

INTERGOVERNMENTAL AGREEMENT

The City of Racine, Racine Water Utility and Village of Mount Pleasant have developed a comprehensive agreement to ensure that infrastructure costs associated with the Foxconn development are funded through the Company's \$10 billion investment, via TID 5, and will not impact other municipalities or ratepayers. The agreement also provides increased funding for the City's transit and public safety services and enables an 85+% reduction in REC fees.

THE WATER AGREEMENT



The Village of Mount Pleasant will fund about

\$100 million

IN NEW WATER INFRASTRUCTURE

◆ GUARANTEED WATER REVENUE

To ensure that ratepayers are not impacted by the \$26.8 million in needed improvements to the *existing* system, the **Village will fund any shortfall** between the increased revenue from the larger system and the revenue necessary to fund those improvements. As revenue grows over time — from new users like Foxconn — **the Village will be paid back.**

◆ REC FEES

New developments help fund water-related infrastructure improvements through REC fees. To **reduce the fee from \$3,623 to approximately \$500**, the Village will deposit funds into an account that will be used to retire the existing debt held by the Utility. The Utility will collect the reduced REC fees and pay into the account, until the debt is fully paid.

◆ WASTEWATER TREATMENT FACILITY EXPANSION

The facility will likely need to expand to meet growing needs, including from TID 5. If the City acquires the adjacent CNH parcel to facilitate expansion, the Village will detach the parcel, and any contiguous parcel owned by the City, and permit it to be attached to the City.

SUPPORTING CITY SERVICES



TRANSIT The City and Village have historically shared the cost of regional transit service. Given the anticipated increase in Village ridership from the growth in TID 5, **in 2019, the Village will increase its funding by \$100,000.**

In future years, funding will be based on actual usage by Village riders, in accordance with statistics in the Transit System's Annual Report.



PUBLIC SAFETY As part of its planned public safety investment, the Village will allocate **\$150,000 annually** from TID 5 to **support the City of Racine's fire, police and emergency services**, in recognition of the increased benefit they will provide within the Village.



BOUNDARY COMMISSION

The Village and City will establish a Commission to assess their shared boundaries and recommend adjustments, where appropriate, to promote better planning and more efficient service delivery. The Commission will include three representatives from each municipality.

KEY BENEFITS

- **Protects City and Village taxpayers** by ensuring that water infrastructure costs associated with the Foxconn development are funded through the Company's \$10 billion investment in TID 5
- Guarantees utility ratepayers will have no increased costs as result of this investment
- Increases public safety funding to the City of Racine
- Increases transit funding to the City of Racine

REDUCES REC FEES

by 85+% 

enabling increased development opportunities throughout the area

NEXT STEPS



The agreement will be considered on
August 16, 2018
BY THE VILLAGE OF MOUNT PLEASANT



The agreement will need to
be approved
BY THE CITY OF RACINE & RACINE WATER UTILITY