate of reasonably anticipated public projects. Not included in the Project Costs of \$21,766,213. is any provision for financing costs. This will be dependent upon the structuring of debt requirements and the means used for financing the projects. A more comprehensive review will be prepared when debt service requirements are available.

The Statement of Estimated Incremental Revenues, Exhibit A, has been prepared prior to recent Legislative changes. The major change extends the T.I.D. period of recovery from 20 to 23 years, or the year 2013 for the proposed T.I.D. #8. Exhibit A, has been prepared using a conservative approach, not addressing rate or valuation growth over the future periods.

Present projections, subject to debt structuring, indicate reasonable project costs recovery. Pending a more comprehensive review, fiscal impact on the tax levy, if any, will be determined.

TAX INCREMENTAL DISTRICT NUMBER 8
STATE STREET CORRIDOR
CITY OF RACINE, WI

POST OFFICE OPTION

YEAR	PREVIOUS ASSESSED VALUATION	APPRECIATION INCREMENT	CONSTRUCTION/ REHABILITATION INCREMENT	DEMOLITION/ ACQUISITION (ASSESSED VALUE)	TOTAL ASSESSED VALUE	TAX RATE	INCREMENTAL REAL PROPERTY TAX REVENUE
1990	\$13,600,570.00	\$0.00	\$0.00	\$0.00	\$13,600,570.00	34.35	\$0.00
1991	\$13,600,570.00	\$0.00	\$156,000.00	\$482,900.00	\$13,273,670.00	34.35	\$0.00
1992	\$13,273,670.00	\$0.00	\$14,006,088.00	\$2,742,540.00	\$24,537,218.00	34.35	\$0.00
1993	\$24,537,218.00	\$0.00	\$26,638,265.00	\$281,150.00	\$50,894,333.00	34.35	\$375,673.86
1994	\$50,894,333.00	\$0.00	\$2,861,261.50	\$260,250.00	\$53,495,344.50	34.35	\$1,281,040.76
1995	\$53,495,344.50	\$0.00	\$12,815,000.00	\$690,000.00	\$65,620,344.50	34.35	\$1,370,385.50
1996	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
1997	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
1998	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
1999	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
2000	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
2001	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
2002	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
2003	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
2004	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
2005	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
2006	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
2007	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
2008	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
2009	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
2010	\$65,620,344.50	\$0.00	\$0.00	\$0.00	\$65,620,344.50	34.35	\$1,786,879.25
SUM							\$29,830,288.93

TAX INCREMENTAL DISTRICT NUMBER EIGHT
STATE STREET CORRIDOR, RACINE, WISCONSIN
(DEVELOPMENT OPPORTUNITIES)
POST OFFICE OPTION

	<u>PROJECT YEAR VALUE</u>						
	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>TOTAL</u>
1. Retail Resid. Rehab.				\$899,040			\$ 899,040
2. Office Parking					\$439,625		439,625
3. Office Resid.				620,138			620,138
4. Office Area					442,838		442,838
5. Office Rehab. *							
6. Townhomes *							
7. Supermarket / Bank / Office Parking *							
8. Retail/Resid. Rehab.				1,452,375			1,452,375
9. Lincoln Block			\$1,065,610				1,065,610
10. Case Exhib. / Visitor Parking				502,563			502,563
11. Case Visitor Ctr./Exhibition Hall				3,617,000			3,617,000
12. Commercial / Parking				587,113			587,113
13. Office / retail / Parking / Comm. Rehab.			755,813	65,000			820,813
14. Office / Retail / Parking / Vacant Land / Rehab.						\$1,870,235	1,870,235

* OPPORTUNITIES FOR DEVELOPMENT OF 5 OFFICE REHAB, 6 TOWN HOMES, 7 SUPERMARKET/BANK/OFFICE PARKING EXISTS IF POST OFFICE OPTION IS NOT SELECTED FOR AN ESTIMATED VALUE OF \$6,519,245.

PROPOSED IMPROVEMENTS AND USES IN THE DISTRICT

TAX INCREMENTAL DISTRICT NUMBER EIGHT
(DEVELOPMENT OPPORTUNITIES)

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>TOTAL</u>
15. Vacant Land					\$ 108,564		\$ 108,564
16. Vehicle Storage		\$ 240,728					240,728
17. Merchants Expansion			697,000				697,000
18. Commercial / Parking / Rehab.			446,938	\$ 927,188			1,374,126
19. Office / Bank / Parking				2,325,100			2,325,100
20. Case HQ/Training Center/Parking	\$156,000	10,800,000	14,720,000			\$12,815,000	38,491,000
21. Riverfront Multifamily				922,750			922,750
TOTAL	<u>\$156,000</u>	<u>\$14,006,089</u>	<u>\$26,638,267</u>	<u>\$2,861,262</u>	<u>\$12,815,000</u>		<u>\$56,476,618</u>

X NON-PROJECT COSTS

The costs of rehabilitating the residential area of the district are not included as project costs. It is estimated that \$3,500,000 will be spent in neighborhood rehabilitation. Community development block grant funds and other funding sources will be used.

XI CHANGES TO ZONING ORDINANCE, MASTER PLAN, BUILDING CODES OR OTHER CITY ORDINANCES, IF ANY

The State Street Corridor Plan has been adopted by the Common Council in principle. The plan suggests that the zoning code be changed by adopting an access corridor overlay district to control development along State Street.

Appropriate zoning map changes will be made to accommodate proposed land uses.

XII METHOD OF RELOCATION OF PERSONS TO BE DISPLACED

In dealing with individuals and businesses required to relocate as a result of this project, the City of Racine will comply with Wisconsin State Statute §32,185 to 32,27 and the Wisconsin Administrative Code Department of Industry Labor and Human Relations, Chapter ILHR 202, Relocation Assistance.

XIII HOW CREATION OF DISTRICT PROMOTES THE ORDERLY DEVELOPMENT OF THE CITY

On September 21, 1989 the Common Council of the City of Racine approved a concept plan for the revitalization of the State Street area. Based on the approved concepts, a final plan entitled THE STATE STREET CORRIDOR COMPREHENSIVE PLAN was prepared and approved by the Council on May 15, 1990. The corridor plan recommended changes to the State Street area and surrounding residential neighborhood. These changes involved land use, traffic, open space, public infrastructure and housing improvements. When implemented the revitalized State Street area will build on past revitalization efforts in other parts of the community most recently the successful renewal of the lakeshore area of downtown. The State Street improvements will result in better living conditions for residents, and provide for improved educational and job opportunities. Improved street conditions will make State Street a primary access from the outskirts to the downtown as recommended in the Racine County Jurisdictional Highway plan. The plan also complements the recommendations and provisions of the recently approved Wisconsin Economic Development Zone which covers the State Street area.

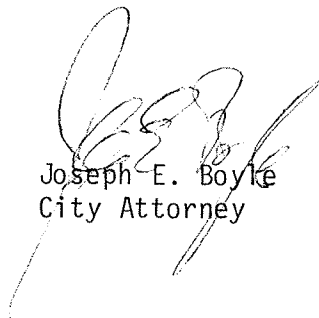
Creation of Tax Incremental District Number Eight is essential for implementation of the State Street Corridor Plan. Tax incremental funding is the principal source of funding recommended in the plan. Without T.I.F. it would be impossible for the City to consider revitalizing the State Street area, revitalization that is desperately needed.

XIV PLAN ASSUMPTIONS AND PROPERTIES TO BE ACQUIRED

A detailed list of T.I.D. plan assumptions and properties to be acquired are available in the Department of City Development.

XV CITY ATTORNEY OPINION ON PLAN

I, Joseph E. Boyle, Find that the project plan for Tax Incremental District number Eight to be complete and complies with State Statute 66.46 (4)(f).



Joseph E. Boyle
City Attorney

