



Village of Palmyra, WI

2025 Preliminary Financing Plan

October 6, 2025 Village Board Meeting

Tonight's Action Items

- Village is looking to finance

Projects	Purpose/Dept.	Plan Issue	Funding	2026	Totals
Westfield Phase 1 Development	TID 4	2025 G.O. Notes	G.O. Debt	5,921,992	5,921,992
Ambulance	Fire	2025 G.O. Notes	G.O. Debt	354,278	354,278
mobile data terminals	Public Safety	2025 G.O. Notes	G.O. Debt	10,000	10,000
Powerlift Cot	Fire	2025 G.O. Notes	G.O. Debt	59,410	59,410
Actual CIP Costs				6,345,680	6,345,680

- Consider Financing Options

Financing Considerations

- Westfield Phase 1 Development is tied to TID #4 development; infrastructure needed for the development to take place
- As discussed, when the development agreement was being drafted strong considerations should be made relative to the timing of debt payments as connected to the anticipated increment collection

Construction Year	Value Added	Valuation Year	Economic Change	Total Increment	Revenue Year	Tax Rate ¹	Tax Increment
2025	0	2026	0	3,259,600	2027	\$15.98	52,099
2026	5,485,270	2027	0	8,744,870	2028	\$15.98	139,773
2027	14,214,690	2028	0	22,959,560	2029	\$15.98	366,971
2028	15,674,960	2029	0	38,634,520	2030	\$15.98	617,510

Initial Estimated Structure

- Need money by early 2026
- Current advantageous market conditions
- Payments would start in 2026 but increment may not be enough to pay until 2029
- Ways to mitigate
 - ✓ Capitalized Interest
 - ✓ Interim Financing

Year Ending	TID #4 Portion		
	Principal	Est. Rate ¹	Interest
2026	0	2.85%	213,225
2027	0	2.90%	264,693
2028	30,000	2.95%	264,250
2029	100,000	3.00%	262,308
2030	325,000	3.05%	255,851
2031	335,000	3.15%	245,619
2032	350,000	3.25%	234,655
2033	360,000	3.35%	222,938
2034	375,000	3.50%	210,345
2035	390,000	3.65%	196,665
2036	405,000	4.05%	181,346
2037	425,000	4.05%	164,539
2038	445,000	4.25%	146,476
2039	465,000	4.25%	127,139
2040	485,000	4.40%	106,588
2041	510,000	4.40%	84,698
2042	535,000	4.45%	61,574
2043	560,000	4.45%	37,210
2044	550,000	4.50%	12,375

Capitalized Interest

- Borrow for the first two interest payments and draw down proceeds
 - ✓ PRO: achieves debt repayment that aligns with expected increment collection; known payments; can include other current borrowing needs in one financing
 - ✓ CON: Starts GO clock; Commits to financing structure based on estimated increment collection.
 - Developer would need to pay shortfall per DA. Potential enforceability concerns.

Year Ending	TID #4 Portion				
	Principal	Est. Rate ¹	Interest	Cap I	Total
2026	0	2.85%	213,225	(213,225)	0
2027	0	2.90%	264,693	(264,693)	0
2028	30,000	2.95%	264,250	(160,000)	134,250
2029	100,000	3.00%	262,308		362,308
2030	325,000	3.05%	255,851		580,851
2031	335,000	3.15%	245,619		580,619
2032	350,000	3.25%	234,655		584,655
2033	360,000	3.35%	222,938		582,938
2034	375,000	3.50%	210,345		585,345
2035	390,000	3.65%	196,665		586,665
2036	405,000	4.05%	181,346		586,346
2037	425,000	4.05%	164,539		589,539
2038	445,000	4.25%	146,476		591,476
2039	465,000	4.25%	127,139		592,139
2040	485,000	4.40%	106,588		591,588
2041	510,000	4.40%	84,698		594,698
2042	535,000	4.45%	61,574		596,574
2043	560,000	4.45%	37,210		597,210
2044	550,000	4.50%	12,375		562,375

Interim Financing

- Secure a financing vehicle with delayed payments that would be flipped to long term financing once increment is known
 - ✓ PRO: Better able to structure future long-term borrowing to increment collection
 - ✓ CON: Added financing/interest costs; finding a lender; interest rate risk; need to find other financing options for other current borrowing needs (ambulance) but Village staff did get a quote from local bank
- If this option selected Ehlers can present options but generally completed with RFP to lenders with terms dictated by Village rather than open market transaction to better “tell the story”

Interim Financing ctnd

- Ehlers and Bond Counsel draft paperwork
 - ✓ Proposal Letter: Designate signee & Place on Letterhead
 - ✓ Term Sheet
 - Anticipation Notes can be done on “GO” or “Revenue” pledge
 - Unique structure: interest due at maturity to make interest payment program eligible
 - Ability to draw & private placement
 - ✓ Proposal Form: allows for underwriter submittal

Interim Financing ctnd

- Choosing list of banks to send the offering to
 - ✓ Village could request Ehlers to provide a list of banks who have bid on a similar transaction
 - ✓ Village can provide banks they would like the RFP sent to
- Board to finalize List

Recommendations

- Both options work to finance the project and achieve goals
- Village Board decision should come down to risk tolerance to structuring the debt early; currently structured on Phase 1 developer expectations
 - ✓ Protected by DA shortfall payments



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