

**TRANSPORTATION FACILITIES  
NEEDS ASSESSMENT AND  
IMPACT FEE STUDY**

CITY OF FITCHBURG  
DANE COUNTY, WISCONSIN

SEPTEMBER 2004

## TABLE OF CONTENTS

<b>CHAPTER ONE: INTRODUCTION</b> .....	1
Map 1: City of Fitchburg Existing Service Area .....	4
<b>CHAPTER TWO: EXISTING AND FORECAST POPULATIONS AND LAND USE</b> .....	7
Table 1: Historical Population and Household Levels .....	8
Table 2: Existing and Forecast Population and Household Levels.....	8
Table 3: Existing and Future Land Use .....	8
<b>CHAPTER THREE: TRANSPORTATION FACILITIES NEEDS ASSESSMENT</b> .....	10
Map 2: Jurisdictional Arterial Street & Highway System .....	11
Table 4: Existing Level of Service Provided by Local Arterials .....	13
Table 5: 2020 Recommended Roadway Improvements and Costs .....	15
Table 6: Cost of Recommended Facilities Net of Other Funding .....	18
Table 7: Recommended Capital Cost Allocation.....	19
Table 8: Recommended Improvements Share of Total Impact Fee Collection.....	21
Table 9: Allocation of Transportation Improvements to Future Development by Land Use Category .....	22
Table 10: Computation of Recommended Impact Fees.....	22
Table 11: Impact Fee Schedule for Expanded List of Development Types .....	24
<b>CHAPTER FOUR: RECOMMENDED IMPACT FEES AND IMPLEMENTATION</b> .....	26
Table 12: Effect of Recommended Impact Fees on Housing Affordability .....	28
Figure 1: Comparison of Financial Impact on New Single-Family Homes .....	29
Figure 2: Comparison of Financial Impact on Existing Single-Family Homes.....	30
Table 13: Effect of Recommended Impact Fees on New Business Construction Affordability .....	32

## CHAPTER ONE: INTRODUCTION

### INTRODUCTION

One of the important functions of local government is to provide for the planning, design, construction and maintenance of public facilities, such as roads, sanitary sewerage systems, and park and recreational facilities, needed to serve land development. Along with this function comes the responsibility to finance these public facilities in a manner that is fiscally sound, equitable and affordable to residents and taxpayers, and within the statutory authority granted to local municipalities. Sound planning practice requires that sufficient public facilities be in place before new development is allowed to occur. In other words, there should be sufficient capacity in the local road system to handle the increased demand that new development will place upon the transportation system. Thus, these facilities are typically designed with excess capacity to accommodate anticipated development, and the associated increases in demand, for the next ten to twenty years.

Since the future residents and property owners who will use the excess capacity are not part of the community during the construction of such public facilities, existing residents and property owners may bear more than a proportionate share of the cost of facilities needed for new development. In order to distribute costs more fairly and make new development “pay its own way”, municipalities have long imposed a variety of fees on new development. In 1994, Wisconsin Statutes 66.55 (now 66.0671) was created to give local municipalities the authority to recover the costs of providing both on-site and off-site public infrastructure needed to serve new land development through the collection of impact fees at the time of development.

### IMPETUS AND AUTHORITY FOR STUDY

Local and regional population and land development patterns indicate that the City of Fitchburg is a rapidly growing community in Dane County. Thus the City must plan and provide for sufficient public facilities to serve areas of existing development, and large areas of anticipated future development. In June of 2002, the City adopted *the Northeast Fitchburg Transportation Study*, which recommended significant transportation system improvements to accommodate planned development in the area.

In 2004, the City of Fitchburg engaged the firm of Ruekert/Mielke to conduct a facility needs assessment and impact fee study for transportation facilities located throughout the entire City. The impact fee study was to recommend the amount of impact fees to be collected from both new residential and nonresidential development to pay for future transportation facilities. The result was this report, which fulfills the “public facilities needs assessment” procedural requirement dictated by Wisconsin Statutes and may serve as a basis for the City to adopt an ordinance establishing impact fees.

## AUTHORITY TO IMPOSE IMPACT FEES UNDER WISCONSIN STATUTES

1993 Wisconsin Act 305 created Section 66.55 (now 66.0617) of the Wisconsin Statutes, which provides the authority for cities, villages, towns, and counties to impose impact fees on certain developers for recovering public facility capital costs. The statute specifies the type of facilities for which impact fees may be imposed and prescribes certain procedural requirements for impact fee ordinances enacted by a political subdivision.

The statute allows for the use of impact fees in a wide variety of public facilities projects. Impact fees may be imposed on persons creating land development where development is defined as the construction or modification of improvements to real property that creates additional residential dwelling units within a political subdivision or that results in nonresidential uses that create the need for new, expanded or improved public facilities within a political subdivision. Public facilities are defined as highways, traffic control facilities, sewage facilities, storm water facilities, water facilities, parks and recreation facilities, solid waste and recycling facilities, fire protection facilities, law enforcement facilities, emergency medical facilities, and libraries. The statute stipulates that public facilities do not include facilities owned by a school district. Capital costs are defined as the costs to construct, expand or improve public facilities and may include land, legal, engineering and design costs.

Prior to enacting or amending an ordinance that imposes impact fees, a political subdivision must comply with the following procedural requirements:

1. Prepare a needs assessment for the public facilities for which it is anticipated that impact fees may be imposed. The public facilities needs assessment shall include the following:
  - An inventory of existing public facilities, including an identification of existing deficiencies in the quantity or quality of those public facilities, for which it is anticipated that an impact fee may be imposed.
  - An identification of new public facilities, or improvements and expansions of existing public facilities that will be required because of new land development. This identification shall be based upon an explicitly identified level of service and standards.
  - A detailed estimate of the capital costs of providing the new public facilities or improvements and expansions previously mentioned, including an estimate of the effect of imposing impact fees on the availability of affordable housing within the political subdivision.
2. The political subdivision must hold a public hearing prior to enacting or amending an impact fee ordinance. The public facilities needs assessment must be available for public review at least twenty days before the hearing date.

Impact fees imposed under the legislation may not be used to correct existing public facility deficiencies. Impact fees must bear a rational relationship to the need for new, expanded or improved public facilities and the fee may not exceed the proportionate share of capital costs required to serve new development as compared to existing uses. The impact fee must be reduced to compensate for other capital costs imposed by the municipality on land development to provide or pay for public facilities. Impact fees that are collected but are not used within a reasonable period of time after collection to pay the capital costs for which they are imposed, shall be refunded to the current owner of the property upon which the impact fee was imposed. The statute does not quantify what constitutes a “reasonable period of time” but does state that, in determining the length of time, the appropriate planning and financing periods shall be considered. Wisconsin Statutes 66.0617 imposes additional standards and requirements upon the imposition of impact fees, not all of which need be summarized here, but which may be relevant in particular situations.

### PLANNING AREA

The planning area for this study consists of all of the area within the corporate limits of the City of Fitchburg, and includes approximately 34 square miles. Map 1 depicts the total land area within the existing municipal boundaries of the City of Fitchburg.

### STUDY PROCESS

The study process was intended to be consistent with the City’s adopted Northeast Fitchburg Transportation Study and to correspond with the planned future growth objectives of the City, and to follow the guidelines for the public facilities needs assessment required by statute in order to impose impact fees. The study developed, and this report makes, recommendations for the imposition of a Transportation Facilities Impact Fee. The study employed a three-step process: conduct of pertinent inventories; conduct of required analyses and preparation of forecasts; and formulation of conclusions and recommendations.

### Inventory

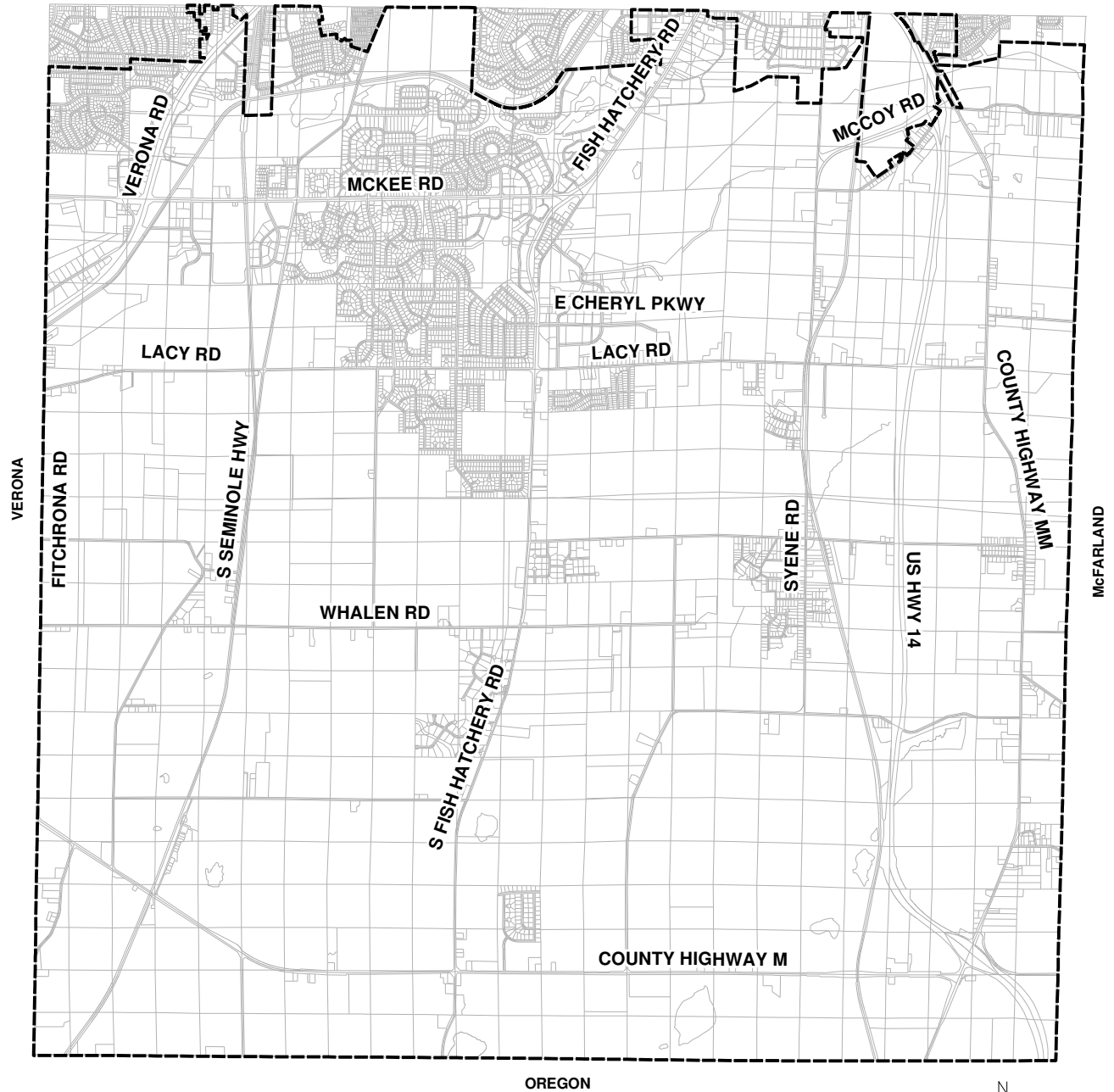
Preparation of an inventory of public facilities was the first step in the study process. No intelligent forecasts of demand for public facilities or determination of the amount and types of facilities needed to serve current and future development can be made without definitive knowledge of existing conditions in the areas concerned. The authorizing impact fee statute requires that the public facilities needs assessment contain an inventory of existing public facilities, including the identification of any existing deficiencies in those facilities. It further requires that impact fees be reduced to compensate for other capital costs imposed by the municipality on land development to provide or pay for public facilities. The development of sound impact fees requires the collection of data on the geographic settings including the demographic conditions and existing land use patterns within the study area, future land use plans, and the existing system of fees and charges imposed on development to pay for public infrastructure. For the planning effort concerned, the inventory process involved the collation of pertinent data from the City, and the conduct of personal interviews with City staff.

MAP 1

TRANSPORTATION NEEDS ASSESSMENT STUDY  
EXISTING SERVICE AREA

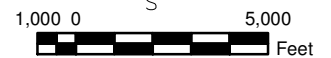
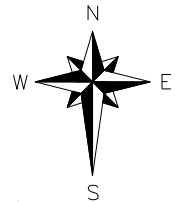
CITY OF FITCHBURG  
DANE COUNTY, WISCONSIN

MADISON



Legend

----- Municipal Boundary



DATE: February 10, 2004

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SOURCE: RIM  
BASEMAP SOURCE: CITY OF FITCHBURG



February 10, 2004  
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## Analyses and Forecasts

Inventories provide factual information about past and present conditions, but analyses and forecasts are necessary to define probable future conditions, particularly land use conditions and attendant demands for public services. Future demands for public services were determined for interlocking forecasts of population and economic activity levels, land use development patterns, and factors affecting the use of transportation facilities. The City's transportation facilities were then evaluated under both current and future levels of demand to determine the improvements needed to remedy existing deficiencies and those needed to provide sufficient capacity for future demand, and the cost of the recommended improvements was estimated. The planning period for this study extended to the year 2020.

## Formulation of Conclusions and Recommendations

Conclusions and recommendations regarding the amount and type of impact fees that would be appropriate for the City of Fitchburg under state statute must be based on the proportionate share of costs for public improvements needed to serve new development. The aforementioned analyses forecast the anticipated population and land development, the attendant increase in demands for transportation facilities, and the recommended improvements to remedy existing deficiencies and provide roadway capacity for future growth. Based on these forecasts, a determination was made as to the share of the cost of these improvements that could be recovered through imposition of impact fees for both residential and nonresidential development. A schedule of impact fees was recommended and conclusions were drawn with respect to the impact of the recommended fees on the affordability of residential housing.

## Study Organization and Public Participation

Local public officials and City of Fitchburg staff guided the study. Guidance was provided through meetings and interviews with staff to obtain background information and future plans for development and by detailed review of this report by City Staff.. All study findings were collected and incorporated into this report and were presented to the City Council.

In order to implement the recommendations of this report and adopt an impact fee ordinance, Wisconsin Statutes s.66.0617 requires that the City hold a public hearing on the proposed ordinance, and that the public facilities needs assessment and the proposed ordinance be made available for public review twenty days prior to the hearing.

## FRAMEWORK PLANS

Legally defensible impact fees depend upon explicitly defined service level standards for public facilities, which are based on local planning efforts. A public facilities needs assessment and study report should be consistent with the locally adopted land use and facility plans of the municipality.

The framework plans relevant to this study include the *Northeast Fitchburg Transportation Study*; *Nine Springs Green-Tech Village Neighborhood Plan*; and the *Nine Springs Neighborhood Plan*.

There were three primary development alternatives highlighted in the Northeast Fitchburg Transportation Study: 1) to extend East Cheryl Parkway to County Highway MM without providing a interchange connection at US Highway 14; 2) to extend East Cheryl Parkway to County Highway MM and to provide a Interchange connection at US Highway 14; and 3) to extend East Cheryl Parkway to US Highway 14 and to provide a interchange connection at US Highway 14. For the purposes of providing regional transportation access to the planned residential and nonresidential development described in both the Nine Springs Green-Tech Village Neighborhood Plan and the Nine Springs Neighborhood Plan, and to alleviate congestion on local roadways, public officials decided that it was necessary to extend East Cheryl Parkway to County Highway MM and to provide a interchange connection at US Highway 14, as described in Alternative 2 above.

## DESCRIPTION OF FOLLOWING CHAPTERS

The remainder of this report is organized into three chapters as follows:

### *Chapter Two: Existing and Forecast Demographics*

This chapter describes the existing and forecast demographic characteristics and land use patterns of the study area.

### *Chapter Three: Transportation Facilities Needs Assessment*

This chapter constitutes the public facilities needs assessment for transportation facilities, and contains an inventory of existing transportation facilities and the level of service for each road segment, a capital improvement plan for recommended facilities, an allocation of the capital improvement plan recommended costs allocated to deficiency and future growth, and recommendations related to an impact fee for transportation facilities.

### *Chapter Four: Recommended Impact Fees and Implementation*

This chapter summarizes the findings and recommendations of the study, including a schedule of recommended impact fees and an assessment of the impact of the proposed fees on the affordability of housing in the City of Fitchburg.

## **CHAPTER TWO: EXISTING AND FORECAST POPULATIONS AND LAND USE**

### INTRODUCTION

Proper planning for public infrastructure such as roads, sanitary sewerage systems and park and recreational facilities requires a careful consideration of the demographic conditions of the planning area. The conditions relevant to an impact fee study primarily include the existing and planned land use and the existing and forecast residential population of the planning area. Knowledge of these conditions assists in determining the existing and future demand for public facilities; the adequacy of the municipality's current facilities; and the cost of providing facilities for current and future development.

Both residential and nonresidential properties located in the City of Fitchburg are the primary users of City-owned transportation facilities. Residential property owners require the use of transportation facilities on a daily basis in order to commute to and from work and in conducting daily aspects of their lives, which may include trips to the local schools, businesses and places of worship. Commercial and industrial properties generate traffic based on their business operations. Although some of the traffic to local businesses will be from outside the City it is generated by the businesses. Since both residential and nonresidential properties generate traffic it is appropriate for the City of Fitchburg to collect a transportation impact fees from both residential and nonresidential properties based on the estimated amount of traffic each type of property generates.

### EXISTING DEMOGRAPHIC CONDITIONS

Table 1 shows the historical population and household levels for the City of Fitchburg, as calculated by the U.S. Bureau of the Census. As shown in Table 1, the City of Fitchburg had a population of 11,973 in 1980. In 1990 the City had a population of 15,648 residing in 6,687 households, representing a population increase of 30.7 percent. By 2000 the City had a population of 20,501 residing in 8,650 households, representing a percentage population increase of 30.0 percent. Between 1990 and 2000 the number of households grew by 29.36 percent. The slightly lower growth rate in the number of households, as compared to the population growth rate, can be attributed to the slight increase in household size, from 2.34 in 1990 to 2.37 in 2000. Between 1970 and 2000 the City grew by 15,797 residents or 335.8 percent. The most rapid growth of the City occurred between 1970 and 1980 when the City's population grew by 154.5 percent.

### FORECAST DEMOGRAPHIC CONDITIONS

The Dane County Regional Planning Commission (DCRPC) forecasts the 2020 population as 30,431. This number represents an increase of 9,930 residents and 4,726 households, or a 44.5 percent population growth, and 54.7 percent growth in the number of households between 2000 and 2020. The slightly higher growth rate in the number of households, as compared to the population growth rate, can be attributed to a forecast decrease in the household size, from 2.37 in 2000 to 2.27 in 2020. A forecast 2020 population of 30,431 persons, residing in 13,388 households, was used for purposes of this impact fee study.

**Table 1**  
**Transportation Facilities Needs Assessment and Impact Fee Study**  
**Historical Population and Household Levels: 1960-2000**

Year	Population	Population Growth Rate	Households	Percent Increase in No. of Households	Persons Per Household
1960	2,880	N/A	N/A	N/A	N/A
1970	4,704	63.33%	N/A	N/A	N/A
1980	11,973	154.53%	N/A	N/A	N/A
1990	15,648	30.69%	6,399	N/A	2.45
2000	20,501	31.01%	8,262	29.11%	2.48

Source: City of Fitchburg, *General Land Use Plan*, March 1995, U.S Census Bureau and Dane County Regional Planning Commission

**Table 2**  
**Transportation Facilities Needs Assessment and Impact Fee Study**  
**Existing and Forecast Population and Household Levels**

	2000	Percent Change 2000 - 2020	2020
Population	20,501	48.44%	30,431
Households	8,262	56.97%	12,969

Source: Department of Administration population estimates and projections & Dane County Regional Planning Commission

**Table 3**  
**Transportation Facilities Needs Assessment and Impact Fee Study**  
**Existing and Future Land Use**

Land Use Type	Acres		
	Year 2000	Planned 2020	Total Change 2000 - 2020
Residential	2,334	3,974	1,640
Government / Commercial / Industrial	1,233	1,539	306
Agricultural / Open Space / Other	18,872	16,926	(1,946)
Total	22,439	22,439	-

Source: Existing Land Use Map for the City of Fitchburg, and Demographic Profile of the City of Fitchburg completed by the Dane County Regional Planning Commission.

## EXISTING AND FORECAST LAND USE CONDITIONS

As shown in Table 3, the City of Fitchburg has a total of 22,439 acres of land located within its municipal boundaries. In 2000, approximately 2,334 acres, or 10.4 percent, of developed land was used for residential purposes, 1,233 acres, or 5.5 percent, of developed land was used for governmental, commercial, and industrial purposes, the remaining 18,872 acres or 84.1 percent of land located in the City was used for agricultural, open space or other purposes.

The planned land uses for 2020 include 3,974 acres, or 17.7 percent, of land that will be used for residential purposes, 1,539 acres or 6.9 percent of land that will be used for governmental, commercial, and industrial purposes and 16,926 acres or 75.4 percent of land located in the City that will be used for agricultural, open space or other purposes. It is assumed that the vast majority of the land that will be developed over the next 20 years is land that is currently used for agricultural purposes.

The future land use conditions used in this report are based upon the not only the population growth projections but also on existing neighborhood plans. When compared to historic growth patterns from 1980 to 1990 and 1990 to 2000, and taking into account increased developmental pressure placed on the City of Fitchburg it is reasonable to assume that the projected growth patterns will be accurate estimation of the actual 2020 land use.

## CONCLUSION

Since 1970 the City of Fitchburg's population growth rate has exceeded the population growth rate of Dane County. The City's population has tripled while the population in Dane County has increased by approximately 26.5 percent. The City's population is projected to grow twice as fast as Dane County's population between 2000 and 2020. This is due to the proximity of Fitchburg to the City of Madison and due to the large amount of developable land within the boundaries of the City Fitchburg. As developable land becomes scarce in the City of Madison it is expected that development will continue to spread south into the City of Fitchburg. It is expected that the average household size for the City of Fitchburg will decrease from 2.37 in 2000 to 2.27 in 2020.

## **CHAPTER THREE: TRANSPORTATION FACILITIES NEEDS ASSESSMENT**

### INTRODUCTION

The City of Fitchburg is served by a network of local access streets, collector streets and arterial streets. Local access streets generally have a smaller cross-section width, serve to provide access to properties in a localized area, and do not carry through traffic. Collector streets “collect” traffic from several local streets and provide access from one local street network to another or to the major streets and highways. Arterial streets are the major streets, often with wider cross-sections, that serve to carry traffic through the community between major destination points or that carry inter-community traffic. The local and collector streets are generally owned and maintained by the local municipality. Arterial streets and highways may be owned by the local municipality, the County, the State or even, in the case of interstate highways, the Federal Highway Administration. The City of Fitchburg, Dane County, and the State of Wisconsin each own portions of the network of arterial streets and highways in the City.

The City of Fitchburg is planning to encourage development of a large tract of land located to the north of Lacy Road and to the West of US Hwy 14. The development area, referred to as Nine Springs Green-Tech Village Neighborhood, will consist of a mix of residential, commercial and industrial properties. In anticipation of this development the City has completed a transportation study for the northeast corner of the City. The purpose of the study was twofold: 1) to review the existing roadway conditions in the northeast corner of the City; 2) to propose a series of roadway improvements that are recommended in order to provide adequate transportation access to the Nine Springs Green-Tech Village Neighborhood development. The City does not have a facility plan for future reconstruction or expansion of the arterial streets or highways under its jurisdiction outside of the Nine Springs Green-Tech Village Neighborhood. Therefore, a facilities needs assessment was conducted to determine the future improvements needed throughout the City to expand the capacity of City-owned streets needed to accommodate increases in traffic volume created by new development.

### INVENTORY OF EXISTING FACILITIES AND IDENTIFICATION OF EXISTING DEFICIENCIES

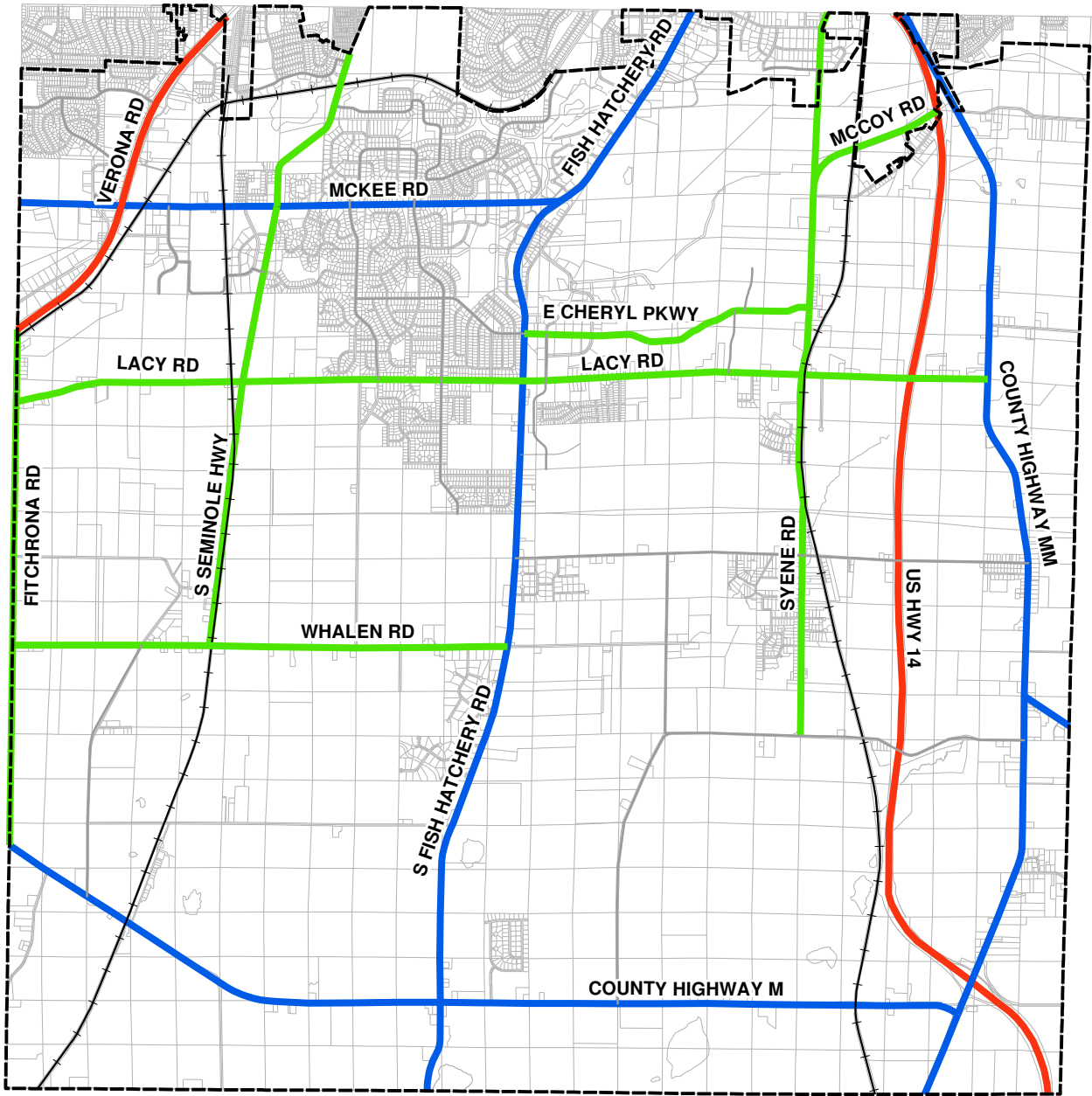
The network of existing collector and arterial streets, are shown on Map 2. Significant portions of the collector and arterial streets in the City of Fitchburg are owned by Dane County or the State of Wisconsin. In total, approximately 72.89 miles of collector and arterial roadways are located in the City of Fitchburg.

The inventory of existing facilities, as provided in the Northeast Fitchburg Transportation Study, was expanded to include several roadways that are located outside of the study area, but were identified by City staff members as roadways that will be improved in the future to provide additional capacity.


MAP 2

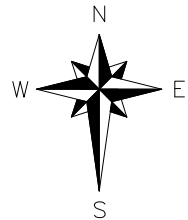
TRANSPORTATION NEEDS ASSESSMENT STUDY  
JURISDICTIONAL ARTERIAL STREET & HIGHWAY SYSTEM

CITY OF FITCHBURG  
DANE COUNTY, WISCONSIN



**Legend**

-  Local Arterial Street
-  County Trunk Highway
-  State Highway
-  Municipal Boundary



DATE: February 10, 2004

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SOURCE: RJM  
BASEMAP SOURCE: CITY OF FITCHBURG

The primary measure used in assessing the adequacy of a segment of street is the volume of traffic carried by the street during a period of time, relative to the maximum capacity of the roadway, which is referred to as a volume to capacity ratio. For purposes of identifying any deficiencies in the capacity (i.e. number of travel lanes) of each segment, the traffic volume used was the average daily traffic volume and the capacity used was an estimation of the level of traffic that the roadway could carry in a day at the lowest acceptable Level of Service (LOS). The Northeast Fitchburg Transportation Study utilized the latest available Wisconsin Department of Transportation (WisDOT) traffic counts from 1999 for the basis of the existing traffic counts.

Based on procedures set forth in the 2000 Highway Capacity Manual (HCM), it was determined that the lowest acceptable LOS for daily roadway capacity would be LOS “D”. The daily roadway capacity at LOS “D” was provided for each segment of roadway and was compared to the 1999 WisDOT traffic counts. The LOS designations are defined qualitatively as follows:

LOS A—Motorists are virtually unaffected by the presence of others in the traffic stream – they are able to select desired speeds and maneuver (pass) quite easily. In other words, the motorist’s comfort, convenience, and satisfaction with the quality of travel is excellent.

LOS B—The presence of others in the traffic stream begins to be noticeable; freedom to select desired speeds is unaffected, but the ability to maneuver declines slightly from that of a level of service A. As a result, the driver’s comfort, convenience and satisfaction begin to decline as well.

LOS C—The selection of speed, as well as the ability to maneuver, is now affected by the presence of others in the traffic stream. Thus, a driver’s comfort, convenience, and satisfaction begin to decline considerably.

LOS D—Due to high-density traffic flow, speed and freedom to maneuver are severely restricted, and drivers experience a poor level of comfort, convenience and satisfaction.

LOS E—Traffic volume is at or near capacity; speeds are reduced significantly and the ability to maneuver is nearly impossible. Such conditions result in extremely poor levels of comfort, convenience and satisfaction resulting in a high degree of driver frustration.

LOS F—Traffic volume is at or exceeding capacity, which results in traffic queues and complete breakdown of traffic flow. Drivers experience stop-and-go driving.

Table 4 shows the existing average daily volume along each segment of roadway in terms of vehicles per day (vpd). The table shows the existing LOS “D” traffic capacity, and the existing cross section description for each roadway segment. Roadways whose existing average daily traffic capacity is less than the existing daily capacity at LOS “D” are currently operating under capacity. As shown in Table 4, only two segments of Fish Hatchery Road between the Beltline to Post Road and Post Road to McKee Road have traffic volumes that exceed the roadway capacity at the lowest acceptable LOS “D” capacity, therefore both of these roadway segments are deficient. The remaining roadways located throughout the City have current traffic capacities below the capacity at the lowest acceptable LOS “D” and are therefore providing a LOS “C” or better and are not deficient. The only existing deficiency in roadway capacity is the segment of Fish Hatchery Road between the Beltline to Post Road and Post Road to McKee Road.

**Table 4**  
**Transportation Facilities Needs Assessment and Impact Fee Study**  
**Existing Level of Service Provided By Local Arterials: 2000**

Road Segment	Existing Average Daily Traffic Volumes <sup>(1)(2)</sup> (vpd)	Existing Daily Capacity (at LOS D) <sup>(1)</sup> (vpd)	Existing Cross Section Description
<b>Fish Hatchery Road (CTH D)</b>			
Beltline to Post Rd.	48,300	40,000	Six Lane Divided
Post Rd. to McKee Rd.	31,700	40,000	Six Lane Divided
McKee Rd. To Lacy Rd.	11,900	28,000	Four Lane Divided
Lacy Rd to Irish Lane	7,800	12,000	Two Lane Undivided
<b>Syene Road</b>			
Post Rd. to McCoy Rd.	3,950	12,000	Two Lane Undivided
McCoy Rd. to Lacy Rd.	2,300	12,000	Two Lane Undivided
Lacy Rd. to Irish Lane	1,300	12,000	Two Lane Undivided
<b>USH 14</b>			
McCoy Rd I/C	8,500	36,000	Four Way Interchange
<b>Lacy Road</b>			
Fitchrona Rd. to Seminole Hwy	1,300	12,000	Two Lane Undivided
Seminole Hwy to Devoro Rd.	3,200	12,000	Two Lane Undivided
Devoro Rd. to Fish Hatchery Rd.	2,700	12,000	Two Lane Undivided
Fish Hatchery Rd. to Caine Rd.	2,100	12,000	Two Lane Undivided
Cain Rd. to Syene Rd.	2,000	12,000	Two Lane Undivided
Research Park Dr. to Syene Rd.	2,000	12,000	Two Lane Undivided
Syene Rd. to USH 14	1,400	12,000	Two Lane Undivided
<b>McCoy Road</b>			
Syene Rd. to Herman Rd.	4,800	12,000	Two Lane Undivided
Herman Rd. to CTH MM	3,250	28,000	Four Lane divided

1999 City of Fitchburg, Dane County Annual Average Daily Traffic Counts as reported by the Wisconsin Department of Transportation.

1) Source: *Northeast Fitchburg Transportation Study*, KL Engineering and HNTB Corporation, June 2002

2) Source: 2003 WisDOT PASER Database

## RECOMMENDED IMPROVEMENTS

The Northeastern Fitchburg Transportation Study and City Staff members indicated that a number of roadway improvements would be needed prior to 2020 to increase the roadway capacity to accommodate future increases in traffic volumes. Table 5 provides a list of the roadway improvements that are expected to be completed prior to 2020.

It is anticipated that several capacity improvements will need to be made to Fish Hatchery Road between the Beltline and Post Road and Post Road and McKee Road. The capacity improvements, although not designed yet, will be designed to increase the future daily capacity in order to provide at least a LOS “D” on both roadways. Additionally, the existing two-lane undivided section of Fish Hatchery Road between Lacy Road and Irish Lane will be reconstructed into a four-lane divided road. Improvements will be made to Syene Road between Post Road and McCoy Road to widen the existing two-lane undivided roadway allowing for the construction of bike lanes and to improve vehicular safety. The construction of bike lanes will not increase the future daily vehicular capacity of this segment. Additionally, the existing two-lane undivided stretch of Syene Road from McCoy Road to Lacy Road will be improved to a four-lane divided roadway, which will improve the daily capacity at LOS “D” from 12,000 to 28,000 vpd.

Traffic signalization improvements will be made to the four-way interchange at McCoy Road and US Highway 14. In addition, the ramps will be removed in conjunction with the construction of a new interchange at US Highway 14 and E. Cheryl Parkway. The removal of ramps will not increase the future daily capacity of this segment, but is needed in order to construct the new interchange.

The existing two-lane undivided sections of Lacy Road between Research Park Drive and Syene Road, and Syene Road and US Highway 14 will be reconstructed into a two-lane divided section of roadway. These improvements will increase the future daily capacity at LOS “D” from 12,000 to 15,000 vpd.

The portion of East Cheryl Parkway not located in the Green Tech Village Neighborhood will be extended from US Hwy 14 to County Highway MM as a four-lane divided roadway. The future daily capacity at LOS “D” for this segment of roadway will be 28,000 vpd.

The existing two-lane undivided section of McCoy Road between Syene Road and Herman Road will be constructed into a four-lane divided roadway. The improvements will increase the future daily capacity at LOS “D” from 12,000 to 28,000 vpd.

Post Road which currently is a two-lane undivided roadway running east to west terminates at Fish Hatchery Road, will be extended as a two lane undivided roadway east of Fish Hatchery Road to the City limit, and will have a future daily capacity at LOS “D” of 12,000 vpd.

Additional roadway widening of existing two-lane undivided roadways are expected to be needed on one of four roadways in the northwest portion of the City: Fitchrona Road, Seminole Highway, Lacy Road between Fitchrona Road and Seminole Highway, or Lacy Road between Seminole Highway and Devoro Road. It is estimated that approximately 1.50 miles of roadway in this area will be widened.

**Table 5**  
**Transportation Facilities Needs Assessment and Impact Fee Study**  
**2020 Recommended Roadway Improvements and Costs**

Road Segment	Segment Length (miles)	Existing Cross Section Description	Estimated Cost to Reconstruct Existing Facilities	Future Cross Section Description / Improvement	Estimated Cost to Construct Recommended Facilities	Net Additional Cost to Construct Expanded Facilities vs. Reconstruction	Deficiency Share	Future Growth Share / Maximum Impact Fee Cost
Fish Hatchery Road (CTH D)								
Beltline to Post Rd.	N/A	Six Lane Divided	N/A	Capacity Improvements	\$125,000	\$125,000	\$125,000	\$0
Post Rd. to McKee Rd.	N/A	Six Lane Divided	N/A	Capacity Improvements	\$125,000	\$125,000	\$0	\$125,000
Lacy Rd. to Irish Lane	1.00	Two Lane Undivided	\$1,100,000	Four Lane Divided	\$2,800,000	\$1,700,000	\$1,100,000	\$1,700,000
Syene Road								
Post Rd. to McCoy Rd.	0.66	Two Lane Undivided	N/A	Two Lane Undivided / Bike Lanes	\$600,000	\$600,000	\$600,000	\$0
McCoy Rd. to Lacy Rd.	1.20	Two Lane Undivided	\$1,320,000	Four Lane Divided	\$3,360,000	\$2,040,000	\$1,320,000	\$2,040,000
USH 14								
McCoy Rd I/C	N/A	Four Way Interchange	N/A	Removal of Ramps	\$100,000	\$100,000	\$0	\$100,000
Lacy Road								
Research Park Dr. to Syene Rd.	1.50	Two Lane Undivided	\$1,650,000	Two Lane Divided	\$2,100,000	\$450,000	\$1,650,000	\$450,000
Syene Rd. to USH 14	0.57	Two Lane Undivided	\$625,000	Two Lane Divided	\$795,455	\$170,455	\$625,000	\$170,455
E. Cheryl Parkway								
US HWY 14 to CTH MM	0.32	N/A	N/A	Four Lane Divided	\$901,515	\$901,515	\$0	\$901,515
McCoy Road								
Syene Rd. to Herman Rd.	0.50	Two Lane Undivided	\$550,000	Four Lane Divided	\$1,400,000	\$850,000	\$550,000	\$850,000
Post Road								
Fish Hatchery Rd. to City Limit	0.42	N/A	N/A	Two Lane Undivided	\$462,000	\$462,000	\$0	\$462,000
Additional Roadway Widening <sup>(1)</sup>	1.50	Two Lane Undivided	\$1,650,000	Two Lane Divided	\$2,100,000	\$450,000	\$1,650,000	\$450,000
Recommended Traffic Signals	N/A	N/A	N/A	Eight Additional Traffic Signal Improvements	\$800,000	\$800,000	\$0	\$800,000
Interchange at USH 14 and East Cheryl Parkway <sup>(2)</sup>	N/A	N/A	N/A	NEW USH 14 & East Cheryl Parkway Interchange	\$6,951,875 #	\$6,951,875	\$0	\$6,951,875
<b>Total</b>			<b>\$6,895,000</b>		<b>\$22,620,845</b>	<b>\$15,725,845</b>	<b>\$7,620,000</b>	<b>\$15,000,845</b>

1) Costs for improving one of four possible roadways, Fitchrona Road, Seminole Highway, Lacy Road between Fitchrona Road and Seminole Highway or Lacy Road between Seminole Highway and Devoro Road.

2) Total interchange cost including engineering and construction costs.

It is also recommended that eight additional traffic signals be placed within the Northeastern section of the City. These signals will be located at the intersection of Post Road and Fish Hatchery Road, Cheryl Parkway and Fish Hatchery Road, Lacy Road and Fish Hatchery Road, the Fitchburg Technology Campus street access on Fish Hatchery Road, at both the north- and southbound on and off ramps located at the McCoy Road and US Highway 14 interchange, the intersection of Cheryl Parkway and Syene Road, and the southbound on and off ramps of the US Highway and Cheryl Parkway interchange. In addition, a new US Highway 14 interchange is recommended to be constructed at the extension of E. Cheryl Parkway.

The estimate total cost of the recommended improvements, as shown in Table 5, is approximately \$22.6 million. It is important to note that this does not include site-specific improvements such as additional traffic signals, passing lanes, or intersection improvements, that may be required to serve specific developments.

### ALLOCATION OF COSTS

The recommended transportation improvements will be needed to accommodate future increases in traffic volumes generated by new development. This expansion of roadway capacity will be needed in order to continue to offer an adequate level of service as new development occurs in the City. Therefore, a portion of the cost of these facilities may be charged to new development through the imposition of a transportation facilities impact fee. Roadway improvements augment existing roadways by adding to the capacity level through the addition of traffic lanes. It is not equitable for the entire cost of the roadway improvement to be placed on future traffic users, however, since existing traffic also benefits from the roadway improvements. Even if the City did not experience any new development, the existing traffic on these roadways creates wear and tear on the roads, which eventually leads to the need to for reconstruction. Therefore, only the incremental cost needed to expand the roadway from its current cross section to the recommended cross section should be allocated to future development. The cost of reconstructing the roadway to its existing cross section should be borne by the City as a cost of maintaining its roadways.

Table 5 shows the existing cross section and the cost to reconstruct the existing roadway, for those roadways where the recommended improvements consist of reconstruction and adding additional capacity. For those improvements that do not include reconstruction of the roadway, the cost to reconstruct is shown as not applicable. Also shown on Table 5 are the recommended future cross section and the estimated cost of the recommended improvements. The estimated total cost of reconstructing the existing roadways to the same cross section is \$6,895,000. Therefore these costs are considered “deficiency” costs since they would be incurred in order to maintain the roadways even if there were no increase in traffic. Therefore the net incremental cost to construct additional lanes, add a new freeway interchange and other recommended improvements is approximately \$15,725,845. This figure represents the proportionate share of the cost of improvements needed to add vehicular or bicycle capacity to the roadways listed in Table 5.

The net incremental cost is not the amount that is recommended for recovery through impact fees, however. Wisconsin Statutes state that a municipality may only charge new development for the proportionate share of the new or expanded facilities that are required to serve new

development. It further states that the amount to be recovered through impact fees must be reduced by the amount of any other charges imposed on development to pay for the cost of public facilities. Under Wisconsin Statutes 66.0617, this amount needs to be reduced by the amount needed to remedy existing deficiencies and by the amount of funding that the City expects to receive from grants, cost sharing from other levels of government, or other funding sources.

The amounts listed as “deficiency” costs in Table 5 include the cost to reconstruct to the existing cross sections, plus costs needed to remedy an existing deficiency or to improve bicycle transportation routes. The cost of improvements to the section of Fish Hatchery Road between the Beltline and Post Road will not be eligible to be recovered from new development since the recommended capacity improvements are needed to improve the roadway to LOS “D” under existing traffic conditions. In addition, the improvements to Syene Road between Post Road and McCoy Road will only improve bicycle traffic capacity, not vehicular capacity. Therefore, these costs were allocated as “deficiency” costs on Table 5. In total, the costs identified as “deficiency” costs are approximately \$7,620,000.

The net costs of \$15,000,845 represent the maximum amount that the City could recover through impact fees, if no other funding sources were available. However, the City does anticipate significant funding from other sources, as shown in Table 6. A total of four projects are anticipated to be financed in part by other revenue sources. It is expected that the City will create a Tax Incremental Finance District (TIF) to cover approximately 80 percent of the section of Fish Hatchery Road between Lacy Road and Irish Lane. The City anticipates that an additional 10 percent of the total project costs will be recovered through cost sharing from Dane County. Similarly, 80 percent of the cost to construct a new section of E. Cheryl Parkway between US HWY 14 and CTH MM will be allocated to the TIF District. A total of \$320,000 of the project costs related to the extension of Post Road between Fish Hatchery Road and Syene Road will be assessed to property. Ninety percent of the cost to construct a new interchange at USH 14 and East Cheryl parkway will be allocated to the TIF District, while ten percent of the cost will be collected through impact fees. The total estimated cost to construct the recommended facilities is \$22,620,845, of which \$9,817,900 will come from the other sources of revenue listed above. The remaining \$12,802,945 will have to be recovered through alternative means, including impact fees.

Table 7 summarizes the maximum impact-fee eligible costs, the total costs net of other revenue sources, and the recommended cost allocation between impact fees, other funding sources and the existing development (property tax) share. It is recommended that the City collect the maximum impact fee eligible amount through impact fees, except for those projects where the City’s cost, net of other revenue sources, is less than the impact fee eligible amount. In total, it is recommended that the City could fund approximately \$6,282,945, or 27.8 percent, of the costs through impact fees, \$9,817,900, or 43.4 percent, from grants, intergovernmental cost sharing, TIF and special assessments, and the remaining \$6,520,000, or 28.8 percent, from the City general fund. Table 7 also shows the percentage of funding from each of these sources for each individual project.

**Table 6**  
**Transportation Facilities Needs Assessment and Impact Fee Study**  
**Cost of Recommended Facilities Net of Other Funding**

Road Segment	Estimated Cost to Construct Recommended Facilities	Potential Funding from Other Funding Sources	Net City Share of Cost
Fish Hatchery Road (CTH D)			
Beltline to Post Rd.	\$125,000	\$0	\$125,000
Post Rd. to McKee Rd.	\$125,000	\$0	\$125,000
Lacy Rd. to Irish Lane <sup>(1)</sup>	\$2,800,000	\$2,520,000	\$280,000
Syene Road			
Post Rd. to McCoy Rd.	\$600,000	\$0	\$600,000
McCoy Rd. to Lacy Rd.	\$3,360,000	\$0	\$3,360,000
USH 14			
McCoy Rd I/C	\$100,000	\$0	\$100,000
Lacy Road			
Research Park Dr. to Syene Rd.	\$2,100,000	\$0	\$2,100,000
Syene Rd. to USH 14	\$795,455	\$0	\$795,455
E. Cheryl Parkway			
US HWY 14 to CTH MM <sup>(2)</sup>	\$901,515	\$721,212	\$180,303
McCoy Road			
Syene Rd. to CTH MM	\$1,400,000	\$0	\$1,400,000
Post Road			
Fish Hatchery Rd. to Syene Rd. <sup>(3)</sup>	\$462,000	\$320,000	\$142,000
Additional Roadway Widening	\$2,100,000	\$0	\$2,100,000
Recommended Traffic Signals	\$800,000	\$0	\$800,000
Interchange at USH 14 / East Cheryl Parkway <sup>(4)</sup>	\$6,951,875	\$6,256,688	\$695,188
<b>Total</b>	<b>\$22,620,845</b>	<b>\$9,817,900</b>	<b>\$12,802,945</b>

1) 80 percent of costs to be recovered by TIF district; 10 percent of costs to be recovered through County and 10 percent of costs to be placed on impact fee.

2) 80 percent of costs to be recovered by TIF district.

3) \$320,000 will be assessed to property owners.

4) 90 percent of cost will be recovered by TIF district.

**Table 7**  
**Transportation Facilities Needs Assessment and Impact Fee Study**  
**Recommended Capital Cost Allocation**

Road Segment	Total Project Cost	City Share of Cost Net Other Funding Sources	Future Growth Share / Maximum Impact Fee Cost	Recommended Capital Cost Allocation					
				Impact Fee Share		Other Funding Sources		Existing Development Share	
Fish Hatchery Road (CTH D)									
Beltline to Post Rd.	\$125,000	\$125,000	\$0	\$0	0.0%	\$0	0.0%	\$125,000	100.0%
Post Rd. to McKee Rd.	\$125,000	\$125,000	\$125,000	\$125,000	100.0%	\$0	0.0%	\$0	0.0%
Lacy Rd. to Irish Lane	\$2,800,000	\$280,000	\$1,700,000	\$280,000	10.0%	\$2,520,000	90.0%	\$0	0.0%
Syene Road									
Post Rd. to McCoy Rd.	\$600,000	\$600,000	\$0	\$0	0.0%	\$0	0.0%	\$600,000	100.0%
McCoy Rd. to Lacy Rd.	\$3,360,000	\$3,360,000	\$2,040,000	\$2,040,000	60.7%	\$0	0.0%	\$1,320,000	39.3%
USH 14									
McCoy Rd I/C	\$100,000	\$100,000	\$100,000	\$100,000	100.0%	\$0	0.0%	\$0	0.0%
Lacy Road									
Research Park Dr. to Syene Rd.	\$2,100,000	\$2,100,000	\$450,000	\$450,000	21.4%	\$0	0.0%	\$1,650,000	78.6%
Syene Rd. to USH 14	\$795,455	\$795,455	\$170,455	\$170,455	21.4%	\$0	0.0%	\$625,000	78.6%
E. Cheryl Parkway									
US HWY 14 to CTH MM	\$901,515	\$180,303	\$901,515	\$180,303	20.0%	\$721,212	80.0%	\$0	0.0%
McCoy Road									
Syene Rd. to CTH MM	\$1,400,000	\$1,400,000	\$850,000	\$850,000	60.7%	\$0	0.0%	\$550,000	39.3%
Post Road									
Fish Hatchery Rd. to Syene Rd.	\$462,000	\$142,000	\$462,000	\$142,000	30.7%	\$320,000	69.3%	\$0	0.0%
Additional Roadway Widening <sup>(1)</sup>	\$2,100,000	\$2,100,000	\$450,000	\$450,000	21.4%	\$0	0.0%	\$1,650,000	78.6%
Recommended Traffic Signals	\$800,000	\$800,000	\$800,000	\$800,000	100.0%	\$0	0.0%	\$0	0.0%
Interchange at USH 14 / East Cheryl Parkway <sup>(2)</sup>	\$6,951,875	\$695,188	\$6,951,875	\$695,188	10.0%	\$6,256,688	90.0%	\$0	0.0%
<b>Total</b>	<b>\$22,620,845</b>	<b>\$12,802,945</b>	<b>\$15,000,845</b>	<b>\$6,282,945</b>	<b>27.8%</b>	<b>\$9,817,900</b>	<b>43.4%</b>	<b>\$6,520,000</b>	<b>28.8%</b>

1) Costs for improving one of four possible roadways, Fitchrona Road, Seminole Highway, Lacy Road between Fitchrona Road and Seminole Highway or Lacy Road between Seminole Highway and Devoro Road.

2) Total interchange cost including engineering and construction costs.

Table 8 shows the percentage share of the total impact fee collections that would be used for each impact fee-eligible project. Approximately, 32.5 percent, or \$2,040,000 of the maximum impact fee eligible costs will be used to construct the section of Syene Road between McCoy Road and Lacy Road from a two-lane undivided roadway to a four-lane divided highway. Additionally, the improvements made to McCoy Road, the construction of additional traffic signals and the construction of the Interchange at USH 14 and East Cheryl Parkway account for 37.3 percent, or \$2,345,188, of the total impact fee eligible costs. The remaining nine improvements will account for 30.2 percent, or \$2,387,758 of the total impact fee eligible costs.

### RECOMMENDED IMPACT FEE SCHEDULE

Every type of new development generates traffic, and therefore has an impact on the need for transportation facilities. It would therefore be appropriate to charge transportation impact fees to both residential and nonresidential development, in proportion to the expected amount of traffic to be generated. Furthermore, since new development in any part of the City has an impact on the transportation facilities throughout the City, and may have an impact on the particular segments recommended for reconstruction, it would be appropriate to charge a transportation facilities impact fee to new development occurring anywhere in the City. The needs assessment for roadways located in the City considered roadways located throughout the entire study area in an effort to identify the segments of road that would need to be expanded by 2020. The exact magnitude of the impact of a particular development on every segment of roadway cannot be predicted with any degree of certainty; however a new development is likely to have some impact on every segment of roadway. Therefore, even those development areas that were not analyzed in the Northeast Fitchburg Transportation Study have some impact on the need for the expanded transportation facilities identified by this needs assessment.

For the reasons stated above, the impact fee eligible costs of the recommended improvements to the transportation facilities were allocated to all projected future development in the City, both residential and nonresidential, on the basis of projected vehicle trips per day. A comprehensive review of the Nine Springs Green-Tech Village Neighborhood Plan, the Nine Springs Neighborhood Plan and the Northeast Fitchburg Transportation Study was completed to determine the projected development rates of both residential and non-residential properties located within the City of Fitchburg over the next 20 years. Projected development level was then compared to preliminary population and development projections for the City supplied by the Dane County Regional Planning Commission and was discussed with members of the City Staff who indicated which portions of the City were already developed and which sections of the City could be expected to be developed as described in the plans.

As shown in Table 9 there are four major developments planned to occur within the City of Fitchburg in the next 20 years that will have a substantial impact on traffic facilities. The Fitchburg Center is a 382 acre, planned mixed-use development with several biotechnology-orientated business. The Fitchburg Center is expected to generate 24,700 vehicle trips per day. The Nine Springs Neighborhood, which is located to the west of Syene Road and north of Lacy Road, is being developed as a low- to medium-density residential neighborhood with some institutional uses. Currently, there are approximately 100 residential units already constructed in the Nine Springs Neighborhood generating approximately 957 vehicle trips per day. It is

**Table 8**  
**Transportation Facilities Needs Assessment and Impact Fee Study**  
**Recommended Improvements Share of Total Impact Fee Collection**

Road Segment	Impact Fee Share	Percent of Total Impact Fee Collection
Fish Hatchery Road (CTH D)		
Post Rd. to McKee Rd.	\$125,000	2.0%
Lacy Rd. to Irish Lane	\$280,000	4.5%
Syene Road		
Post Rd. to McCoy Rd.	\$0	0.0%
McCoy Rd. to Lacy Rd.	\$2,040,000	32.5%
USH 14		
McCoy Rd I/C	\$100,000	1.6%
Lacy Road		
Research Park Dr. to Syene Rd.	\$450,000	7.2%
Syene Rd. to USH 14	\$170,455	2.7%
E. Cheryl Parkway		
US HWY 14 to CTH MM	\$180,303	2.9%
McCoy Road		
Syene Rd. to CTH MM	\$850,000	13.5%
Post Road		
Fish Hatchery Rd. to Syene Rd.	\$142,000	2.3%
Additional Roadway Widening <sup>(1)</sup>	\$450,000	7.2%
Recommended Traffic Signals	\$800,000	12.7%
Interchange at USH 14 / East Cheryl Parkway <sup>(2)</sup>	\$695,188	11.1%
<b>Total Impact Fee</b>	<b>\$6,282,945</b>	<b>100.0%</b>

**Table 9**  
**Transportation Facilities Needs Assessment and Impact Fee Study**  
**Allocation of Transportation Improvements to Future Development by Land Use Category**

Developments	Incremental Development <sup>(1)</sup>	Average Trips Generated per Unit per Day	Total Incremental Vehicle Trips per Day
Fitchburg Center <sup>(2)</sup>			24,700
Nine Springs Neighborhood <sup>(2)(4)</sup>			7,743
Green Tech Village <sup>(2)</sup>			34,300
Fitchburg Technology Campus (Phase I) <sup>(2)</sup>			13,500
Additional Residential Development			
Single-Family Residential (dwelling units)	866	9.57	8,290
Multi-Family Residential (dwelling units)	776	6.63	5,140
Other Non-Residential Development (1,000 SF) <sup>(3)</sup>	871	20.24	17,630
<b>Total</b>			<b>111,303</b>

- 1) Development conditions based on a demographic profile provided to the City from the Dane County Regional Planning Commission.
- 2) Projected vehicle trips per day from the "Northeast Fitchburg Transportation Study".
- 3) Based on approximately 150 gross acres of other nonresidential development throughout the City, developed with an average floor area ratio of 20%.
- 4) Less 100 existing single-family household.

**Table 10**  
**Transportation Facilities Needs Assessment and Impact Fee Study**  
**Computation of Recommended Impact Fees**

Total Cost of Improvements Required for Future City Traffic	\$6,282,945
Total Increase in Average Daily Vehicle Trips	111,303
Cost per Trip	\$56.45

expected that in the next 20 years the Nine Springs Neighborhood will generate an additional 7,743 vehicle trips per day. The Green Tech Village, which is located to the east of Syene Road and north of Lacy Road, is a mixed-use development that will contain low-, medium- and high-density residential development, as well as commercial and business park uses. Within 20 years it is expected that Green Tech Village will generate approximately 34,300 vehicle trips per day. The last of the four major proposed developments is Phase One of the Fitchburg Technology Campus which is located to the south of Lacy Road and to the East of Fish Hatchery Road. It is anticipated that this mixed-use development will generate 13,500-vehicle trip per day within the next 20 years.

As was shown in Table 2, it is expected that between the years 2000 and 2020 the total number of households in the City of Fitchburg will increase by 4,707. It is anticipated that the four major developments described above will account for the construction of approximately 3,065 single and multifamily residential households prior to 2020. The remaining 1,642 households are expected to be comprised of 866, or 52.8 percent, single-family households and 776, or 47.2 percent, multi-family households. In total the projected residential development will generate an additional 13,430 vehicle trips per day.

Based on discussions with City staff it was projected that in order to support the projected population growth in the City over the next 20 years approximately 797 acres of nonresidential development would need to be developed. After removing the total acres required for each of the four major developments described above it was estimated that a total of 871,000 square feet of additional commercial and industrial space would be developed in other areas of the City within 20 years. It is anticipated that the additional retail and commercial space will generate an additional 17,630 vehicle trips per day.

In total it is expected that prior to the year 2020 all the additional development in the City of Fitchburg will produce an additional 111,303 vehicle trips per day. As shown in Table 10, the cost to provide additional roadway capacity to accommodate new development through 2020 is approximately \$56.45 per vehicle trip per day.

In order to apply this fee to specific new developments that occur in the City, a recommended schedule of fees per unit of development was prepared. Table 11 shows a recommended impact fee schedule for a detailed list of land use types. Each land use type the table shows the projected average number of vehicular trips per day generated per unit of development. Standard estimates of vehicle trips per day from different land uses have been developed and are used by transportation engineers to help in the design and construction of roadways. The foremost of these standards is the 7<sup>th</sup> Edition of the Trip Generation Manual published by the Institute of Transportation Engineers. By using the Trip Generation Manual to determine an approximate number of vehicular trips generated on a daily basis for different property types engineers can design the roadways to support the level of traffic in a planning area. In much the same manner, the vehicular trips can be used to allocate the cost of constructing roadway facilities by calculating the vehicular trips generated by each new development and allocating the cost of

**Table 11**  
**Transportation Facilities Needs Assessment and Impact Fee Study**  
**Impact Fee Schedule for Expanded List of Development Types**

Land Use Category	Average Trips per Day	Per Unit	Fee Per Unit
<b>Residential</b>			
Congregate Care Facility	2.02	Dwelling Unit	\$114
Independent Living Senior Housing	3.71	Dwelling Unit	\$209
Mobile Home	4.99	Dwelling Unit	\$282
Apartment	6.72	Dwelling Unit	\$379
Single Family	9.57	Dwelling Unit	\$540
<b>Industrial/Transportation</b>			
Airport	13.82	employee	\$780
Light Industrial / Warehousing	5.25	1,000 SF GFA	\$296
Mini-Warehouse	2.50	1,000 SF GFA	\$141
Heavy Industrial	1.50	1,000 SF GFA	\$85
Truck Terminal	81.90	acre	\$4,623
<b>Commercial</b>			
Automated Car Wash	97.00	1,000 SF GFA	\$5,476
Bank	246.49	1,000 SF GFA	\$13,914
Clinic / Medical / Dental Office	33.79	1,000 SF GFA	\$1,907
Convenience Market	301.83	1,000 SF GFA	\$17,038
Convenience Market (24-Hour)	791.80	1,000 SF GFA	\$44,696
Day Care Center	79.26	1,000 SF GFA	\$4,474
Fast-Food Restaurant	512.65	1,000 SF GFA	\$28,938
Furniture Store	5.06	1,000 SF GFA	\$286
Gas / Service Station	161.39	fueling station	\$9,110
Hotel / Motel	6.23	room	\$352
Movie Theater	546.86	screen	\$30,870
Office Building	10.19	1,000 SF GFA	\$575
Pharmacy	89.11	1,000 SF GFA	\$5,030
Self-Service Car Wash	171.67	wash stall	\$9,690
Sit-Down Restaurant / Drinking Establishment	115.39	1,000 SF GFA	\$6,514
Supermarket	99.53	1,000 SF GFA	\$5,618
Video Rental Store	113.33	1,000 SF GFA	\$6,397
Other Commercial / Retail	38.40	1,000 SF GFA	\$2,168
<b>Institutional</b>			
Church	9.11	1,000 SF GFA	\$514
Government Office Complex	27.92	1,000 SF GFA	\$1,576
Hospital	17.57	1,000 SF GFA	\$992
Nursing Home	6.10	1,000 SF GFA	\$344
School	13.72	1,000 SF GFA	\$774
U.S. Postal Service	108.19	1,000 SF GFA	\$6,107
<b>Recreational</b>			
Golf Course	5.04	acre	\$285
Indoor Recreational / Fitness Center	34.56	1,000 SF GFA	\$1,951
Junior / Community College	27.49	1,000 SF GFA	\$1,552
Multi-Purpose Recreational Facility (Outdoor)	90.38	acre	\$5,102
Park	2.81	acre	\$159
Soccer Complex	71.33	field	\$4,027

Source: All of the average trips per day were taken from the Institute of Transportation Engineers 7th Edition of the Trip Generation manual. Some of the above land use categories are a composite of two or more categories. Airport is a composite of commercial and general aviation airport; Clinic/Medical/Dental Office is a composite of clinic and medical – dental office building; Convenience Market (24-Hour) is a composite of 24-hour convenience market and discount supermarket; Fast-Food Restaurant is a composite of fast-food w/o drive thru, and fast-food restaurant w/drive thru; Hotel / Motel is a composite of hotel, all suites hotel, and motel; Indoor Recreational/Fitness Center is a composite of bowling alley, health/fitness club, athletic club, recreational community center; Light Industrial / Warehousing is a composite of general light industrial, manufacturing and warehousing; Office Building is a composite of general office building, corporate headquarters building, signal tenant office building; Other Commercial/Retail, is a composite of building materials and lumber store, freestanding discount superstore, hardware/paint store, nursery/garden store, nursery (wholesale), shopping center, factory outlet center, new car sales, auto part sales, tire store, tire superstore, discount club, home improvement superstore, electronic superstore, toy/children's superstore, apparel store, automobile care center; Park is a composite of city park, county park and regional park; Pharmacy is a composite of pharmacy/drugstore w/o drive thru and pharmacy/drugstore w/ drive thru; School is a composite of elementary school, middle/junior high school and high school; Sit-Down Restaurant/Drinking Establishment is a composite of quality restaurant, high-turnover sit-down restaurant, drinking establishment; Supermarket is a composite of supermarket and discount supermarket.

improvements required for future growth to each individual development. By taking the average number of trips per day and multiplying by the cost per trip the total cost per unit of development for each land use type can be calculated. As shown in Table 11, for example, a typical single-family residential property generates on average 9.57 vehicular trips per day. Therefore, the recommended impact fee would be \$540 per single-family residential dwelling unit. A multi-family residential dwelling unit generates an average of 6.72 vehicular trips per day so the recommended fee would be \$379 per dwelling unit.

For non-residential properties, the Trip Generation Manual measured trips per day for different unit measurements of development depending on the specific land use type. For many land use categories, trips per day were measured per 1,000 square feet of building gross floor area (GFA). For certain types of land uses, however, vehicle trips per day per square foot of GFA were not available, or other units were more appropriate, such as acres, fueling stations, number of rooms, number of employees, or number of movie screens. Given the available data from the Trip Generation Manual, Table 11 shows the recommended impact fees for nonresidential land uses in terms of the units of development about which City staff are most likely to be able to obtain information. The Trip Generation Manual separates land use types into more detailed categories than what is shown in Table 11. However, for certain land use categories the sample size in the Trip Generation Manual is very small. Similar categories of land use with similar trip generation rates were combined on Table 11, as noted. If the City receives a development proposal for a land use type that does not seem to fit any of the categories in Table 11, the Trip Generation Manual could be consulted to determine if there is data for a more specific land use type that better fits the proposed development.

As noted earlier, the recommended improvements listed in this study do not include site specific improvements that may be needed to serve particular developments. If site-specific improvements are required, the developer would be responsible for those improvements in addition to payment of the transportation impact fees.

## CONCLUSIONS

The previous analyses indicated that future development in the City of Fitchburg will have significant impacts on the volume of traffic on in the City. The cost allocation has identified that approximately \$6,282,945 of total project costs are required to serve future development and will not be funded through grants, intergovernmental cost sharing, TIF, special assessments or other capital charges imposed on new development. The City is anticipating several new developments in the northeast portion of the City, additionally the City is expected to experience continued growth throughout the entire community. It is estimated that additional development will generate 111,303 vehicle trips per day. Using the estimated vehicle trips per day for each land use type it is possible to determine a recommended schedule of fees per unit of development for individual land use types by multiplying the impact fee eligible cost per trip of \$56.45 by the average number of vehicular trips generated per day for each land use type. It is therefore recommended that the City impose transportation facilities impact fees in the amounts shown in Table 11.

## **CHAPTER FOUR: RECOMMENDED IMPACT FEES AND IMPLEMENTATION**

### INTRODUCTION

The purpose of this study was to determine the appropriateness, under current Wisconsin Statutes, of impact fees as a source of funds for transportation system facilities anticipated for the City of Fitchburg. This report was also intended to fulfill the “public facilities needs assessment” procedural requirement under Wisconsin Statutes s. 66.0617 and serve as a basis for the City to amend its impact fee ordinance.

In order to determine the appropriate amount of impact fees for transportation facilities, an inventory was conducted of existing conditions in the City, forecasts were made regarding future conditions, and the existing facilities were evaluated against existing and future conditions to identify current and future deficiencies. The costs of recommended improvements were allocated to the proportionate share needed to remedy existing deficiencies and the proportionate share needed to provide excess capacity to accommodate future development. The costs allocated to future development were then distributed to future development in proportion to the expected use of each facility by each type of land use.

The findings and recommendations of the study were presented to the Committee of the Whole on April 28, 2004 and at a Public Informational Meeting on June 24, 2004. At the two meetings, members of the City Council and the public raised a number of concerns regarding the proposed impact fees. The general issues of concern included the following:

1. That the proposed fees, unlike property taxes, are regressive in nature since all new single-family homes would pay the same amount regardless of the value of the property.
2. That the proposed fees would cause a significant share of new development, both residential and nonresidential, to go to another community that doesn't have a similar fee.
3. That the proposed fees would hinder the development of affordable housing in the City.
4. That Fitchburg would be the first community in the area to adopt this type of fee.
5. That the impact fee should be structured to alleviate congestion by encouraging traffic to shift to off-peak times.
6. That the City should be looking at ways to reduce traffic and the need for expanded roads, rather than imposing a new fee.

This chapter examines the financial impact of the proposed fees on both residences and businesses and makes recommendations regarding the implementation of the proposed fees.

### IMPACT ON THE AFFORDABILITY OF HOUSING

The impact fee statute requires an estimate of the effect of recovering capital costs through impact fees on the availability of affordable housing. The imposition of a residential impact fee may have an economic effect upon the cost of new development, existing home prices and housing affordability. While impact fees can have a direct and measurable effect upon the prices of new homes, the influence upon the prices of existing homes and property tax values within a community is less direct and measurable. These effects can vary considerably depending upon local housing market dynamics.

Although the initial incidence of impact fees is on the land developer or homebuilder, the cost is ultimately passed through to those who purchase a new home. Impact fees can be completely passed on to purchasers of homes in communities that provide a more desirable environment than can be found in surrounding areas. In such communities the local demand for housing may be relatively price inelastic or insensitive to small changes in housing prices.

Table 12 presents an estimate of the effect of the proposed transportation facilities impact fees on housing prices and required income levels to purchase housing in the City of Fitchburg. Assuming that the home is financed, the table shows the increase in annual housing costs and the additional income required for financing a home. The costs are calculated for both a \$150,000 home and a \$300,000 home, representing a range of typical home prices in the Fitchburg area. If the down payment were 10% of the price of the home, the amount to be financed would increase by \$486 as a result of the new impact fees. Assuming a 30-year fixed rate mortgage at 7% interest, the increase in fees would result in an increase of \$39 in the amount of the annual principal and interest payment. By conventional mortgage underwriting guidelines, the annual cost for principal and interest, property taxes and insurance should be no more than 28% of the annual household income. According to these standards, the additional income required to finance a new home with the proposed impact fees would be approximately \$139 per year. This equates to an increase of approximately 0.3 percent for the purchaser of a \$150,000 home or a 0.1 percent increase for a \$300,000 home.

Another way to analyze the impact on housing affordability is to compare the amount of the proposed impact fee per single-family home with the amount that a single-family home would pay if the impact fee eligible costs were funded through property taxes instead. Based on the 2004 total equalized property value in the City of Fitchburg, a tax rate of \$0.27 per \$1,000 of equalized value would be needed to fund 20 years of debt service payments on the approximately \$6.2 million of impact fee eligible costs.

Figure 1 compares the net present value of a \$540 impact fee paid upfront versus the total amount of property taxes that would be paid over the 20-year financing period for new homes ranging in value from \$100,000 to \$500,000. As can be seen from the figure, for most new homes, the present value of the impact fee would be less than the present value of the property taxes that would be needed to fund the estimated debt service. However, for homes with a value of less than approximately \$165,000, the amount paid in property taxes would be less than the amount of the proposed impact fee.

Figure 2 compares the net present value of a \$540 impact fee paid upfront versus the total amount of property taxes that would be paid over the 20-year financing period for existing homes ranging in value from \$100,000 to \$500,000. As shown in the figure, existing homes would not be subject to an impact fee. However, if the impact fee eligible costs were instead funded with property taxes, all homes, including existing homes would be required to pay for a portion of the costs. Therefore, all existing residents would be better off if the impact fees were used to fund the \$6.2 million of eligible costs.

**Table 12**  
**Transportation Facilities Needs Assessment and Impact Fee Study**  
**Effect of Recommended Impact Fees on Housing Affordability**

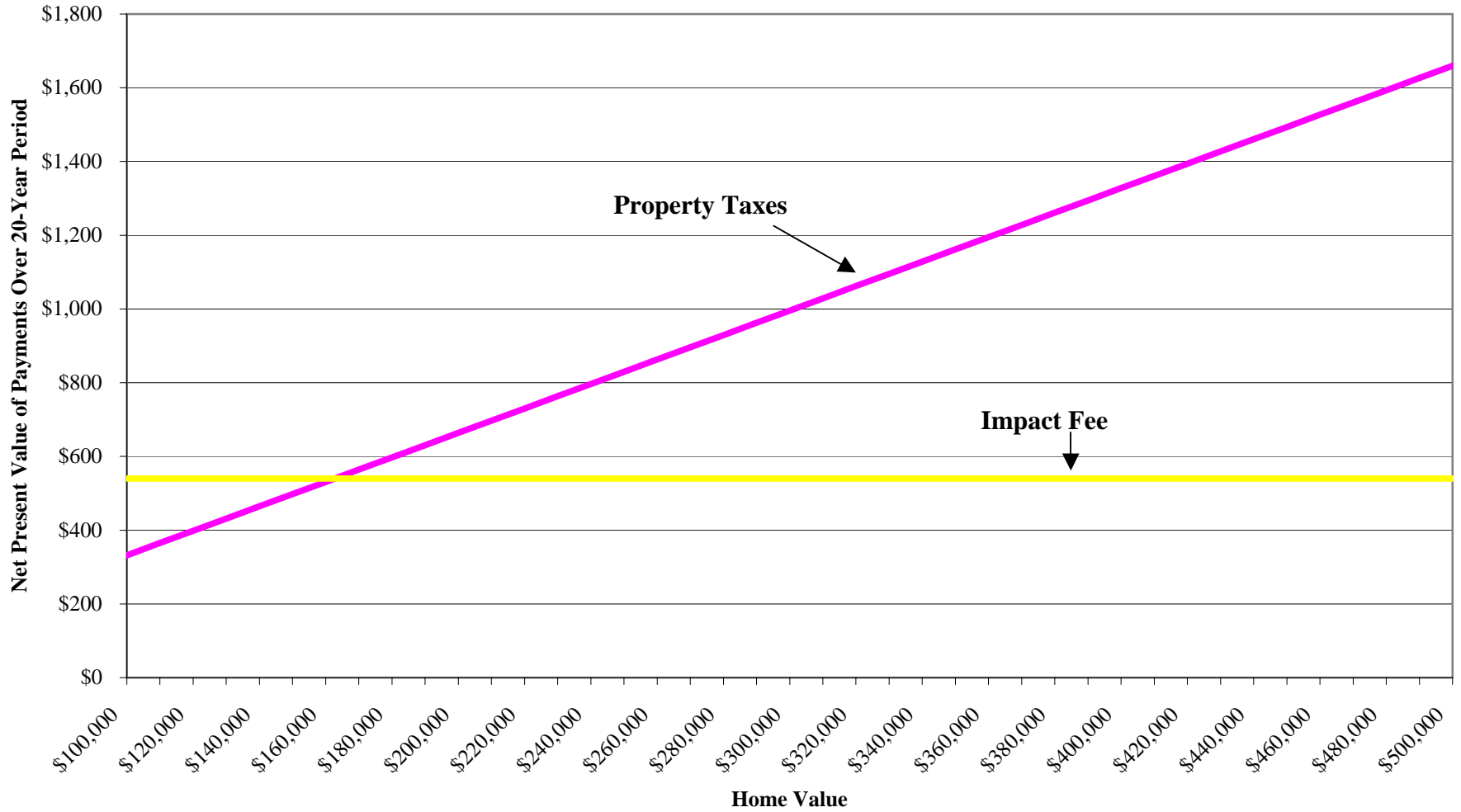
	Housing Prices and Income Requirements			
	\$150,000 House		\$300,000 House	
	With Existing Impact Fee	With Proposed Impact Fees	With Existing Impact Fee	With Proposed Impact Fees
Home Price	\$150,000	\$150,540	\$300,000	\$300,540
Down Payment	15,000	15,054	30,000	30,054
Amount Financed <sup>(1)</sup>	\$135,000	\$135,486	\$270,000	\$270,486
Annual housing Cost				
Principal and Interest Payment	\$10,879	\$10,918	\$21,759	\$21,798
Taxes <sup>(2)</sup>	3,250	3,250	6,499	6,499
Insurance	200	200	400	400
Annual Housing Cost	\$14,329	\$14,368	\$28,658	\$28,697
Income Required <sup>(3)</sup>	\$51,175	\$51,314	\$102,350	\$102,489
Additional Income Required		\$139		\$139
Additional Income as Percent of Total		0.27%		0.14%

1) Assumes 7 percent annual interest rate, 30 year fixed rate mortgage.

2) Assumes a tax rate of \$30.09 per thousand of value.

3) Based upon standard conventional mortgage underwriting guidelines.

**Figure 1**  
**Comparison of Financial Impact on New Single-Family Homes:**  
**Funding \$6.2 Million of Transportation Facilities Through Property Taxes vs. Impact Fees**



**Figure 2**  
**Comparison of Financial Impact on Existing Single-Family Homes:**  
**Funding \$6.2 Million of Transportation Facilities Through Property Taxes vs. Impact Fees**



Based on the above analyses, it appears that the proposed impact fees will not have a significant impact on the affordability of housing in the City of Fitchburg. However, in order to mitigate the affects on low-cost housing construction, it is recommended that the City include in the impact fee ordinance a provision allowing for an exemption from or a reduction in the amount of the impact fee charged for the construction of low cost housing. Any revenue that is lost because of the reduction in impact fees cannot be recovered or shifted to any other developments in the City.

### IMPACT ON THE AFFORDABILITY OF NONRESIDENTIAL CONSTRUCTION

Since concerns were raised regarding the effect of the proposed impact fees on nonresidential construction, the impact on the affordability of nonresidential construction was also analyzed. Actual nonresidential building permits from 2003 were obtained from the City and were analyzed to compare the amount of the proposed impact fees with the estimated construction cost for each building. Table 13 shows a summary of that analysis. As shown in the table, the amount of the proposed impact fees ranged from less than 1 percent up to 5.6 percent of the estimated construction cost and averaged 2.4 percent, based on building permits issued in 2003. Whether or not the adoption of impact fees in the proposed amounts would be enough to drive nonresidential development to other communities depends on a number of complex, interacting factors, including: the relative availability and attractiveness of locations in Fitchburg compared to other communities; the quality of public infrastructure and services in Fitchburg vis-à-vis other communities; the total cost of locating and operating in Fitchburg, including land costs, required developer contributions, property taxes, utility fees, and a full range of other development fees such as sewer and water connection charges or impact fees, building permit fees and other development fees. It is not within the scope of this study to definitively answer this question. However, two conclusions may be drawn from the analysis presented in Table 13. First, the impact of the proposed fees would vary widely for different types of nonresidential construction, with the most significant impacts occurring for high-traffic development such as restaurants, banks and other high-traffic retail stores. Second, the impacts on such high-traffic developments would be significant compared to overall construction costs.

### RECOMMENDED IMPACT FEE SCHEDULE

As demonstrated in Chapter 3, the City could charge impact fees in the amounts shown in Table 11. The amounts shown in Table 11 are the maximum amounts that would be justified, given the recommended improvements and costs, the expected amount of new development, and the anticipated revenues from other funding sources. The recommended amount per single-family dwelling is not expected to have a substantial impact on the affordability of housing in the City. However, the amount per square foot of gross floor area for many of the nonresidential land uses is substantial, especially considering that impact fees for nonresidential development are relatively uncommon in Wisconsin. Although many communities charge sewer or water impact fees or connection fees, few communities charge nonresidential impact fees for other types of public facilities. Although this report supports the defensibility of the computed fees, the City may choose as a matter of policy to collect less than the full amount of impact fee eligible costs.

**Table 13**  
**Transportation Facilities Needs Assessment and Impact Fee Study**  
**Effect of Recommended Impact Fees on New Business Construction Affordability**

Building Description	Sq. Ft.	Total Estimated Construction Cost	Impact Fee	Percentage of Value
Church	4,494	\$420,000	\$2,311	0.6%
Restaurant	6,780	\$820,000	\$44,164	5.4%
Bank	4,662	\$1,160,000	\$64,868	5.6%
Retail Store	10,820	\$487,844	\$23,454	4.8%
Sporting Goods Store	12,280	\$530,000	\$26,618	5.0%
Dialysis Center	16,900	\$890,000	\$32,235	3.6%
Office Building	24,954	\$1,555,000	\$14,349	0.9%
Office Building	24,958	\$1,380,000	\$14,352	1.0%
Office Building	14,652	\$610,300	\$8,425	1.4%
Office Building	14,489	\$1,220,000	\$8,332	0.7%
Retail Center	5,993	\$1,367,730	\$12,990	0.9%
Bowling Alley	41,595	\$2,350,000	\$81,153	3.5%
Furniture Gallery	19,000	\$841,000	\$5,427	0.6%
Restaurant	1,683	\$823,000	\$10,963	1.3%
<b>Total</b>	<b>203,260</b>	<b>\$14,454,874</b>	<b>\$349,640</b>	<b>2.4%</b>

Note: Building descriptions, square footages and estimated construction costs are from actual building permits.

If the City chooses to collect less than the amounts show in Table 11, it is recommended that the reduced schedule of fees be developed in a manner that is consistent with the methodology of this report. The methodology used in this report was intended to distribute costs equitably in proportion to anticipated transportation system demand, consistent with Wisconsin impact fee law. An arbitrary reduction in the fees could result in an inequitable distribution of costs and may not be defensible. It is recommended that, if the City chooses to adopt lower fees, the schedule of fees shown in Table 11 be reduced uniformly by a selected percentage. Table 8 may be referenced to determine which projects the City would not be able to fund with impact fees if the amount of the fee is reduced by a given percentage. It is not recommended that the City reduce the amount of the fee selectively for only certain categories of land use. This method would result in a redistribution of costs between land uses that would not be proportional to the additional traffic created by each class.

### TIME OF COLLECTION

According to Wisconsin Statutes 66.0617, impact fees must be paid by the developer, either in full or in approved installments, before a building permit may be issued or other required approval may be given by the political subdivision. Impact fees are typically required to be paid either before approval of the final plat or Certified Survey Map (CSM), or before issuance of a building permit. For sewer or water impact fees, impact fees may be required to be paid before issuance of a plumbing permit or approval of an application for connection to the system. A survey conducted by Ruekert/Mielke in the spring of 2003 indicated that approximately half of the surveyed communities with impact fees collect such fees prior to final plat or CSM approval, and approximately half collect the fees at the time of building or plumbing permit issuance.

There are several factors that should be considered in determining the phase of the development process at which impact fees will be collected. One such factor is the nature of the facilities for which the fees are being collected, and the timing of construction relative to the timing of development. For example, for facilities such as sewer and water, it is essential to have sufficient capacity in the system prior to the time that new buildings connect. Since the planning and construction of such facilities may take several years, it may be more appropriate to collect impact fees at the time of plat or CSM approval. For other facilities, such as parks, libraries, fire stations, and police stations, it is not as critical to have public facilities in place before new development takes place. For transportation facilities, the timing of the public facilities improvements depends on the specific road segment and the particular development. Improvements to arterials are generally made at the time of a significant development on adjacent property(ies). However, in other cases, incremental development in multiple locations over a period of time may lead to congestion on a roadway and cause the need for improvements after the development has already taken place. In general, collecting impact fees at the time of plat or CSM approval reduces the risk and the carrying costs to the municipality of constructing public facilities in advance of new building construction.

Another factor to be considered is the relative impact on different parties involved in the development process. Impact fees collected at the time of subdivision plat or CSM approval will be collected from the subdivider or developer, and will increase the amount of financing and the amount of risk carried by the developer. Ultimately, the impact fees will probably be passed on to the purchasers of the lots through higher sales prices. Developers of residential subdivisions

may carry the cost of the impact fees for a longer period of time than developers of nonresidential properties, since there may be an extended period of time between the plat approval and the sale of the last lot. Impact fees collected at the time of building permit will be paid by the builder or the purchaser of the lot, and will therefore be viewed as a cost to build rather than a cost to develop. The property owner or resident will ultimately pay the impact fees either way, however impact fees collected at the time of building permit might be viewed as an unexpected cost to property owners or builders who are not familiar with the City's entire schedule of fees.

A third factor to consider is the ability to accurately predict use of the public facilities for which the fees are collected. For residential development, use of transportation system facilities does not vary significantly based on the size of the dwelling unit. Therefore, the approximate level of use can be reasonably ascertained from the number of dwelling units that will be developed. Since the number of dwelling units is determined at the time of plat or CSM approval, the amount of impact fees imposed would be the same whether determined at time of plat approval or the time of building permit approval. For nonresidential development, however, the amount of use of public facilities may vary considerably, depending on the specific type of use and the size of the building. Although the general land use will be known at the time of plat or CSM approval, the exact use or size of the building or buildings on the site may not be known until building permits are issued. Therefore, imposing the fee at the time of building permit may allow for more accurate computations of fees for nonresidential development.

Finally, consideration should be given to the amount of administrative effort involved with collecting the fees at either plat approval or building permit issuance. Collecting impact fees at the time of plat or CSM approval generally requires more administrative effort than collecting the fees at the time of building permit. This is due to the fact that some lots do not pay an impact fee at plat or CSM approval, either because the lots were divided prior to the enactment of the impact fee ordinance, or because the lot was created without a plat or CSM. If a municipality chooses to impose impact fees prior to plat or CSM approval, it should include a provision in its ordinance for collecting the fees at the time of building permit for those lots for which impact fees were not collected at plat or CSM approval. This creates additional administrative effort to review the records at the time of building permit issuance to determine whether or not the impact fees were already paid.

It is recommended that the City of Fitchburg impose the recommended transportation facilities impact fees at the time of building permit issuance. At this time, the exact timing of construction of the transportation system improvements is not known. If the transportation system improvements are constructed prior to new development, collecting impact fees at the time of building permit will increase the carrying costs to the City. However, if transportation facilities are constructed after new development occurs, collecting the fees at the time of building permit will reduce the amount of time that the fees are held by the City and will reduce the chance of not expending the fees within a reasonable time. Under Wisconsin Statutes. 66.0617, any revenues not used within a reasonable period of time after they are collected must be refunded to the current owners of the properties from which the fees were collected. Collecting the fees at the time of building permit will also allow for a more equitable computation of nonresidential fees and will require less effort to administer the fees. One potential disadvantage of collecting the fees at the time of building permit is that the fee will be more visible to property owners as

compared to a fee paid by developers that is included in the price of a lot. The fee may also be an unanticipated cost to some builders or property owners who do not thoroughly review all of the City's fees and charges. However, this issue may be addressed by clearly publishing the impact fees along with other development fees on the City's permit fee schedule.

#### ENACTMENT OF AN IMPACT FEE ORDINANCE

To implement the recommendations of this report and impose impact fees for transportation facilities, the following tasks will need to be completed:

- A. The findings of this report should be presented to the Common Council Committee of the Whole of the City of Fitchburg.
- B. An ordinance must be drafted to implement the recommended impact fees.
- C. A Class 1 notice must be published in the City newspaper prior to the public hearing as required under Wisconsin Statutes 66.0617(4)(3)(b). The needs assessment must be available 20 days prior to the public hearing to allow the public sufficient time to review.
- D. A public hearing must be held to hear public comment on the needs assessment and the proposed ordinance to impose public facilities impact fees.
- E. After the public hearing, the Common Council may adopt the proposed ordinance as recommended or adopt the ordinance with amendments.

According to Wisconsin Statutes 66.0617, an ordinance imposing impact fees must include the following provisions:

- 1. Statement that impact fees must be paid by the developer, builder or property owner before a building permit is issued and whether the fees are to be paid in full or in installment payments. It is recommended that the fees be collected prior to issuance of a building permit.
- 2. Statement that impact fees collected and not expended within a reasonable period of time after collection shall be refunded to the current owner of the property with respect to which the impact fees were imposed. It is anticipated that all of the funds collected through impact fees will be expended within a 20-year time frame at most. This is a reasonable time period for infrastructure with a usable life of 20 years or more.

The projects for which impact fees are recommended will be completed in future years and may be expected to have higher construction costs than what is currently estimated. In addition, the City may borrow funds to complete many or all of the projects, thereby incurring interest costs. For these reasons, it is recommended that the City increase the amount of the impact fees each year to account for future increases in construction costs and interest costs. This practice also make the fees more equitable, in that the amount paid by future development is increased each year to keep it approximately equal to the amount paid by new development in the first year, in terms of today's dollars. If the City intends to increase impact fees on an annual basis, the ordinance should state that intention and specify the amount by which fees will be increased or

the method that will be used to determine the amount of the increase. This will allow the fees to be increased without an amendment to the ordinance and an additional public hearing that is required whenever an impact fee ordinance is adopted or amended. It is recommended that a provision be included to review the fees each year and adjust them by the percentage increase in Construction Cost Index over the previous 12 months. This would allow the City to recover sufficient funds to cover the increase in project costs over the 2004 estimates.

### IMPACT FEE ACCOUNT MANAGEMENT

The Statutes require that impact fee revenues must be placed into segregated accounts and that the revenues and interest earnings on the fund balances be used only to pay for the facilities for which they were collected. In order to implement the fees recommended by this report, a new account would need to be created for Transportation Impact Fees. Impact fee revenues may be used to cash-finance all or part of the impact fee eligible share of projects, or can be used to pay for a percentage share of the annual debt service requirements in proportion to the amount to be recovered through impact fees as a percent of the amount that was debt financed. If the balance in the segregated impact fee account is not sufficient to pay for the impact fee share of the debt in a given year, the amount advanced from other funds should be reimbursed with impact fee collections in future years.

For many of the projects identified in this report, the impact fee eligible share of the project costs is less than 100 percent. In order to comply with statutory requirements, the City must avoid using impact fees to fund more than the proportionate share of project costs related to providing facilities for new development. Therefore it is recommended that the City refer to Table 7 of this report to determine the percentage share of costs that may be funded with impact fees as each project is planned and financed.

### PERIODIC REVIEW

The impact fees computed in this report were based on numerous assumptions and forecasts related to future development, population growth and construction costs. Actual development rates and construction costs could vary significantly from the forecasts due to changes in the local, regional or national economy or unforeseen changes in social trends. Development proposals for specific areas could change, therefore requiring different transportation improvements from those listed in this report. The City may obtain less grant, intergovernmental cost sharing or TIF funding than was anticipated by this study. For all of these reasons, it is recommended that the impact fees be reviewed at a minimum of every 3-5 years to adjust for changes in the pace of development, project costs or other revenue sources.