

PROJECT PLAN

TAX INCREMENTAL DISTRICT NUMBER NINE

*SCS/MONUMENT
SQUARE*

CITY OF RACINE, WISCONSIN

City of Racine
City Hall
730 Washington Avenue
Racine, Wisconsin 53403

Plan Commission Approval: April 26, 2000
Common Council Approval: June 6, 2000
Joint Review Board Approval: June 29, 2000

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Introduction

Johnson International's announcement of plans to build its new main office in downtown Racine continues the rebirth and revitalization of the community's central business district. Located on the block bounded by Fifth, Main, and Sixth Streets and Lake Avenue, the Johnson International building will have beneficial spin-off effects on the entire downtown area.

Wisconsin state law allows cities to create Tax Incremental Districts in which the expense of public improvements in a district may be paid for with new property taxes generated as a result of new development that may have been leveraged by installation of the public improvements. Over the years, Racine has created a number of Tax Incremental Districts to provide improvements such as roadways, sewer and water lines, parking structures, public amenities, etc., which have resulted in new development through construction or renovation. The purpose of this plan is to utilize the Tax Increment Law to provide a means of financing the public improvements associated with the Johnson International project and the continued redevelopment of the downtown area.

District Boundaries

Figure One shows the boundaries of Tax Incremental District Number Nine, City of Racine.

Type and Location of Public Works and Improvements Within The District

Table One displays the public works or improvements to be carried out on Tax Incremental District Number Nine along with the estimated costs of each. They are divided into major categories including roadway improvements, intersection improvements, public open space improvements, a public parking facility, environmental remediation, property acquisition and project planning and administration. Figure Two shows the location of these activities. They are further described below.

Roadway improvements include pavement and curb replacement, sanitary sewer and water main replacement, sidewalk reconstruction, storm sewers, new street lighting, street trees, and benches on Fifth, Sixth, and Main Streets, and Lake Avenue as well as a new street-Park Place, which will parallel Sixth Street from Main Street to Pershing Park Drive.

Intersection improvements include new traffic signals at Lake Avenue and Fifth Street, relocation of the traffic signals at Main and Fifth Streets, Main and Sixth Streets, and Lake Avenue, and Sixth Street new street lighting, and street trees and benches.

Public open space improvements include street trees and benches, signs, kiosks, pedestrian pathways, floral plantings, and other landscaping on Sixth Street and Park Place.

Table One
Estimated Costs of Public Works and Improvements
Tax Incremental District Number Nine
City of Racine, Wisconsin

I.	Roadway Improvements	Estimated Cost
	Sixth Street	\$794,495
	Fifth Street	\$1,153,625
	Lake Avenue	\$51,952
	Park Place	<u>558,313</u>
	Subtotal	\$2,558,385
II.	Intersection Improvements	
	Lake Avenue and Fifth Street	\$147,625
	Lake Avenue and Sixth Street	66,000
	Main and Fifth Streets	70,750
	Main and Sixth Streets	70,750
	Pershing Drive and Sixth Street	39,500
	Library Drive and Sixth Street	39,500
	Pershing Drive and Park Place	39,500
	Library Drive and Park Place	39,500
	Lake Avenue and Park Place	34,750
	Main Street and Park Place	<u>39,500</u>
	Subtotal	\$587,375
III.	Public Open Space Improvements	\$1,626,813
IV.	Environmental Remediation	\$250,000
V.	Public Parking Facility	\$5,100,000
VI.	Property Acquisition	\$300,000
VII.	Project Planning and Administration	
	Hotel Feasibility Study	\$100,000
	Engineering and Administration	<u>200,000</u>
	Subtotal	\$300,000
GRAND TOTAL		\$10,722,573

LEGEND

ENVIRONMENTAL REMEDIATION

ER

PROPERTY ACQUISITION

A

ROADWAY IMPROVEMENTS



INTERSECTION IMPROVEMENTS

*

PUBLIC OPEN SPACE IMPROVEMENTS



PUBLIC PARKING FACILITY

PPF

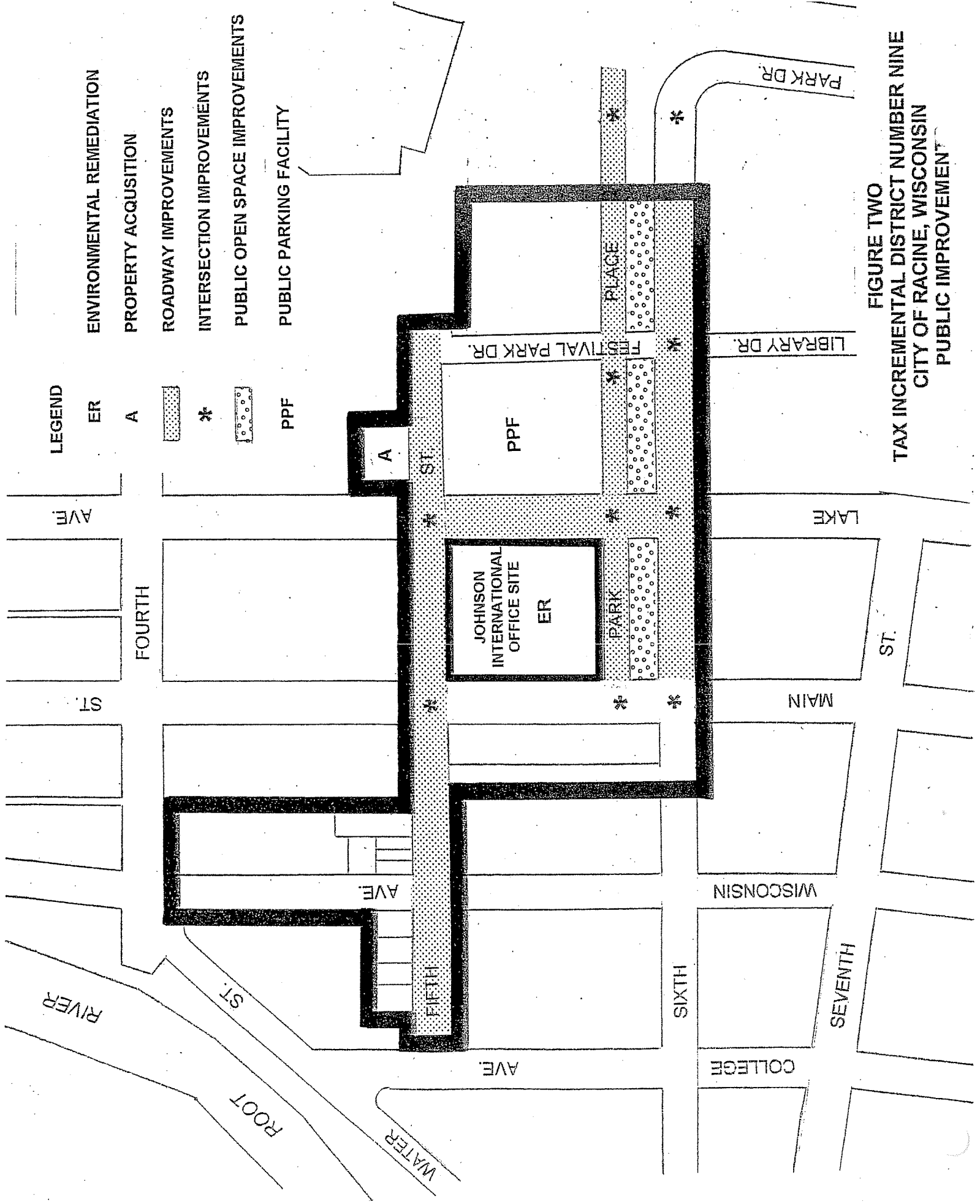


FIGURE TWO
TAX INCREMENTAL DISTRICT NUMBER NINE
CITY OF RACINE, WISCONSIN
PUBLIC IMPROVEMENT

Environmental remediation includes removal of asbestos, asbestos-containing materials, polychlorinatedbiphenyls (PCBs), petroleum products, and any other hazardous, special, or toxic material, waste, or substance from the Johnson International site.

Property acquisition includes the purchase and partial clearance of the M & I drive-through bank facility on the northeast corner of Fifth Street and Lake Avenue.

The public parking facility is a 400 space public parking garage on Lake Avenue between Fifth and Sixth Streets, east of Lake Avenue.

Project planning and administration costs include a downtown hotel feasibility study and general project engineering.

Project and Non-Project Costs

Table Two displays the funding sources for each of the public-works and improvements listed in Table One. It distinguishes between project costs which will be recovered through tax incremental financing and "non-project" costs which may be recovered through tax incremental financing or paid through federal or state grants, other local funding, or other revenue sources. "Non-project" costs include \$5,100,000 for the public parking facility and \$172,645 for water main replacement in conjunction with the street improvements.

Economic Feasibility

Table Three shows the long-term economic feasibility of the district by charting its cash flow from 2001 to 2024, the year the district is scheduled for termination. Table Three assumes a 2.0 percent annual increase in the district's property values for the life of the district, a constant property tax rate of \$27.00 per \$1,000 assessed value, and a June 1,2000 bond issue of \$7,675,000 at six percent over 20 years.

Financing Methods

Improvements to be undertaken in the district will be financed through municipal bond proceeds, Water/Wastewater Utility revenues, and a cash advance from the City of Racine. Table Two above delineates the uses of these funds in greater detail. If project costs are less than estimated, the balance of the bond proceeds may be used to fund part of the cost of the public parking facility.

Environmental remediation includes removal of asbestos, asbestos-containing materials, polychlorinated biphenyls (PCBs), petroleum products, and any other hazardous, special, or toxic material, waste, or substance from the Johnson International site.

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Table Two
Project and "Non-Project" Costs
Tax Incremental District Number Nine
City of Racine, Wisconsin

		<u>Project Costs</u>	<u>"Non-Project"</u> <u>Costs</u>	<u>Total</u>
I.	Roadway Improvements	\$2,342,579	\$215,806(1)	\$2,558,385
II.	Intersection Improvements	587,375		587,375
III.	Public Open Space Improvements	1,626,813		1,626,813
IV.	Environmental Remediation	250,000		250,000
V.	Public Parking Facility		\$5,100,000(2)	\$5,100,000
VI.	Property Acquisition	300,000		300,000
VII.	Project Planning and Administration	300,000		300,000
	Total	\$5,406,767	\$5,315,806	\$10,722,573

Notes: (1) The cost of water main replacement in association with roadway improvements to be paid by the Racine Water/Wastewater Utility.

(2) The cost of the public parking facility to be paid by a cash advance from the City of Racine. If the project costs are less than estimated or if TID #9 revenues are greater than anticipated portions of this cost may be paid as a project cost.

Table Three
Cash Flow Pro Forma
Tax Incremental District Number Nine
City of Racine, Wisconsin

Date	Value Increment	Tax Rate (per 1,000)	Tax Revenue	Investment Proceeds and DSRF Revenues	Interest and Principal Payments	Year- End Cumulative Balance
2001	\$5,016,545		\$0	\$62,679	\$0	\$1,444,179
2002	15,133,421	\$27.00	0	110,584	690,750	864,013
2003	20,452,834	27.00	135,447	81,576	460,500	620,535
2004	20,878,232	27.00	408,602	69,402	460,500	638,040
2005	21,312,342	27.00	552,221	70,277	510,500	750,038
2006	21,755,133	27.00	563,712	75,877	532,500	857,127
2007	22,206,781	27.00	575,433	81,231	578,000	935,791
2008	22,667,462	27.00	587,389	85,165	735,500	872,845
2009	23,137,356	27.00	599,583	82,017	733,100	821,345
2010	23,616,648	27.00	612,021	79,442	734,800	778,009
2011	24,105,526	27.00	624,709	77,275	735,300	744,693
2012	24,604,182	27.00	637,649	75,610	734,600	723,352
2013	25,112,810	27.00	650,849	74,543	732,700	716,044
2014	25,631,611	27.00	664,313	74,177	734,600	719,934
2015	26,160,789	27.00	678,046	74,372	735,000	737,351
2016	26,700,549	27.00	692,054	75,243	733,900	770,747
2017	27,251,105	27.00	706,341	76,912	736,300	817,701
2018	27,812,673	27.00	720,915	79,260	736,900	880,976
2019	28,385,471	27.00	735,780	82,424	735,700	963,480
2020	28,969,725	27.00	750,942	86,549	732,700	1,068,271
2021	29,565,665	27.00	766,408	91,789	732,900	1,193,567
2022	30,173,523	27.00	782,184	98,053	736,000	1,337,803
2023	30,793,539	27.00	798,273	72,765	736,700	2,272,141
2024	30,425,954	27.00	814,685	113,607	0	3,200,433
Total			\$14,057,555	\$2,750,828	\$14,989,450	

Timing of Costs

As shown on Table Four, all costs are expected to be incurred in 2000, 2001, and 2002. Wisconsin law allows a maximum of seven years from the time the district is created for all district expenditures to be made.

Existing Land Uses and Conditions

Figure Three shows existing land uses within the district. The Johnson International site is currently used as a parking lot and is bounded on the north by Fifth Street, on the east by Lake Avenue, on the south by Sixth Street, and on the west by Main Street.

Proposed Changes in Zoning Ordinances, Master Plan, Building Codes, or Other City Ordinances

No changes in the zoning ordinance, master plan, building code, or other city ordinances are proposed.

Method of Relocation of Displaced Persons or Businesses

Any persons or businesses displaced as a result of activities undertaken through this plan will be relocated in accordance with the Wisconsin Eminent Domain Law, Chapter 32 of the Wisconsin Statutes, and Comm 202 of the Wisconsin Administrative Code (Relocation Assistance).

How Creation of the District Promotes Orderly Development in the City

Recognizing that a healthy central business district is an important component of a well developed community, Racine has made a concentrated effort to revitalize its downtown area. The boat harbor/marina, Festival Hall, Festival Park and other public improvements provided the original impetus for multi-million dollar private investments, which continue today. In 1999, the Downtown Racine Corporation developed a plan for the next ten years including new office and retail space, housing and a new hotel as well as an expanded Festival Hall and numerous other public infrastructure improvements. Creation of Tax Incremental District Number Nine allows Racine to make the public investment necessary for the next stage of downtown redevelopment.

Table Four
Timing of Costs
Tax Incremental District Number Nine
City of Racine, Wisconsin

		Year		
		2000	2001	2002
I.	Roadway Improvements			
	Sixth Street	\$794,495		
	Fifth Street	\$519,788	\$633,837	
	Lake Avenue		\$51,952	
	Park Place		558,313	
II.	Intersection Improvements			
	Lake Avenue & Fifth Streets		147,625	
	Main and Fifth Street	70,750		
	Main and Sixth Street	70,750		
	Pershing Drive and Sixth Street	39,500		
	Library Drive and Sixth Street	39,500		
	Lake Avenue and Sixth Street	66,000		
	Pershing Drive and Park Place	39,500		
	Library Drive and Park Place	39,500		
	Lake Avenue and Park Place	34,750		
	Main Street and Park Place	39,500		
III.	Public Open Space Improvements	813,407	813,406	
IV.	Environmental Remediation	250,000		
V.	Public Parking Facility		\$3,000,000	\$2,100,000
VI.	Property Acquisition	300,000		
VII.	Project Planning and Administration	300,000		
	Total	\$3,417,440	\$5,205,133	\$2,100,000

LEGEND

C COMMERCIAL/OFFICE

B DRIVE-THROUGH BANK

+ CHURCH

Public Parking (diagonal hatching)

Public Open Space (dotted pattern)

AVE

FOURTH

ST.

+

AVE

FIFTH

AVE

ST.

WATER

FESTIVAL PARK DR.

VACANT LAND

WISCONSIN

COLLEGE

LIBRARY DR.

LAKE

MAIN

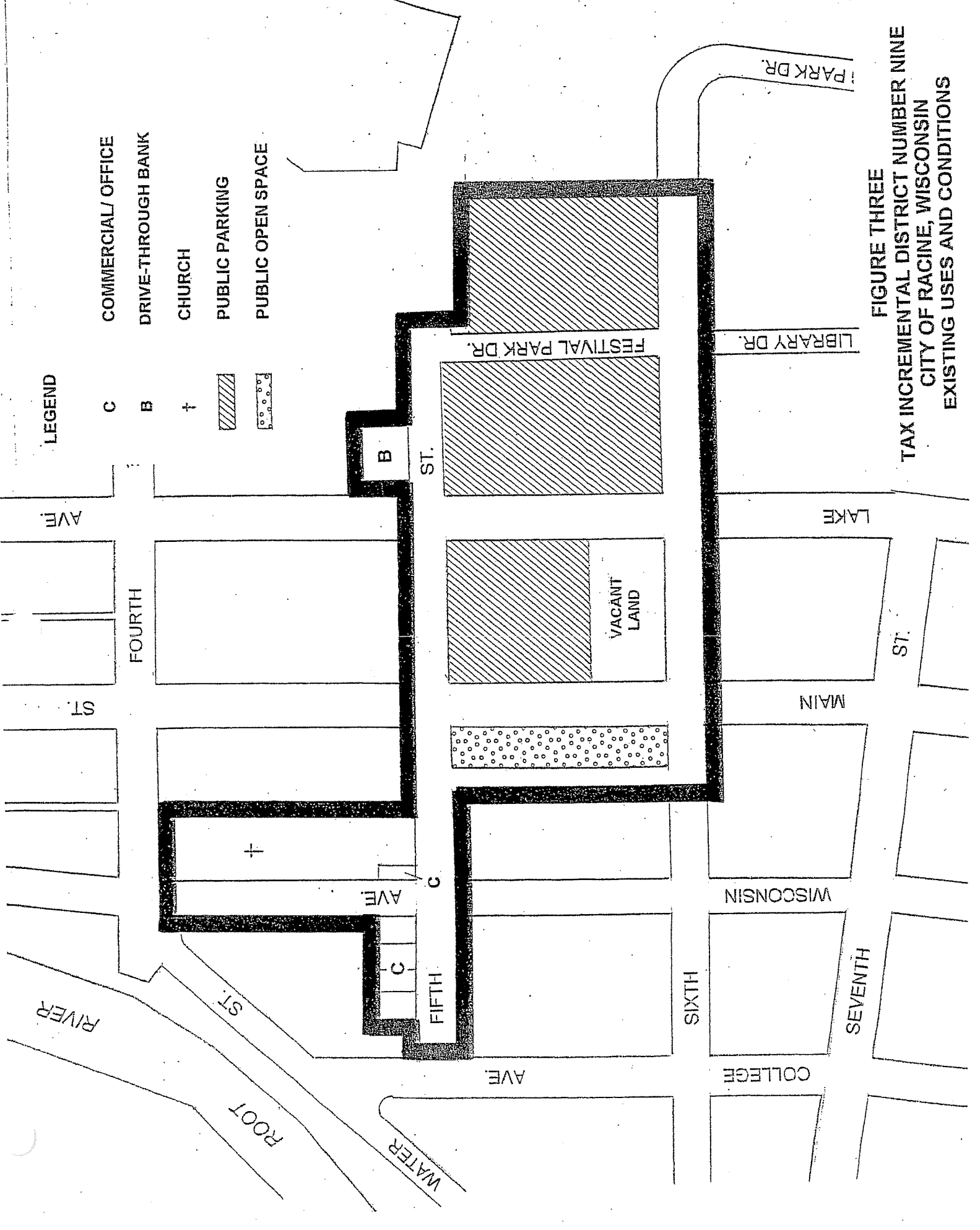
SIXTH

SEVENTH

ST.

PARK DR.

FIGURE THREE
TAX INCREMENTAL DISTRICT NUMBER NINE
CITY OF RACINE, WISCONSIN
EXISTING USES AND CONDITIONS



City Attorney's Opinion

The City Attorney's opinion as to whether the plan is complete and complies with Wisconsin Statutes is attached.

Office of the City Attorney

Daniel P. Wright
City Attorney



Guadalupe G. Villarreal
Deputy City Attorney

Scott Lewis
Assistant City Attorney

Stacey Salvo
Paralegal

April 20, 2000

MEMO TO: MAYOR JAMES M. SMITH

FROM: DANIEL P. WRIGHT
CITY ATTORNEY

A handwritten signature in black ink, appearing to be "D. Wright", is written over the printed name "DANIEL P. WRIGHT".

SUBJECT: Tax Incremental District Number Nine

This memo will certify that I am a licensed attorney in the State of Wisconsin and have examined the project plan for Tax Incremental District Number Nine, City of Racine. I find it to be complete and in compliance with Sec. 66.46, Wisconsin Statutes (Wisconsin Tax Increment Law).

/ld

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