



Cottage Grove Impact Fee Study Presentation

Village Board Meeting

March 2nd, 2026

Impact Fees Precursor

Jon is building a new



Kristin is transforming a vacant building into a restaurant.



These projects **increase demands** on services New Richmond provides (i.e. utilities, infrastructure, parks & recreation, etc.)



Jon and Kristin pay **one-time impact fees** to pay their share to maintain the quality of services and amenities for **all** residents, customers and businesses.

Impact fees supplement **local program funds**, and the City completes improvements and/or additions to services and amenities.



What Are Impact Fees?

- What is an impact fee?
 - ✓ A charge to new development for future public improvements
 - What can impact fees be used for?
 - ✓ Legal, engineering, design, land acquisition & construction expenses
-
- Water facilities
 - Sewer facilities
 - Storm facilities
 - Parks, Playgrounds and land for athletic fields
 - Highways and transportation facilities
 - Traffic control devices
 - Solid waste and recycling facilities
 - Fire protection facilities
 - Law enforcement facilities
 - EMS facilities
 - Libraries

What Are Impact Fees?

- What impact fees cannot be used for:
 - ✓ Cannot use for anything not specifically listed in the Statute
 - ✓ City, Village or Town Halls
 - ✓ Facilities owned by a school district
 - ✓ Vehicles (Fire truck)

Impact Fee Process and Administration

- Public Facilities Needs Assessment
 - ✓ Inventory of existing facilities
 - ✓ Identification of new, improved or expanded costs by type
 - ✓ Deficiency/growth analysis to determine impact fee share of facility costs
 - ✓ Impact of fees on affordable housing
- Study placed on file for 20-day period in office of Clerk
- Impact Fee ordinance prepared and public hearing held after 20-day period is over

General Impact Fee Info

- **What projects should be included?**
 - ✓ Capital Improvement Plan is the primary document used in Needs Assessment.
 - ✓ Projects with a high probability to occur in the next 3-5 years are typically included.
- **Do impact fees need to be used within a certain period of time?**
 - ✓ Yes, impact fees need to be used within 8 years from collection.
- **How often should impact fees be evaluated/updated?**
 - ✓ Impact fees collected and used should be reviewed on an ongoing basis.
 - ✓ Needs Assessments (updated study) is recommended every 3-5 years based upon growth and development.

Law Enforcement Impact Fee

- Village to construct approx. 27,500 sq. feet stand alone facility
- Current estimated cost of approximately \$14,663,044 (cost less funds on hand and grants)
- Impact fee study identifies 52% of the facility as allocable to new growth and recoverable through an impact fee
- Recommended impact fee:
 - ✓ \$2,158 per single-family home
 - ✓ \$1,439 per multi-family dwelling unit
 - ✓ \$.087 per square foot for office/industrial development
 - ✓ \$1.08 per square foot for commercial development

Law Enforcement Impact Fee Explained

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%

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.

Water Impact Fee Facilities and Calc.

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 caclulated in the 2022 Utility Master Plan performed by Strand Associates.

Water 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

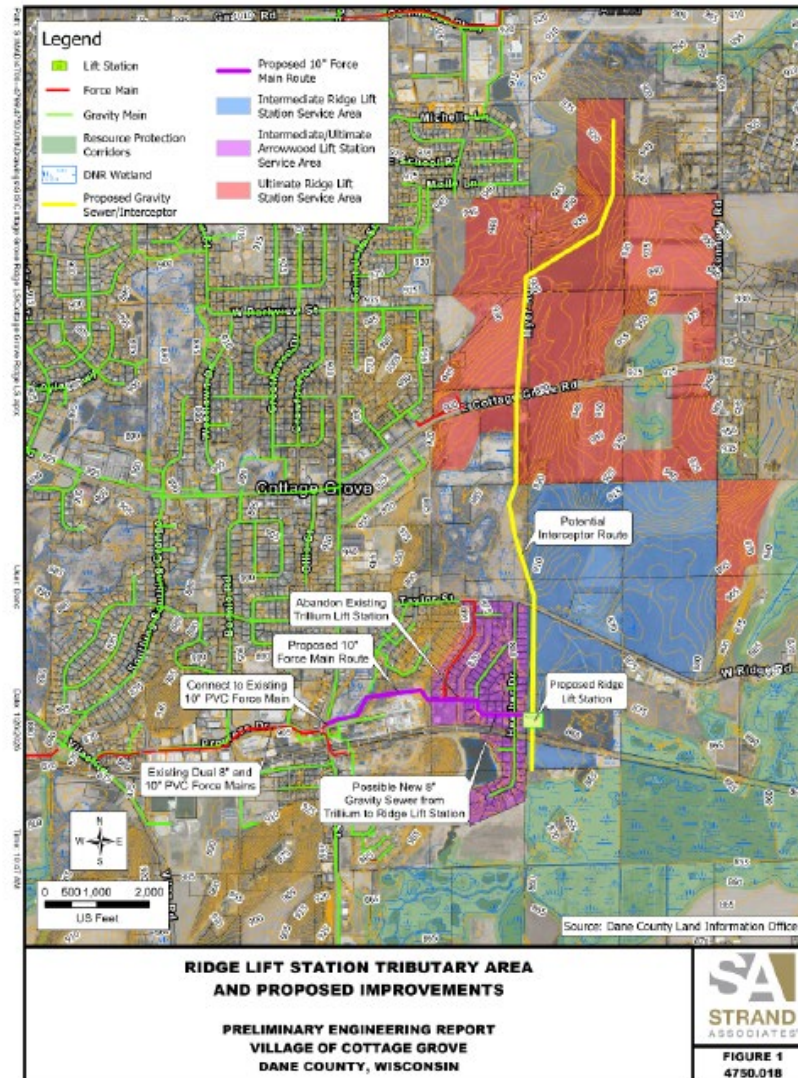
Recommended Water Impact Fee

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

Sewer Impact Fee

- Impact Fee to recover a portion of the Ridge Lift Station and Interceptor Project & the oversizing component of the East Vilas sewer extension project
- The Ridge Lift Station Project is recoverable from specific, benefitting areas of the Village
- The East Vilas sewer extension project is recoverable from all new development in the Village

Ridge Lift Station and Interceptor Impact Fee Zone Area



Sewer 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

East Vilas Extension Project

Project Cost Estimate (1,500 Linear Feet)	\$150,000
REUs Served	500
Impact Fee per REU	\$300

Recommended Sewer Impact Fees

Ridge Lift Station and Interceptor Project

Sewer Main Oversizing

Total Sewer Impact Fee

Meter Size	Equivalency Factor	Recommended Impact Fee
5/8"	1.00	\$2,263
3/4"	1.00	\$2,263
1"	1.53	\$3,473
1 1/4"	2.11	\$4,774
1 1/2"	2.69	\$6,077
2"	4.22	\$9,549
3"	6.14	\$13,888
4"	8.66	\$19,606
6"	15.87	\$35,915
8"	24.47	\$55,385
10"	35.85	\$81,136
12"	47.23	\$106,888

Meter Size	Equivalency Factor	Recommended Impact Fee
5/8"	1.00	\$300
3/4"	1.00	\$300
1"	1.53	\$460
1 1/4"	2.11	\$633
1 1/2"	2.69	\$806
2"	4.22	\$1,266
3"	6.14	\$1,841
4"	8.66	\$2,599
6"	15.87	\$4,761
8"	24.47	\$7,342
10"	35.85	\$10,756
12"	47.23	\$14,170

Meter Size	Recommended Impact Fee
5/8"	\$2,563
3/4"	\$2,563
1"	\$3,933
1 1/4"	\$5,407
1 1/2"	\$6,883
2"	\$10,815
3"	\$15,729
4"	\$22,205
6"	\$40,676
8"	\$62,727
10"	\$91,892
12"	\$121,058

Summary of Recommended Impact Fees per Single-Family Home

- Law Enforcement - \$2,158
- Water - \$1,518
- Sewer* - \$2,563
- **Total** **\$6,239**

*(includes Ridge Lift Station and East Vilas Rd extension)

Effect of Impact Fees on Housing Affordability

"Affordable House" \$450,000

Amount Financed¹

No Impact Fee	\$405,000
Existing Impact Fees	\$408,270
Proposed Impact Fees	\$411,239

Monthly Mortgage Payments²

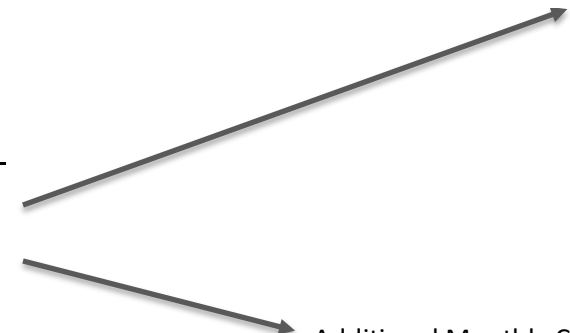
No Impact Fee	\$3,298	<u>Additional Monthly Cost</u>	\$0
Current Impact Fees	\$3,319		\$21
Proposed Impact Fees	\$3,338		\$41

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

	<u>Additional Monthly Cost</u>
Sewer	\$13
Water	\$8
Total	\$21

	<u>Additional Monthly Cost</u>
Law Enforcement	\$14
Water	\$10
Sewer	\$17
Total	\$41



Questions?

