

MEMORANDUM

TO: Mason Becker, Community Development Director
FROM: Greg Johnson, Ehlers
DATE: October 9, 2026
SUBJECT: Bower's House Developer Incentive

Background

A development incentive has been requested for \$90,000 to reimburse costs for a fire suppression system for 183-187 W. Main Street. The proposed redevelopment project involves interior and exterior renovation of the historic three-story building. The anticipated use is a ground floor build out for one to two commercial tenant spaces. Proposed uses could include retail or food and beverage establishments. The upper floors will be converted into 10 rental apartment units, with one unit being ADA accessible on the ground floor.

The total project cost is approximately \$2,536,809. The fire suppression system represents 3.55% of total project costs.

TID #12 Incentive

The project is located within TID #12. The TID #12 project plan includes developer incentives as an eligible expenditure. A developer agreement is required to award a developer incentive. A pay-as-you go developer incentive pays the incentive from tax increment generated by the project. If the project achieves an incremental value of \$2.0 million, 70% of the projected increment can reimburse the \$90,000 within 4 years.

The fire suppression system is a specific extraordinary cost associated with the redevelopment project, and represents a small percentage of the overall project costs. The reimbursement would be capped at \$90,000. The pay-as-you-go approach requires the developer to complete the project and generate sufficient incremental value to pay the incentive. Given the PAYGO structure and the fire suppression systems small percentage share of the total project cost, the incentive amount is reasonable.

City of Whitewater, WI

Tax Increment District No. 12

183-187 W. Main

Tax Increment Projection Worksheet - Walworth County

Type of District	Rehabilitation	Base Value	
District Creation Date	August 3, 2021	Appreciation Factor	
Valuation Date	Jan 1, 2021	Base Tax Rate	
Max Life (Years)	27	Rate Adjustment Factor	-0.50%
Expenditure Period/Termination	22 8/3/2043		
Revenue Periods/Final Year	27 2049		
Extension Eligibility/Years	Yes 3	Tax Exempt Discount Rate	N/A
Eligible Recipient District	Yes	Taxable Discount Rate	N/A

	Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate	Tax Increment	70% of increment paid as incentive
7	2027	2,000,000	2028	0	2,000,000	2029	\$17.68	35,361	24,753
8	2028		2029	0	2,000,000	2030	\$17.59	35,184	24,629
9	2029		2030	0	2,000,000	2031	\$17.50	35,008	24,506
10	2030		2031	0	2,000,000	2032	\$17.42	34,833	16,112
11	2031		2032	0	2,000,000	2033	\$17.33	34,659	
12	2032		2033	0	2,000,000	2034	\$17.24	34,486	
13	2033		2034	0	2,000,000	2035	\$17.16	34,313	
14	2034		2035	0	2,000,000	2036	\$17.07	34,142	
15	2035		2036	0	2,000,000	2037	\$16.99	33,971	
16	2036		2037	0	2,000,000	2038	\$16.90	33,801	
17	2037		2038	0	2,000,000	2039	\$16.82	33,632	
18	2038		2039	0	2,000,000	2040	\$16.73	33,464	
19	2039		2040	0	2,000,000	2041	\$16.65	33,297	
20	2040		2041	0	2,000,000	2042	\$16.57	33,130	
21	2041		2042	0	2,000,000	2043	\$16.48	32,965	
22	2042		2043	0	2,000,000	2044	\$16.40	32,800	
23	2043		2044	0	2,000,000	2045	\$16.32	32,636	
24	2044		2045	0	2,000,000	2046	\$16.24	32,473	
25	2045		2046	0	2,000,000	2047	\$16.16	32,310	
26	2046		2047	0	2,000,000	2048	\$16.07	32,149	
27	2047		2048	0	2,000,000	2049	\$15.99	31,988	
Totals		2,000,000		0		Future Value of Increment		706,603	90,000