



VILLAGE OF MOUNT HOREB

E. Main Street

Mount Horeb, WI 53572

Phone: (608) 437-6884 Fax: (608) 437-3190

Email: mhinfo@mounthorebwi.info Web: mounthorebwi.info

COMMUNITY DEVELOPMENT AUTHORITY AGENDA

Wednesday, March 8, 2023 at 6:00 PM

Municipal Building Board Room

138 E. Main Street

Mount Horeb, WI

- 1) Call to order
- 2) Consent Agenda
 - a. Consideration of February 8, 2023 Meeting Minutes
 - b. Economic Development Director's report
 - c. Mount Horeb Area School District report
 - d. Mount Horeb Area Chamber of Commerce report
- 3) Agenda Items
 - a. Economic Development Topic 5: Economic Impact Analysis
 - b. Discussion: Residential Exterior Improvement Program
- 4) Meeting adjournment.

UPON REASONABLE NOTICE, EFFORTS WILL BE MADE TO ACCOMMODATE THE NEEDS OF DISABLED INDIVIDUALS THROUGH APPROPRIATE AIDS AND SERVICES. FOR INFORMATION OR TO REQUEST THIS SERVICE, CONTACT ALYSSA GAFFNEY, CLERK, AT 138 E MAIN STREET, MOUNT HOREB, WI (608) 437-9404.



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COMMUNITY DEVELOPMENT AUTHORITY AGENDA

Wednesday, February 8, 2023 at 6:00 PM

MEETING MINUTES

- 1) Call to order
Mark Schellpfeffer called the meeting to order at 6:00 pm. Present were Todd Fritz, Nate Gauger, Marc Schellpfeffer, Randy Littel, Karent Tetzlaff (virtual) and Jessica Vezakis(late). Also present were Administrator Nic Owen, Kristin Fish Peterson & Office Assistant, Katie Jelle
- 2) Consent Agenda
 - a. Consideration of January 11, 2023 Meeting Minutes
 - b. Economic Development Director's report
 - c. Mount Horeb Area School District report
 - d. Mount Horeb Area Chamber of Commerce report
There were no questions or comments about the information provided. Motion by Fritz to approve the minutes and consent agenda, second by Littel. Motion carried.
- 3) Agenda Items
 - a. Nomination of Chair and Co-Chair
Littel nominated Schellpfeffer as Chairman, second by Gauger. Motion carried. Littel nominated Fritz as Co-Chair, second by Schellpfeffer. Motion carried.
 - b. Economic Development Topic 4: Perspectives on (Re)Development
Fish-Peterson presented Perspectives on Development & Re-Development from both the Developer and the Community view point. She outlined the 8 steps that a developer goes through and touched on areas where the village and the CDA can help the process by being prepared. Fish-Peterson will be putting together a list of properties & sites that are available or suitable for new retail. Schellpfeffer gave his feedback on the presentation and discussed the need for the CDA to decide what their attitude is towards development

and how they can meet the needs of potential clients and developers. Littel mentioned the need to be transparent with current property owners about future(re) development plans.

- c. Discussion on Economic Development Projects and Priorities
Fish-Peterson discussed the need to find new land for expansion in Mt Horeb. She also informed the CDA that she has talked with 3-4 businesses that would like to come to Mt Horeb. Fish-Peterson will develop a map of available locations for new businesses.

Gauger asked about exploring public/affordable housing needs. Fish-Peterson offered to meet with him and discuss it further.

Brian Durtschi discussed his concerns and recommendations for commercial development and potential properties around Mount Horeb.

- 4) Meeting adjournment.
Motion by Tetzlaff to adjourn the meeting at 6:36 pm, second by Gauger. Motion carried.

March 4, 2023

To: Community Development Authority

From: Kristen Fish-Peterson, Economic Development Contracted Staff

Re: Report on work to date

What follows is a list of activities to date:

1. Meetings in person and virtual
 - a. Nic Owen individually (in person, phone and emails)
 - b. Rec Center Study Commission meeting
 - c. Emails, virtual meetings and phone calls with four potential new businesses looking for a location in Mount Horeb
 - d. Chamber of Commerce Board of Directors
 - e. Chamber Public Policy Committee meeting
 - f. Meeting with Skal and WEDC
 - g. Tour of Fab Lab at Mount Horeb High School
 - h. Development team meeting with Steve Brown Apartments
 - i. Emails and phone calls with concerned stakeholders regarding rec center project
 - j. Emails with downtown businesses re: sign ordinance
2. Research
 - a. Researched economic impact and comparable rec centers
 - b. Researched land in Towns surrounding Mount Horeb for possible expansion/business park
3. Presentation prep
 - a. Preparation of training segment and reporting for CDA
4. Began working on organizational structure report for Mount Horeb Economic Development



Board of Education Recap

Resumen de la Junta de Educación

February 20, 2023

Vikings, last night's Board meeting centered upon visioning for the future. This past fall, I commissioned a study with UW Madison's Applied Population Lab to prognosticate Mount Horeb's student enrollment. One of the study's authors, David Eagan-Robertson, presented to the Board, virtually. As the Village of Mount Horeb and the District work closely, Village Board members were invited to attend the presentation.

From [the report's](#) Executive Summary:

- "Like all of Wisconsin, births in the district area have been trending downward since the mid-2000s, although they have been fairly stable for the past four years.
- All four projection models project 4K-12 enrollment to decrease slightly through the next five years. On average, our models predict a loss of 145 students (about - 6%) through 2027/28.
- 5-year-old Kindergarten and grades 1-2 enrollments are projected to remain steady, within the range of class sizes in recent years, through 2027/28.
- Grades 3-5 enrollments are projected to decline through 2027/28, as larger cohorts progress forward and smaller cohorts progress from 5K and grades 1-2. On average, our models predict a loss of 70 students or - 13%.
- Middle school grades' enrollments are projected to remain steady, within the range of class sizes in recent years, through 2027/28.
- The high school currently has several of the largest class sizes in the district. As these cohorts graduate and are replaced by smaller classes, our models project on average a decrease of over 100 students or -14% through 2027/28."

Snow Day Make Up

[As noted on the 22-23 calendar, this Friday, Feb 24, 2023.](#) We will follow a normal schedule.

One more Snow Day? We get to come to school on [Friday, April 7](#). We will follow an early release schedule.

What does this portend for the District's work? Two initial thoughts (likely, more to come):

- Our "brick and mortar" needs at the Early Learning Center remain. I foresee the work of the District's Facilities Steering Committee to evolve. The enrollment projections, coupled with [the results of our recent capital survey](#), give us pause to reconsider what other solutions might be possible.

I welcome your feedback. I am especially interested in hearing from those critical of the District's plan to address capital work.

- Our Strategic Plan, [Vision 2023](#), needs reconsideration. Written in 2016, our staff has diligently been working the plan. In many respects, we've made some considerable breakthroughs. Frankly, there is still work to be accomplished. (Our data reports to the Board of Education may be found [here](#).) Because the state's funding of schools is tied to student enrollment, the entire school community would be well served in revisiting our many needs and further aligning resources to any new priorities. Rest assured, our community and staff will be asked to share their priorities.

Viking Park – Future Tennis Court Reconstruction – In another example of the District and the Village working together, plans are underway to address needed improvements to the tennis courts (this area is joint owned). Bids have been sent and refurbishing is expected to occur this summer. Below is a snapshot of how pickleball courts will be integrated into the current design. The work will also assist with drainage issues. [Here is the entire plan](#).

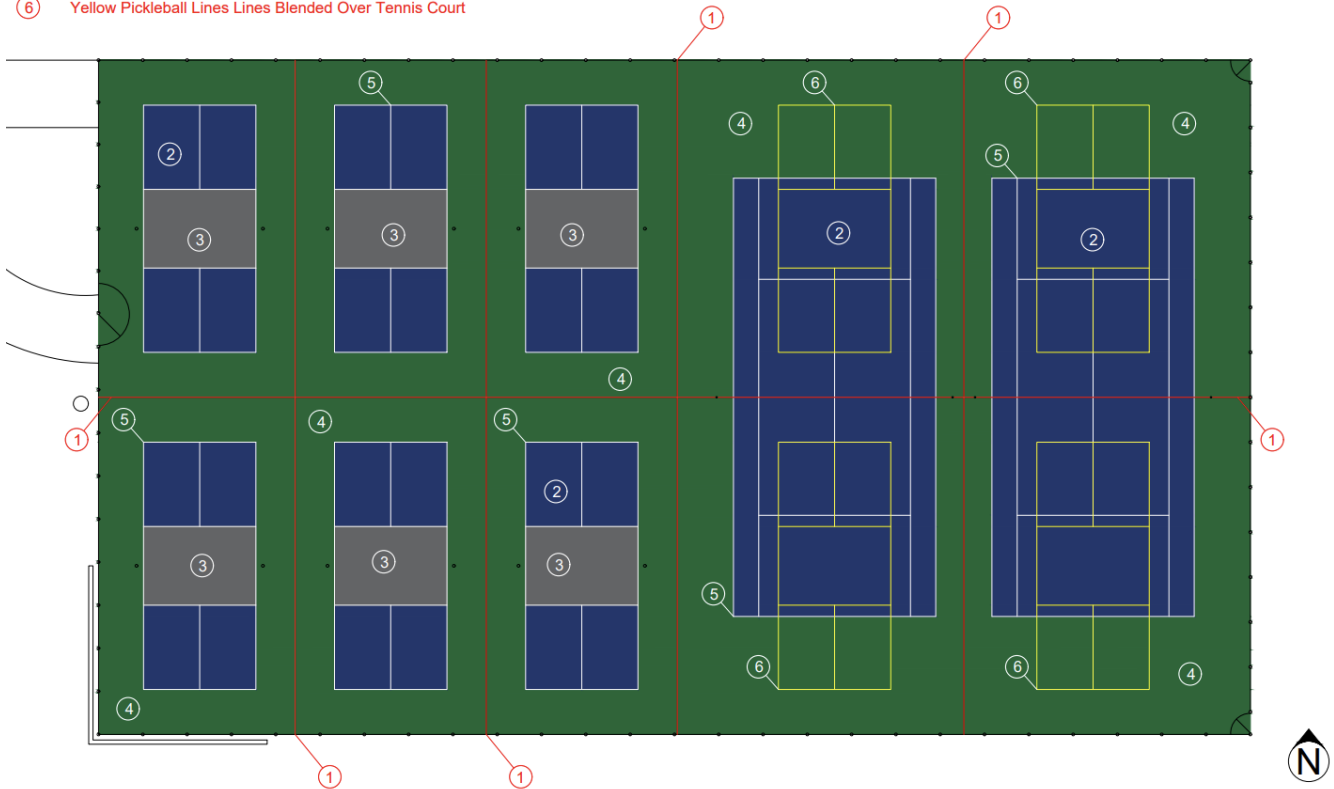


Board of Education Recap

Resumen de la Junta de Educación

If you get a chance, please extend a “tip of the hat” to **Mr. Jeff Gorman**, Village of Mount Horeb’s Public Services Director. He has been remarkable in getting this off the ground!

- ① Saw Cut Control Joint, Armor And Apply First Coat Color Before Installing Fence
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In action items, the Board approved the District’s [2023-2024 school fees](#). As you might expect, there are some increases due to 40-year historic inflation. For example, the cost for athletic participation is going up \$5. This is a result of the Badger Conference’s need to raise referee rates. (Of course, we will continue to work with families to assist where applicable.) In addition, the cost of food has risen significantly. This necessitates a \$0.10 increase per each meal price beginning next year. The entire school fee listing may be found [here](#).

Thank you for staying connected with your schools. It means a great deal to me to have such an engaged community and staff. That translates to a very bright future for those we love, our students. If I can be of service to you or your family, please remember no question is too silly or too small. Please reach out at salernosteve@mhasd.k12.wi.us or 608-437-7010. In the meantime,...

I am proud to be a Viking, and I hope you are too!



Board of Education Recap

Resumen de la Junta de Educación

20 de febrero de 2023

Vikings, la reunión de la Junta de anoche se centró en la visión del futuro. El otoño pasado, encargué un estudio con el Laboratorio de Población Aplicada de UW Madison para pronosticar la inscripción de estudiantes de Mount Horeb. Uno de los autores del estudio, David Eagan-Robertson, presentó ante la Junta, virtualmente. Como la Aldea de Mount Horeb y el Distrito trabajan en estrecha colaboración, se invitó a los miembros de la Junta de la Aldea a asistir a la presentación.

Del resumen ejecutivo [del informe](#):

- “Al igual que en todo Wisconsin, los nacimientos en el área del distrito han tenido una tendencia a la baja desde mediados de la década de 2000, aunque se han mantenido bastante estables durante los últimos cuatro años.
- Los cuatro modelos de proyección proyectan que la inscripción 4K-12 disminuirá levemente durante los próximos cinco años. En promedio, nuestros modelos predicen una pérdida de 145 estudiantes (alrededor del -6 %) hasta 2027/28.
- Se prevé que las inscripciones en el jardín de infantes de 5 años y en los grados 1 y 2 se mantengan estables, dentro del rango de tamaños de clase de los últimos años, hasta 2027/28.
- Se proyecta que las inscripciones de los grados 3-5 disminuyan hasta 2027/28, a medida que las cohortes más grandes avancen y las cohortes más pequeñas progresen de 5K y los grados 1-2. En promedio, nuestros modelos predicen una pérdida de 70 estudiantes o -13%.
- Se prevé que las inscripciones en los grados de la escuela intermedia se mantengan estables, dentro del rango de tamaños de clases de los últimos años, hasta 2027/28.
- La escuela preparatoria tiene actualmente varias de las clases más grandes del distrito. A medida que estas cohortes se gradúan y son reemplazadas por clases más pequeñas, nuestros modelos proyectan una disminución promedio de más de 100 estudiantes o -14 % hasta 2027/28”.

¿Qué presagia esto para el trabajo del Distrito? Dos pensamientos iniciales (probablemente, más por venir):

- Nuestras necesidades de “ladrillo y mortero” en el Centro de Aprendizaje Temprano permanecen. Preveo que el trabajo del Comité Directivo de Instalaciones del Distrito evolucionará. Las proyecciones de inscripción, junto con [los resultados de nuestra reciente encuesta de capital](#), nos dan una pausa para reconsiderar qué otras soluciones podrían ser posibles.

Doy la bienvenida a sus comentarios. Estoy especialmente interesado en escuchar a aquellos que critican el plan del Distrito para abordar el trabajo de capital.

- Nuestro Plan Estratégico, [Visión 2023](#), necesita reconsideración. Escrito en 2016, nuestro personal ha estado trabajando diligentemente en el plan. En muchos aspectos, hemos hecho algunos avances considerables. Francamente, todavía hay trabajo por hacer.

Maquillaje para el día de la nieve

Como se indica en el calendario 22-23, este viernes 24 de febrero de 2023.

Seguiremos un horario normal.

¿Un día de nieve más? Llegaremos a la escuela el viernes 7 de abril. Seguiremos un horario de salida temprano.



Board of Education Recap

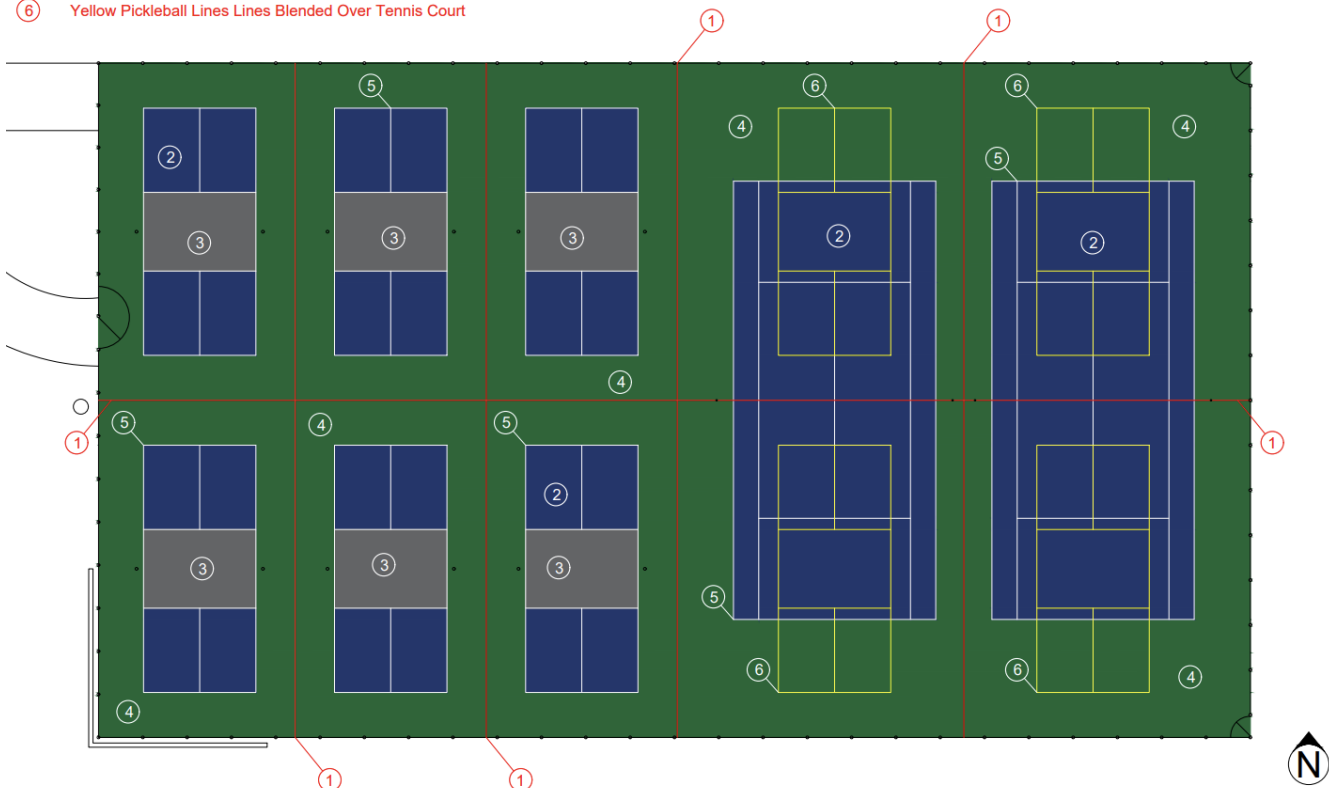
Resumen de la Junta de Educación

(Nuestros informes de datos para la Junta de Educación se pueden encontrar [aquí](#)). Debido a que la financiación de las escuelas por parte del estado está vinculada a la inscripción de estudiantes, toda la comunidad escolar estaría bien servida al revisar nuestras muchas necesidades y alinear aún más los recursos con cualquier nueva prioridad. Tenga la seguridad de que se le pedirá a nuestra comunidad y personal que compartan sus prioridades.

Viking Park – Futura reconstrucción de la cancha de tenis - En otro ejemplo del trabajo conjunto del Distrito y la Aldea, se están realizando planes para abordar las mejoras necesarias en las canchas de tenis (esta área es de propiedad conjunta). Se han enviado ofertas y se espera que la remodelación ocurra este verano. A continuación se muestra una instantánea de cómo se integrarán las canchas de pickleball en el diseño actual. El trabajo también ayudará con los problemas de drenaje. [Aquí está todo el plan.](#)

Si tiene la oportunidad, extienda una "punta del sombrero" al **Sr. Jeff Gorman**, Director de Servicios Públicos de Village of Mount Horeb. ¡Él ha sido notable en lograr que esto despegue!

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En elementos de acción, la Junta aprobó las [cuotas escolares del Distrito para 2023-2024](#). Como era de esperar, hay algunos aumentos debido a la inflación histórica de 40 años. Por ejemplo, el costo de la participación atlética aumentará \$5. Este es el resultado de la necesidad de Badger



Board of Education Recap

Resumen de la Junta de Educación

Conference de aumentar las tasas de árbitros. (Por supuesto, continuaremos trabajando con las familias para ayudar cuando corresponda). Además, el costo de los alimentos ha aumentado significativamente. Esto requiere un aumento de \$0.10 por cada precio de comida a partir del próximo año. La lista completa de tarifas escolares se puede encontrar [aquí](#).

Gracias por mantenerse conectado con sus escuelas. Significa mucho para mí tener una comunidad y un personal tan comprometidos. Eso se traduce en un futuro muy brillante para aquellos a quienes amamos, nuestros estudiantes. Si puedo ser útil para usted o su familia, recuerde que ninguna pregunta es demasiado tonta o demasiado pequeña. Comuníquese con salernosteve@mhasd.k12.wi.us o 608-437-7010. Mientras tanto,...

Estoy orgulloso de ser un vikingo, ¡y espero que tú también lo estés!



MEMBER NEWSLETTER

100 YEARS
1923 - 2023

[Chamber
Board](#)

[Chamber
Trustees](#)

[Event
Media Kits](#)

[Member
Guides](#)

[Refer a New
Member!](#)

Hello and happy rainy Monday!

This is a busy week at the Chamber. We are looking forward to **[Good Morning, Mount Horeb](#)** on Wednesday, featuring session sponsor the **[Mount Horeb Mail/News Publishing Inc.](#)**! Come learn about this great local asset and learn about the many ways they support our business community. We will also hear from **[Shake Rag Alley Center for the Arts](#)** in Mineral Point, and the **[Mount Horeb Public Library](#)**. **[Register now!](#)**



Then on Thursday, we are welcoming 100 of you to Martinson Hall for our **[Annual Awards Dinner](#)**, marking our 100th anniversary! We are so excited to celebrate this impressive milestone with you. We want to thank our **[Wine Pull Sponsor, Botham Vineyards](#)**, and our **[Trustee Sponsors, Famers Savings Bank, JG Development, ATC, Lake Ridge Bank, Village of Mount Horeb, Miller's Supermarket, Tyrol Basin, MHTC, and Upland Hills Health](#)**, for their generous support!

We are also gearing up for our **[Mount Horeb Area Job Fair](#)** coming up on **[April 18](#)** at the Mount Horeb High School. If you are looking to hire, if you are interested in learning about Youth Apprenticeship, or both, please **[reserve your booth](#)**. This job fair will take place at the high school and will focus on connecting with high school juniors and seniors (both those in the Youth Apprenticeship program and outside of it). Then mid-way through the event, the doors will be open for community-wide job seekers to attend. We are partnering with the Wisconsin Department of Workforce Development and some other regional partners to help spread the word about this event, so please help us out by **[sponsoring](#)** and by participating!

You can reserve your business ad for the upcoming **[Spring Village-Wide Garage Sales](#)**. This is a great opportunity to reach locals and visitors alike during this popular annual event.

Finally, today and tomorrow are your last chances to nominate local businesses for the **[Best of Madison](#)**! Please follow **[this link](#)** and support our local businesses.

Thank you so much for your continued partnership and have a great week!

Rachel LaCasse-Ford, Executive Director
rlacasseford@trollway.com

welcome NEW MEMBERS

[Brooks & Co. Photography](#)

[Silk and Steel Clothing Boutique](#)

[WISC-TV Channel 3000](#)

[Center Ground Studio](#)

[Driftless Properties](#)

[Incredible Bank](#)

[Driftless Chocolates](#)

UPCOMING MEETINGS

March 21

[Tourism Events Committee Meeting](#)

March 24

[Chamber Board Meeting](#)

Every Monday

[Online Office Hours](#)

with Rachel!

Jump online and ask questions about your membership or just chat!

COMMUNITY CALENDAR SPOTLIGHT

[Winter Writer Series: Jennifer Morales](#)

March 1, 2023

7:00 PM - 9:00 PM

Submitted by: **Shake Rag Alley Center for the Arts**

[History Tours at Cave of the Mounds](#)

March 5, 2023

4:30 PM - 5:30 PM

Submitted by: **Cave of the Mounds**

[See More Events on the Community Calendar](#)

[How do I submit an event?](#)

THANK YOU
for joining us!

Congratulations to **Good News Lutheran Church**, who celebrated the completion of their new building last week with a Ribbon Cutting Ceremony! Thank you to NCI-Roberts Construction for inviting us to help celebrate, and thank you to our members, ambassadors, and elected officials who joined us! [See News Release](#)



NETWORKING

networking

MARCH 1
WEDNESDAY

Good Morning 
MOUNT HOREB

8:00 AM - 9:00 AM



Good Morning, Mount Horeb
Martinson Hall

Date: March 1 @ 8:00am
First Wednesday of the Month

Session Sponsor:
Mount Horeb Mail + News Publishing Inc.

Also Hear From:
Shake Rag Alley Center for the Arts
Mount Horeb Public Library
Rachel LaCasse-Ford, Chamber Update

Register
Registration is appreciated but not required.

Sign up to speak at an upcoming event.

MARCH 8
WEDNESDAY

MEMBER
MEET UP
grow your network

8:00 AM - 9:00 AM

Member Meet-Up

Chamber Conference Room

Date: March 8 @ 8:00am

Second Wednesday of the Month

Morning Session

Structured networking event, limited to 10 or fewer. Bring business cards and leave with new connections!

Register

Please register in advance.

MEMBER EVENTS

member events



APRIL 18 • 1PM - 6PM • MOUNT HOREB HIGH SCHOOL

This is an opportunity to hire staff ahead of the summer season and beyond. The first part of the event will feature a structured Speed Interview Session (like speed dating) with high school students. Then at 4:00pm, the event will be open up to the community. This is a great opportunity to reach high school students, learn more about Youth Apprenticeship, connect with local job seekers, and network with 50+ other businesspeople.

MOUNT HOREB
COMMUNITY COALITION



SPONSORSHIPS

JOB FAIR SPONSOR

Booth at Event	\$300
Logo on Signage at Event	
Logo on Event Bag	
Place Marketing Materials in Bag	
Mentioned on Social Media	
Logo on Event Website	
Mentioned in News Release	

BAG SPONSOR

Booth at Event	\$200
Logo on Signage at Event	
Logo on Event Bag	
Place Marketing Materials in Bag	
Mentioned on Social Media	

SPEED INTERVIEW SPONSOR

Booth at Event	\$150
Logo on Signage at Event	
Place Marketing Materials at Speed Interview Tables	
Mentioned at Speed Interview Session	
Mentioned on Social Media	

VENDOR BOOTH

6-foot Table	\$50
Speed Interview	
Vendor Welcome Bag	

REGISTER & SPONSOR

Deadline:
March 1



REGISTER & SPONSOR

EXPOSURE
exposure

VILLAGE WIDE GARAGE SALES

April 19-22

Published garage sales in and around the Mount Horeb area. Residents choose the dates and hours of their sales; some sales begin as early as Wednesday.

Reserve a **Business-Card-Size Ad** in **Print & Online Program**.

Learn more at www.trollway.com/village-wide-garage-sales

RESERVE YOUR AD

MAXIMIZE YOUR MEMBERSHIP

tips to help you make the most of your chamber membership

Download Your Membership & Event Sponsorship Guides

Learn about opportunities for members in 2023, including:

- Member Events Sponsorships
- Networking Events
- Educational Events
- Tourism Event Sponsorships

& More!

DOWNLOAD GUIDES



BUSINESS FINANCING OPPORTUNITIES

business financing opportunities



Mount Horeb Revolving Loan Fund

[The Mount Horeb Revolving Loan Fund](#) was created with a grant from the USDA to encourage business start-ups and expansions within the Village limits. The fund initially started with \$191,463 and is loaned out as applications are received.

[Mount Horeb Revolving Loan Fund Manual](#)

Tax Incremental Financing Districts

There are several [Tax Incremental Financing Districts](#) in Mount Horeb. There are special funding opportunities in the different districts.

[A TID Manual](#), [Joint Review Board Manual](#), [Public Policy Brief](#)

Please contact [Nic Owen](#), Village Administrator, for additional information.

Village of Mount Horeb

(608) 437-6884

mounthorebwi.info

BUSINESS EDUCATIONAL OPPORTUNITIES

business educational opportunities

Did you know there are free resources to help small business owners?

[SCORE](#) has the largest network of free volunteer small business mentors in the nation. No matter what stage your business is at, SCORE has a mentor for you. Easily request a mentor to help you start, grow, or transition your business today! [Learn More](#)



[The Wisconsin Small Business Development Center](#) (SBDC) offers consulting, education, referrals, sophisticated tools and resources, whether you're just getting started or looking for ways to improve your

business. [Learn More](#)

[WWBIC](#) provides targeted individuals who are interested in starting, strengthening or expanding businesses with access to critical resources such as responsible financial products and quality business and financial education.



ENTREPRENEURSHIP FINANCIAL IMPACT

- EDUCATION
- LENDING
- COACHING

Small Business Resources

[COVID-19 Loan Program](#)

[WWBIC On-Demand Classes](#)

[Business Financing](#)

[Other Resources](#)

Visit: www.wwbic.com

RESOURCES

learn more!

Chamber

[Chamber Talk Blog](#)

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Village

[Village of Mount Horeb](#)

Regional

[MadREP](#)

[Public Health Madison + Dane
County](#)

[Dane County Buy Local](#)

[Wisconsin Small Business](#)

[Development Center \(SBDC\)](#)

Connect with Us!

Follow us on Social Media.

Join our Members Only Facebook Group.





Chamber Trustees are leaders in the Mount Horeb business community. As premier sponsors for all Chamber events and functions, they are an integral part of the Mount Horeb community and take pride in being community leaders.

[I'm Interested in becoming a Chamber Trustee](#)

MHACC | 300 E Main St, Mount Horeb, WI 53572 www.mounthorebchamber.com

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AGENDA ITEM REPORT

MEETING DATE

March 8, 2023

PREPARED BY

AGENDA ITEM # 3.a

Economic Development Topic 5: Economic Impact Analysis

BACKGROUND

The next topic in our educational series will cover economic impact analysis. Kristen will be reviewing the financial analysis put together for the Recreation Complex.

RECOMMENDATION

ATTACHMENTS

1. Topic 5 Economic Impact Analysis
2. Economic Impact Analysis Rec Center on NCC

Training Module 5

Economic Impact Analysis



HERITAGE
COMMUNITY
OPPORTUNITY



REDEVELOPMENT
RESOURCES



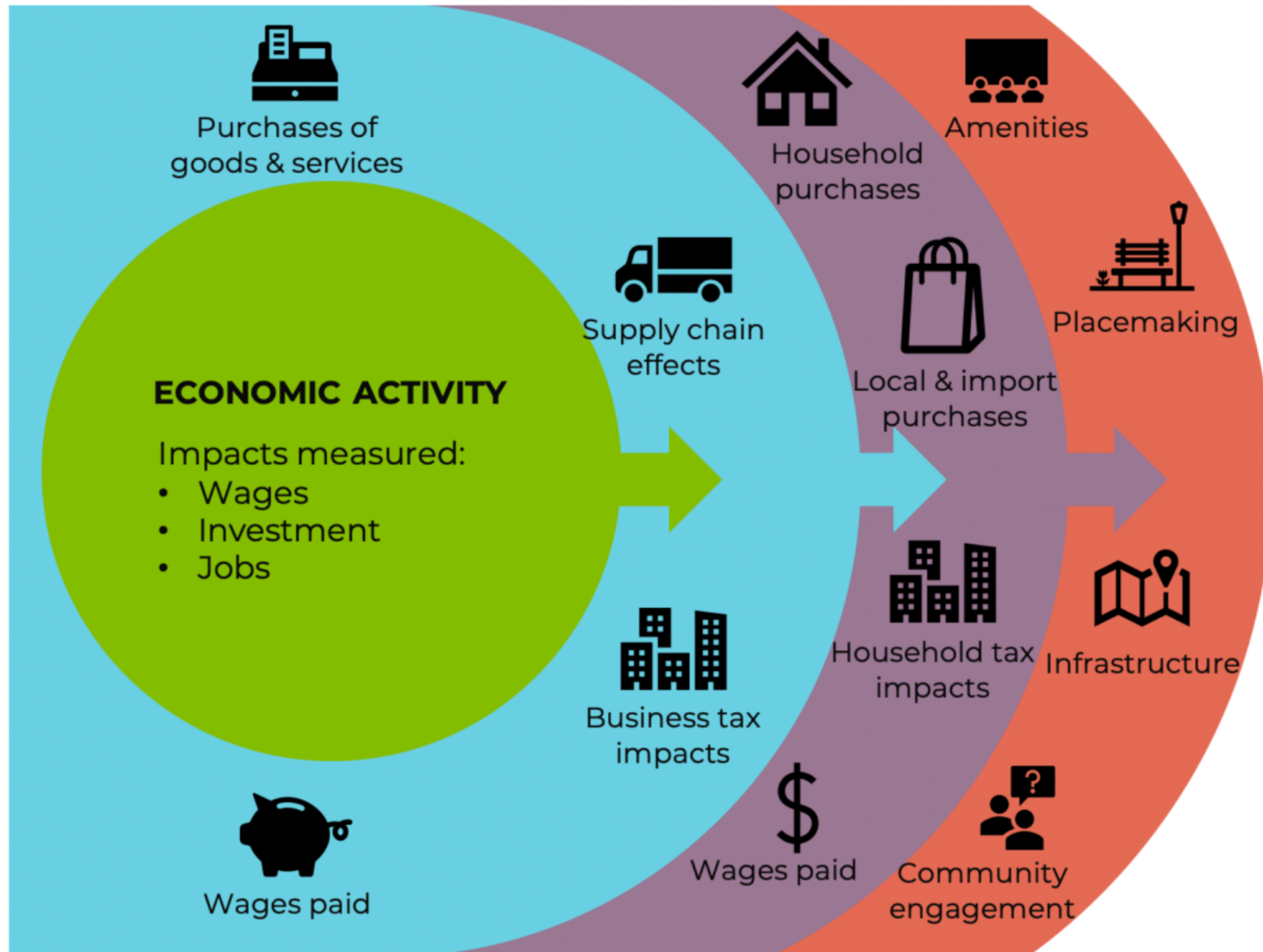
Economic Impact Analysis

Made up of three kinds of impacts:

Direct impacts result from an economic event or asset

Indirect impacts result from business-to-business transactions

Induced impacts result from consumer-to-business transactions



DIRECT EFFECTS

The initial changes that result from economic activity.

INDIRECT EFFECTS

The impact of local industries buying goods and services from other local industries as a result of influence in the industry.

INDUCED EFFECTS

Response by the economy to an initial change that occurs through re-spending of income received by wage earners.

SOCIAL EFFECTS

The qualitative impacts that occur in the community as a result of economic activity.

Answers Key Questions

- How important is a business or industry to your local economy?
- What kind of investment should you make in your local economy?
- How many jobs will be affected by a change in the economy?
- How will a change affect the amount of money that comes to your economy?

Fiscal Impact Analysis

Fiscal impacts - changes in revenues and costs among local government jurisdictions

- The purpose of fiscal impact assessment is to project the changes in costs and revenues of governmental units that are likely to occur as a result of a development project.
 - Staff
 - Public safety
 - Public works and utilities
 - Taxes generated vs. tax dollars spent



Social Impact Analysis

Social impact assessment (SIA) is a process for the identification, analysis, assessment, management and monitoring of the potential social impacts of a project, both positive and negative

February 24, 2023

To: Nic Owen, Village Administrator, and Mount Horeb Finance Committee

From: Kristen Fish-Peterson, CEcD, EDFP, Principal/CEO

Re: Economic Impact Analysis of Rec Center at North Cape Common Site

Nic/Finance Committee,

This analysis reviews the potential economic impact of a recreational complex constructed on 11 acres of commercially zoned property at North Cape Commons.

Factors considered include:

1. The health and life of Tax Increment District #3
2. The economic impact of commercial development in North Cape Commons
3. The economic impact of a recreational complex in North Cape Commons
4. The economic impact of a recreational complex in Mount Horeb
 - a. Revenue
 - b. Expense

Tax Increment District #3

Tax Increment District #3 was created in 2004 as an Industrial Tax Increment District (TID). It has a 23-year life and is to be retired in 2027.

The expenditure period for this district ended in 2022, which means the Village can no longer make investments in this district but can only collect increment (property tax payments) and pay down debt.

Projections calculated by the Village's financial consultant, Baird, show the district has over \$4.2 million in outstanding debt and administrative costs (as of the beginning of 2023), and expected revenue of approximately \$4.9 million from now until 2027. The district is expected to close with a positive balance of \$640,482.

If more development were to occur prior to 2027 within this district, the ending increment would increase, providing more opportunity to utilize excess increment generated by the district. However, please note, there is the lag from development to increment collection, so if a taxable development starts tomorrow and is complete by year end the increment won't be realized for a year.

The State of Wisconsin created the Affordable Housing Extension program ("AHE") to the Tax Incremental Finance law in 2009. Under this provision, municipalities with a Tax Increment District that has retired its debt and paid for all its project costs can extend the life of the district for one year. The funds captured in the one-year extension must be used solely to benefit affordable housing and improve housing stock anywhere in the community. The law allows the Village to use at least 75% of those tax increments to benefit affordable housing anywhere in the community. Affordable housing is defined as housing costing no more than 30% of the household's gross income. Any remaining portion of the increment must be used by the municipality to improve its housing stock. Keeping the district open for an additional year with no additional development would generate additional revenue (approximately an additional \$1.07 million) for this purpose.

Economic Impact of Commercial Development in North Cape Commons

There are approximately 11 acres available to be developed in North Cape Commons. If they were to develop in a comparable manner to those properties surrounding the vacant acreage, there would be a significant tax impact to the Village. As outline

February 24, 2023

in the following example, additional tax base to the Village would total over \$17.5 million (conservatively) generating nearly \$356,000 annually in new taxes.

Developing the property as a recreational complex would generate no property tax. Additionally, the Village is being asked to consider operating the facilities, which would entail ongoing expenses in staff time, supplies and equipment.

COMPARISON OF ADJACENT DEVELOPED PROPERTIES & NORTH CAPE PROPERTIES									
		1 Acre =:	43560 SF						
		2022 Mill Rate:	0.020832397						
		Note:	The actual 2022 RET bills were not available so the taxes below were calculated using the 2022 mill rate.						

Economic Impact of Recreational Complex in North Cape Commons

Developing a recreational complex in the Village, whether in North Cape Commons or elsewhere, would generate no new property tax base. But the economic impact to businesses in community would be significant.

There would also be no commercial land in the Village for developments needing .5-1 acre or more. With the exception of a few single in-fill lots available at various locations around the community, there is no land available to develop new commercial developments within the Village.

There was a request in the last two months for a commercial lot to develop a 10,000 square foot building. Aside from available land in TID #3/North Cape Commons, there was no place to recommend this business look in Mount Horeb. The development would have been assessed at approximately \$2.5 million and generated approximately \$52,000 annually in property taxes. Due to the land being tied up in an accepted offer, this business had to be turned away.

The Village is working to identify and plan for new business park property. This acquisition and pre-development could take 2-3 years or longer depending on willingness of property owners to negotiate, cost to install infrastructure, and marketing of property to potential new developments.

During the planning, acquisition and development stages of new business park property, there would conceivably be no new commercial development occurring in the Village.

Economic Impact of Recreational Complex in Mount Horeb

a. Revenue

This impact is extremely difficult to calculate based on the lack of information about events by various user groups. The general formula for calculating economic impact is given by the product of number of tourists, average spending per tourist, and appropriate multipliers. Indirect and induced impacts can be calculated using a multiplier.

The basketball tournaments hosted by the youth basketball program report revenue of \$22,000 (direct impact) annually when tournaments are hosted in Mount Horeb. If 70 athletes from out of town attend each event and 1.8 adults and other family members join them, for one event there would be at least 126 people per event coming to Mount Horeb. This is likely a conservative estimate.

Impact from baseball, softball, football, and swimming would also positively affect businesses in the community. If each entity generated approximately \$20,000 annually in revenue, there would be an overall **direct impact of approximately \$100,000 annually**.

Direct impact is also the amount spent by visitors on food, lodging, gas, and other shopping while they are in the community. This number is calculated by multiplying the number of visitors, X the number of days, X the dollars spent per day. If each sport hosted two events per year and each event brought 126 people, and dollars spent per person per event was \$79 (likely not including an overnight stay), the **additional direct impact to the community over all sports/events would be \$99,540 across all sports annually**.

Indirect impact is calculated when businesses order supplies and inventory because of visitor spending. Based on a model from Sports Events and Tourism Association (Sports ETA), **indirect impact in this scenario is estimated at \$111,371**.

Induced impact is that impact experienced by businesses when the people who work in places of business frequented by visitors spend their paychecks. Based on the same model, **induced impact to the Village of Mount Horeb is estimated at \$153,136**.

Total revenue impact based on the above projections is estimated at \$464,047 annually.

b. Expense

The cost to construct the proposed recreational complex was developed at a high level by consultants working for the school district. This cost was estimated at approximately \$44.9 million, which included an aquatics facility, fieldhouse/gymnasium facility (for basketball and other indoor activities), a baseball field and a football field.

Expenses to operate sports facilities include:

- Wages (including overtime)
- Benefits



- Utilities
- Insurance
- Building expense (maintenance)
- Licenses and advertising
- Vehicles and equipment
- Supplies
- Contractual services
- Professional development (training lifeguards, CPR, equipment maintenance, etc.)

Two different sports complexes studied for this report estimated operational costs between 3.0% and 3.2% of total capital/construction costs, not including the acquisition price for land buildings.

In the case of Janesville's new indoor sports facility, the construction budget is approximately \$33 million. The cost to operate the facility over the first year is \$1,053,339, or roughly 3.2%. In New Braunfels, TX, their sports complex cost \$28 million to construct and is estimated to cost \$843,750 to operate annually. Both facilities will generate revenue to offset expenses but both facilities are expected to lose money for at least the ten year proforma presented in the studies.

Use	Cost to build	Cost to operate
Pool	\$23.8 million	\$714,000
Fieldhouse	18.1 million	\$543,000
Outdoor fields	<u>3.0 million</u>	<u>\$ 90,000</u>
	\$44.9 million	\$1,347,000

Talking with industry experts, operational expenses can come in anywhere between 3% and 10% of construction costs annually, depending on the type of facility. New Braunfels' sports complex was comprised of outdoor fields only. Janesville is constructing their indoor sports complex inside an existing shopping mall.

Assumptions	
Annual Inflation During Life of TID.....	0.50%
2021 Gross Tax Rate (per \$1000 Equalized Value).....	\$18.58
Annual Adjustment to tax rate.....	0.00%
Investment rate.....	1.00%

Data above dashed line are actual

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Analysis was compiled from a variety of sources including TIF projections from Baird, and development opportunity costs as calculated by Mount Horeb resident Brian Durtschi.

Sources:

<https://thesportjournal.org/article/a-review-of-economic-impact-studies-on-sporting-events/>

<https://www.halfp.com/news-insights/insights/youth-amateur-sports-tourism-brings-economic-benefits-local-economies/>

<https://www.sportstravelmagazine.com/wp-content/uploads/2022/05/Sports-ETA-SOTI.pdf>

<https://www.janesvillewi.gov/home/showpublisheddocument/9046/637088262482170000>

<https://www.nbtexas.org/DocumentCenter/View/9932/New-Braunfels-Athletic-Field-Master-Plan-and-Sports-Complex-Feasibility-Final-Report>

Problems of Economic Impact Study

The economic impact study of sporting events is controversial because of its subjective aspects. There are problems with these types of studies based the use of different and conflicting concepts of the multiplier. Economic impact studies are primarily used by consultants hired by sport entrepreneurs and boosters to demonstrate the value of a proposed sport event. Economic impact attributable to a sporting event should include only new cash flow injected into an economy by visitors and other external businesses from outside the community. Because expenditures by time-switchers and casuals would have occurred without the event, impacts from their expenditures should be excluded from the economic impact study. Economic impact studies by hired consultants usually consider only positive aspects, which means benefits both economically and socially. They don't typically measure substantial economic costs and potential social problems. In the case of non-economic impact, negative social impacts such as traffic congestion, vandalism, environmental degradation, disruption of residents' lifestyle, and so on are rarely reported. Finally, economic impact studies are subjective. Even if trusted models and formulas for these studies are developed and utilized, the results and their interpretations can be changed based on the intent of the researchers and the expectations of proponents.



AGENDA ITEM REPORT

MEETING DATE

March 8, 2023

PREPARED BY

AGENDA ITEM # 3.b

Discussion: Residential Exterior Improvement Program

BACKGROUND

The Village Board created a program to provide grants for homeowners to make improvements to the exterior of their homes using funds from TID 5. Properties must be single-family, owner occupied and be within a 1/2 mile of the downtown TID boundary. The Village board placed the review of the applications with the CDA. The application period begins April 1st and runs until all funds are expended.

RECOMMENDATION

ATTACHMENTS

1. Village of MH Residential Exterior Improvement Program

Beginning on Monday, April 3, the Village of Mount Horeb is accepting applications for the 2023 Residential Exterior Improvement Program. This is the first year of the Program. The purpose of it is to encourage the upkeep and appearance of owner-occupied residential homes within the residential districts of the village.

The program provides matching grants up to \$5000 for projects that help maintain and enhance the overall attractiveness and vitality of residential districts that are consistent with village expectations and neighborhood preservation. To be eligible for the entire \$5000 grant, the approved project must cost at least \$10,000. The Village will provide up to \$25,000 in total for the program in 2023.

Applications will be considered on a first come basis. To review the program requirements and process as well as get an application, please refer to the village website www.mounthorebwi.info, or contact Village Administrator Nic Owen, nic.owen@mounthorebwi.info, or 608-437-9409.