

January 30, 2026

Public Facilities Needs Assessment and Impact Fee Study

Village of Cottage Grove, WI

Impact Fee Study:

Law Enforcement Facilities

Water Facilities

Sanitary Sewer Facilities



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SECTION 1 – BACKGROUND

A. Purpose of Impact Fees

When land is developed, it creates a need for additional public facilities, such as public safety, water and sanitary sewer facilities. Impact fees are cash contributions, contributions of land or interests in land, or any other items of value that are imposed on a developer by a municipality for the purposes of providing new, expanded or improved public facilities to accommodate the land development.

B. Study Purpose and Methodology Summary

The purpose of this public facilities needs assessment is to create a proposed law enforcement impact fee, and to replace the existing sewer and water impact fees with a new calculation for planned water and sewer facilities. The public facilities will identify the growth (impact fee) share of future law enforcement, water and sewer facilities. The calculations will rely upon 20-year projections for residential and non-residential development for the law enforcement facilities and future design capacity figures for water and sewer facilities expressed in terms of Residential Equivalent Units (REUs).

C. Summary of Existing Impact Fees & Legislative Authority

The Village of Cottage Grove has been collecting impact fees since 1996 for sanitary sewer and water facilities. The Village currently does not have an impact fee for law enforcement facilities.

A municipality may enact an ordinance under Wis. Stat. § 66.0617 that imposes impact fees on developers to pay for the capital costs that are necessary to accommodate land development. Wis. Stat. § 66.0617 was enacted in 1993 by Wisconsin Act 305. A 1997 change in the law prohibited counties from assessing impact fees to recover costs related to transportation projects. The statute was also amended in 2006 by Wisconsin Acts 203 and 477, and finally in 2008 by Wisconsin Act 44. The more recent acts made several changes to the impact fee statute, most notably the time period for which municipalities have to spend impact fees and the facilities for which impact fees can be imposed.

Prior to enacting or amending an existing ordinance that imposes an impact fee, a municipality shall hold a public hearing on the proposed ordinance or amendment.



A municipality shall prepare a needs assessment for the public facilities for which it is anticipated that impact fees may be imposed. The public facilities needs assessment or revised public facilities needs assessment shall be available for public inspection and copying in the office of the municipal clerk at least 20 days prior to the public hearing.

Public facilities mean highways, as defined in Wis. Stat. § 340.01(22), and other transportation facilities, traffic control devices, facilities for collecting and treating sewage, facilities for pumping, storing, and distributing water, parks, playgrounds, and land for athletic fields, solid waste and recycling facilities, fire protection facilities, law enforcement facilities, emergency medical facilities, and libraries. Public facilities do not include facilities owned by a school district.

D. Public Facilities Needs Assessment Requirements

Wisconsin Statute §66.0617 requires the public facilities needs assessment to include the following:

1. An inventory of existing public facilities, including an identification of any existing deficiencies in the quantity or quality of those public facilities, for which it is anticipated that an impact fee may be imposed.
2. An identification of the new public facilities, or improvements or expansions of existing public facilities, that will be required because of land development for which it is anticipated that impact fees be imposed. This identification shall be based on explicitly identified service areas and service standards.
3. A detailed estimate of the capital costs of providing the new public facilities or the improvements or expansions in existing public facilities, including an estimate of the effect of recovering these capital costs through impact fees on the availability of affordable housing within the municipality.

This needs assessment complies with these requirements for all impact fees.

E. Standards for Impact Fees

Impact fees must meet seven standards, outlined in Wis. Stat. § 66.0617(6), prior to imposition:

1. Shall bear a rational relationship to the need for new, expanded or improved public facilities that are required to serve land development.
2. May not exceed the proportionate share of the capital costs that are required to serve land development, as compared to existing uses of land within the municipality.



3. Shall be based upon actual capital costs or reasonable estimates of capital costs for new, expanded, or improved public facilities.
4. Shall be reduced to compensate for other capital costs imposed by the municipality with respect to land development to provide or pay for public facilities, including special assessments, special charges, land dedications or fees in lieu of land dedications or any other items of value.
5. Shall be reduced to compensate for moneys received from the federal or state government specifically to provide or pay for the public facilities for which the impact fees are imposed.
6. May not include amounts necessary to address existing deficiencies in public facilities.
7. Shall be payable by the developer or the property owner to the municipality in full upon the issuance of a building permit by the municipality.

This update is completed to ensure that the impact fees that are currently in effect continue to comply with these standards.

F. Time Period for Expending Impact Fees and Managing Revenues

Wis. Stat. § 66.0617 states the following time periods for which impact fee revenues must be used or refunded to the current property owner with interest. Generally, impact fees must be spent within eight years from the time of collection.

Impact fees must be placed in a separate segregated account. The municipality should have a separate account for each impact fee. The impact fees and any interest accrued on the impact fees must be used for the facilities for which the impact fees were imposed.

SECTION 2 – DEMOGRAPHIC INFORMATION

A. Population Trends

Population trends are shown in Table 1. The future population projections are taken from the Wisconsin Department of Administration future population projections which is what the Village's Comprehensive Plan also relies upon for future projections.



Village of Cottage Grove Law Enforcement Facility Impact Fee Study
Table 1 - Historical and Projected Population Statistics

Historical and Projected Population Statistics	
2020	7,303
2021	7,070
2022	8,854
2023	9,218
2024	9,345
2025	9,470
2030	11,400
2035	13,400
2040	15,707
2045	17,770

Notes;

1. Source: 2020 population is taken from US Census 2020 data. 2021-2025 comes from the Wisconsin Department of Administration (WI DOA) Demographic Services Center. The 2030-2045 figures are also from the WI DOA Demographic Services Center.

B. Historical and Projected Housing Statistics

Housing trends are shown in Table 2 and also come from the Wisconsin Department of Administration with persons per household data coming from the Village’s Comprehensive Plan.

Village of Cottage Grove Law Enforcement Facility Impact Fee Study
Table 2 - Historical and Projected Housing Statistics

Year	Households
2020	3,298
2030	4,335
2040	5,972
2045	6,365

Notes:

1. Source: Village of Cottage Grove Comprehensive Plan, Chapter 1. The plan cites a WI DOA estimate of 2.63 people per home by 2040. That figure was applied to future population estimates to arrive at projected number of households through 2045.

C. Existing and Projected Land Use

Existing and Projected Land Use acres are shown in Table 3. Future commercial and office/industrial development was taken from the Village’s Comprehensive Plan.



Village of Cottage Grove Law Enforcement Facility Impact Fee Study

Table 3 - Existing and Projected Land Use

	Current Acres	Future Acres
Commercial	72.3	122
Office/Industrial	183.7	311

Notes:

1. Source: Village of Cottage Grove Comprehensive Plan, Amended, October 19, 2020. Figures, 5.1 and 5.4.

SECTION 3 - LAW ENFORCEMENT PUBLIC FACILITIES NEEDS ASSESSMENT

A. Introduction

The Village intends to construct a new public facility for the Law Enforcement Department to replace an existing undersized facility and to accommodate growth within the community. This Public Facilities Needs Assessment and Impact Fee analysis will calculate an impact fee for the share of the facility update related to serving new growth in the Village of Cottage Grove.

B. Law Enforcement Staffing and Facilities Inventory

Tables 4a shows the existing staff by position and estimated future staffing figures per 1,000 of population. This projected staff level is then applied to the projected 2045 population to project out the total future staff. The current and future vehicle count are shown on Table 4b. The current and projected future staff and vehicle information is used in the following tables to help calculate the current deficiencies in garage and office space to help define the impact fee share of recently the new law enforcement facility.



Village of Cottage Grove Law Enforcement Facility Impact Fee Study

Table 4a - Existing and Future Law Enforcement Staffing (Full Time Equivalents)

	2025 ¹	2035 ²	2045 ²
Sworn Officers	21	31	43
Vital Non-Sworn Staff	4	8	9
Total	25	39	52
Current Population	9,470	13,554	17,770
Staff per 1,000 Residents	2.64	2.88	2.93

1. 2025 staffing figures per the Village of Cottage Grove, 2025 Population Estimate per DOA.
2. Future Law Enforcement staffing levels provided by the Village of Cottage Grove.

Village of Cottage Grove Law Enforcement Facility Impact Fee Study

Table 4b - Law Enforcement Vehicles

Vehicles	2025	2045
Patrol Vehicles	5	12
School Resource Officer	1	1
Detective Vehicle	1	2
Patrol Supervisor Squad	1	1
Chief's Vehicle	1	1
Total Vehicles	9	17

Notes:

1. Source: Village of Cottage Grove Police Department



The inventory of existing law enforcement space along with the listing of space in the new facility is shown on Table 5. The Village’s existing Police headquarters space is approximately 12,333 square feet, of which approximately 8,333 square feet is considered office space and approximately 4,000 square feet is apparatus bay space for law enforcement vehicles.

Village of Cottage Grove Law Enforcement Facility Impact Fee Study
Table 5 - Existing and Future Law Enforcement Space

Facility	Existing Space Square Feet ¹	Future Space Square Feet ²
Law Enforcement Facility Space	8,333	21,857
Garage Space	4,000	5,643
Total	12,333	27,500

Notes:

1. Existing square footage provided by the Village of Cottage Grove.
2. Future facility square footage provided by the Village from the actual facility design.

C. Law Enforcement Deficiency Growth Analysis and Impact Fee Calculation

Table 6 below shows the deficiency/growth analysis for the new facility. In this table the current facility space is totaled and equated to the number of square feet per employee or vehicle as the definition of the Village’s desired service level standard. This standard is then applied to the Village’s new law enforcement facility space to determine whether any deficiencies in the amount of existing space exist. As shown in the table, the Village has existing deficiencies in the total square footage of the existing facility. The calculated deficiency and growth (impact fee eligible) percentages are applied to the total planned costs for the future space areas as shown on Table 7. The total cost for the Police Station project is \$14,663,044. Of that total, 48.08% is allocated to meeting existing deficiencies, while 51.92% is allocated to new growth and recoverable through a law enforcement impact fee. The Village plans to issue debt in 2026 for the facility construction and the impact fee revenues collected will help offset the annual principal and interest expenses.



Village of Cottage Grove Law Enforcement Facility Impact Fee Study

Table 6 - Police Facility Service Level Standards

Building Area - Sworn/General	Existing Space (SF)	New Facility Space (SF)	2045 Estimated Staff Level	2045 Standard SF per Employee	Required 2025 Facilities Area	Surplus/ (Deficiency)	Deficiency %	Growth %
Law Enforcement Facility Space	8,333	21,857	52	420.33	10,508			
Garage Space	4,000	5,643	17	331.94	2,987			
Total Space	12,333	27,500	52	528.85	13,221	(888)	48%	52%

Village of Cottage Grove Law Enforcement Facility Impact Fee Study

Table 7 - Police Facility Projected Project Costs

Project	Estimated Cost ¹	Deficiency Share	Growth Share	Deficiency Share	Growth Share
Police Facility Construction	14,663,044	48.08%	51.92%	7,049,592	7,613,452
Total Costs	14,663,044	48.08%	51.92%	7,049,592	7,613,452

Notes:

1. Construction costs were provided by the Village of Cottage Grove. The current cost is \$15,632,861 less funds on hand and grants of \$969,817 to equal \$14,663,044.



D. Establishment of Fee

Table 8 shows the allocation of the total impact fee by type of development within the Village, residential, industrial and commercial. Table 9 shows the calculation of the recommended law enforcement impact fee to residential and non-residential development.

Village of Cottage Grove Law Enforcement Facility Impact Fee Study

Table 8 - Allocation of Police Impact Fee Amount to Future Land Uses

Land Use Category	Incremental Development 2025-2045	Average Value/ Unit	Total Value of Forecast Improvements	Percentage of Total Value	Allocated Share of Future Growth Costs
Residential Dwelling Units	3,067	\$450,000	\$1,379,994,297	78.43%	\$5,971,586
Office/Industrial (SF) ¹	1,274,391	\$200	\$254,878,272	14.49%	\$1,102,923
Commercial (SF) ¹	498,185	\$250	\$124,546,208	7.08%	\$538,943
			\$1,759,418,776		\$7,613,452

Notes:

1. Assumed 23% floor coverage ratio per acre for new commercial and industrial development.

Village of Cottage Grove Law Enforcement Facility Impact Fee Study

Table 9 - Calculation of Impact Fee

	Impact Fee Cost	Incremental Non-Residential Development	Incremental Residential Development	Recommended Fee	Units
Residential	\$5,971,586		8,300	\$719.47	per Capita
Recommended Impact Fee per Single-Family Dwelling Unit				\$2,158	(3 persons per dwelling unit)
Recommended Impact Fee per Multi-Family Dwelling Unit				\$1,439	(2 persons per dwelling unit)
Industrial	\$1,102,923	1,274,391		\$0.87	per square foot
Commercial	\$538,943	498,185		\$1.08	per square foot
	\$7,613,452				

SECTION 4 – WATER PUBLIC FACILITIES NEEDS ASSESSMENT

A. Introduction

The Village has been collecting water impact fees since 1996 for a portion of water treatment and conveyance facilities benefitting new growth in the Village. The Village is reaching the maximum amount to collect for growth related facilities from the original impact fee calculation. This study resets the water impact fee for the growth share of the future Well No. 5 project and for the oversizing of upcoming water main projects.

B. Inventory of Existing Facilities

The inventory of existing facilities is shown on Table 10. The Village currently has three wells in service, two elevated tanks and a series of water conveyance mains.



Village of Cottage Grove Water Impact Fee Study

Table 10 - Inventory of Existing Facilities

Well Facilities

Well #	Capacity (gpm)	Year Installed
Well #2	625	1973
Well #3	900	1994
Well #4	1,000	2005

Elevated Tanks

Tank Name	Capacity (gal)	Year Constructed
Tower 2	550,000	1985
Tower 3	400,000	2014

Water Mains

Main Diameter (inches)	Feet of Main
4	1,667
6	22,596
8	81,388
10	30,168
12	64,629
14	2,075
16	16,302
Total	218,825

Source: 2024 PSC Annual Report, Cottage Grove Water Utility.

C. Water Facilities Impact Fee Calculation Analysis

Table 11 shows the deficiency/growth analysis for the upcoming Well No. 5 facility as well as the water main oversizing projects. The Village engaged Strand Associates to conduct a Utility Master Plan in 2022. The study identifies that the Village currently has adequate well capacity to meet existing maximum day and hour demands as well as sufficient capacity to meet maximum day demand plus adequate capacity to meet existing fire protection demands. Therefore, the Village does not need any well facilities to meet existing population and usage demands on the water system. As the Village continues to grow, the study shows that an additional well will be needed, therefore 100-percent of the Well No. 5 facility is



attributable to serving new growth in the Village and recoverable through the water impact fee.

Three water main oversizing projects are identified in this study for partial recovery through impact fees. Watermain oversizing benefits all users of the water system by providing excess capacity in future water mains to allow the utility to meet system demands in every geographic area of the Village. Therefore not 100-percent of the oversizing components are recoverable through the water impact fee. The deficiency/growth analysis for this component is calculated by establishing the percentage of existing usage as a percentage of future projected usage through the 2045 planning period. The incremental growth percentage equates to the impact fee recovery percentage.

Village of Cottage Grove Water Impact Fee Study
Table 11 - Analysis of Impact Fee Portion of New Facilities

Well #5 Facility

Facility Description	Pumping Capacity (gpm)	Average Day Capacity (Gal/day)	Cost Estimate	Growth (Impact Fee Portion)	Deficiency	Impact Fee Portion	Deficiency Portion
Well #5	1000	480,000	\$4,550,000	100%	0%	\$4,550,000	\$0

Water Main Oversizing Component

Facility Description	Total Linear Feet	Cost Estimate	Growth (Impact Fee Portion)	Deficiency	Impact Fee Portion	Deficiency Portion
Parkview - 10" Upsizing	1,300	\$65,000	61%	39%	\$39,784	\$25,216
Pine Meadow Farms - 12" Upsizing	3,300	\$247,500	61%	39%	\$151,487	\$96,013
East Vilas Extension - 16" Upsizing	1,500	\$187,500	61%	39%	\$114,763	\$72,737
Total Water Main Oversizing		\$500,000			\$306,034	\$193,966

Note:

1. Deficiency percentage is taken by dividing existing maximum day capacity by the estimated 2040 maximum day capacity as calculated in the 2022 Utility Master Plan performed by Strand Associates.

Table 12 shows the calculation of the water impact fee. The definition of a Residential Equivalent Unit (REU) is 150 gallons per day or 54,750 gallons per year. This is equivalent to the average annual usage by the average single-family home in the Village. The total REU's of capacity within Well No. 5 is 3,200, which equates to an impact fee for the Well No. 5 component of \$1,422. The water main oversizing component of the impact fee equals \$96 based on the same number of REU's of future capacity for a total recommended impact fee per REU of \$1,518.



Village of Cottage Grove Water Impact Fee Study
Table 12 - Impact Fee Calculation

Well 5 Impact Fee Calculation

Definition of Residential Equivalent Unit (REU) - Gallons per Day	150
Annual Definition of REU (Gal)	54,750
Total REUs Capacity - Well 5 (Avg Day Capacity*365/Annual REU Definition)	3,200
Impact Fee Eligible Cost	\$4,550,000
Impact Fee per REU	\$1,422
Water Main Oversizing Impact Fee Eligible Costs	\$306,034
Total REUs of Capacity	3,200
Impact Fee per REU	\$96.00
Total Water Impact Fee Per REU (Well and Oversizing)	\$1,518

Table 13 shows the conversion of the water impact fee per REU to a water impact fee that varies based upon the size of the water meter being installed on the property.



Village of Cottage Grove Water Impact Fee Study
Table 13 - Impact Fee Calculation by Meter Size

Meter Size	Equivalency Factor	Recommended Impact Fee
5/8"	1.00	\$1,518
3/4"	1.00	\$1,518
1"	1.53	\$2,329
1 1/4"	2.11	\$3,202
1 1/2"	2.69	\$4,076
2"	4.22	\$6,406
3"	6.14	\$9,316
4"	8.66	\$13,152
6"	15.87	\$24,092
8"	24.47	\$37,152
10"	35.85	\$54,426
12"	47.23	\$71,699

SECTION 5 – SANITARY SEWER PUBLIC FACILITIES NEEDS ASSESSMENT

A. Introduction

As with water facilities, the Village has been collecting a sewer impact fee since 1996 to recover the growth share of sanitary sewer conveyance facilities. The calculated impact fee in this section if adopted, will replace the existing sewer impact fee as the Village is near or at full recovery of the facilities from the original impact fee study.

B. Inventory of Existing Facilities

The Village sends its wastewater to Madison Metropolitan Sewerage District (MMSD) and maintains its own collection system. The Village’s sewerage system is generally categorized into local street and main trunk sewers, intercepting sewers and lift stations and force mains.

The Village operates six intercepting sewers:

- Quarry Ridge East Interceptor
- Quarry Ridge West Interceptor



- Westlawn Interceptor
- Southing Grange Interceptor
- Vilas Road East Interceptor
- Vilas Road West Interceptor

The Village operates six lift stations within Village limits:

- Vilas Road
- South Main
- Business Park
- Trillium
- Shady Grove
- Westlawn

C. Sewer Impact Fee Calculation Analysis

Table 14 shows the calculation of the sewer impact fees. There are two facilities that make up the impact fee. The Ridge Lift Station and Interceptor project is a new lift station within the Village and will only benefit new growth within a defined area as depicted in the map below. The 2022 Utility Master Plan completed by Strand Associated identified that 93% of the interceptor facility would benefit new growth within the Village and be recoverable through a sewer impact fee. The lift station and interceptor has 3,187 REUs of design capacity and the impact fee per REU equates to \$2,263.

There is also a sewer main oversizing component to the impact fee analysis. The oversizing component will also serve 500 REUs and equates to an impact fee of \$500 per REU. The conversion of the impact fee REU to an impact fee based on the size of the water meter is shown on Table 15.



Village of Cottage Grove Sewer Impact Fee Study

Table 14 - Impact Fee Calculation

Ridge Lift Station and Interceptor Project

Total Project Cost Estimate	\$7,212,800
Lift Station Capacity (gpm)	332
Average Day Capacity (gpd)	478,080
Growth (Impact Fee Percentage)	93%
Deficiency Percentage	7%
Growth (Impact Fee Cost)	\$6,707,904
Deficiency Cost	\$504,896
REU Definition (gal/day)	150
REU Definition - Annual (gal)	54,750
Lift Station total REUs of Capacity	3,187
Growth Share of REUs	2,964
Impact Fee per REU	\$2,263

Sewer Main Oversizing Component

<u>East Vilas Extension Project</u>	
Project Cost Estimate (1,500 Linear Feet)	\$150,000
REUs Served	500
Impact Fee per REU	\$300

Village of Cottage Grove Sewer Impact Fee Study

Table 15 - Impact Fee Calculation by Area and Meter Size

Ridge Lift Station and Interceptor Project

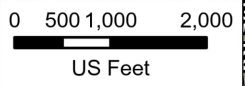
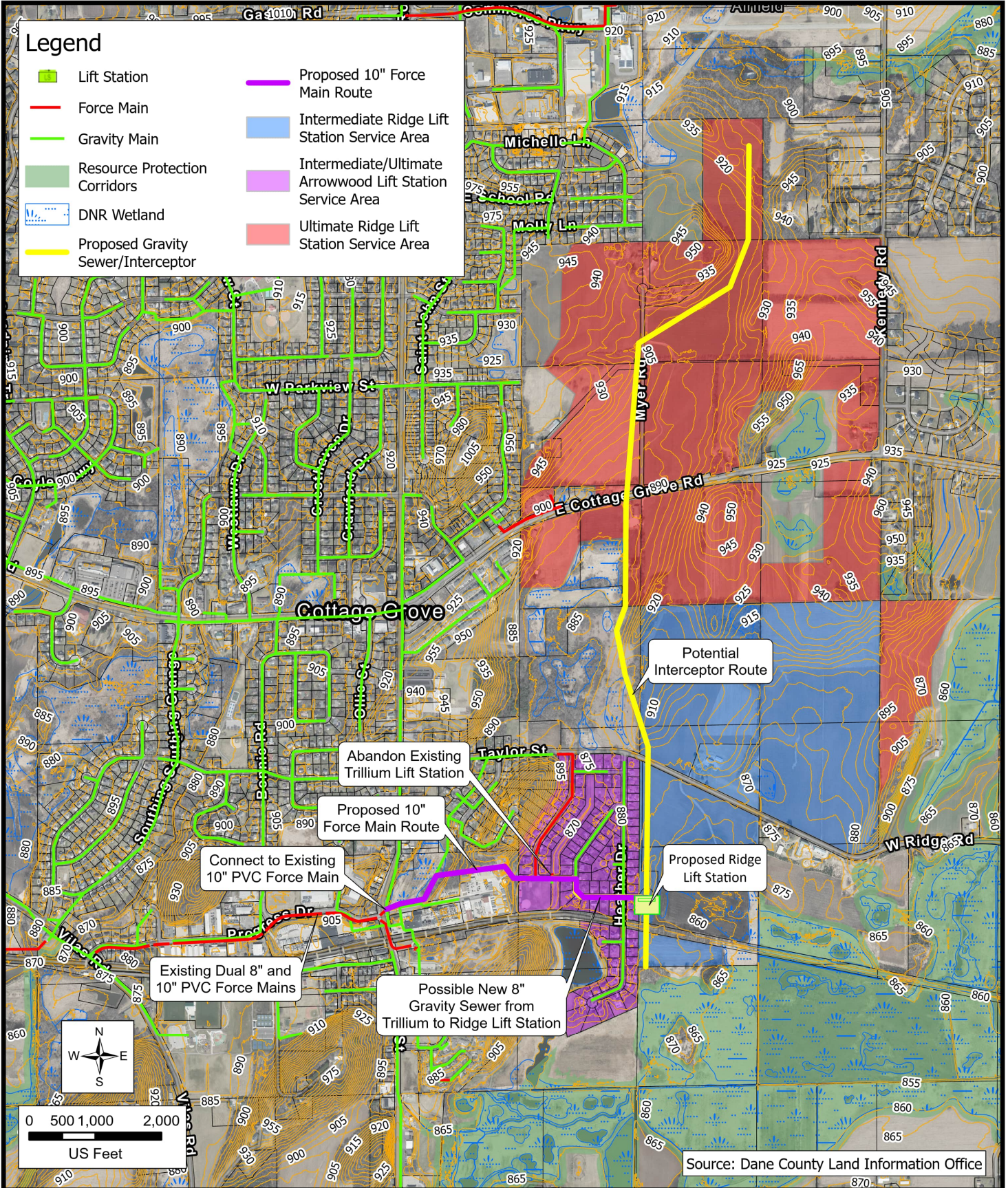
Sewer Main Oversizing

Total Sewer Impact Fee

Meter Size	Equivalency Factor	Recommended Impact Fee	Meter Size	Equivalency Factor	Recommended Impact Fee	Meter Size	Recommended Impact Fee
5/8"	1.00	\$2,263	5/8"	1.00	\$300	5/8"	\$2,563
3/4"	1.00	\$2,263	3/4"	1.00	\$300	3/4"	\$2,563
1"	1.53	\$3,473	1"	1.53	\$460	1"	\$3,933
1 1/4"	2.11	\$4,774	1 1/4"	2.11	\$633	1 1/4"	\$5,407
1 1/2"	2.69	\$6,077	1 1/2"	2.69	\$806	1 1/2"	\$6,883
2"	4.22	\$9,549	2"	4.22	\$1,266	2"	\$10,815
3"	6.14	\$13,888	3"	6.14	\$1,841	3"	\$15,729
4"	8.66	\$19,606	4"	8.66	\$2,599	4"	\$22,205
6"	15.87	\$35,915	6"	15.87	\$4,761	6"	\$40,676
8"	24.47	\$55,385	8"	24.47	\$7,342	8"	\$62,727
10"	35.85	\$81,136	10"	35.85	\$10,756	10"	\$91,892
12"	47.23	\$106,888	12"	47.23	\$14,170	12"	\$121,058

Legend

- Lift Station
- Force Main
- Gravity Main
- Resource Protection Corridors
- DNR Wetland
- Proposed Gravity Sewer/Interceptor
- Proposed 10" Force Main Route
- Intermediate Ridge Lift Station Service Area
- Intermediate/Ultimate Arrowwood Lift Station Service Area
- Ultimate Ridge Lift Station Service Area



Source: Dane County Land Information Office

RIDGE LIFT STATION TRIBUTARY AREA AND PROPOSED IMPROVEMENTS

**PRELIMINARY ENGINEERING REPORT
VILLAGE OF COTTAGE GROVE
DANE COUNTY, WISCONSIN**



**FIGURE 1
4750.018**



SECTION 6 – IMPACT FEE SUMMARY AND EFFECT OF IMPACT FEES ON HOUSING AFFORDABILITY

D. Summary of Proposed Impact Fees

The summary of the proposed impact per capita for residential development and per square foot for commercial and industrial development is shown in Table 16 below.



Village of Cottage Grove Sewer Impact Fee Study

Table 16 - Summary of Proposed Impact Fees

	<u>Proposed Impact Fee</u>
<u>Law Enforcement</u>	
Single Family Residential Development (3 persons/dwelling unit)	\$2,158
Multi Family Residential Development (2 persons/dwelling unit)	\$1,439
Office/Industrial (Fee per Sq. Foot)	\$0.87
Commercial (Fee per Sq. Foot)	\$1.08

Water

<u>Meter Size</u>	<u>Proposed Impact Fee</u>
5/8"	\$1,518
3/4"	\$1,518
1"	\$2,329
1 1/4"	\$3,202
1 1/2"	\$4,076
2"	\$6,406
3"	\$9,316
4"	\$13,152
6"	\$24,092
8"	\$37,152
10"	\$54,426
12"	\$71,699

Sewer

<u>Meter Size</u>	<u>Ridge Lift Station & Interceptor</u>	<u>Main Oversizing</u>	<u>Total Lift Station & Oversizing</u>
5/8"	\$2,263	\$300	\$2,563
3/4"	\$2,263	\$300	\$2,563
1"	\$3,473	\$460	\$3,933
1 1/4"	\$4,774	\$633	\$5,407
1 1/2"	\$6,077	\$806	\$6,883
2"	\$9,549	\$1,266	\$10,815
3"	\$13,888	\$1,841	\$15,729
4"	\$19,606	\$2,599	\$22,205
6"	\$35,915	\$4,761	\$40,676
8"	\$55,385	\$7,342	\$62,727
10"	\$81,136	\$10,756	\$91,892
12"	\$106,888	\$14,170	\$121,058

Total Impact Fee per Single Family Residence **\$6,239**
 (Law enforcement, water and full sewer for a 5/8" meter)



E. Effect of Impact Fees on Housing Affordability

The effect of all impact fees on housing affordability is analyzed in Table 17 below. The impact fee statute does not define affordable housing, however section 66.1105(2)(ab) of State Statutes defines affordable housing as costing no more than 30% of the household’s gross monthly income. Under 66.0617(7) of Wisconsin Statutes, the Village Board has the authority to reduce, in whole or part, impact fees for low-cost housing provided it adopts an ordinance to that effect.

At \$450,000 per unit, the fee would increase the annual housing payments for a median value home by approximately \$41 per month.

Village of Cottage Grove Impact Fee Study
Table 17 - Fee Impact on Affordable Housing

"Affordable House"	\$450,000	
<u>Amount Financed</u>¹		
No Impact Fee	\$405,000	
Proposed Impact Fees	\$411,239	
<u>Monthly Mortgage Payments</u>²		
		<u>Additional Monthly Cost</u>
No Impact Fee	\$3,298	\$0
Proposed Impact Fees	\$3,338	\$41

Notes:

1. The amount financed represents total cost of home less a 10% down payment.
2. Monthly mortgage payments include escrowing property tax payment and homeowners insurance.
3. In addition to the impact fees above for a single residential home the Village has Park Improvement Fee of \$2,588 and Fee in Lieu of Parkland where applicable of \$3,431



SECTION 7 - IMPLEMENTATION AND CONTINUED MANAGEMENT

To implement the proposed impact fee the Village will need to:

1. Amend the impact fee ordinance to include the proposed impact fees.
2. Have the impact fee study on file in the office of the Clerk and available 20 days prior to the public hearing to allow the public time to review the document.
3. Prepare a Class 1 hearing notice and publish it in the Village's designated newspaper.
4. Conduct a public hearing on the proposed impact fees.
5. After the conclusion of the public hearing the Village Board may adopt the proposed impact fees.