Community Development Authority Board of Directors

Whitewater Municipal Building Community Room,
312 West Whitewater St., Whitewater, WI 53190
*In Person and Virtual

Thursday, July 17, 2025 - 5:30 PM

MINUTES

CALL TO ORDER

The meeting was called to order at 5:32 p.m. by Board Member Kromholz (Chair).

ROLL CALL

PRESENT

Board Member Thayer Coburn
Board Member Joseph Kromholz
Board Member Kelsey Price
Council Representative Orin O.Smith
Board Member Christ Christon
Council Representative Brian Schanen

Board Member Kachel joined via phone for Closed Session and remainder of meeting.

APPROVAL OF AGENDA
A committee member can choose to remove an item from the agenda or rearrange its order; however, introducing new items to the agenda is not allowed. Any proposed changes require a motion, a second, and approval from the Committee to be implemented. The agenda shall be approved at each meeting even if no changes are being made at that meeting.

Motion to approve the agenda, made by Council Representative O.Smith, Seconded by Board Member Coburn. Motion carried by voice vote.

CONFLICT OF INTEREST

Would any board member wish to declare any known Conflict of Interest with the items presented on today's CDA Board Agenda?

None noted.

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

Motion to approve the Consent Agenda as presented, made by Council Representative O.Smith, Seconded by Council Representative Schanen. Motion carried by voice vote.

1. Approval of June 2025 Minutes
2. Update on May Attorney Fees

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.

None.

CONSIDERATIONS / DISCUSSIONS / REPORTS

3. Housing Strategy Update (EDD McFarland)

   EDD McFarland explained that the Housing Strategy Update memo included in the packet went to Common Council in June, at which time she was directed to bring the memo to this body as well. At the August 19, 2025, Common Council meeting, she will provide a written response to Council's questions as well as to questions raised about the memo at this meeting.

   Bob Friermuth, W9597 Breidsan Drive, owner and operator of HSI Rentals, talked about the rental market in Whitewater and the vacancy rate, and use of TIF funding, and jobs available in Whitewater.

   Andrea Svec, W7679 Sherida Road, talked about the number of medium and high-density apartments in the community, the rates at which TIF funds are being approved for developers,and the consequences for tax payers.

   Joyce Hutchison, 414 S. Douglas Court, talked about high rents that are not affordable, subsidies to developers, and concerns about increasing taxes on homeowners especially those on limited incomes.

   James Hartwick, 164 N. Franklin St., asked why we are considering more apartments especially in light of the enrollment decrease at the university and already have vacant apartments in the community, who would live in the apartments (if not students) and could they afford the rents, use of TIF funding, and the costs for additional schools and city services.

   Brad Ceranske, N9503 Woodward, manager of local rental business, talked about his increasing property taxes. He also asked for options for subsidizing improvements for existing rental property improvements for local business rather than to outside developers to build new rentals.

Nancy Boyer, 1270 E Jakes Way #9, talked about the impact of new development on her taxes and on quality of life as new apartments are built in her neighborhood.

Brian Zellmer, 1270 E Jakes Way, #14, expressed concern over the effect building large, mutli-family complex has on infrastructure, and current vacancy rate.

Jeff Knight, 405 Panther Court, former CDA board member, handed out a memo to CDA board members written by the *Wisconsin Legislative Council on the Effects of a Tax Incremental District on Municipal Levy Limits* and memo written by Rachelle Blitch, Director of Financial & Adminstrative Services for the City of Whitewater, on the property tax levy . The documents are attached to the minutes. He talked about the effect of TIF on all residents' taxes.

Terry Stritzel, W5524 Tri County Road, lives outside the city but owns real estate in the city, talked about consistently increasing property taxes and the high rents that will be charged for the new apartments.

Renee Monestero, 217 N Park Street, retired firefighter. She stated that her property taxes went up 100% since 2021. She talked about lack of affordable housing and the need to bring in more industry.

Mareta Hale, W6238 Bluff Road, also owns rental property in Whitewater. She expressed concern about filling the existing apartment units, and asked about ways to subsidize business and industry and wondered how the City promotes available buildings for new businesses to move into.

Frank Ziebarth, 241 Woodland Drive, asked if taxes are being paid on assessed value, talked about nonprofits not paying property taxes, and about how TIF is being used in Whitewater.

Ben Freiermuth, 212 S Second St, talked about the financial sustainability of small businesses due to the tax burden and about how TIF is being used in Whitewater compared to other communities.

4. Presentation Stonehaven Development (EDD McFarland)

EDD McFarland referenced the memo in the packet explaining the intended purpose of the project is to build 1300-1500 square foot single family homes with poured basements, site concrete, appliances, and some landscaping. These elements that are frequently add-ons in new construction, are anticipated to be incorporated into the purchase price. The offer to purchase will be discussed in closed session.

Tim Vanderville, Jr., CEO of Stonehaven, provided an overview and answered questions.

Board Member Coburn asked about the lot between the site for this project and the Bluff Ridge Market Place. EDD McFarland will provide an update to CDA members on this via email as this item was not on the agenda. This item was later requested to be on the next agenda, so an update will be provided via that mechanism

Board Member Kromholz asked Mr. Vanderville for a brief explanation of modular housing, which he provided.

Council Representative Shanen asked about weather-proofing and ability to withstand cold winters and tornadoes. Mr. Vanderville explained that these homes must meet the same Wisconsin Uniform Dwelling code standards as stick-built homes, and in some cases exceed them because they also have to withstand the being transported into place.

Terry Stritzel, W5524 Tri County Road, spoke about owning a modular home and attested to its quality.

Larry Kachel, 457 S. Buckingham Boulevard, asked about sale price, if the city is giving the land to the developer, and if the developer would be asking for TIF and at what rate.

Brad Ceranske, N9503 Woodward, asked if these homes were to be slab on grade or with basements. They are intended to have basements.

CLOSED SESSION

Convene into Closed Session pursuant to Wisconsin Statutes 19.85(1)(e) for the: 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. The CDA will discuss:

John Kachel joined virtually for Closed Session.

Motion to move into Closed Session made by Board Member Price, Seconded by Board Member Coburn. Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Price, Council Representative O.Smith, Board Member Christon, Council Representative Schanen

Items to be discussed:

5. Offer to Purchase /A503200001 and /A503200002
6. Property acquisition/sale related to 210 E Main St; including the discussion of the offer to purchase and potential counter-offer

RECONVENE INTO OPEN SESSION

Motion to reconvene into Open Session made by Board Member Coburn, Seconded by Board Member Price. Motion carried by voice vote.

7. Review and take potential action: Offer to purchase /A503200001 and A/503200002

   Motion to recommend approving the offer to purchase made by Board Member Kromholz, Seconded by Council Representative O.Smith.

   Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Price, Council Representative O.Smith, Board Member Christon, Council Representative Schanen

8. Review and take potential action: Property acquisition related to 210 E Main Street

   Motion not to pursue the purchase of 210 E Main made by Board Member Kromholz, Seconded by Board Member Price.

Voting Yea: Board Member Coburn, Board Member Kachel, Board Member Kromholz, Board Member Price, Council Representative O.Smith, Board Member Christon, Council Representative Schanen

FUTURE AGENDA ITEMS

Update on Royal Hounds Property, tax key /A323600002 on Bluff Rd

ADJOURNMENT

Motion to adjourn made by Board Member Coburn, Seconded by Council Representative O.Smith. Motion carried by voice vote.

A quorum of the Common Council may be present. This notice is given to inform the public that no formal action will be taken at this meeting.

Anyone requiring special arrangements is asked to call the Office of the City Manager / City Clerk (262-473-0102) at least 72 hours prior to the meeting.

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

TIF Approved and Proposed

Project	Total TIF Subsidy	Assessed Value	City Subsidy
Neuman Southwest WW Homes	$ 11,494,628.00	$ 46,435,000.00	24.7%
Neuman Southwest WW Apart.	$ 2,400,000.00	$ 11,565,000.00	20.7%
Main Court M1 zoned	$ 2,400,000.00	$ 11,565,000.00	20.7%
Morraine View Parkway	$ 5,093,127.00	$ 24,600,000.00	20.7%
Meadowview Court	$ 372,000.00	$ 10,450,000.00	3.5%
Neuman Parkcrest 19 WW	$ 1,579,834.00	$ 6,838,290.00	23.1%
Estimated *			
Total	$ 23,339,589.00	$ 111,453,290.00	20.9%
Total subsidy of Apt.	$ 9,893,127.00	Waterford Elkhorn	7.5% and 10% 12.5%
Total Subsidy of Homes	$ 13,446,462.00		

City of WHITEWATER Finance Department

www.whitewater-wi.gov
Telephone: 262-473-0500
Fax: 262-222-5903

Office of Finance
312 W. Whitewater St.
Whitewater, WI 53190

Date: April 4, 2025

To: Common Council

John Weidl, City Manager

From: Rachelle Blitch, Director of Financial and Administrative Services

Re: Response to Public Comments at the April 3rd Common Council Meeting

This memorandum is provided in response to the inquiry regarding whether the City intends to continue utilizing the full allowable property tax levy in future years. The Finance Department does intend to continue recommending the use of the full allowable levy to the City Manager, who is responsible for recommending the annual budget to the Common Council. We believe this approach is fiscally prudent and in the best long-term interest of the community, as it supports critical services and reduces the need for future borrowing. It is important to note, however, that the final decision rests with the Common Council, which holds the authority to approve the budget and determine the final levy amount.

Using the full operational levy capacity each year provides the City with the necessary resources to maintain service levels, meet operational needs, and invest in long-term infrastructure improvements. Given the ongoing cost pressures from inflation, labor markets, and increasing demands for municipal services, maximizing our available levy helps ensure the City can continue delivering high-quality services without abrupt reductions or service interruptions.

More importantly, by fully utilizing the levy, the City can begin to more strategically plan for major capital expenditures by building up reserves in designated capital improvement accounts. Prefunding these accounts allows us to pay for infrastructure projects—such as road repairs, facility upgrades, equipment replacements, or utility improvements—using cash rather than debt. This practice significantly reduces the need to borrow, which in turn decreases the amount of interest the City must pay over time.

Reducing reliance on debt not only saves taxpayer dollars in the long run, but it also improves our overall financial position and credit profile. It enables more flexibility in future budgeting and ensures that the City can respond more effectively to unexpected needs or economic shifts.

In short, continuing to levy the full amount available under state law reflects a forward-looking, prudent approach to municipal finance—one that balances today's needs with tomorrow's responsibilities and helps secure a stronger financial future for the entire community.