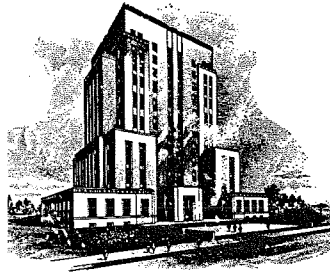


Racine County

Office of Racine County Board of Supervisors

Peter L. Hansen
County Board Chairman

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April 8, 2009

The Honorable Thomas Friedel
Mayor, City of Racine
730 Washington Avenue
Racine WI 53403

Re: Assembly Bill 175

Dear Mayor Friedel:

We are writing to you concerning legislation now pending in the Wisconsin State Legislature, Assembly Bill (AB) 175. As we understand it, AB 175 would radically extend the duration of the City of Racine's Tax Increment District (TID) Number 2, as well as extending the time in which expenditures may be made for project costs.

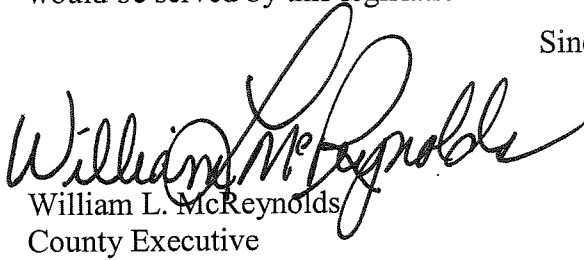
We recognize the value of tax increment financing as a method of encouraging economic development. Indeed, we believe that TID Number 2 has, in its 26 years of existence, demonstrated its value by helping to foster approximately \$48 million in incremental value within the district. It has clearly helped revitalize the downtown Racine area.

At the same time, we are conscious of the fact that the incremental value of that property has not contributed toward county services, or toward educational services delivered by Racine Unified School District (RUSD) and Gateway Technical College (GTC). Had TID Number 2 not been in existence this year, the incremental value would have contributed, in round numbers, nearly \$150,000 to the county levy. It would have contributed proportional amounts to the RUSD and GTC levies.


We understand that TID Number 2 has paid off the improvements within that district and, in fact, that TID Number 2 revenue is being used to pay off improvements in other, non-performing TIDs. It is unclear why an extension of this TID is necessary, much less for a period of ten years. Especially in these difficult economic times, property taxpayers across the county may wonder why properties in this TID are not fully contributing to the cost of supporting county government or Gateway Technical College. Greater Racine area taxpayers may wonder why those properties are not fully contributing to Racine Unified School District.

We look forward to explanations of why TID Number 2 must be extended at all and why it must be extended for an entire decade. Explanations on those points will help us better judge whether the overall interests of Racine County residents and property taxpayers would be served by this legislation.

Sincerely,



William L. McReynolds
County Executive



Peter L. Hansen
Chair, County Board
of Supervisors

Copies to:
Chair, Racine Unified School District Board
Chair, Gateway Technical College Board
Superintendent, Racine Unified School District
President, Gateway Technical College
Racine County State Legislative Delegation