



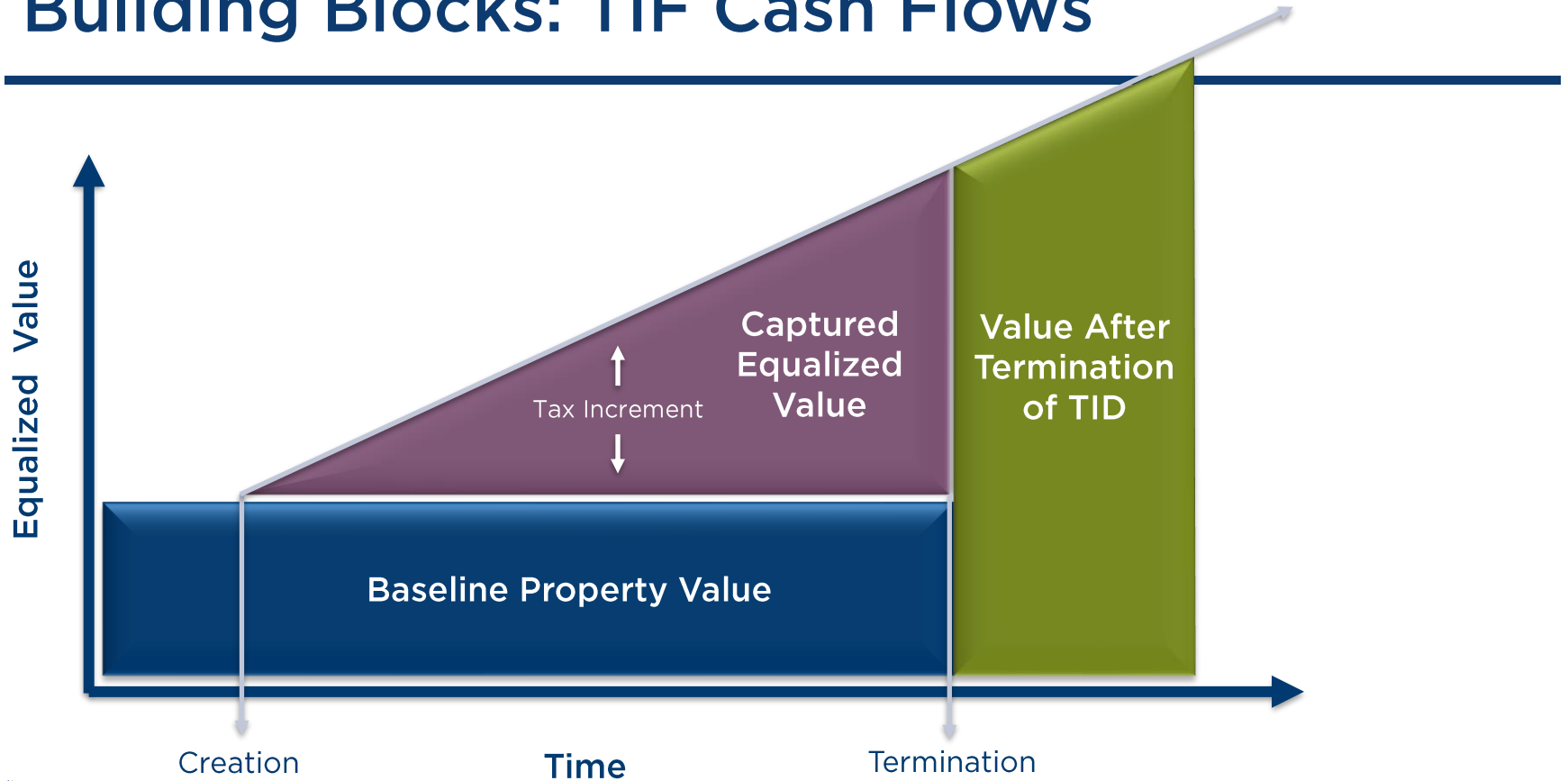
Tax Incremental Financing Overview

March 18, 2025

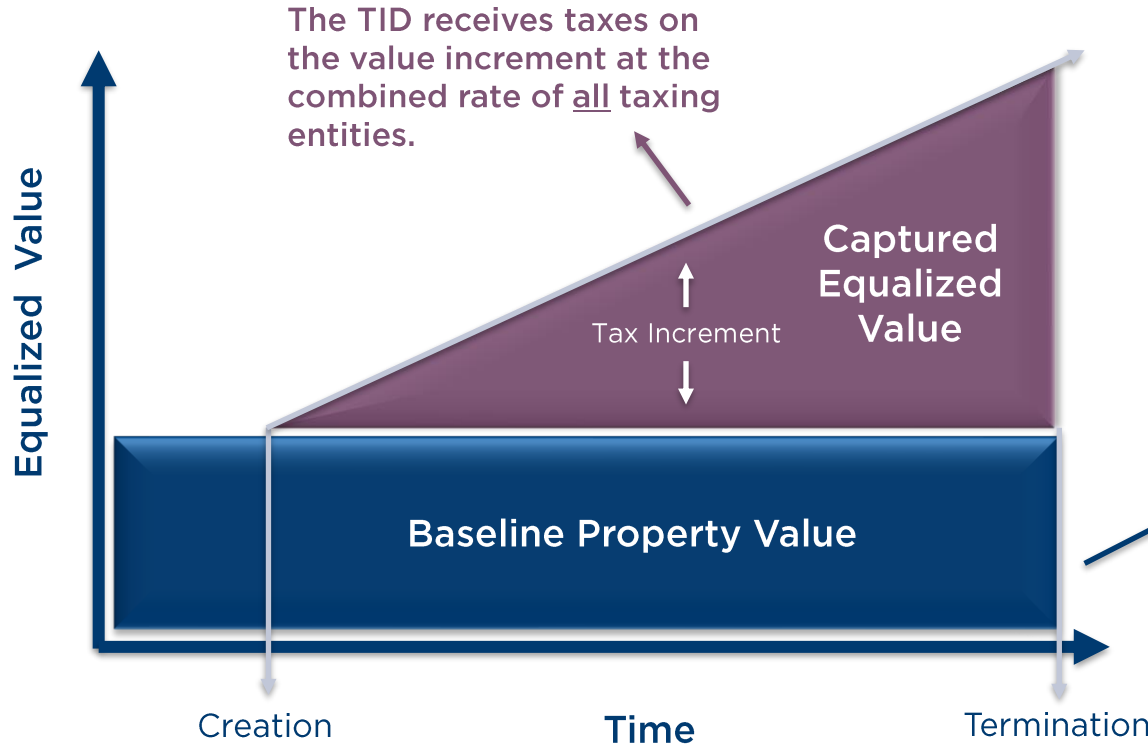
What is Tax Increment Financing?

- Key acronyms:
 - ✓ TIF = Tax Increment Financing (*the tool*)
 - ✓ TID = Tax Increment District (*where the tool is used - boundary*)
- Powerful economic development tool
- Allows municipalities to capture **incremental property tax revenue** from tax base ***growth*** in defined area & use it to **benefit** that area

Building Blocks: TIF Cash Flows



Building Blocks: TID & Tax Levies



Jurisdiction	Mill Rate
Local	\$6.50
County	\$4.00
School	\$7.50
VTAE	\$2.00
TOTAL	\$20.00

All taxing jurisdictions overlying TID boundary continue to receive their share of the tax levy on the base value of the TID.

How is the TID Tax Rate Determined?

- All TID increment is based on an **equalized tax rate**
- School tax credit **does not** apply to tax increment collected
- TID tax rate comes from the PC-202 form also called the Tax Incremental Calculation Worksheet
<https://www.revenue.wi.gov/Pages/Report/tax-increment-worksheet.aspx>
- Year on worksheet represents year the tax bill is sent out
 - ✓ 2024 worksheet applies to 2024 tax bill for revenue collected for 2025 budget

Form
PC-202

2024 Tax Increment Worksheet

WI Dept
of Revenue

Report Type ORIGINAL	Co-muni Code 64291	County WALWORTH Muni Type CITY Municipality WHITEWATER	Account No. 1759	Total Equalized TID Value Increment 16,924,700	This worksheet is for all TIDs in this municipality
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Taxing Jurisdiction	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
	Apportioned Levy /	Equalized Value (less TID Value Increment) =	Interim Rate X	Equalized Value (with TID Value Increment) =	Total Levy Amount (use on Mill Rate Worksheet)	Col. E - A = Tax Increment
1. County						
WALWORTH	\$2,062,164.50 /	896,192,600.00 =	0.002301028 X	913,117,300.00 =	\$2,101,108.47	\$38,943.97
2. Special Districts (metro, sanitary, lake)						
3. Tax District (town, village, city)						
WHITEWATER	\$5,681,055.34 /	896,192,600.00 =	0.006339101 X	913,117,300.00 =	\$5,788,342.79	\$107,287.45
4. School Districts						
SCH D OF WHITEWATER	\$6,477,014.04 /	896,192,600.00 =	0.007227257 X	913,117,300.00 =	\$6,599,333.40	\$122,319.36
5. Technical College Districts						
GATEWAY TECHNICAL COLLEGE KENO	\$502,799.27 /	896,192,600.00 =	0.000561039 X	913,117,300.00 =	\$512,294.42	\$9,495.15
6. Tax Increment Total						
	\$14,723,033.15				\$15,001,079.08	\$278,045.93

Form
PC-202

2024 Tax Increment Worksheet

WI Dept
of Revenue

Report Type ORIGINAL	Co-muni Code 28292	County JEFFERSON	Muni Type CITY	Municipality WHITEWATER	Account No. 0785	Total Equalized TID Value Increment 5,632,200	This worksheet is for all TIDs in this municipality
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Taxing Jurisdiction	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
	Apportioned Levy /	Equalized Value (less TID Value Increment) =	Interim Rate X	Equalized Value (with TID Value Increment) =	Total Levy Amount (use on Mill Rate Worksheet)	Col. E - A = Tax Increment
1. County						
JEFFERSON	\$356,651.54 /	122,927,000.00 =	0.002901328 X	128,559,200.00 =	\$372,992.41	\$16,340.87
2. Special Districts (metro, sanitary, lake)						
3. Tax District (town, village, city)						
WHITEWATER	\$779,246.66 /	122,927,000.00 =	0.006339101 X	128,559,200.00 =	\$814,949.75	\$35,703.09
4. School Districts						
SCH D OF WHITEWATER	\$888,424.99 /	122,927,000.00 =	0.007227257 X	128,559,200.00 =	\$929,130.38	\$40,705.39
5. Technical College Districts						
MADISON AREA TECHNICAL COLLEGE MADN	\$77,920.59 /	122,927,000.00 =	0.000633877 X	128,559,200.00 =	\$81,490.72	\$3,570.13
6. Tax Increment Total						
	\$2,102,243.78				\$2,198,563.26	\$96,319.48

Tax Rates

- All taxpayers pay the same rate regardless whether the property is in or out of a TID
- It's where the tax revenue goes & what it can be used for...



Supports GF Expenditures
Municipal Levy Only



TIF-Eligible Expenditures
All Jurisdiction's Levies

Detail behind tax rates (City example)

- Municipality & all other taxing jurisdictions levy generally applicable property tax
- Total levy amount divided by total TID out assessed value generates a real property tax rate expressed in \$/\$1,000 of value (mill rate)
- Tax rate is applied to value captured in TIDs & total amount of tax increment is collected by the municipality
- Total tax increment apportioned to individual TIDs pro-rated by respective value increment

Calculating TID Out Tax Rate

<u>Description</u>	<u>Amount</u>
Total Assessed Value	880,882,950
Incremental value Equalized (all TID's)	16,924,700
Assessment ratio	0.964490125
Convert incremental value to assessed	16,323,706
TID OUT Assessed Value	864,559,244
Levy Less TID	5,681,055
Assessed TID OUT Rate	6.57

Calculating TID IN Tax Rate

Total Assessed Value	880,882,950
Total Levy including increment	5,788,343
Assessed TID IN Rate	6.57

Sample City Portion Tax Bill (TID #14 parcel)

Sample Tax Bill with parcel # and assessed value

Property Total Assessed Value	126,700
Municipal Taxes calculated	833
Actual tax bill	833
Difference	(0)

CITY OF WHITEWATER
PO BOX 690
312 W WHITEWATER ST
WHITEWATER, WI 53190



776982/WUP 00356
DLK ENTERPRISES INC
PO BOX 239
WHITEWATER WI 53190

WALWORTH COUNTY - STATE OF WISCONSIN
PROPERTY TAX BILL FOR 2024
REAL ESTATE

DLK ENTERPRISES INC

Parcel Number: **AWUP 00356**
Bill Number: **776982**

Important: Be sure this description covers your property. Note that this description is for tax bill only and may not be a full legal description. See reverse side for important information.

Location of Property/Legal Description

PT NE 1/4 & SE 1/4 SEC 6 T4N R15E DESC AS: COM E 1/4 COR SEC 6, N3D34 1/3"W 990', S84D53"W 330' TO POB, N84D53"W 2350.76', N7D06"W 286.17', S87D59"W 245.09', S49D32"W 227.66', ALG ARC OF CURVE, CHORD N51D23"W 181.31', N48D40"W 938.77', N85D46'E 2017.13', N3D49"W 990', N 98.500 ACRES

Please inform treasurer of address changes.

ASSESSED VALUE LAND	ASSESSED VALUE IMPROVEMENTS	TOTAL ASSESSED VALUE	AVERAGE ASMT RATIO	NET ASSESSED VALUE RATE	NET PROPERTY TAX
126,700	0	126,700	0.964490125	0.01525095 <small>(Does NOT reflect credits)</small>	1932.29
ESTIMATED FAIR MARKET VALUE LAND	ESTIMATED FAIR MARKET VALUE IMPROVEMENTS	TOTAL ESTIMATED FAIR MARKET VALUE	<input type="checkbox"/> A star in this box means imp and prior year taxes	School taxes also reduced by school levy tax credit	
238,000	See Reverse, Use Value Assessment	238,000		225.35	
TAXING JURISDICTION	2023 EST. STATE AIDS ALLOCATED TAX DIST.	2024 EST. STATE AIDS ALLOCATED TAX DIST.	2023 NET TAX	2024 NET TAX	% TAX CHANGE
WALWORTH COUNTY	134,946	141,060	335.79	302.21	-10.0%
City of Whitewater	3,947,735	4,015,710	848.48	832.55	-1.9%
Whitewater Unified School Dist	6,257,235	6,449,393	797.64	723.85	-9.3%
Gateway Technical	532,685	561,444	79.35	73.68	-7.1%
TOTAL	10,872,601	11,167,607	2,061.26	1,932.29	-6.3%
					TOTAL DUE: \$1,932.29

School District Reality...

- TIF detractors often cite reduced revenues for schools as reason to oppose
- Based on school funding formulas, TIF is generally revenue neutral for most districts



More Reality...

**School districts
operate under
revenue limits, with
revenue coming
from a combination
of property taxes &
state aid**

- Whether or not there are TIDs within a school district does not impact total revenue, just the origin
- Where TIDs are present, Districts receive more in aid payments, less in property tax
- When a TID closes, state aid payments decrease & revenue from property taxes increases, leaving same amount of total revenue
- Schools can also benefit from distribution of excess increment upon termination of a TID

TID Creation/Amendment Procedure

- Initial Joint Review Board (JRB) meeting
- Public hearing before Plan Commission or CDA
- Governing body approval (official “Creation Date”)
- Final JRB approval
- State approval (procedural & legal review)



Amendments

Boundary

- May add, subtract property
- Must remain contiguous, can encircle non-district parcel
- Must follow 12% test to add property
- 4 amendment maximum during life of district

Plan

- Used to amend list of proposed projects
- Revenue sharing
- No limit to number allowed

...same procedure as TID Creation

Whitewater TID's

- All Whitewater TID's contain same language about project plan amendments as requested by JRB:

*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 unless Total Project Costs exceed the estimates plus an annual 2% increase plus a 25% contingency.** 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.*

What does this language mean?

1. This language allows the City flexibility within project line items and estimated costs. A reallocation between line items itself does not require a project plan amendment. It gives the City flexibility to react to different priorities over the life of the district (20 or 27 years).
2. The JRB requested specific language in the project plans that described when a project plan amendment was necessary. The **total project costs** cannot exceed the estimate plus an annual 2% increase plus a 25% contingency.

Total Project Costs for TID #11

Tax Increment District No. 11					
Estimated Project List					
Project ID	Project Name/Type	Project year	1/2 mile or utilities outside boundary	TID Amount	Non TID Amount
1	Water Main Looping	2022	No	90,000	
2	Water Tower	2022	Utilities extension	215,250	1,730,000
3	Bluff Road improvements -Elkhorn to Main	2026	No	105,000	
4	Property Acquisition	2029	No	250,000	
5	Sanitary Sewer and Watermain Extension	2030	No	900,000	
6	Multi Use Trail Expansion	2033	No	650,000	
7	Sewer/Water/Street Infrastructure	2035	No	1,500,000	
8	Bluff Road improvements -Main to Howard	2035	1/2 Mile	230,000	
9	Sewer/Water/Street Infrastructure	2037	No	1,500,000	
10	E. Main S, Improvements -Bluff around the bend	2037	No	45,000	
11	Developer incentives	TBD as needed	No	1,883,325	
12	CDA Contribution	Throughout District	No	730,000	
13	Administrative Costs	Throughout District	No	62,500	
Total Projects				<u>8,161,075</u>	<u>1,730,000</u>

Total Project Costs for TID #14

Tax Increment District No. 14						
Estimated Project List						
Project ID	Project Name/Type	Project year	1/2 mile or utilities outside boundary	TID Amount	Non TID Amount	
1	Water Tower	2022	Utility Extension	648,750	1,730,000	
2	Vanderlip Lift Station	2022	No	1,400,000	1,400,000	
3	Riesch Road Sanitary/Water/Street/Storm	2022	No	270,000		
4	Land Acquisition	2022	No	400,000		
5	Riesch Rd Extension-Street/Sanitary/Water/Storm	2023	No	500,000		
6	Pearson Lane improvements	2024	No	80,000		
7	Meadowview improvements	2026	No	110,000		
8	Water Main Looping Pearson to Main	2029	No	450,000		
9	Black River Ct Looping Water Main	2031	No	175,000		
10	Sewer/Water/Street Infrastructure	2032	No	1,750,000		
11	Indian Mound Pkwy improvements-Main to Meadowview	2033	No	65,000		
12	Sewer/Water/Street Infrastructure	2036	No	480,000		
13	Developer incentives	TBD as Needed	No	2,038,875		
14	CDA Contributions	Throughout District	No	415,000		
15	Administrative Costs	Throughout District	No	52,500		
Total Projects				8,835,125	3,130,000	

JRB Role After TID Creation

1. Meets annually to review performance status of each TID.

2. TIF statutes require copy of City approved developer agreements be provided to JRB.

3. JRB approval of developer agreements not required.



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