

September 7, 2022

PROJECT PLAN

# City of Racine, Wisconsin

Tax Incremental District No. 30

Regency Mall



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Prepared by:

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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

## KEY DATES

|   |                    |
|---|--------------------|
| Organizational Joint Review Board Meeting Held:       | September 6, 2022  |
| Public Hearing Held:                                  | September 7, 2022  |
| Approval by Planning, Heritage and Design Commission: | September 7, 2022  |
| Adoption by Common Council:                           | September 20, 2022 |
| Approval by the Joint Review Board:                   | TBD                |

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# **SECTION 1:**

## **Executive Summary**

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### **DESCRIPTION OF DISTRICT**

Tax Incremental District (“TID”) No. 30 (“District”) is a proposed Blighted Area District comprising approximately 138 acres located in the southwest corner of the City of Racine (“City”) generally bounded by S Green Bay Road to the west, Durand Avenue to the south, Roosevelt Avenue to the East and 21<sup>st</sup> Street to the North. The District will be created to pay the costs of development incentives needed to promote commercial, retail, and multi-family residential development and other related costs (“Project”) to be developed by Hull Property Group (“Developer”). The first phase of the development will include a grocery supercenter and related convenience store/gas station. Phase II of the Project will include approximately 279 apartments and a new retail center. The final phase of the Project is expected to include five restaurants and a retail outparcel. In addition to the incremental property value that will be created, the City expects the Project to provide employment opportunities, increased income and sales tax collection, increased retail and commercial activity, provision of additional housing units and other benefits to the local economy resulting from the purchase of goods and services related to construction and operation of the Project.

### **AUTHORITY**

The City is creating the District under the provisions of Wis. Stat. § 66.1105.

### **ESTIMATED TOTAL PROJECT COST EXPENDITURES**

The City anticipates making total expenditures of approximately \$22.22 million (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$21.99 million in development incentives and \$235 thousand for administrative expenses and other costs.

### **INCREMENTAL VALUATION**

The City projects that new land and improvements value of approximately \$71.09 million will result from 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 the Economic Feasibility Study located within this Plan.

## **EXPECTED TERMINATION OF DISTRICT**

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will generate sufficient tax increment to pay all Project Costs within 21 of its allowable 27 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. Regency Mall and adjoining retail properties have continued to experience the financial impacts of retail bankruptcies, high vacancy rates, and shifts in the retail economy. Redevelopment of property to create the uses described in this Plan is essential to ensuring the site can remain economically viable into the future. Redevelopment will require the Developer to incur significant cost for demolition of existing structures (\$4.97 million estimated), structural rework and interior renovation (\$4.22 million estimated), sitework (\$6.5 million estimated), costs associated with tenant relocation and buildout assistance (\$5.01 million estimated) and other related expenditures. It is the judgment of the City that tax increment financing will be required to provide incentives to allow the Project to proceed. The development incentives included in this Plan are for purposes of confirming economic feasibility only and do not reflect a commitment by the City to provide incentives in any specific amount. Incentive commitments will be set forth in development agreements subject to approval by the Common Council. To the extent City provides incentives, it expects to do so on a “pay as you go basis.”
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 that in addition to the incremental property value that will be created, the City expects the Project to provide employment opportunities, increased income and sales tax collection, increased retail and commercial activity, provision of additional housing units and other benefits to the local economy resulting from the purchase of goods and services related to construction and operation of the Project.

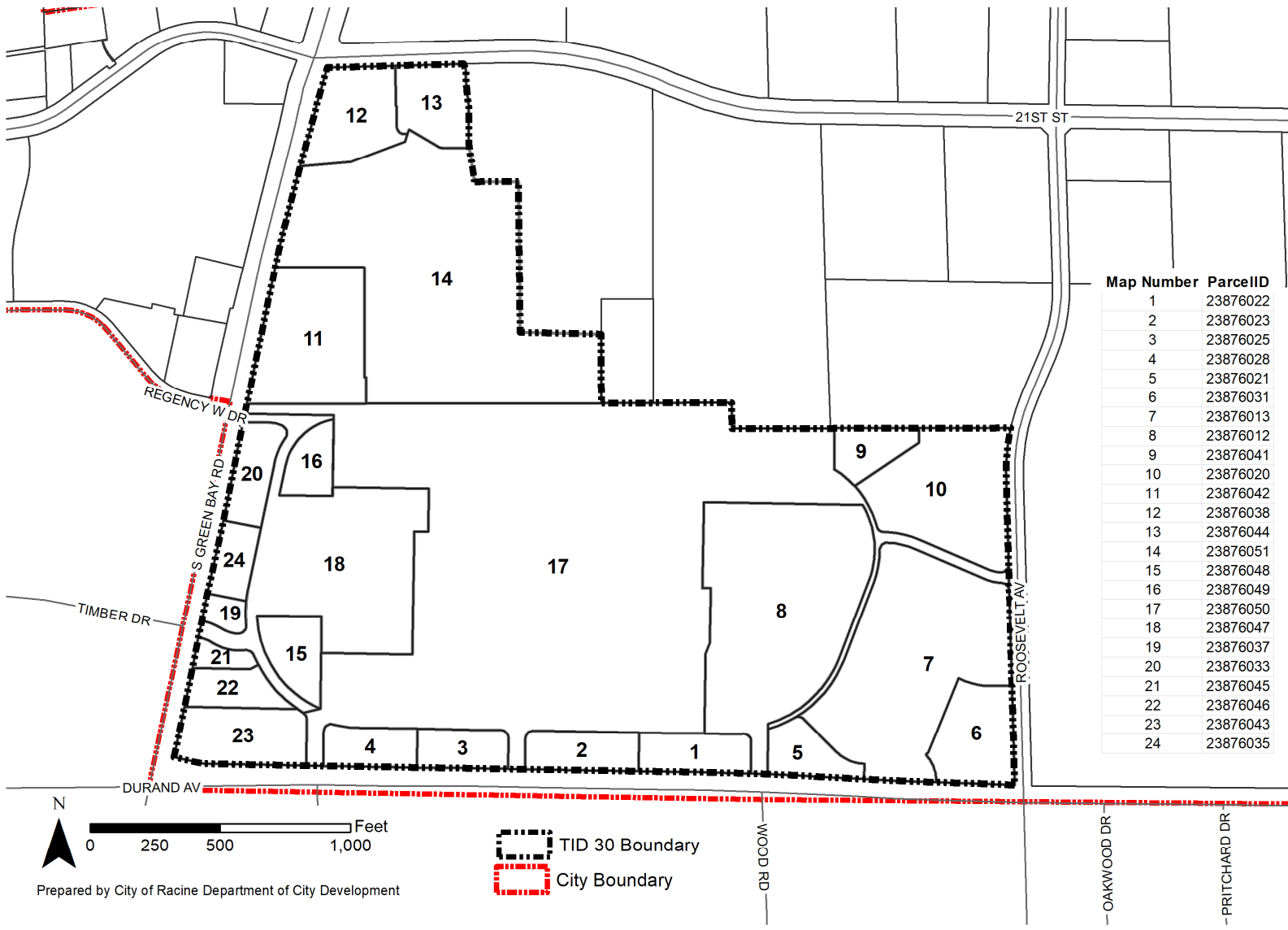
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in 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 approximately 90% 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. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.
11. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

## **SECTION 2: Preliminary Map of Proposed District Boundary**

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Map Found on Following Page.

# TID 30 Tax Parcel List



| Map Number | ParcelID |
|------------|----------|
| 1          | 23876022 |
| 2          | 23876023 |
| 3          | 23876025 |
| 4          | 23876028 |
| 5          | 23876021 |
| 6          | 23876031 |
| 7          | 23876013 |
| 8          | 23876012 |
| 9          | 23876041 |
| 10         | 23876020 |
| 11         | 23876042 |
| 12         | 23876038 |
| 13         | 23876044 |
| 14         | 23876051 |
| 15         | 23876048 |
| 16         | 23876049 |
| 17         | 23876050 |
| 18         | 23876047 |
| 19         | 23876037 |
| 20         | 23876033 |
| 21         | 23876045 |
| 22         | 23876046 |
| 23         | 23876043 |
| 24         | 23876035 |

Prepared by City of Racine Department of City Development

## **SECTION 3:**

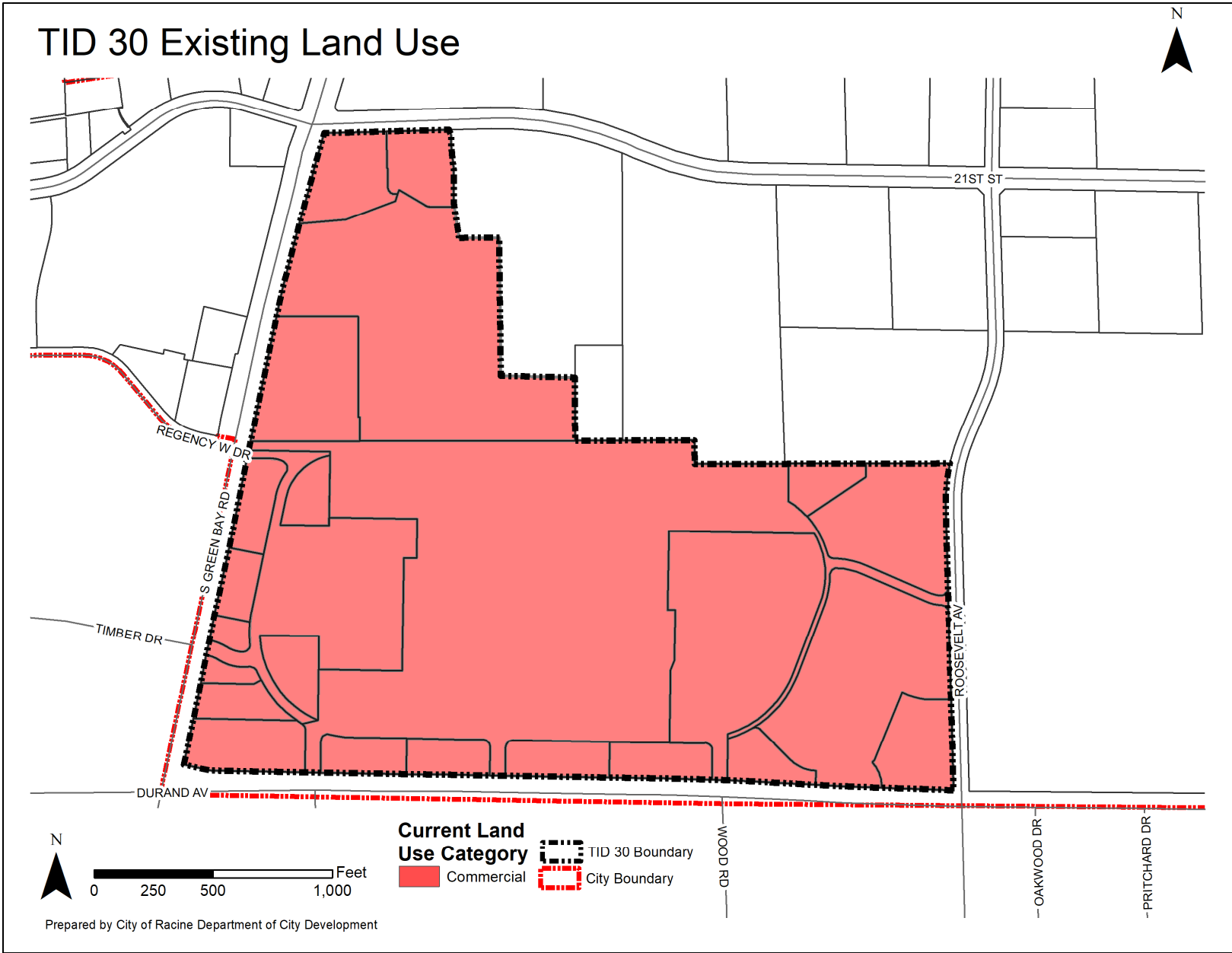
# **Map Showing Existing Uses and Conditions**

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Map Found on Following Page.

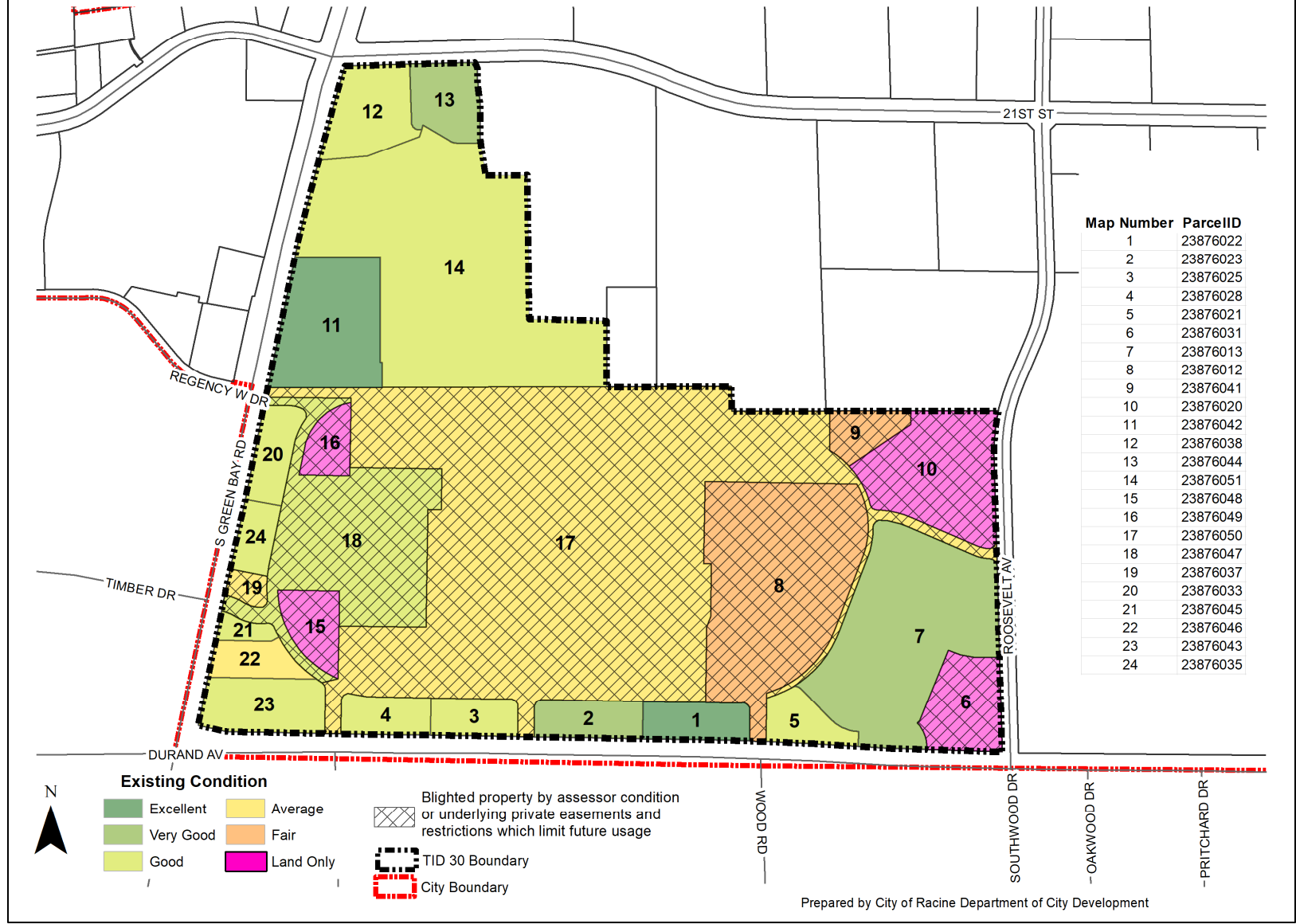


# TID 30 Existing Land Use



Prepared by City of Racine Department of City Development

# TID 30 Existing Condition



## SECTION 4: Preliminary Parcel List and Analysis

The District will include the parcels identified in the table included on this page:

| Map Reference Number | Parcel Number   | Address                                | Owner                                  | Acres         | Blighted Acres |
|----------------------|-----------------|--|--|---------------|----------------|
| 1                    | 276000023876022 | Wisconsin Brodersen Properties of, LLC | Wisconsin Brodersen Properties of, LLC | 1.48          |                |
| 2                    | 276000023876023 | National Retail Properties             | National Retail Properties             | 1.50          |                |
| 3                    | 276000023876025 | Emic Properties, LLC                   | Emic Properties, LLC                   | 1.20          |                |
| 4                    | 276000023876028 | Fcpt Acquisitions, LLC                 | Fcpt Acquisitions, LLC                 | 1.26          |                |
| 5                    | 276000023876021 | John Walter Connolly Trust             | John Walter Connolly Trust             | 1.28          |                |
| 6                    | 276000023876031 | Racine Mall, LLC                       | Racine Mall, LLC                       | 2.49          | 2.49           |
| 7                    | 276000023876013 | Dayton-Hudson, Inc                     | Dayton-Hudson, Inc                     | 9.92          |                |
| 8                    | 276000023876012 | Racine Mall, LLC                       | Racine Mall, LLC                       | 11.10         | 11.10          |
| 9                    | 276000023876041 | Racine Mall, LLC                       | Racine Mall, LLC                       | 1.12          | 1.12           |
| 10                   | 276000023876020 | Racine Mall, LLC                       | Racine Mall, LLC                       | 5.16          | 5.16           |
| 11                   | 276000023876042 | Realty Income Properties 3, LLC        | Realty Income Properties 3, LLC        | 4.80          |                |
| 12                   | 276000023876038 | Bank One Racine Na                     | Bank One Racine Na                     | 2.58          |                |
| 13                   | 276000023876044 | Haman 21st Street, LLC                 | Haman 21st Street, LLC                 | 1.85          |                |
| 14                   | 276000023876051 | Rhino Holdings Racine, LLC (LLC)       | Rhino Holdings Racine, LLC (LLC)       | 30.93         |                |
| 15                   | 276000023876048 | Penny Racine, LLC                      | Penny Racine, LLC                      | 1.43          | 1.43           |
| 16                   | 276000023876049 | Penny Racine, LLC                      | Penny Racine, LLC                      | 1.04          | 1.04           |
| 17                   | 276000023876050 | Racine Mall, LLC                       | Racine Mall, LLC                       | 42.41         | 42.41          |
| 18                   | 276000023876047 | Penny Racine, LLC                      | Penny Racine, LLC                      | 9.42          | 9.42           |
| 19                   | 276000023876037 | Racine Mall, LLC                       | Racine Mall, LLC                       | 0.45          | 0.45           |
| 20                   | 276000023876033 | Cadano-Cleon, LLC                      | Cadano-Cleon, LLC                      | 1.39          |                |
| 21                   | 276000023876045 | BJ Real Estate Properties, LLC         | BJ Real Estate Properties, LLC         | 0.45          |                |
| 22                   | 276000023876046 | Taco Bell of America                   | Taco Bell of America                   | 1.17          |                |
| 23                   | 276000023876043 | Fcpt Restaurant Properties, LLC        | Fcpt Restaurant Properties, LLC        | 2.42          |                |
| 24                   | 276000023876035 | Br of Wisconsin 15, LLC                | Br of Wisconsin 15, LLC                | 0.98          |                |
| <b>TOTALS</b>        |                 |  |  | <b>137.81</b> | <b>74.62</b>   |

Percentage of TID Area designated as blighted area

54%

### Calculation of Estimated Base Value

| Parcel          | Assessed Value    |                   |                  |                   | Equalized Value   |                   |                  |                   |
|-----------------|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|------------------|-------------------|
|                 | Land              | Improvement       | Personal         | Total             | Land              | Improvement       | Personal         | Total             |
| 276000023876022 | 553,800           | 851,200           | 164,540          | <b>1,569,540</b>  | 553,800           | 851,200           | 164,540          | <b>1,569,540</b>  |
| 276000023876023 | 860,700           | 965,300           | 232,587          | <b>2,058,587</b>  | 860,700           | 965,300           | 232,587          | <b>2,058,587</b>  |
| 276000023876025 | 541,200           | 694,800           | 8,198            | <b>1,244,198</b>  | 541,200           | 694,800           | 8,198            | <b>1,244,198</b>  |
| 276000023876028 | 887,700           | 1,142,300         | 185,313          | <b>2,215,313</b>  | 887,700           | 1,142,300         | 185,313          | <b>2,215,313</b>  |
| 276000023876021 | 374,000           | 558,000           | 23,520           | <b>955,520</b>    | 374,000           | 558,000           | 23,520           | <b>955,520</b>    |
| 276000023876031 | 222,000           | 0                 | 0                | <b>222,000</b>    | 222,000           | 0                 | 0                | <b>222,000</b>    |
| 276000023876013 | 2,584,900         | 4,755,100         | 540,789          | <b>7,880,789</b>  | 2,584,900         | 4,755,100         | 540,789          | <b>7,880,789</b>  |
| 276000023876012 | 800,000           | 100,000           | 187              | <b>900,187</b>    | 800,000           | 100,000           | 187              | <b>900,187</b>    |
| 276000023876041 | 193,600           | 47,400            | 24,940           | <b>265,940</b>    | 193,600           | 47,400            | 24,940           | <b>265,940</b>    |
| 276000023876020 | 300,000           | 0                 | 0                | <b>300,000</b>    | 300,000           | 0                 | 0                | <b>300,000</b>    |
| 276000023876042 | 1,255,600         | 1,498,400         | 622,319          | <b>3,376,319</b>  | 1,255,600         | 1,498,400         | 622,319          | <b>3,376,319</b>  |
| 276000023876038 | 771,900           | 451,100           | 174,600          | <b>1,397,600</b>  | 771,900           | 451,100           | 174,600          | <b>1,397,600</b>  |
| 276000023876044 | 667,400           | 766,600           | 8,273            | <b>1,442,273</b>  | 667,400           | 766,600           | 8,273            | <b>1,442,273</b>  |
| 276000023876051 | 1,380,183         | 2,400,000         | 0                | <b>3,780,183</b>  | 1,380,183         | 2,400,000         | 0                | <b>3,780,183</b>  |
| 276000023876048 | 560,000           | 0                 | 0                | <b>560,000</b>    | 560,000           | 0                 | 0                | <b>560,000</b>    |
| 276000023876049 | 410,000           | 0                 | 0                | <b>410,000</b>    | 410,000           | 0                 | 0                | <b>410,000</b>    |
| 276000023876050 | 7,369,650         | 130,350           | 0                | <b>7,500,000</b>  | 7,369,650         | 130,350           | 0                | <b>7,500,000</b>  |
| 276000023876047 | 2,464,300         | 843,700           | 150,453          | <b>3,458,453</b>  | 2,464,300         | 843,700           | 150,453          | <b>3,458,453</b>  |
| 276000023876037 | 288,800           | 130,200           | 84,580           | <b>503,580</b>    | 288,800           | 130,200           | 84,580           | <b>503,580</b>    |
| 276000023876033 | 873,300           | 922,700           | 92,150           | <b>1,888,150</b>  | 873,300           | 922,700           | 92,150           | <b>1,888,150</b>  |
| 276000023876045 | 298,000           | 473,000           | 120,935          | <b>891,935</b>    | 298,000           | 473,000           | 120,935          | <b>891,935</b>    |
| 276000023876046 | 615,000           | 373,000           | 49,118           | <b>1,037,118</b>  | 615,000           | 373,000           | 49,118           | <b>1,037,118</b>  |
| 276000023876043 | 1,193,800         | 1,184,200         | 136,431          | <b>2,514,431</b>  | 1,193,800         | 1,184,200         | 136,431          | <b>2,514,431</b>  |
| 276000023876035 | 659,300           | 1,675,700         | 1,000            | <b>2,336,000</b>  | 659,300           | 1,675,700         | 1,000            | <b>2,336,000</b>  |
| <b>TOTALS</b>   | <b>26,125,133</b> | <b>19,963,050</b> | <b>2,619,933</b> | <b>48,708,116</b> | <b>26,125,133</b> | <b>19,963,050</b> | <b>2,619,933</b> | <b>48,708,116</b> |

Valuations listed reflect January 1, 2022, assessed values converted to equalized value using the City estimated 100% aggregate ratio. **All parcels to be included in the District are currently in TID 20 which the City will close prior to April 15, 2023.**

Nine of the above parcels are identified as a blighted area as defined in Wis. Stat. § 66.1105(2)(ae) as the structures and improvements located on the parcels are dilapidated and obsolete. Further, more than 60% of the existing mall is vacant and the general demise of regional malls in smaller markets throughout the country creates concerns for the existing property to be re-leased which could lead to further decline in property values. In total, 74.62 acres of the 137.81-acre District (54.15%) are designated as a blighted area.

As it relates to the statutory definition referenced above, these conditions collectively qualify the parcels as “(a)n area in which the structures, buildings or improvements, which by reason of dilapidation, deterioration, age or obsolescence, and the existence of conditions which endanger life or property (i.e. environmental contamination) is conducive to ill health, and is detrimental to the public health, safety, morals or welfare.”

# SECTION 5: Equalized Value Test

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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 incremental value of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

### Calculation of City Equalized Value Limit

|  |                  |
|--|------------------|
| City TID IN Equalized Value (Jan. 1, 2022) | \$ 4,585,521,700 |
| TID Valuation Limit @ 12% of Above Value   | \$ 550,262,604   |

### Calculation of Value Subject to Limit

|  |                       |
|--|-----------------------|
| Estimated Base Value of New District*                  | \$ 48,708,116         |
| Incremental Value of Existing Districts (Jan. 1, 2022) | \$ <u>142,964,200</u> |
| <b>Total Value Subject to 12% Valuation Limit</b>      | <b>\$ 191,672,316</b> |

The equalized value of the increment of existing tax incremental districts within the City, plus the estimated base value of the District, totals \$191,672,316, which is 4.18% of the City's total equalized value. This value is less than the maximum of \$550,262,004 (12%) in equalized value that is permitted for the City. Following creation of the District, its base value is no longer counted towards the 12% limit, however, any incremental increase in value will be included in the calculation for creation of subsequent districts, or where territory is being added to an existing district.

\* Based on the City estimated 2022 assessment ratio of 100%.

## **SECTION 6: Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District**

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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.

### **Property, Right-of-Way, and Easement Acquisition**

#### ***Property Acquisition for Development***

To promote and facilitate development the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred to make the property suitable for development. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as

defined in Wis. Stat. § 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

### **Property Acquisition for Conservancy**

To promote the objectives of this Plan, the City may acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

### **Acquisition of Rights-of-Way**

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate, and acquire rights-of-way are eligible Project Costs.

### **Acquisition of Easements**

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate, and acquire easement rights are eligible Project Costs.

### **Relocation Costs**

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

## **Site Preparation Activities**

### **Environmental Audits and Remediation**

If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.



### **Demolition**

To make sites suitable for development, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

### **Site Grading**

Land within the District may require grading to make it suitable for development, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

## **Utilities**

### **Sanitary Sewer System Improvements**

To allow development to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding, or expansion of collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

### **Water System Improvements**

To allow development to occur, the City may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding, or expansion of distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the

implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

### **Stormwater Management System Improvements**

Development within the District will cause stormwater runoff. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

### **Electric Service**

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

### **Communications Infrastructure**

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

## **Streets and Streetscape**

### **Street Improvements**

To allow development to occur, the City may need to construct or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

### **Streetscaping and Landscaping**

To attract development consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible 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.

## **Miscellaneous**

### **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. Specifically, the City may need to make improvements to streets adjacent to or within a half-mile of the District to accommodate traffic resulting from the Project. Whether improvements will be needed, when they may be needed, and the cost are undetermined. No cost estimate is included in Section 8 of this Plan, but to the extent costs are incurred they will be paid from District funds to the extent funds are available and the improvements are for the benefit of the District and needed to implement the Plan.

### **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**

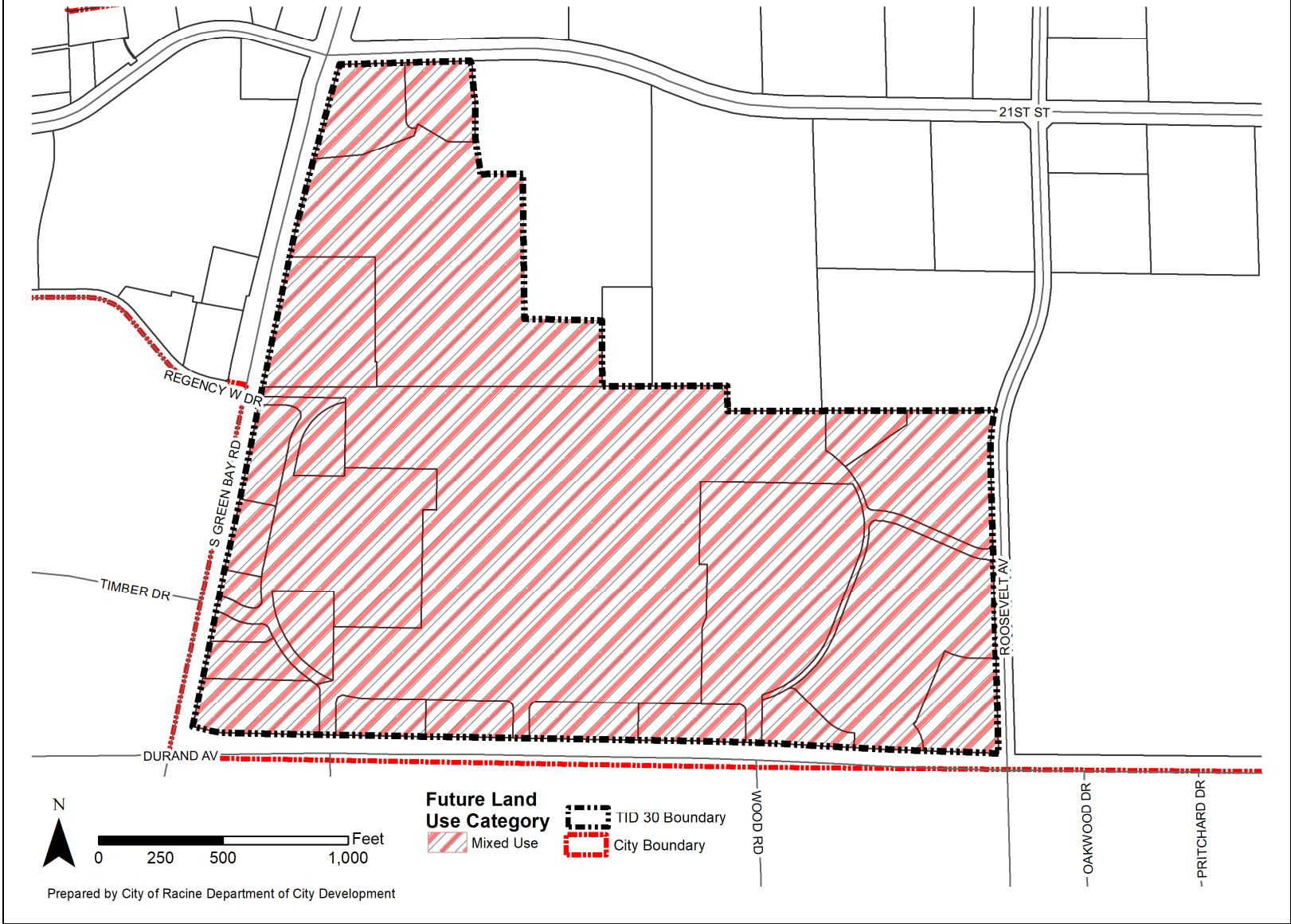
Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

## **SECTION 7:** **Map Showing Proposed Improvements and Uses**

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Map Found on Following Page.

# TID 30 Future Land Use



## SECTION 8: Detailed List of Estimated 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 No. 30                                   |   |                   |                  |                   |                |                   |
| Estimated Project List <sup>1</sup>                             |   |                   |                  |                   |                |                   |
| Project ID  | Project Name/Type   | Phase I<br>2023   | Phase II<br>2023 | Phase III<br>2026 | Recurring      | Total             |
| 1   | Demolition of @400,000 SF of Regency Mall buildings (including all site work)       | 3,318,175         |                  |                   |                | 3,318,175         |
| 2   | Structural Rework / Creation of New Exterior Walls / Entrances                      | 2,867,231         |                  |                   |                | 2,867,231         |
| 3   | Complete Site Improvements  | 5,397,090         |                  |                   |                | 5,397,090         |
| 4   | Professional Fees / Soft Costs  | 375,083           |                  |                   |                | 375,083           |
| 5   | Demolition of buildings and all site work improvements (pad-ready site condition)   |                   | 1,650,826        |                   |                | 1,650,826         |
| 6   | Purchase of Boston Store  |                   | 900,000          |                   |                | 900,000           |
| 7   | Previously expended interior renovation costs                                       |                   | 1,356,559        |                   |                | 1,356,559         |
| 8   | Relocation of current impacted tenants (21,200sf x \$85 psf)                        |                   | 1,802,000        |                   |                | 1,802,000         |
| 9   | Major site work improvements @ remaining mall (paving, lighting, landscaping, etc.) |                   | 1,109,092        |                   |                | 1,109,092         |
| 10  | Tenant buildout assistance (Restaurants) ( 23,000 SF x \$85 psf)                    |                   |                  | 2,380,000         |                | 2,380,000         |
| 11  | Tenant buildout assistance (Retail) (4,000 SF x \$85 psf)                           |                   |                  | 340,000           |                | 340,000           |
| 12  | Tenant buildout assistance (Outparcel Restaurant)(5,800 sf x \$85 psf)              |                   |                  | 493,000           |                | 493,000           |
| 13  | Ongoing Professional Services Costs   |                   |                  |                   | 235,000        | 235,000           |
| <b>Total Projects</b>   |   | <b>11,957,579</b> | <b>6,818,477</b> | <b>3,213,000</b>  | <b>235,000</b> | <b>22,224,056</b> |
| Notes:  |   |                   |                  |                   |                |                   |
| 1) Per information provided by the Developer on August 7, 2022. |   |                   |                  |                   |                |                   |

**SECTION 9:**  
**Economic Feasibility Study, Description of the Methods of Financing Estimated Project Costs and the Time When Related Costs or Monetary Obligations are to be Incurred**

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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 \$71.09 million in incremental value by January 1, 2028. Estimated valuations and timing for construction of the Project are included in **Table 1**. Assuming the City’s current equalized TID Interim tax rate of \$26.97 per thousand of equalized value, and 2.0% economic appreciation on only the apartments, the Project would generate \$54.45 million in incremental tax revenue over the 27-year term of the District as shown in **Table 2**.



# City of Racine, Wisconsin

## Tax Increment District No. 30

### Development Assumptions<sup>1</sup>

| Construction Year | Phase 1             |                    |                    | Phase 2           |                  |                    | Phase 3          |                |                      |                  | Annual Total      | Construction Year |
|-------------------|---------------------|--------------------|--------------------|-------------------|------------------|--------------------|------------------|----------------|----------------------|------------------|-------------------|-------------------|
|                   | Grocery Supercenter | Commercial Outlots | Existing Base      | Apartments        | Retail Center    | Existing Base      | Restaurants (x4) | Retail Outlot  | Outparcel Restaurant | Existing Base    |                   |                   |
| 1 2022            |                     |                    | (4,500,000)        |                   |                  | (4,470,000)        |                  |                |                      | (220,000)        | (9,190,000)       | 2022 1            |
| 2 2023            | 8,218,125           | 337,500            |                    | 8,893,125         | 622,750          |                    |                  |                |                      |                  | 18,071,500        | 2023 2            |
| 3 2024            | 24,654,375          | 1,012,500          |                    | 26,679,375        | 1,868,250        |                    |                  |                |                      |                  | 54,214,500        | 2024 3            |
| 4 2025            |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2025 4            |
| 5 2026            |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2026 5            |
| 6 2027            |                     |                    |                    |                   |                  |                    | 5,922,000        | 846,000        | 1,226,700            |                  | 7,994,700         | 2027 6            |
| 7 2028            |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2028 7            |
| 8 2029            |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2029 8            |
| 9 2030            |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2030 9            |
| 10 2031           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2031 10           |
| 11 2032           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2032 11           |
| 12 2033           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2033 12           |
| 13 2034           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2034 13           |
| 14 2035           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2035 14           |
| 15 2036           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2036 15           |
| 16 2037           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2037 16           |
| 17 2038           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2038 17           |
| 18 2039           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2039 18           |
| 19 2040           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2040 19           |
| 20 2041           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2041 20           |
| 21 2042           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2042 21           |
| 22 2043           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2043 22           |
| 23 2044           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2044 23           |
| 24 2045           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2045 24           |
| 25 2046           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2046 25           |
| 26 2047           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2047 26           |
| 27 2048           |                     |                    |                    |                   |                  |                    |                  |                |                      |                  | 0                 | 2048 27           |
| Totals            | <u>32,872,500</u>   | <u>1,350,000</u>   | <u>(4,500,000)</u> | <u>35,572,500</u> | <u>2,491,000</u> | <u>(4,470,000)</u> | <u>5,922,000</u> | <u>846,000</u> | <u>1,226,700</u>     | <u>(220,000)</u> | <u>71,090,700</u> |                   |

Notes:

1) Per timing and estimated valuation information provided by the Developer on August 7, 2022. Represents estimated equalized incremental value.

**Table 1 - Development Assumptions**

# City of Racine, Wisconsin

## Tax Increment District No. 30

### Tax Increment Projection Worksheet - Total

|                                |                |          |                          |            |
|--------------------------------|----------------|----------|--------------------------|------------|
| Type of District               | Blighted Area  |          | Base Value               | 48,708,116 |
| District Creation Date         | August 1, 2022 |          | Appreciation Factor      | 0.00%      |
| Valuation Date                 | Jan 1,         | 2022     | Base Tax Rate            | \$26.97    |
| Max Life (Years)               | 27             |          | Rate Adjustment Factor   | 0.00%      |
| Expenditure Period/Termination | 22             | 8/1/2044 | Tax Exempt Discount Rate | 4.00%      |
| Revenue Periods/Final Year     | 27             | 2050     | Taxable Discount Rate    | 5.50%      |
| Extension Eligibility/Years    | Yes            | 3        |                          |            |
| Eligible Recipient District    | Yes            |          |                          |            |

|               | Construction |                   | Valuation Year | Inflation Increment | Total Increment | Revenue                          |          | Tax Increment     |
|---------------|--------------|-------------------|----------------|---------------------|-----------------|----------------------------------|----------|-------------------|
|               | Year         | Value Added       |                |                     |                 | Year                             | Tax Rate |                   |
| 1             | 2022         | -9,190,000        | 2023           | 0                   | -9,190,000      | 2024                             | \$26.97  | 0                 |
| 2             | 2023         | 18,071,500        | 2024           | 0                   | 8,881,500       | 2025                             | \$26.97  | 245,456           |
| 3             | 2024         | 54,214,500        | 2025           | 177,863             | 63,273,863      | 2026                             | \$26.97  | 1,712,348         |
| 4             | 2025         | 0                 | 2026           | 715,007             | 63,988,870      | 2027                             | \$26.97  | 1,731,631         |
| 5             | 2026         | 0                 | 2027           | 729,307             | 64,718,177      | 2028                             | \$26.97  | 1,751,299         |
| 6             | 2027         | 7,994,700         | 2028           | 743,894             | 73,456,771      | 2029                             | \$26.97  | 1,981,035         |
| 7             | 2028         | 0                 | 2029           | 758,771             | 74,215,542      | 2030                             | \$26.97  | 2,001,498         |
| 8             | 2029         | 0                 | 2030           | 773,947             | 74,989,489      | 2031                             | \$26.97  | 2,022,370         |
| 9             | 2030         | 0                 | 2031           | 789,426             | 75,778,915      | 2032                             | \$26.97  | 2,043,660         |
| 10            | 2031         | 0                 | 2032           | 805,214             | 76,584,129      | 2033                             | \$26.97  | 2,065,376         |
| 11            | 2032         | 0                 | 2033           | 821,319             | 77,405,448      | 2034                             | \$26.97  | 2,087,526         |
| 12            | 2033         | 0                 | 2034           | 837,745             | 78,243,193      | 2035                             | \$26.97  | 2,110,118         |
| 13            | 2034         | 0                 | 2035           | 854,500             | 79,097,692      | 2036                             | \$26.97  | 2,133,163         |
| 14            | 2035         | 0                 | 2036           | 871,590             | 79,969,282      | 2037                             | \$26.97  | 2,156,669         |
| 15            | 2036         | 0                 | 2037           | 889,022             | 80,858,304      | 2038                             | \$26.97  | 2,180,645         |
| 16            | 2037         | 0                 | 2038           | 906,802             | 81,765,106      | 2039                             | \$26.97  | 2,205,100         |
| 17            | 2038         | 0                 | 2039           | 924,938             | 82,690,044      | 2040                             | \$26.97  | 2,230,044         |
| 18            | 2039         | 0                 | 2040           | 943,437             | 83,633,481      | 2041                             | \$26.97  | 2,255,488         |
| 19            | 2040         | 0                 | 2041           | 962,306             | 84,595,787      | 2042                             | \$26.97  | 2,281,440         |
| 20            | 2041         | 0                 | 2042           | 981,552             | 85,577,338      | 2043                             | \$26.97  | 2,307,911         |
| 21            | 2042         | 0                 | 2043           | 1,001,183           | 86,578,521      | 2044                             | \$26.97  | 2,334,912         |
| 22            | 2043         | 0                 | 2044           | 1,021,206           | 87,599,728      | 2045                             | \$26.97  | 2,362,452         |
| 23            | 2044         | 0                 | 2045           | 1,041,631           | 88,641,358      | 2046                             | \$26.97  | 2,390,544         |
| 24            | 2045         | 0                 | 2046           | 1,062,463           | 89,703,821      | 2047                             | \$26.97  | 2,419,197         |
| 25            | 2046         | 0                 | 2047           | 1,083,712           | 90,787,534      | 2048                             | \$26.97  | 2,448,423         |
| 26            | 2047         | 0                 | 2048           | 1,105,387           | 91,892,920      | 2049                             | \$26.97  | 2,478,234         |
| 27            | 2048         | 0                 | 2049           | 1,127,494           | 93,020,415      | 2050                             | \$26.97  | 2,508,641         |
| <b>Totals</b> |              | <b>71,090,700</b> |                | <b>21,929,715</b>   |                 | <b>Future Value of Increment</b> |          | <b>54,445,178</b> |

Notes:

1) Assumes 2.00% annual inflation on the apartments only.

**Table 2 - Tax Increment Projection Worksheet**

## **Financing and Implementation**

Implementation of the Project will require extensive demolition, site prep, and repair work as well as new construction. Development incentives will be provided to the Developer on a “pay as you go” basis from tax increment generated by the Project. The City’s obligation to make payments is solely limited to the available tax increment. To the extent incremental revenues are less than projected, the full amount of the development incentives may not ultimately be paid.

Based on the Project Cost expenditures as included within the cash flow exhibit (**Table 3**), the District is projected to accumulate sufficient funds by the year 2044 to pay off all Project cost liabilities and obligations. The projected 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 No. 30

### Cash Flow Projection

| Year  | Projected Revenues |            |           |                   | Expenditures   |                                     |                       | Balances  |            |                          | Year  |
|-------|--------------------|------------|-----------|-------------------|--|-------------------------------------|-----------------------|-----------|------------|--------------------------|-------|
|       | Tax Increments     |            |           |                   | Municipal Revenue<br>Obligation (MRO)<br>2023 <sup>1</sup> | Admin./<br>Professional<br>Services | Total<br>Expenditures | Annual    | Cumulative | Incentive<br>Outstanding |       |
|       | Phase I            | Phase II   | Phase III | Total<br>Revenues |  |                                     |                       |           |            |                          |       |
| 2022  |                    |            |           | 0                 |  | 25,000                              | 25,000                | (25,000)  | (25,000)   | 0                        | 2022  |
| 2023  |                    |            |           | 0                 |  | 7,500                               | 7,500                 | (7,500)   | (32,500)   | 39,396,997               | 2023  |
| 2024  | 0                  | 0          | 0         | 0                 | 0  | 7,500                               | 7,500                 | (7,500)   | (40,000)   | 39,396,997               | 2024  |
| 2025  | 109,375            | 136,081    | 0         | 245,456           | 220,910  | 7,500                               | 228,410               | 17,046    | (22,954)   | 39,176,087               | 2025  |
| 2026  | 801,578            | 910,770    | 0         | 1,712,348         | 1,541,113  | 7,500                               | 1,548,613             | 163,735   | 140,780    | 37,634,974               | 2026  |
| 2027  | 801,578            | 930,053    | 0         | 1,731,631         | 1,558,468  | 7,500                               | 1,565,968             | 165,663   | 306,443    | 36,076,506               | 2027  |
| 2028  | 801,578            | 949,722    | 0         | 1,751,299         | 1,576,169  | 7,500                               | 1,583,669             | 167,630   | 474,073    | 34,500,337               | 2028  |
| 2029  | 801,578            | 969,783    | 209,674   | 1,981,035         | 1,782,931  | 7,500                               | 1,790,431             | 190,603   | 664,677    | 32,717,406               | 2029  |
| 2030  | 801,578            | 990,247    | 209,674   | 2,001,498         | 1,801,348  | 7,500                               | 1,808,848             | 192,650   | 857,327    | 30,916,057               | 2030  |
| 2031  | 801,578            | 1,011,119  | 209,674   | 2,022,370         | 1,820,133  | 7,500                               | 1,827,633             | 194,737   | 1,052,064  | 29,095,924               | 2031  |
| 2032  | 801,578            | 1,032,409  | 209,674   | 2,043,660         | 1,839,294  | 7,500                               | 1,846,794             | 196,866   | 1,248,930  | 27,256,630               | 2032  |
| 2033  | 801,578            | 1,054,124  | 209,674   | 2,065,376         | 1,858,838  | 7,500                               | 1,866,338             | 199,038   | 1,447,967  | 25,397,792               | 2033  |
| 2034  | 801,578            | 1,076,274  | 209,674   | 2,087,526         | 1,878,773  | 7,500                               | 1,886,273             | 201,253   | 1,649,220  | 23,519,019               | 2034  |
| 2035  | 801,578            | 1,098,867  | 209,674   | 2,110,118         | 1,899,107  | 7,500                               | 1,906,607             | 203,512   | 1,852,732  | 21,619,913               | 2035  |
| 2036  | 801,578            | 1,121,912  | 209,674   | 2,133,163         | 1,919,847  | 7,500                               | 1,927,347             | 205,816   | 2,058,548  | 19,700,066               | 2036  |
| 2037  | 801,578            | 1,145,418  | 209,674   | 2,156,669         | 1,941,002  | 7,500                               | 1,948,502             | 208,167   | 2,266,715  | 17,759,064               | 2037  |
| 2038  | 801,578            | 1,169,393  | 209,674   | 2,180,645         | 1,962,580  | 7,500                               | 1,970,080             | 210,564   | 2,477,279  | 15,796,484               | 2038  |
| 2039  | 801,578            | 1,193,849  | 209,674   | 2,205,100         | 1,984,590  | 7,500                               | 1,992,090             | 213,010   | 2,690,289  | 13,811,894               | 2039  |
| 2040  | 801,578            | 1,218,793  | 209,674   | 2,230,044         | 2,007,040  | 7,500                               | 2,014,540             | 215,504   | 2,905,794  | 11,804,854               | 2040  |
| 2041  | 801,578            | 1,244,236  | 209,674   | 2,255,488         | 2,029,939  | 7,500                               | 2,037,439             | 218,049   | 3,123,842  | 9,774,915                | 2041  |
| 2042  | 801,578            | 1,270,188  | 209,674   | 2,281,440         | 2,053,296  | 7,500                               | 2,060,796             | 220,644   | 3,344,486  | 7,721,619                | 2042  |
| 2043  | 801,578            | 1,296,660  | 209,674   | 2,307,911         | 2,077,120  | 7,500                               | 2,084,620             | 223,291   | 3,567,778  | 5,644,499                | 2043  |
| 2044  | 801,578            | 1,323,660  | 209,674   | 2,334,912         | 2,101,420  | 7,500                               | 2,108,920             | 225,991   | 3,793,769  | 3,543,079                | 2044  |
| 2045  | 801,578            | 1,351,201  | 209,674   | 2,362,452         | 2,126,207  | 7,500                               | 2,133,707             | 228,745   | 4,022,514  | 1,416,872                | 2045  |
| 2046  | 801,578            | 1,379,292  | 209,674   | 2,390,544         | 1,416,872  | 7,500                               | 1,424,372             | 966,172   | 4,988,686  | 0                        | 2046  |
| 2047  | 801,578            | 1,407,946  | 209,674   | 2,419,197         |  | 7,500                               | 7,500                 | 2,411,697 | 7,400,382  | 0                        | 2047  |
| 2048  | 801,578            | 1,437,172  | 209,674   | 2,448,423         |  | 7,500                               | 7,500                 | 2,440,923 | 9,841,306  | 0                        | 2048  |
| 2049  | 801,578            | 1,466,983  | 209,674   | 2,478,234         |  | 7,500                               | 7,500                 | 2,470,734 | 12,312,040 | 0                        | 2049  |
| 2050  | 801,578            | 1,497,390  | 209,674   | 2,508,641         |  | 7,500                               | 7,500                 | 2,501,141 | 14,813,181 | 0                        | 2050  |
| Total | 20,148,817         | 29,683,541 | 4,612,821 | 54,445,178        | 39,396,997   | 235,000                             | 39,631,997            |           |            |                          | Total |

Notes:

1) Assumes up to 90% of annual increment is available for the MRO as revenues are available.

Projected TID Closure

21,989,056

Present Value of Incentive Payments @ 4.97% Discount

**Table 3 - Cash Flow**

## **SECTION 10: Annexed Property**

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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 11: Estimate of Property to Be Devoted to Retail Business**

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Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that approximately 90% of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

## **SECTION 12: Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances**

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### **Zoning Ordinances**

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

### **Master (Comprehensive) Plan and Map**

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for commercial development.

### **Building Codes and Ordinances**

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 13: Statement of the Proposed Method for the Relocation of any Persons to be Displaced**

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Should implementation of this Plan 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 14: How Creation of the Tax Incremental District Promotes the Orderly Development of the City**

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Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by creating opportunities for mixed use development, rehabilitating and conserving property, eliminating blighted areas, and providing appropriate financial incentives for private development projects. 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 Projects 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, increased income and sales tax collection, increased retail and commercial activity, provision of additional housing units and other benefits to the local economy resulting from the purchase of goods and services related to construction and operation of the Project.

## **SECTION 15:**

### **List of Estimated Non-Project Costs**

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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 16:  
Legal Opinion Advising Whether the Plan is Complete  
and Complies with Wis. Stat. § 66.1105(4)(f)**

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Legal Opinion Found on Following Page.



**SAMPLE**

Mayor  
City of Racine  
730 Washington Ave  
Racine, Wisconsin 53403

**RE: Project Plan for Tax Incremental District No. 30**

Dear Mayor:

Wisconsin Statute 66.1105(4)(f) requires that a project plan for a tax incremental financing district include an opinion provided by the City Attorney advising as to whether the plan is complete and complies with Wisconsin Statute 66.1105.

As City Attorney for the City of Racine, I have been asked to review the above-referenced project plan for compliance with the applicable statutory requirements. Based upon my review, in my opinion, the Project Plan for the City of Racine Tax Incremental District No. 30 is complete and complies with the provisions of Wisconsin Statute 66.1105.

Sincerely,

City Attorney

## SECTION 17: Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

The following projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4. Allocation of future tax increments is based on the projections included in this Plan and assumes the same proportions as the actual breakdown of tax collections for the 2021 levy year.

| Revenue Year  | Racine County    | City of Racine    | School District<br>of Racine | Gateway<br>Technical<br>College | Total             | Revenue Year |
|---------------|------------------|-------------------|------------------------------|---------------------------------|-------------------|--------------|
| 2024          | 0                | 0                 | 0                            | 0                               | 0                 | 2024         |
| 2025          | 27,752           | 126,752           | 84,386                       | 6,566                           | 245,456           | 2025         |
| 2026          | 193,601          | 884,248           | 588,691                      | 45,807                          | 1,712,348         | 2026         |
| 2027          | 195,782          | 894,206           | 595,320                      | 46,323                          | 1,731,631         | 2027         |
| 2028          | 198,005          | 904,362           | 602,082                      | 46,849                          | 1,751,299         | 2028         |
| 2029          | 223,980          | 1,022,997         | 681,064                      | 52,995                          | 1,981,035         | 2029         |
| 2030          | 226,293          | 1,033,564         | 688,099                      | 53,542                          | 2,001,498         | 2030         |
| 2031          | 228,653          | 1,044,342         | 695,274                      | 54,100                          | 2,022,370         | 2031         |
| 2032          | 231,060          | 1,055,336         | 702,594                      | 54,670                          | 2,043,660         | 2032         |
| 2033          | 233,515          | 1,066,550         | 710,059                      | 55,251                          | 2,065,376         | 2033         |
| 2034          | 236,020          | 1,077,988         | 717,674                      | 55,843                          | 2,087,526         | 2034         |
| 2035          | 238,574          | 1,089,655         | 725,441                      | 56,448                          | 2,110,118         | 2035         |
| 2036          | 241,180          | 1,101,555         | 733,364                      | 57,064                          | 2,133,163         | 2036         |
| 2037          | 243,837          | 1,113,693         | 741,445                      | 57,693                          | 2,156,669         | 2037         |
| 2038          | 246,548          | 1,126,074         | 749,688                      | 58,334                          | 2,180,645         | 2038         |
| 2039          | 249,313          | 1,138,703         | 758,095                      | 58,989                          | 2,205,100         | 2039         |
| 2040          | 252,133          | 1,151,584         | 766,671                      | 59,656                          | 2,230,044         | 2040         |
| 2041          | 255,010          | 1,164,723         | 775,418                      | 60,337                          | 2,255,488         | 2041         |
| 2042          | 257,944          | 1,178,125         | 784,340                      | 61,031                          | 2,281,440         | 2042         |
| 2043          | 260,937          | 1,191,794         | 793,441                      | 61,739                          | 2,307,911         | 2043         |
| 2044          | 263,990          | 1,205,737         | 802,723                      | 62,461                          | 2,334,912         | 2044         |
| 2045          | 267,104          | 1,219,959         | 812,192                      | 63,198                          | 2,362,452         | 2045         |
| 2046          | 270,280          | 1,234,465         | 821,849                      | 63,949                          | 2,390,544         | 2046         |
| 2047          | 273,519          | 1,249,262         | 831,700                      | 64,716                          | 2,419,197         | 2047         |
| 2048          | 276,824          | 1,264,354         | 841,748                      | 65,498                          | 2,448,423         | 2048         |
| 2049          | 280,194          | 1,279,748         | 851,997                      | 66,295                          | 2,478,234         | 2049         |
| 2050          | 283,632          | 1,295,450         | 862,450                      | 67,109                          | 2,508,641         | 2050         |
| <b>Totals</b> | <b>6,155,680</b> | <b>28,115,228</b> | <b>18,717,805</b>            | <b>1,456,464</b>                | <b>54,445,178</b> |              |