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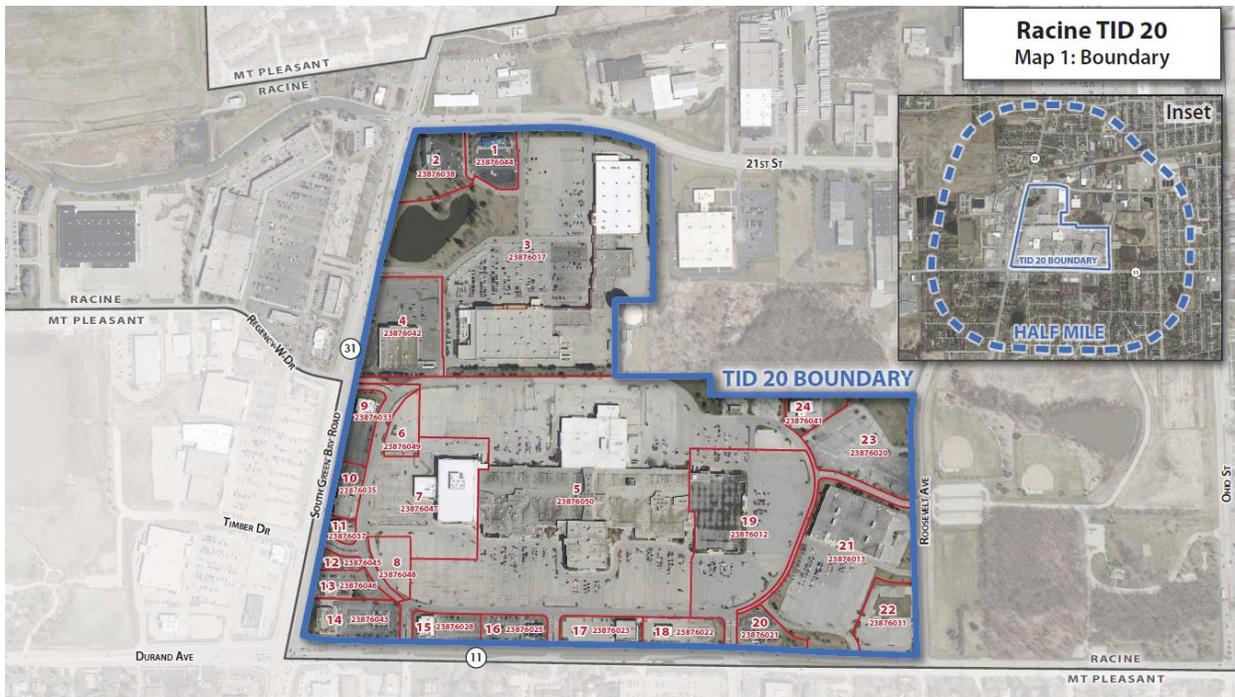
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CITY OF RACINE TO EXPLORE THE CREATION OF A NEW TAX INCREMENT DISTRICT

Racine, WI – The City of Racine, like many communities, is witnessing changes to the health and quality of its retail properties. The City recognizes opportunity to reposition the area surrounding the Regency Mall for reinvestment and growth, and plans to create Tax Increment District (TID) No. 20 to assist in improving the corridor. The target area for TID No. 20 includes 24 parcels and totals approximately 133.9 acres. The area includes Regency Mall, the mall outlots, Target, and High Ridge Center, including Home Depot and Toys R Us.



The City of Racine’s largest commercial hub is centered at Green Bay Road and Durand Avenue. The area is anchored by the Regency Mall, which opened in 1981 as a major shopping destination for Racine County. Other shopping and restaurant destinations in the Racine Retail Corridor include Target, Home Depot, Toys R Us, Kmart, Dick’s Sporting Goods (Mt. Pleasant), Michaels (Mt. Pleasant), Barnes and Noble (Mt. Pleasant), Hobby Lobby, Applebees, Starbucks, Olive Garden, and others.

While the corridor benefits from a strong cluster of nationally-branded retailers, the area faces challenges. The retail market place has become more competitive with more consumers buying online and alternative destinations within Southeast Wisconsin attracting Racine shoppers. As a result of conditions, a number of stores have left or have announced closings (JC Penney, Kmart, and Sears) in the Racine Corridor and sales volumes from some of the remaining stores are eroding.

“Limited property reinvestment, increasing vacancy, and eroding tax base is a significant cause for concern for the City,” notes Mayor John Dickert. “Without an intervention, the retail cluster could continue to erode and leave the area with more vacant properties. However, the community can help to turn the tide. With the recent purchase of Regency Mall by Hull Property Group, the City and the area property owners have an opportunity to come together and reposition the area as a vibrant retail destination.”

The over 248,000 people and 95,000 households living within a 20 minute drive time of Green Bay Rd and Durand Avenue are a valuable and attractive demographic that existing and future retail operations are interested in serving.

To facilitate investment in the area, the City of Racine is proposing formation of TID No. 20. The primary purpose of the TID is to provide the necessary incentives and public infrastructure improvements needed to encourage economic development and increase property values. The Project Plan for the Creation of Tax Incremental District No. 20 (Regency Mall) 22-year expenditure period estimates total project expenditures of \$15.7 million in several phases.

- Adoption of the TID plan and formation of the TID will set the base value for all properties in the TID.
- Any additional tax increment value across all taxing jurisdictions (Racine County, Racine Unified School District, Gateway Technical College and City of Racine) would be available to make identified expenditures in the TID plan including incentives and public improvements.
- Any incentive provided would require a developer agreement between the developer and the City that includes agreed upon milestones and metrics to receive incentive assistance.
- All developer agreements are approved by the City of Racine Common Council.

The City of Racine will hold a public hearing on the proposed TID No. 20 on Wednesday, March 29 in conjunction with the City’s Plan Commission. Final consideration by the Racine Common Council is planned for April 18.

In addition to the formation of TID No.20, the creation of a business improvement district (BID) is being investigated with property owners and stakeholders. The BID will levy an additional tax on the businesses in the area to fund improvement projects within the district's boundaries.

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