



# Finance Committee Agenda Item

Meeting Date:	January 26, 2021
Agenda Item:	TID Planning
Staff Contact (name, email, phone):	Steve Hatton, <a href="mailto:shatton@whitewater-wi.gov">shatton@whitewater-wi.gov</a> , 262-473-1380

## BACKGROUND

(Enter the who, what when, where, why)

The Tax Increment Districts (TIDs) in Whitewater are nearing the end of their lives. Anticipated tax increment revenues will allow all outstanding TID debt to be paid off and each of the TIDs to be closed in 2021.

State Statute permits TIDs to be extended by one year and the increment revenue collected during this period to be used for Affordable Housing. A one-year extension of TID 4 would provide approximately \$2.2 million of funds for affordable housing in Whitewater. This is only available at the end of a Tax Increment District's lifespan, or once in a 20-year period.

The Wisconsin Dept. of Revenue provides FAQ that you may find helpful at <https://www.revenue.wi.gov/Pages/FAQS/slf-tif-extensions.aspx#tifext9>.

The CDA Director is leading a public input process to invite community input to the decision to extend TID #4 and considerations for the design of new Tax Increment Districts.

## PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

- 12/10/2020: Finance Committee: Overview of TID Extension implications
- 12/17/2020: Community Development Authority: Update of TID Extension evaluation
- 1/7/2021: Community information meeting, local bankers, realtors, community organizations

## FINANCIAL IMPACT

(If none, state N/A)

Option 1: 2021 Extension of TID 4 and Closure of TIDs 5, 6, 7, 8, 9.

Levy Year	2020	2021	2022
Calendar/Budget Year	2021	2022	2023
Actual / Projected Levy	\$4,079,386	\$4,311,369	\$4,571,443
YOY Chg	\$93,400	\$231,983	\$260,074
YOY Chg - Levy	\$39,487	\$41,783	\$262,125
YOY Chg - Debt	\$53,913	\$190,200	\$(2,051)
Return of TID Balance(s)*	\$28,921	\$174,736	\$0
Housing Extension Increment		~\$2,200,000	

Option 2: 2021 Closure of TID 4, 5, 6, 7, 8, 9.

Levy Year	2020	2021	2022
Calendar/Budget Year	2021	2022	2023
Actual / Projected Levy	\$4,079,386	\$4,538,434	\$4,570,716
YOY Chg	\$93,400	\$459,048	\$32,282
YOY Chg - Levy	\$39,487	\$268,848	\$34,333

---

<i>YOY Chg - Debt</i>	\$53,913	\$190,200	(2,051)
-----------------------	----------	-----------	---------

Return of TID Balance(s)	\$203,657	\$0	\$0
--------------------------	-----------	-----	-----

---

STAFF RECOMMENDATION

---

Staff recommends approval of extension.

Move that the Finance Committee recommend to the Common Council to approve the extension of TID 4 for one year to benefit Affordable Housing in Whitewater.

---

ATTACHMENT(S) INCLUDED

(If none, state N/A)

---

- Draft TID Timeline
-