Administrative Offices
Municipal Building - 138 East Main Street
Mount Horeb, Wisconsin 53572
608.437.6884 | mounthorebwi.info

COMMUNITY DEVELOPMENT AUTHORITY AGENDA
Wednesday, September 9, 2026 at 6:00 PM

Municipal Building Board Room
138 E. Main Street
Mount Horeb, WI

1) **Call to order**

2) **Roll Call**

3) **Public Participation**

   Participants may speak for up to three minutes. To participate, please complete a public comment form at the Board Room entrance and submit it to staff before the meeting begins. See below for more details.

4) **Consent Agenda**

   All items listed below are considered to be routine by the Governing Body and will be enacted by one motion (roll call vote). There will be no separate discussion of these items unless a Board member so requests, in which event the item will be removed from the Consent Agenda and considered as the first item after the Consent Agenda.

   a. Consideration of August 12, 2026 Meeting Minutes

5) **Chair's Report**

6) **Staff Reports**

   a. Economic Development Director's report
   b. Mount Horeb Area School District report
   c. Mount Horeb Area Chamber of Commerce Report

7) **Action Items**

   a. Consider approval of a TIF Project Plan Creation Proposal from Ehlers
   b. Consider approval of the Lukken Farms Development Timeline

8) **Adjournment**

***Public Comment Policy**
Members of the public are invited to speak at meetings of all Mount Horeb Public Bodies. To comment, please complete a Public Comment Form at the Meeting Room entrance and submit it to staff before the meeting begins. Comments are limited to **three minutes**, must be made from the podium, and the speaker must return to the audience after speaking.

- **Non-agenda item comments** are heard at the start of the meeting. Public Body members and staff will not engage in discussion during public comment but may consider topics for future agendas.
- **Agenda item comments** are heard during the relevant item, after the proposers or staff present the item and before Public Body discussion. All public comments on the item will be heard before any discussion by the Public Body.

Members of the public will only be allowed to speak outside these public comment times if they are invited by the meeting chair to share additional information requested by the Public Body. If so invited to speak, the member of the public must do so from the podium.
Written comments are also welcome. Written comments shall include the name and address of the submitter and should be submitted to the Deputy Treasurer/Governance Coordinator by email at niki.erickson@mounthorebwi.info (subject line: *Public Comment Request-Name of Public Body*) or delivered by to the Village at: 138 E Main Street, Mount Horeb WI, 53572, ATTN *Public Comment Request-Name of Public Body*.

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.

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, August 12, 2026 at 6:00 PM

DRAFT MEETING MINUTES

1) Call to order

Marc Schellpfeffer called the meeting to order at 6:00 PM.

2) Roll Call

Members present were Todd Fritz, Ben Vondra, Ryan Czyzewski, Marc Schellpfeffer, Andy Baber & Heidi Kopras.Barb Case was absent. Also, present were Economic Development Consultant, Kristin Fish-Peterson, Village Administrator, Gabe Altenbernd & Office Assistant, Katie Jelle.

3) Public Comments on Non-Agenda Items*

None

4) Consent Agenda

a. Consideration of July 8, 2026 Meeting Minutes

There were no questions or comments regarding the information provided. Czyzewski made a motion to approve the Consent Agenda. Fritz seconded. All were in favor.

5) Agenda Items

a. Consider an update regarding Lukken Annexation and Making a Difference Developers

Altenbernd gave an update on the annexation of the Lukken property. The annexation has been delayed until April 2027. Planning & preparation can still proceed.

Dan from Making A Difference was present. He gave an update on the development & the design game.

b. Consider approving an update to the Tax Incremental Financing Application Process

Altenbernd presented a new TIF Application Process. After much discussion and questions were answered, Vondra moved to approve the Application for TIF as presented. Kopras seconded. All members were in favor.

c. Consider approving a Facade Grant Application for 107 E. Main Street

Altenbernd presented a Facade Grant application that was submitted prior to his start. The work has already been completed. Czyzewski explained the difficulties that this project has encountered. After much discussion, Czyzewski made a motion to recommend approval. Kopras seconded. After more discussion regarding the approval process & qualifications of the grant program, 5 members voted AYE. 1 member voted NAY.

d. Consider a one-year amendment to Tax Incremental District No.3

Altenbernd discussed a recommendation made by Baird to consider a one-year amendment to TID No. 3. Altenbernd recommends that it be closed as originally scheduled. All members were in agreement that it should be closed per Altenbernds recommendation.

e. Consider approving the Future Focus Areas for the CDA

Altenbernd asked the CDA to set guidelines and expectations to help staff and developers with the Lukken property. Fish-Peterson offered to help Altenbernd put together a timeline schedule.
Other areas that were discussed for future focus areas were, downtown beautification, Northcape Commons and a business park and the downtown redevelopment.

6) Reports

a. Economic Development Director's report

Fish-Peterson updated the CDA on meetings that she has had over the past month. She has held meetings with Make A Difference, the Karakahl development, landowners, property owners regarding annexation. She also met with Allison at the Chamber and is working on filing TID 6 with the DNR.

b. Mount Horeb Area School District report

No comments

c. Mount Horeb Area Chamber of Commerce Report

Czyzewski gave an update that the Chamber of Commerce is working on their strategic plan which is in line with the Village goals. He suggested that the CDA invite Allison from the Chamber in to give an update.

7) Meeting adjournment.

Czyzewski made a motion to adjourn at 7:51 PM. Vondra seconded. All members were in favor.

REDEVELOPMENT RESOURCES

August 30, 2026

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 for August:

1. Meetings in person and virtual
    a. Gabe Altenbernd individually (virtually, phone, and emails)
    b. Meetings regarding Lukken Property (with Making a Difference, Staff)
    c. Meetings regarding Karakahl Redevelopment (with JT Klein)
    d. Meetings with retail prospects and property owners wishing to market their vacant space
    e. Meeting with property owners re: annexation
    f. Chamber of Commerce document review, dialogue with Chamber President/CEO, alley activation project
    g. Chamber Meet & Greet: village and chamber board

2. Follow up from meetings
3. Work to certify TID 6 with WI DOR
4. Review of map and follow-up for work toward business park potential development
5. Research for future TID/ housing TID
6. Work on timeline for Lukken development

VILLAGE OF
MOUNT HOREB

Agenda Item Report
Community Development Authority: Wednesday, September 9, 2026

Staff Reports: Mount Horeb Area School District report

Recommendation

Background
Board Communication - Mount Horeb Area School District

MHASD Monthly Report

Financial Impact
n/a

Attachments

Prepared By

Chamber Report

SEPTEMBER 2026

Our latest Chamber event, the August 19 Village and Chamber Meet & Greet, brought together 14 members of Village and Chamber leadership for an informal opportunity to connect and build relationships. The response was very positive, and we look forward to building on that momentum through the Community Coalition. A fall meeting for the Coalition is scheduled for October 1 to discuss merging the Chamber's Business Advocacy Committee with the Coalition and establish shared priorities and goals for the coming year.

Looking ahead, September marks the Village's newly proclaimed Chamber Month. To celebrate, we will begin announcing nominees next week for our newly expanded Annual Awards program, which will recognize businesses, organizations, and individuals across 14 categories. Winners will be announced at the Annual Awards event on December 2.

September programming also includes an online Job Round-Up highlighting local employers and current openings. Fall Village-Wide Garage Sales will take place September 16–19. While traditionally smaller than the spring event, the fall sales continue to bring treasure hunters to the area.

Planning is also well underway for our two major October events. Fall Village Market will take place October 3–4 and will be held exclusively in the Duluth Trading Company parking lot this year due to construction near the Bike Shelter. We anticipate 50–60 vendors and approximately 8,000 attendees over the weekend.

Witches' Night Out will take place October 15, with ticket sales now open. This year we are introducing an annual collectible pin for ticket holders in place of traditional goodie bags. A new design will be unveiled each year, creating additional excitement around the event and giving attendees a fun reason to return and build their collection.

Behind the scenes, we are also finalizing 2027 Membership materials, exciting new plans for Good Morning Mount Horeb, a Welcome Center Troll Exhibit, updated Troll Capital of the World Branding and more!

September 9, 2026

Proposal to Provide Tax Incremental Financing District Creation Assistance to the:

Village of Mount Horeb, WI

EHLERS
PUBLIC FINANCE ADVISORS

Prepared by:

Ehlers
N19W24400 Riverwood Drive,
Suite 100
Waukesha, WI 53188

Advisors:

Brian Roemer
Senior Municipal Advisor

Kayla Thorpe
Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

Transmittal Letter

Re: Proposal to Provide Tax Incremental Financing District Creation Assistance to the Village of Mount Horeb

Dear Gabe,
We are pleased to present this proposal to the Village of Mount Horeb. We believe our expertise and reputation, our dedication to proactive client service, and our unique project approach provide a compelling relationship option for the Village to consider.

For more than 60 years, Ehlers has helped its municipal clients build strong and vibrant communities through its municipal advisory services. The following qualitative factors separates us from competing firms:

Expertise. Ehlers has staff dedicated to the specialized work of completing economic development projects. We serve clients across Wisconsin and throughout the upper Midwest. In the last five years (2021-2025), our firm has completed over 376 TID Creations and Amendments.

Process. Our process is designed to facilitate effective decision-making. Our TID Creations are completed in phases with the first phase being a Feasibility Analysis. To our knowledge, our competitors cannot complete an analysis to the level of detail we strive for due to their lack of Municipal Advisor designation or do not complete this vital step. The analysis will provide decision makers with the framework for options on how to approach the Project Plan formation before paying the expenditures to other third parties for the creation project (engineers, attorneys, etc.).

Accessible Team Players. We are responsive to our clients by meeting short deadlines and assigning more than one Municipal Advisor to each client to ensure we meet their needs. Our process is flexible and designed to avoid delays and facilitate decision-making.

Client-First Values. Ehlers prides itself on transparent communication, proactive service, and an unwavering dedication to deploying client resources most efficiently and effectively. At the core, we will provide the Village with ongoing dialogue and idea-sharing, independent analysis, customized options, and a competitive, value-oriented fee structure. Our team will be led by Brian Roemer and supported by Kayla Thorpe.

Thank you for including us in this process. We appreciate your consideration and look forward to discussing how Ehlers can best serve the Village of Mount Horeb.

Respectfully submitted,

Brian Roemer, *Senior Municipal Advisor*
broemer@ehlers-inc.com

Kayla Thorpe
Kayla Thorpe, Municipal Advisor
kthorpe@ehlers-inc.com

Qualifications & Experience

Professional biographies for the team follow below. Biographies and credentials for remaining team members can be found under the Our Team tab on Ehlers' public website.

Brian Roemer

Senior Municipal Advisor

Brian helps clients with fiscal studies, debt planning and issuance, and financial management planning. Since he joined the firm as an intern in 2016, Brian has quickly risen through the ranks due to his commitment to accuracy, dedication to customer service, and ability to break down complex financial concepts in a way that all client constituents can understand. Brian holds a Master of Business Administration degree from the University of Wisconsin Milwaukee.

Kayla Thorpe

Municipal Advisor

Kayla is a Municipal with our Wisconsin Municipal Finance Team, helping clients with project management, long-term financial management planning, and economic development and redevelopment. She also assists our Wisconsin Municipal Advisors with public debt planning and issuance. Kayla brings nearly 15 years of local and federal government experience to her role with the firm, most recently serving as the Administrator | Clerk for the Village of Butler, Wisconsin. She holds a bachelor's degree in Political Science and a Master of Business Administration degree.

Scope of Service – TID Creation

The project team proposes to undertake the following steps for the Village. Our approach is flexible and has proven to deliver the information, recommendations, and facilitated discussions essential to creating development plans with confidence and accuracy. Ehlers proposes and agrees to provide the following scope of services for the Creation of a new Tax Incremental Financing District ("Project"):

Phase I – Feasibility Analysis

The purpose of Phase I is to determine whether the Project is a statutorily and economically feasible option to achieve the Client's objectives. This phase begins upon your authorization of this engagement and ends on completion and delivery of a feasibility analysis report. As part of Phase I services, Ehlers & Associates will:

- Consult with appropriate Client officials to identify the Client's objectives for the Project.
- Provide feedback as to the appropriateness of using Tax Incremental Financing in the context of the "but for" test.
- If the Project includes creation of or addition of territory to a district, identify preliminary boundaries and gather parcel data from Client. Determine compliance with the following statutory requirements as applicable:
    - Equalized Value test.
    - Purpose test (industrial, mixed use, blighted area, in need of rehabilitation or conservation, or environmental remediation).
    - Newly-platted residential land use test.
- Prepare feasibility analysis report. The report will include the following information, as applicable:
    - Identification of the type or types of districts that may be created.
    - A description of the type, maximum life, expenditure period and other features corresponding to the type of district proposed.
    - A summary of the development assumptions used with respect to timing of construction and projected values.
    - Projections of tax increment revenue collections to include annual and cumulative present value calculations.
    - Qualification of the district as a donor or recipient of shared increment, and projected impact of any allocations of shared increment.
    - If debt financing is anticipated, a summary of the sizing, structure, and timing of proposed debt issues.
    - A cash flow *pro forma* reflecting annual and cumulative district fund balances and projected year of closure.

- A draft timetable for the Project.
- Identification of how the creation date may affect the district's valuation date, the base value, compliance with the equalized value test, and the ability to capture current year construction values and changes in economic value.
- When warranted, evaluate, and compare options with respect to boundaries, type of district, project costs and development levels.
- Ehlers & Associates will provide guidance on district design within statutory limits to creatively achieve as many of the Client's objectives as possible and will provide liaison with State Department of Revenue as needed in the technical evaluation of options.

- Present the results of the feasibility analysis to the Client's staff, Plan Commission, or governing body.

Phase II – Project Plan Development and Approval

If the Client elects to proceed following completion of the feasibility analysis, the Project will move to Phase II. This phase includes preparation of the Project Plan, and consideration by the Plan Commission[1], governing body, and the Joint Review Board. This phase begins after receiving notification from the Client to proceed and ends after the Joint Review Board acts on the Project. As part of Phase II services, Ehlers & Associates will:

- Based on the goals and objectives identified in Phase I, prepare a draft Project Plan that includes all statutorily required components.
- We will coordinate with your staff, engineer, planner or other designated party to obtain a map of the proposed boundaries of the district, a map showing existing uses and conditions of real property within the district, and a map showing proposed improvements and uses in the district.

[1]If Client has created a Redevelopment Authority or a Community Development Authority, that body may fulfill the statutory requirements of the Plan Commission related to creation or amendment of the district.

- Submit to the Client an electronic version of the draft Project Plan for initial review and comment.
- Coordinate with Client staff to confirm dates and times for the meetings indicated within the table beginning on the following page. Ehlers & Associates will ensure that selected dates meet all statutory timing requirements and will provide documentation and notices as indicated.

Meeting	Ehlers & Associates Responsibility	Client Responsibility
Initial Joint Review Board	Prepare Notice of Meeting and transmit to Client's designated paper. Mail meeting notice, informational materials, and draft Project Plan to overlapping taxing jurisdictions. Provide agenda language to Client.	Post or publish agenda and provide notification as required by the Wisconsin Open Records Law. Prepare meeting minutes.

	Attend meeting to present draft Project Plan.	Designate Client Joint Review Board representative. Identify and recommend Public Joint Review Board representative for appointment.
Plan Commission Public Hearing	Prepare Notice of Public Hearing and transmit to Client's designated paper.	Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.
Plan Commission	Provide agenda language to Client. Attend meeting to present draft Project Plan. Provide approval resolution for Plan Commission consideration.	Post or publish agenda and provide notification as required by the Wisconsin Open Records Law. Distribute Project Plan & resolution to Plan Commission members in advance of meeting. Prepare meeting minutes.
Governing Body Action	Provide agenda language to Client. Attend meeting to present draft Project Plan. Provide approval resolution for governing body consideration.	Post or publish agenda and provide notification as required by the Wisconsin Open Records Law. Provide Project Plan & resolution to governing body members in advance of meeting. Prepare meeting minutes.
Joint Review Board Action	Mail meeting notice and copy of final Project Plan to overlapping taxing jurisdictions. Prepare Notice of Meeting and transmit to Client's designated paper. Provide agenda language to Client. Attend meeting to present final Project Plan. Provide approval resolution for Joint Review Board consideration.	Post or publish agenda and provide notification as required by the Wisconsin Open Records Law. Prepare meeting minutes.

- Throughout the meeting process, provide drafts of the Project Plan and related documents in sufficient quantity for the Client's staff, Plan Commission, governing body and Joint Review Board members.
- Provide advice and updated analysis on the impact of any changes made to the Project Plan throughout the approval process.

Phase III – State Submittal

This phase includes final review of all file documents, preparation of filing forms, and submission of the base year or amendment packet to the Department of Revenue. This phase begins following approval of the district by the Joint Review Board and ends with the submission of the base year or amendment packet. As part of Phase III services, Ehlers & Associates will:

- Coordinate with Client's assessor and other staff as necessary to obtain parcel valuations, parcel data and other information needed for preparation of the State forms that must be filed as part of the base year or amendment packet.
- Assemble and submit to the Department of Revenue the required base year or amendment packet to include a final Project Plan document containing all required elements and information.
- Provide the Client with an electronic copy of the final Project Plan (and up to 15 bound hard copies if desired).
- Provide the municipal Clerk with a complete electronic and/or hard copy transcript of all materials as submitted to the Department of Revenue for certification.
- Act as a liaison between the Client and the Department of Revenue during the certification process in the event any questions or discrepancies arise.

Compensation - Flat Fee Portion of Engagement

In return for the services set forth in the "Scope of Service," Client agrees to compensate Ehlers & Associates as follows:

Phase I	$ 5,500
Phase II	$ 8,000
Phase III	$ 2,500
Total	**$ 16,000**

- Phase I base fee includes up to five financial scenarios. Additional scenarios will be run as needed at a cost of $750/scenario.
- In the event Client determines not to proceed with the Project once a Phase has been authorized, but prior to that Phase's completion, the compensation due for that Phase will be prorated to reflect the percentage of the work completed.

Compensation – Hourly Services Portion of Engagement

Ehlers & Associates will bill Client on an hourly basis for services requested by Client in conjunction with the engagement that are not specifically identified in the Scope of Service set forth in this letter. Examples would include:

- Attendance at additional meetings beyond the four required for approval or amendment of the District (Organizational Joint Review Board, Plan Commission (or CDA), Governing Body and Final Joint Review Board).
- Review of development agreements related to the District's Project Plan and participation in negotiations with developers.

Hourly services will be billed at a rate that is dependent upon the task/staff required to meet Client request at $250.00/hour.

Payment for Services

For all compensation due to Ehlers & Associates, we will invoice Client for the amount due at the completion of each Phase. Our fees include our normal travel, printing, computer services, and mail/delivery charges. The invoice is due and payable upon receipt by the Client.

Client Responsibility

The following expenses are not included in our Scope of Services, and are the responsibility of Client to pay directly:

- Services rendered by Client's engineers, planners, surveyors, appraisers, assessors, attorneys, auditors, and others that may be called on by Client to provide information related to completion of the Project.
- Preparation of maps necessary for inclusion in the Project Plan.
- Preparation of maps necessary for inclusion in the base year or amendment packet.
- Publication charge for the Notice of Public Hearing and Notices of Joint Review Board meetings.
- Legal opinion advising that Project Plan contains all required elements. (Normally provided by municipal attorney).
- Preparation of District metes & bounds description. (Needed in Phase III for creation of new districts, or amendments that add or subtract territory).
- Department of Revenue filing fee and annual administrative fees. The current Department of Revenue fee structure is:

Current Wisconsin Department of Revenue Fee Schedules	
Base Year Packet	$1,000
Amendment Packet with Territory Addition or Subtraction	$1,000

Amendment Packet with Territory Addition and Subtraction	$2,000
Base Value Redetermination	$1,000
Amendment Packet	No Charge
Annual Administrative Fee	$150

Client Engagement

If the Village finds this proposal suitable, please take the appropriate action and/or governing body approval. Please inform us of the decision and we will provide our required disclosures for signature.

Village of Mount Horeb, WI

TID Feasibility Discussion

September 9, 2026 CDA Meeting

TID Feasibility Discussion

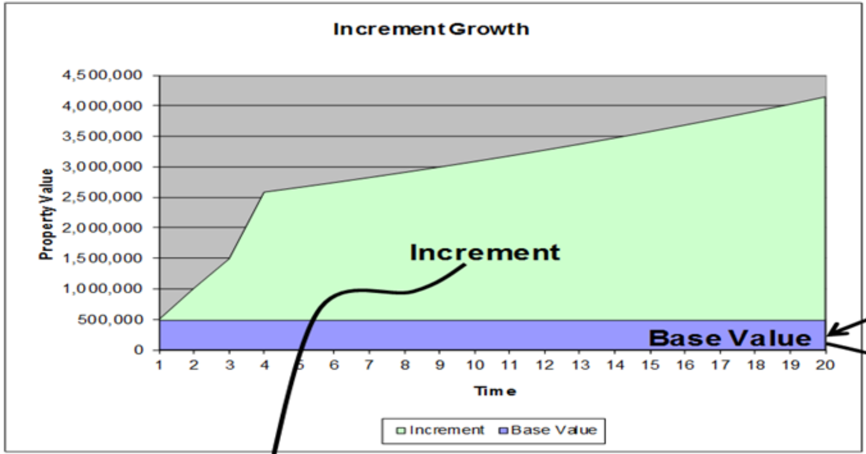
BACKGROUND: TID 101

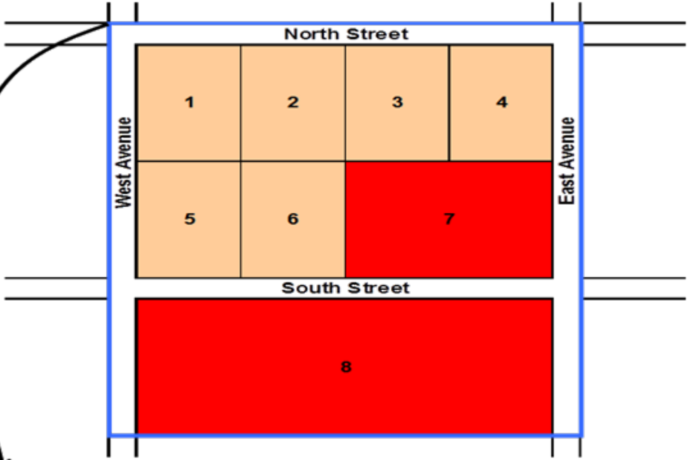
What is TIF?

- Key acronyms:
  - ✓ TIF = Tax Increment Financing (the tool)
  - ✓ TID = Tax Increment District (where the tool is used - boundary)
- Economic development tool
- Allows municipalities to capture incremental property tax revenue from growth in defined area & use it to benefit that area

EHLERS PUBLIC FINANCE ADVISORS

How does it work?





	Mill Rate
TID	20.00
Total	20.00

The TID receives taxes on the increment value at the combined rate of all taxing entities

	Mill Rate
Local	6.50
County	4.00
School	7.50
VTAE	2.00
Total	20.00

All taxing jursidictions continue to receive their share of the tax levy on the base value of the TID

Requirements for TID creation

- Contiguous area and cannot extend beyond corporate limits
- Increment value of existing TID(s) + proposed base value of new district(s) < 12% of total Equalized Value
  - ✓ Currently Village is at 9.12% with 40M of residual capacity
- TID Type TBD
  - ✓ More on the next slide

EHLERS
PUBLIC FINANCE ADVISORS

TID Type TBD but looking at residential development

- ✓ Mixed Use: At least 50% of land area in proposed TID Suitable for Mixed-Use development as determined by any combination of industrial, commercial or ‘qualifying residential (limited to 35% of total area newly platted)

- ✓ New Residential TID rules
  - ➢ The development only consists of owner-occupied, single-family or two-family residences.
  - ➢ The lot size of each single-family residence is less than 7,500 square feet.
  - ➢ The lot size of each two-family residence is 12,500 square feet or less.
  - ➢ The residential lot width for each single-family residence is 70 feet or less.
  - ➢ The residential lot width for each two-family residence is 80 feet or less.
  - ➢ No side setback is greater than 10 feet.
  - ➢ No single-story residence is larger than 1,500 square feet.
  - ➢ No two-story residence is larger than 2,000 square feet.

EHLERS
PUBLIC FINANCE ADVISORS

Eligible project costs

- Public works & improvements
- Financing costs
- Real property assembly costs (land write-down)
- Professional service costs
- Admin./Org. costs
- Contribution to Community Dev. Authority or Redev. Authority
- Relocation costs
- Pro-rated costs of utility infrastructure (municipality-wide)
- Cash grants (requires developer agreement)
- Environmental remediation
- Projects within ½ mile of district

All costs must directly relate to purpose of the TID, including ½ mile

EHLERS
PUBLIC FINANCE ADVISORS

Amendments

- Boundary
  - ✓ May add and/or subtract property
  - ✓ Must remain contiguous, however district can encircle a non-district parcel
  - ✓ Must follow 12% test to add territory (unless subtraction)
  - ✓ Limit of 4 allowed during life of district
- Plan
  - ✓ Used to amend list of projects to be undertaken
  - ✓ Revenue Sharing
  - ✓ No limit to number allowed (except maximum expenditure period)

EHLERS
PUBLIC FINANCE ADVISORS

TID Feasibility Discussion

FINANCING & BEST PRACTICES

Funding Eligible Projects: Options

Community "Fronts" Costs

- Issue general obligation or revenue debt
- Advances from other funds

Pay-As-You-Go

- Use TIF revenue stream and accumulated balances to pay expenses
- Developer agrees to up-front costs, repaid from TIF revenues

EHLERS
PUBLIC FINANCE ADVISORS

“Pay as You Go” model

- Developer funds project costs up front
- Municipality agrees to return tax increment revenue paid from new development
    - ✓ Subject to annual appropriation: Payment dependent on revenue being available, no revenue – no payment
- Shifts risks of insufficient revenue to repay debt from Village to Developer while allowing for use of TIF to incentivize project
- Developer may choose to monetize TIF, request private financing secured by the PAYGO agreement

EHLERS
PUBLIC FINANCE ADVISORS

Best Practice: Planning & Monitoring

Effective ways to mitigate risk

- Sensitivity analysis
- Worst case scenario, back-up plan

Use together, proactively to

- Better match expenses, debt service to revenues
- Ensure TID doesn't undertake projects it's unlikely to recover

Can't fully eliminate risks

- Economic cycles, change in law, private party performance

EHLERS
PUBLIC FINANCE ADVISORS

Risk Assessment

- Pay-go Memorialized in Developer's Agreement
- Incentive payments do not start or continue
  - ✓ Development & improvements completed in time and manner prescribed; advantage to phasing agreements
  - ✓ Private and public improvements, erosion, grading, landscaping, etc.
- Developer to pay for site infrastructure
  - ✓ Reimbursed through increment created
  - ✓ Subject to Village approval

EHLERS
PUBLIC FINANCE ADVISORS

Risk Assessment

- Village Costs
  - ✓ Issue debt for near term projects and necessary infrastructure
  - ✓ Village to pay for administrative costs
    - ➢ Could be Protected in Incentive Calculation: Village collects increment first
- Incentives
  - ✓ Calculation = Annual Increment * Sharing percentage OR – (Annual Increment - Village Annual costs) * Sharing Percentage
  - ✓ Capped at costs of project specific infrastructure
  - ✓ Prepayable anytime
- Village retains a portion of increment collected
  - ✓ Allows for cumulating fund balance to close TID early, additional cash flow protection, and/or additional Village projects funded

EHLERS PUBLIC FINANCE ADVISORS

EHLERS
PUBLIC FINANCE ADVISORS

Important Disclosures

Ehlers is the joint marketing name of the following affiliated businesses (collectively, the “Affiliates”): Ehlers & Associates, Inc. (“EA”), a municipal advisor registered with the Municipal Securities Rulemaking Board (“MSRB”) and the Securities and Exchange Commission (“SEC”); Ehlers Investment Partners, LLC (“EIP”), an SEC registered investment adviser; and Bond Trust Services Corporation (“BTS”), a holder of a limited banking charter issued by the State of Minnesota.

Where an activity requires registration as a municipal advisor pursuant to Section 15B of the Exchange Act of 1934 (Financial Management Planning and Debt Issuance & Management), such activity is or will be performed by EA; where an activity requires registration as an investment adviser pursuant to the Investment Advisers Act of 1940 (Investments and Treasury Management), such activity is or will be performed by EIP; and where an activity requires licensing as a bank pursuant to applicable state law (paying agent services shown under Debt Issuance & Management), such activity is or will be performed by BTS. Activities not requiring registration may be performed by any Affiliate.

This communication does not constitute an offer or solicitation for the purchase or sale of any investment (including without limitation, any municipal financial product, municipal security, or other security) or agreement with respect to any investment strategy or program. This communication is offered without charge to clients, friends, and prospective clients of the Affiliates as a source of general information about the services Ehlers provides. This communication is neither advice nor a recommendation by any Affiliate to any person with respect to any municipal financial product, municipal security, or other security, as such terms are defined pursuant to Section 15B of the Exchange Act of 1934 and rules of the MSRB. This communication does not constitute investment advice by any Affiliate that purports to meet the objectives or needs of any person pursuant to the Investment Advisers Act of 1940 or applicable state law.

VILLAGE OF MOUNT HOREB

Agenda Item Report
Community Development Authority: Wednesday, September 9, 2026

Action Items: Consider approval of the Lukken Farms Development Timeline

---

Recommendation

Background

Financial Impact

Attachments

1. Lukken Farms Gantt Chart

Prepared By

Lukken Farms Housing Development Timeline 2026 - 2028