



JOEL KITCHENS

STATE REPRESENTATIVE • 1ST ASSEMBLY DISTRICT

Testimony for the Assembly Committee on Ways and Means Assembly Bill 914 Wednesday, Feb. 2, 2022

Thank you Chairman Macco and committee members for holding a public hearing and giving me the opportunity to testify on Assembly Bill 914, which would allow the Town of Gibraltar in Door County to create a tax incremental district to pave the way for new workforce housing units.

It is no secret that we are currently facing a severe labor shortage in our state and a lack of affordable housing is frequently a factor. However, I don't know of any area where this problem is more urgent than in the Town of Gibraltar.

The school district of Gibraltar, which includes all of the northern Door townships, has \$7.5 million in property value per student, which is the highest in the state. This is about 37 times higher than the lowest property value district in the state. Meanwhile, the average household income of year-round residents is at about the state average.

While northern Door is well known for its thriving tourism industry, it is also home to a very large number of retirees. Healthcare personnel, teachers and other workers often find it impossible to find affordable housing.

Under current state law, a town may establish a TID if the equalized value of all of its taxable property is at least \$500 million and its population is at least 3,500.

Nevertheless, the Legislature has granted exemptions in the past to the Town of Brookfield in Waukesha County, the Town of Somers in Kenosha County, the Town of Freedom in Outagamie County and the Town of Cable in Bayfield County so they could create TIDs without having to satisfy the value and population requirements.

The reason this law was put into place is to protect taxpayers in smaller communities whose property values are not that high. While the Town of Gibraltar falls short of the population stipulation, its taxable property of nearly \$1 billion is twice the equalized value requirement. If seasonal residents were included, Gibraltar would exceed the population requirement as well.

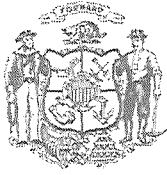
The proposed Gibraltar TID is very well thought out and structured, as you will see, and I am confident that it will succeed. If for some unforeseen reason it did not succeed, however, town residents would not see an unmanageable property tax increase. The benefits far exceed the very small risk involved.

The town is seeking the TID to pay for the installation of sanitary sewer lines and an interceptor that will service more than 100 workforce housing units. That interceptor will also open up additional land for future development such as more workforce housing.

Without the TID, town officials and engineers say they will not have enough funding to complete the project, which is sorely needed to help address the labor shortages we are seeing in our area.

Before I close, I would like to let all of you know that officials from the Town of Gibraltar have traveled here today to go into more detail on the workforce housing project. So, if you have questions specific to that topic, they will be more than happy to answer them.

I appreciate you taking the time to listen to my testimony and I hope you will consider supporting this bill that will greatly benefit our employers and workers. Please let me know if you have any questions.



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*Testimony before the Assembly Committee on Ways and Means
Senator André Jacque
February 2, 2022*

Chair Macco and Committee Members,

Thank you for holding this hearing on Assembly Bill 914, which would allow the Town of Gibraltar in Door County to create a tax incremental district in the same manner as a city or village.

Rep. Kitchens and I introduced AB 914 to grant an exemption to the Town of Gibraltar in Door County that will allow them to create a tax incremental district (TID) to help with constructing much-needed workforce housing in the area.

While a shortage of affordable housing is a concern throughout the state, the high property values in northern Door County make the problem particularly severe.

Under current state law, a town may establish a TID if the equalized value of all of its taxable property is at least \$500 million and its population is at least 3,500. However, the Legislature has granted exemptions to the Town of Brookfield in Waukesha County, the Town of Somers in Kenosha County, the Town of Freedom in Outagamie County and the Town of Cable in Bayfield County to create a TID without having to satisfy the value and population requirements.

While the Town of Gibraltar falls short of the population stipulation, its taxable property of nearly \$1 billion far exceeds the equalized value requirement.

The town is seeking the TID to pay for the installation of sanitary sewer lines and an interceptor that will service 102 workforce housing units. That interceptor will also open up additional land for future development such as more workforce housing.

Without the TID, town officials and engineers say they will not have enough funding to complete the project, which is sorely needed to help address the labor shortages we are seeing in our area.

Thank you for your consideration of Assembly Bill 914.