Community Development Authority
Board of Directors

Whitewater Municipal Building, Cravath Community Room, 2nd Floor, 312 W Whitewater St, Whitewater, WI 53190 *In Person and Virtual*

Wednesday, February 26, 2025 - 6:00 PM

MINUTES

CALL TO ORDER

The meeting was called to order at 6:00 p.m. by Board Member Greg Majkrzak.

ROLL CALL

PRESENT
Board Member Thayer Coburn
Board Member Jon Kachel
Board Member Joseph Kromholz
Board Member Neil Hicks
Board Member Greg Majkrzak
Board Member Christ Christon

STAFF
Taylor Zeinert EDD

APPROVAL OF AGENDA

Board Member Coburn requested that items 1,4,5,6 be moved off of the Consent Agenda. Board Member Majkrzak requested items 10,12,14 be moved into Open Session.

Motion to approved agenda as amended made by Board Member Coburn, Seconded by Board Member Hicks.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

CONSENT AGENDA
Items on the Consent Agenda will be approved together unless any committee member requests that an item be removed for individual consideration.

Board Member Hicks noted corrections to the December minutes. Board Member Knight was incorrectly listed as abstaining from a vote on items 10 and 11; the abstention needs to be attributed to Jon Kachel instead.

Motion made to approve Consent Agenda items with noted corrections, by Board Member Majkrzak, Seconded by Board Member Kachel.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

HEARING OF CITIZEN COMMENTS
No formal Committee action will be taken during this meeting although issues raised may become a part of a future agenda. Participants are allotted a three minute speaking period. Specific items listed on the agenda may not be discussed at this time; however, citizens are invited to speak to those specific issues at the time the Committee discusses that particular item.

To make a comment during this period, or during any agenda item: On a computer or handheld device, locate the controls on your computer to raise your hand. You may need to move your mouse to see these controls. On a traditional telephone, dial *6 to unmute your phone and dial *9 to raise your hand.

Citizen Jeff Knight: Mr. Knight outlined his concerns regarding TIF funding, which he explains in detail in a letter distributed to board members at the meeting. The letter is attached as part of the minutes.

Citizen Ben Friarmuth, Property Manager for HSI Rentals: Mr. Friarmuth expressed concerns regarding the use of outside developers and the effects this has on increasing taxes.

PRESENTATION

3. Presentation by Slipstream LLC regarding the status of their loan. **(Choton Basu)**

   EDD Zeinert introduced the presenter, Choton Basu, one of the company founders and a UW-Whitewater professor.

   Professor Basu reviewed history of this partnership with CDA, which dates back to 2013 when Strive was started. This project was funded with CDA funds and funds from other investors. It is housed in the Innovation Center. Strive is a mobile application designed to increase enagagment in community events. The business has been struggling since the advent of the COVID pandemic and is not making money. Owners have been meeting with the investors to discuss the company's future. The CDA has received a list of all the company's assets.

   Board member Kachel asked when the last payment on the loan from CDA was made. No payments have been made. A demand letter was issued 2/11/2025.

   The loan will be discussed in Closed Session.

4. Presentation by Safe Pro, LLC requesting funds via the capital catalyst program. **(Paul Eckert and Robert Austin)**

   EDD Zeinert introduced presenters, Paul Eckert and Robert Austin, founders.

   Those in attendance watched a video about the company. Safe Pro technology is designed to save lives during active shooter and dangerous events, using artificial intelligence and sensor technology to deploy an evacuation laser guidance system that guides people away from danger. (add video link?)

Safe Pro Technologies has been a member of the community since 2020 and works out of the Innovation Center. The CDA previously gave Safe Pro a loan for a $100,000, which they have consistently paid on time. Safe Pro is excited to share that they are about to go to market; however they need additional funding of $100,000 to do so.

DISCUSSION:

Citizen Jeff Hale asked what was learned from the partial pilot program at Greenfield High School. It was successful and they are working on putting together funding for full implementation. Safe Pro has also been in contact with two other high schools and a Fortune 500 Company.

Board Member Hicks asked where the devices are manufactured. The components are made outside the United States and assembled here.

The intricacies of the system were explained. Safe Pro has incorported all the components of the system in-house to maintain quality control and control costs. They are looking for funding to be able to do a full-scale implementation project before they go to market. This project is again in the running in the Governor's Business Plan competition.

Presenters thanked the CDA and the Innovation Center for their ongoing support.

CONSIDERATIONS / DISCUSSIONS / REPORTS

5. Jeff Knight Resignation

EDD Zeinert thanked Jeff Knight for his service. He served on the CDA from 2010-2017 and joined the board again in 2023.

Mr. Knight submitted a letter to all board members and stated his concerns regarding getting data in an open records request to the City and the transparency of the TIF processes.

6. Staff report regarding Ownership, restrictions of the Innovation Center. **(EDD Zeinert)**

EDD Zeinert explained that CDA Attorney Manthe did an analysis of who has true ownership of the Innovation Center and any the restrictions on its sale or use.

The grant used to help build the Innovation Center was given to UW-Whitewater. The city is listed as a subgrantor. Therefore, if the center was sold, the city would be responsible of 60% Fair Market Value. Therefore, it is not in the best interest to sell the facility any time soon.

DISCUSSION:

Board Member Kromholz asked if there is a time limit on that restriction. EDD Zeinert said the attorney did not state that, so she will follow up to find out.

Citizen Brad Syransky asked if the building, with current renters in place covers its full costs. EDD Zeinert stated the building currently breaks even.

7. Staff Report regarding use of TIF in other Neighboring Communities. **(EDD Zeinert)**

On 2/11/25, a memorandum from the City Manager was sent to the Common Council and to this body, entitled *Strategic Use of Tax Increment Financing (TIF) to Support Housing Development in Whitewater.* The memo is included in the meeting packet.

DISCUSSION:

Board member Kachel stated that Waterford and Whitewater have significant differences in owner-occupancy rates.

Board member Christon noted that Whitewater is a university town. None of the communities in the surrounding area are university towns, which makes it difficult to make adequate comparisons of rental occupancy rates.

Board member Kachel stated that under the federal government's registration act, undocumented people will be asked to register and then peacefully leave the country. He stated that in Whitewater we have over 1,000 people living here that were not in this country two or three years ago. He believes that this action will significantly increase the number of available rentals. He also cited declining enrollment predicted in 2026 and forward.

Board member Kromholz asked if there is a census of the number of landlords renting to undocumented people. Anecdotal evidence was shared; hard data was not provided.

In order to adhere to open meeting laws, EDD Zeinert directed the discussion back to the agenda item in consideration, *Strategic Use of Tax Increment Financing (TIF) to Support Housing Development in Whitewater.*

Citizen Terry Stitzel, a local heating contractor: His observation is that there are a lot of undocumented people in the units he services.

Citizen Ben Holden, founder of Commen Sense Citizens: He shared retirees' concerns about about TIF money going to subsidized housing plus the upcoming referendums leading to tax increases which will be difficult for them to handle on a fixed income.

Citizen Jeff Knight explained that he reviewed eight developer agreements that were sent out by the City Manager. He stated that all eight are making a much lower TIF contribution than the City of Whitewater is.

Citizen Larry Kachel pointed out the differences in TIF percentages in the Waterford and Elkhorn models compared to current City practices. He explained that the original purpose of TIF is to clean up blight and create jobs.

Board Member Majkrzak stated that currently developers say they will not build here without TIF.

8. Staff Report regarding Mukwonago's TIF-Funded Development Agreement. **(EDD Zeinert)**

On 2/11/25, the City Manager sent a memorandum to the City Council and CDA entitled, *Analysis of Mukwonago's TIF-Funded Development Agreement.* EDD Zeinert noted that the approach currently utilized by the City of Whitewater is a more conservative approach than that described in the memo.

DISCUSSION:

Citizen Jeff Knight: With as many properties that are being proposed based on the projections in the Tracy Cross reports, it could result in an increase in an estimated 642 children, which would likely require an additional elementary school. This is an example of how TIF projects can eventually end up increasing taxes.

Citizen Larry Kachel distributed and commented on a Wisconsin Legislative Council memo dated 11/29/2022, entitled *Effects of a Tax Incremental District on Municipal Levy Limits*. This memo will be attached to the minutes.

Board Member Jon Kachel commented on the memo distributed by Larry Kachel, citing nearby communities' percentage of rental housing as compared to Whitewater's.

Citizen Peter Jordan expressed his opinion about the high social costs of having so many rental properties in Whitewater.

9. Staff Report on Letter of Intent with Bielinski Homes and Hale Farms, LLC. (**EDD Zeinert)**

EDD Zeinert stated that the memo included in the packet will be corrected to reflect that buyer (Bielinski) be required to source "some" of the lumber locally, rather than "all" lumber as the memo currently states.

Bielinski has their own sourcing practices, therefore could not agree to this contingency. Because of that, this project cannot move forward.

DISCUSSION:

Citizen Jeff Hale, of Hale Farms LLC and Home Lumber, commented on using locally sourced materials and labor by projects being done by large general contractors coming in from out of town and its negative impact on community development.

Board member Kachel asked if there was any way for the deal to move forward. Mr. Hale responded no, not unless they agree to use at least some local resources.

Citizen Carol Ellison, resident of Whitewater, asked how the solicitation of bids process works. EDD Zeinert explained the bid process and the TIF negotiation process.

Citizen Jeff Knight commented on the lack of response to his open records request for information on the calculation of vacancy rates in recent studies of housing needs in Whitewater. EDD Zeinert explained that there has been a delay in fulfilling open records request due to staff turnover in the city attorney office.

10. Discussion and possible action regarding loaning funds to Safe Pro, LLC via capital catalyst.

EDD Zeinert recommended moving forward on the loan because of the product's benefits and because they have been consistently paying on their loan. The $100,000 would come from the Capital Catalyst Fund.

Motion made by Board Member Majkrzak, Seconded by Board Member Kromholz.
Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

11. Discussion and possible action regarding Farm Lease.

EDD Zeinert explained that the City owns vacant land around the industrial park. Currently there is a farmer who leases the land. Some of the lots he was previously farming are no longer owned by the City. This is a recommendation to amend the lease to adjust for parcels that have been sold by the City to a third party for development.

Motion made by Board Member Hicks, Seconded by Board Member Majkrzak.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

12. Discussion and possible action LOI with the City of Whitewater and Walworth County Habitat for Humanity.

EDD Zeinert reviewed the status of the property at 216 E. Main Street and the Letter of Intent from Walworth County Habitat for Humanity.

There was a discussion on costs of demolition of the property. EDD Zeinert stated that bids have been received and would be discussed at the next meeting.

Motion to approve signing of the Letter of Intent (LOI) from Walworth County Habitat for Humanity.

Motion made by Board Member Hicks, Seconded by Board Member Kromholz.
Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

EXECUTIVE SESSION

Adjourn to Closed Session, TO RECONVENE, pursuant to Wisconsin Statutes 19.85(1)(e) “Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. Items to be discussed:

Motion to move into closed session passed by unanimous voice vote. Items to be discussed:

Discussion and possible action regarding the Slip Stream Loan.

Discussion and possible action on Pre 3 Offer to Purchase vacant land located at /A444200001.

Discussion and possible action of a development agreement with Arch Development.

Discussion and possible action regarding termination of the contract with Anderson Group.

RECONVENE INTO OPEN SESSION

14. Discussion and possible action related to the Slip Stream Loan.

Discussion and possible action on Slip Stream Loan. No Action Taken.

15. Discussion and possible action on Pre 3 Offer to purchase vacant land located at /A444200001.

    Motion to approve the sale of the property to Premier Real Estate Mangement.

    Motion made by Board Member Majkrzak, Seconded by Board Member Kromholz

    DISCUSSION:

    Citizen Jeff Knight spoke against this project due to location and zoning. Mr. Knight asked about the incentive package and was advised the only item on the agenda currently is the offer to purchase.

    Voting Yea: Board Member Coburn, Board Member Kromholz, Board Member Majkrzak, Board Member Christon
    Voting Nay: Board Member Hicks
    Voting Abstaining: Board Member Kachel

16. Discussion and possible action of a development agreement with Arch Development.

    No action taken.

17. Discussion and possible action with regards to terminating the contract for Anderson Group.

    Staff is directed to terminate for cause the contract with Anderson Commercial Group.

    Motion made by Board Member Majkrzak, Seconded by Board Member Hicks

    DISCUSSION:

    EDD Zeinert was asked the reasons for termination. She outlined compaints received about slow or lack of follow up when people inquire about properties, and when asked by staff to make contacts regarding certain properties they do not go directly to the owners. Because of that and poor performance, staff recommended the CDA review the contract. Anderson Group was asked to attend the meeting tonight and did not attend.

    Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

FUTURE AGENDA ITEMS

Discussion of badged card access system at the Innovation Center.

Options for holding liquor licenses when giving out loans.

Update procedures on public comment portion of the meeting, reinforcing that public comment is heard by the board but no discussion follows at that time.

ADJOURNMENT

Motion made by Board Member Hicks, Seconded by Board Member Kachel.
Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Hicks, Board Member Majkrzak, Board Member Christon

Open letter to the Whitewater City Council, CDA and Media

TIF Funding of Apartments and Wealthy Landlords

I want to address a few things that I believe are problems for the City of Whitewater and CDA.

My fear is that the city is already in violation of State Statutes related to the Joint Review Board TID/TIF project plans in at least two of the current TIF's.

In fact, the TIF incentives offered by both the CDA and City with the large Slater apartment complex approved on the east side is a dramatic difference from what was approved by the Joint Review Board. The incentives identified in the TIF 11 project plan are for $1,883,337 and the city is providing $5,100,000 in incentives to the apartment developer. I am quite sure you are close to exceeding the limit in TIF 14 as well. I could not do the final math related to incentives as I could not see a developer's agreement for the new Aldi store.

There were recent communications from city hall to the city council and CDA members trying to justify TIF incentives for apartments. I served on the CDA when the east side 128-unit apartment project came forward, and I asked way back then and continued to ask until I resigned as to why we were giving such a high incentive and what other communities were giving. My thought was, "Are we too aggressive with our offers?" Why the city could not provide this information or develop written guidance leaves me troubled as to how the city is managing TIF and clearly lacks transparency.

What is interesting is that the city finally provided developers' agreements last week to the city council in the hope of justifying apartment subsidies. In all fairness, those documents only demonstrate how far out of order the city is from reality. I have reviewed all the documents sent out by the city and I highlighted some of them below.

The Waterford projects *provide* 50% *of tax increment revenue to a maximum* incentive of $200.000 and $150,000 compared to Whitewater's 90 or 85%. If you crunch the math on what percentage of the developers cost to build ($2,000,000). You get a percentage of 10 % and 7.5% of the total project cost provided as an incentive to build. If you do the same math on the project described in Elkhorn where they used 55% you get a 12.5% incentive. When you do the math on the Slater 128-unit apartment project you get a projected city investment of 20% of the total cost to build. This funding at 85% for ten years reduces to 60% tax increment incentive over the life of the TIF. If you do the math on the Neuman homes project on the northwest side, you get 23% of funding subsidy. The city could have saved over $3,000,000 just on these two projects, if they followed either the Waterford or

Elkhorn examples. The TIF benefits to a developer need to be weighed against the additional cost to the city taxpayers. That did not occur in Whitewater.

The city has not learned as they are offering the same 90 % to Neumann on the Hoffmann property and to the developer of the apartment on the city's Industrial site.

What is more troubling is the way they ignore our huge percentages of rentals (70%) in Whitewater while only 30 percent owner occupied. Compared to Waterford, which has 76.5 percent owner occupied housing and less than 25 percent rentals. You can justify the apartments in Waterford, but not Whitewater. Waterford offered a much lower and reasonable incentive.

My suggestion is that the city should retain an outside audit firm to review the potential violations of the project plans for TIF 11 and 14. Further, ask them to develop guidance documents for CDA and City to assist in providing reasonable incentive percentages that can be offered in the future.

Thank you for your concerns.

Jeffery Knight

920-728-0662

Wisconsin Legislative Council

Anne Sappenfield
Director

TO: SENATOR DUEY STROEBEL

FROM: Scott Grosz, Principal Attorney

RE: Effects of a Tax Incremental District on Municipal Levy Limits

DATE: November 29, 2022

This memorandum, prepared at your request, describes the relationship between the presence and growth of a tax incremental district (TID) in a municipality and the calculation of the limit, as imposed by current statute, on that municipality's ability to increase its annual property tax levy. Following a brief description of the tax incremental financing (TIF) and levy limit statutes, the memorandum provides a series of examples that highlight the effects of a TID on the calculation of a municipality's levy limit and its mill rate. The hypothetical examples, prepared in consultation with the Department of Revenue, simplify the levy limit calculations by removing other factors that, in a typical municipality, might also affect levy limit and mill rate calculations.

As will be described in more detail below, under the levy limit statutes, a municipality's levy in a given year is based on an equation that allows the prior levy to be increased in proportion to any increase in the municipality's equalized value due to "net new construction" (NNC). In this equation, NNC reflects additions to equalized value due to new construction and subtractions for improvements removed across the entire municipality, without regard to whether any change in value may be attributed specifically to property in a TID.[1]

Subsequently, the new levy, which is based on the change in *municipal-wide* equalized value due to NNC, becomes the numerator in the municipality's new, initial mill rate calculation. However, for the denominator, initial calculation of the municipality's mill rate following a levy limit increase uses the equalized value *excluding* TID property. As the examples illustrate, the effect of this is as follows:

- When a TID does not exist, an increased levy limit will not increase the mill rate from one year to the next, because the numerator and denominator of the mill rate increase proportionally. [*See* Example 2.]
- When a TID exists, but all NNC occurs outside the TID, the mill rate will decrease from the prior year, because the percent change in the mill rate's numerator is smaller than the percent change in its denominator. [*See* Example 5.]
- When a TID exists, and all NNC occurs within the TID, the mill rate will increase from the prior year, because the mill rate's numerator increases while the denominator stays the same. [*See* Example 6.]

[1] In practice, NNC is an often-used abbreviation for the statutory phrase, "new construction less improvements removed between the previous year and the current," in the definition of "valuation factor," described below.

- When a TID exists, and NNC is split between the TID and other property, the mill rate is likely to increase, though results depend on the distribution of NNC and the base and increment values of the TID relative to total equalized value. [*See* Examples 4 and 7.]

TAX INCREMENTAL FINANCING

TIF is a tool that municipalities often use to spur economic development. The TIF process allows a political subdivision to pay for public improvements within a designated portion of the municipality, called a TID, using the future taxes collected on the TID's increased property value to repay the cost of the improvements. The rationale behind TIF is that the municipality's public improvements will encourage development, accompanied by an increase in property value that would not have otherwise occurred.

Following TID creation, DOR determines the equalized value of the taxable property within the district. This is referred to as the TID's base value. The equalized value of certain municipally owned tax-exempt property must also be included in the base value. Inclusion of this property prevents a municipality from purchasing property prior to creating a TID in order to lower the TID's base value and create more tax increments than would have been created if the property had been taxable at the time the TID was created. [s. 66.1105 (2) (j) and (5), Stats.]

If the property value increases beyond the base value, this increase is called a value increment. DOR determines the value increment each year by subtracting the base value from the current sum of all of the taxable property value in the TID. Tax collected on the value increment is called the tax increment. The tax increment equals the value increment multiplied by the property tax levy of all jurisdictions levying taxes in the municipality. The municipality, as well as the county, school district, and technical college district, or any other tax district, do not receive the amount of revenues from their tax levy on the value increment. Instead, this money is collected and allocated to a special tax increment fund. This fund is used by the municipality to pay for the TID's project costs, including public works and other improvements in the TID, as a way to stimulate increases in property value. [s. 66.1105 (2) (i) and (m) and (5), Stats.]

TID project costs are expenditures that may be made or estimated to be made, or monetary obligations that may be incurred or estimated to be incurred by the municipality and which are listed in the project plan. Examples of expenditures that may be included as project costs include capital costs; financing costs; cash grants to developers, if pursuant to a developer agreement; relocation costs; and real property assembly costs. General operating expenses, unrelated to planning or development of a TID, do not qualify as project costs. Similarly, project costs may not, generally, include the costs of construction or expansion of municipal or other public buildings. [s. 66.1105 (2) (f), Stats.]

LEVY LIMITS

Section 66.0602 (2) (a), Stats., describes the general municipal levy limit under Wisconsin law, as well as its connection to TIF law as follows:

> Except as provided in subs. (3), (4), and (5), no political subdivision may increase its levy in any year by a percentage that exceeds the political subdivision's valuation factor. Except as provided in par. (b), the base amount in any year, to which the limit under this section applies, shall be the actual levy for the immediately preceding year. ***In determining its levy in any year, a city, village, or town shall subtract any tax increment that is calculated under s. 59.57 (3) (a), 60.85 (1) (L), or 66.1105 (2) (i).*** The base amount in any year, to which the limit under this section applies, may not include any amount to which sub. (3) (e) 8. applies. [Emphasis added.]

Two related statutes also play key roles in understanding the relationship between the presence of a TID in a municipality and the calculation of its levy limit. The first is, s. 66.0602 (1) (d), Stats., which defines the term "valuation factor" to mean: "... a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent." The second statute, s. 66.1105 (2) (i), Stats., defines "tax increment" for the purposes of the emphasized text above, as "that amount obtained by multiplying the total county, city, school and other local general property taxes levied on all taxable property within a tax incremental district in a year by a fraction having as a numerator the value increment for that year in the district and as a denominator that year's equalized value of all taxable property in the district."

In practical terms, the subtraction of the tax increment as referenced above is demonstrated via calculations made across several forms provided by DOR.[2] The calculations remove the tax increment from the municipality's total taxes, which is a combination of taxes attributed to the general levy (generated by imposing the final mill rate against the equalized value of all property except the TID increment) and taxes attributed to the TID increment itself. This subtraction ensures that levy limit is applied to the "prior levy" excluding the TID increment. For purposes of the examples below, the portion of the levy excluding the TID increment is referred to as the "apportioned municipal levy" while the "total municipal levy" ("total taxes") equals the sum of the apportioned municipal levy and the municipal share of the TID increment.

EXAMPLES

The following examples highlight a TID's effect on a municipality's levy limit, through the TID's effect on that municipality's calculation of NNC. Examples 1 to 6 highlight the effects of different distributions of NNC from a single year to the next. Example 7 highlights the effects of a single distribution of NNC (the same distribution used in Example 4), when sustained over a five-year period.

Example 1: No TID Without NNC

2021	
Equalized value	$10,000,000
Apportioned municipal levy	$100,000 (starting point of levy limit calculation)
Total municipal levy	$100,000
Final municipal tax rate (total municipal levy/current equalized value)	1.0% = $100,000/$10,000,000
2022	
NNC	$0
Equalized value	$10,000,000
Valuation factor (current year NNC divided by prior year equalized value)	0% = $0/$10,000,000

[2] These forms include the Municipal Levy Limit Worksheet, the Tax Increment Worksheet, the Mill Rate Worksheet, and the Statement of Taxes. Certain fields on the forms are entered by DOR on behalf of a municipality, while others are entered by the municipality, which then returns the forms to the department.

Example 1: (2022 Continued)	
Allowable levy limit increase due to valuation factor (valuation factor multiplied by prior year apportioned levy)	$0 = $100,000 * 0%
Apportioned municipal levy (prior year levy plus levy limit increase due to valuation factor)	$100,000 = $100,000 + $0
Total municipal levy	$100,000
Final municipal tax rate	1.0%

Example 2: No TID With NNC

2021	
Equalized value	$10,000,000
Apportioned municipal levy	$100,000
Total municipal levy	$100,000
Final municipal tax rate	1.0% = $100,000/$10,000,000
2022	
NNC	$500,000
Equalized value	$10,500,000
Valuation factor (current year NNC divided by prior year equalized value)	5% = $500,000/$10,000,000
Allowable levy limit increase due to valuation factor (valuation factor multiplied by apportioned levy)	$5,000 = $100,000 * 5%
Apportioned municipal levy (prior year levy plus levy limit increase due to valuation factor)	$105,000 = $100,000 + $5,000
Total municipal levy	$105,000
Final municipal tax rate	1.0% = $105,000/$10,500,000

Example 3: Year of New TID Creation

Same as "No TID" examples, because for year of TID creation, there is no increment to subtract when "determining its levy" relative to total taxes

Example 4: Growing TID (TID Exists, 50% of NNC in TID)

2021	
Equalized value	$10,000,000
Apportioned municipal levy	$100,000
TID details	• Base: $100,000 • Total value: $250,000 • Increment value: $150,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	1.0152284% = $100,000/$9,850,000
Total municipal levy amount (interim rate * total equalized value)	$101,522.84
TID increment (municipal portion only) (total levy amount – apportioned levy)	$1,522.84
Final municipal rate (total municipal levy/total equalized value)	1.0152284%
2022	
NNC	$500,000 ($250,000 of $500,000 in TID)
Equalized value	$10,500,000
TID details	• Base: $100,000 • Total value: $500,000 • Increment value: $400,000
Valuation factor	5% = $500,000/$10,000,000
Levy limit increase due to valuation factor	$5,000 = $100,000 * 5%
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	$105,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	1.039604% = $105,000/$10,100,000
Total municipal levy amount (interim rate * total equalized value)	$109,158.42
TID increment (municipal portion only) (total levy amount – apportioned levy)	$4,158.42
Final municipal tax rate (total municipal levy/total equalized value)	1.039604%

Example 5: Stable TID (TID Exists, no NNC in TID)

2021	
Equalized value	$10,000,000
Apportioned municipal levy	$100,000
TID details	• Base: $100,000 • Total value: $500,000 • Increment value: $400,000
Interim municipal tax rate (apportioned municipal levy/ equalized value excluding TID value increment)	1.0416667% = $100,000/$9,600,000
Total municipal levy amount (interim rate * total equalized value)	$104,166.67
TID tax increment (municipal portion only) (total levy amount – apportioned levy)	$4,166.67
Final municipal rate (total municipal levy/total equalized value)	1.0416667%
2022	
NNC	$500,000 ($0 in TID)
Equalized value	$10,500,000
TID details	• Base: $100,000 • Total value: $500,000 • Increment value: $400,000
Valuation factor	5% = $500,000/$10,000,000
Levy limit increase	$5,000 = $100,000 * 5%
Apportioned municipal levy (prior year apportioned levy + levy limit increase)	$105,000
Interim municipal tax rate (apportioned municipal levy/ equalized value excluding TID value increment)	1.039604% = $105,000/$10,100,000
Total municipal levy amount (interim rate * total equalized value)	$109,158.42
TID tax increment (municipal portion only) (total levy amount – apportioned levy)	$4,158.42
Final municipal tax rate (total municipal levy/total equalized value)	1.039604%

Example 6: "Hero" TID (TID Exists, all NNC in TID)

2021	
Equalized value	$10,000,000
Apportioned municipal levy	$100,000
TID details	• Base: $100,000 • Total value: $250,000 • Increment value: $150,000
Interim municipal tax rate (apportioned municipal levy/ equalized value excluding TID value increment)	1.015228% = $100,000/$9,850,000
Total municipal levy amount (interim rate * total equalized value)	$101,522.84
TID tax increment (municipal portion only) (total levy amount – apportioned levy)	$1,522.84
Final municipal rate (total municipal levy/total equalized value)	1.0152284%
2022	
NNC	$500,000 ($500,000 of $500,000 in TID)
Equalized value	$10,500,000
TID details	• Base: $100,000 • Total value: $750,000 • Increment value: $650,000
Valuation factor	5% = $500,000/$10,000,000
Levy limit increase	$5,000 = $100,000 * 5%
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	$105,000
Interim municipal tax rate (apportioned municipal levy/ equalized value excluding TID value increment)	1.06598985% = $105,000/$9,850,000
Total municipal levy amount (interim rate * total equalized value)	$111,928.93
TID tax increment (municipal portion only) (total levy amount – apportioned levy)	$111,928.93
Final municipal tax rate (total municipal levy/total equalized value)	1.06598985%

Example 7: Sustained Growth (Example 4, Repeated 5 years)

2021	
Equalized value	$10,000,000
Apportioned municipal levy	$100,000
TID details	• Base: $100,000 • Total value: $250,000 • Increment value: $150,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	1.0152284% = $100,000/$9,850,000
Total municipal levy amount (interim rate * total equalized value)	$101,522.84
TID increment (municipal portion only) (total levy amount – apportioned levy)	$1,522.84
Final municipal rate (total municipal levy/total equalized value)	1.0152284%
2022	
NNC	$500,000 ($250,000 of $500,000 in TID)
Equalized value	$10,500,000
TID details	• Base: $100,000 • Total value: $500,000 • Increment value: $400,000
Valuation factor	5% = $500,000/$10,000,000
Levy limit increase due to valuation factor	$5,000 = $100,000 * 5%
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	$105,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	1.039604% = $105,000/$10,100,000
Total municipal levy amount (interim rate * total equalized value)	$109,158.42
TID increment (municipal portion only) (total levy amount – apportioned levy)	$4,158.42
Final municipal tax rate (total municipal levy/total equalized value)	1.039604%

2023	
NNC	$500,000 ($250,000 of $500,000 in TID)
Equalized value	$11,000,000
TID details	• Base: $100,000 • Total value: $750,000 • Increment value: $650,000
Valuation factor	4.761905% = $500,000/$10,500,000
Levy limit increase due to valuation factor	$5,000 = $105,000 * 4.761905%
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	$110,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	1.062802% = $110,000/$10,350,000
Total municipal levy amount (interim rate * total equalized value)	$116,908.21
TID increment (municipal portion only) (total levy amount – apportioned levy)	$6,908.21
Final municipal tax rate (total municipal levy/total equalized value)	1.062802%
2024	
NNC	$500,000 ($250,000 of $500,000 in TID)
Equalized value	$11,500,000
TID details	• Base: $100,000 • Total value: $1,000,000 • Increment value: $900,000
Valuation factor	4.545455% = $500,000/$11,000,000
Levy limit increase due to valuation factor	$5,000 = $110,000 * 4.545455%
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	$115,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	1.084906% = $115,000/$10,600,000
Total municipal levy amount (interim rate * total equalized value)	$124,764,15
TID increment (municipal portion only) (total levy amount – apportioned levy)	$9,764.15
Final municipal tax rate (total municipal levy/total equalized value)	1.084906%

2025	
NNC	$500,000 ($250,000 of $500,000 in TID)
Equalized value	$12,000,000
TID details	• Base: $100,000 • Total value: $1,250,000 • Increment value: $1,150,000
Valuation factor	4.347826% = $500,000/$11,500,000
Levy limit increase due to valuation factor	$5,000 = $115,000 * 4.347826%
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	$120,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	1.105991% = $120,000/$10,850,000
Total municipal levy amount (interim rate * total equalized value)	$132,718.89
TID increment (municipal portion only) (total levy amount – apportioned levy)	$12,718.89
Final municipal tax rate (total municipal levy/total equalized value)	1.105991%
2026	
NNC	$500,000 ($250,000 of $500,000 in TID)
Equalized value	$12,500,000
TID details	• Base: $100,000 • Total value: $1,500,000 • Increment value: $1,400,000
Valuation factor	4.166667% = $500,000/$12,000,000
Levy limit increase due to valuation factor	$5,000 = $120,000 * 4.166667%
Apportioned municipal levy limit (prior year apportioned levy + levy limit increase)	$125,000
Interim municipal tax rate (apportioned municipal levy/equalized value excluding TID value increment)	1.126126% = $125,000/$11,100,000
Total municipal levy amount (interim rate * total equalized value)	$140,765.77
TID increment (municipal portion only) (total levy amount – apportioned levy)	$15,765.77
Final municipal tax rate (total municipal levy/total equalized value)	1.126126%

Please let me know if I can provide any further assistance.
SG:jal