Insert after first paragraph on page XI-19

The following three examples demonstrate how much a one-year extension of a TID could potentially contribute to a municipality’s affordable housing supply. Note that these are hypothetical examples and that the TIDs are still active and have not sought extensions. As of 2011, no TIDs in the Region have been extended to provide for affordable housing. These examples instead use the 2011 value increment for the TIDs in place of the incremental value of the TID in the extension year. In 2011, there were 202 active TIDs in the Region with an average value increment of about $29 million and a median value increment of about $12 million. The three example TIDs were chosen to demonstrate the potential contributions of high, medium, and low value TIDs toward affordable housing.

The first example is TID 3 in the City of Oconomowoc, also known as the Pabst Farms TID, which had the fourth highest value increment in the Region in 2011. TID 3 was established in 2001 with a base equalized value of $6,076,800. The 2011 equalized value of TID 3 was $211,256,600, resulting in a 2011 value increment of $205,179,800. Of that amount, about $3.7 million in tax revenue was collected by the City. If that amount was collected in an extension year, up to 75 percent, or about $2.8 million, would have to be used to benefit affordable housing in the City with the remainder to be used to improve the City’s housing stock. The second example is TID 30 in the City of Milwaukee, also known as the Westown Village TID. TID 30 was established in 1996 with a base equalized value of $14,066,000 and had a 2011 equalized value of $43,385,000. The resulting 2011 value increment of $29,319,000 is near the average value increment of all TID’s in the Region in 2011, from which about $850,000 in tax revenue was collected. If that amount was collected in an extension year, up to 75 percent, or about $637,500, would have to be used to benefit affordable housing in the City with the remainder to be used to improve the City’s housing stock. The third example is TID 18 in the City of Milwaukee, also known as the New Covenant Housing TID. TID 18 was established in 1992 with a base equalized value of $120,300 and had a 2011 equalized value of $2,425,100. The resulting 2011 value increment of $2,304,800 is among the lowest value increments of all TID’s in the Region in 2011, from which about $65,000 in tax revenue was collected. If that amount was collected in an extension year, up to 75 percent, or about $48,750, would have to be used to benefit affordable housing in the City with the remainder to be used to improve the City’s housing stock.