



Trustee Memo

Meeting Date: March 2, 2026

Memo Date: February 26, 2026
To: Cottage Grove Village Board
From: Paula Severson
Subject: Proposed Law Enforcement Impact Fee

Purpose

The purpose of this memo is to explain the proposed Law Enforcement Impact Fee, confirm that the Village followed all statutory requirements for a public facility needs assessment, and clarify how the fee fairly allocates costs between existing residents and future growth.

Statutory Public Facility Needs Assessment

Wisconsin law requires that, before adopting an impact fee, a municipality must complete a public facility needs assessment and prepare a professional study that identifies the portion of capital costs created by future development.

The Village retained Ehlers, our municipal financial management and advisory consultant, to conduct this analysis. Their study evaluated:

- existing police service capacity
- service level standards
- population projections
- facility deficiencies
- capital expansion required to serve future development

This work satisfies the statutory requirements for adopting a law enforcement impact fee. The study establishes what portion of the police facility is necessary to serve existing residents and what portion is required because of growth.

Police Station Cost Allocation

Total Police Station project cost:

\$14,663,044

Ehlers determined the cost allocation as follows:

- **48.08% attributable to existing deficiencies**
- **51.92% attributable to new growth**



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The portion caused by growth is legally recoverable through a law enforcement impact fee because it represents capacity needed to serve future residents and development.

In plain terms, more than half of the building was required because the Village has grown.

The Reality Existing Residents Have Experienced

For many years, the residents who already lived here have carried the financial burden of expanding police services. The police budget increased because service calls increased. Service calls increased because the population increased.

Existing citizens did not create the growth, yet they funded:

- additional officers
- equipment
- vehicles
- operations
- and now the facility expansion

Residents have weathered repeated increases to the police budget even though the demand was generated by new development. Without an impact fee, current taxpayers continue paying the upfront capital cost required to serve future residents.

The ongoing cost of operating the police department and the new station will remain a responsibility shared by everyone through property taxes. The impact fee only addresses the initial expansion needed to make service possible.

Future Staffing Needs Caused by Growth

Projected staffing levels noted in the Ehlers report:

Year	Sworn Officers	Non Sworn Staff
2025	21	4
2035	31	8
2045	43	9

Growth directly requires additional personnel and the facility capacity to support them. The building is the infrastructure that allows the Village to provide police protection at a consistent service level.



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Impact Fee Calculation

Ehlers calculated residential impact fees based on household size assumptions:

Single family residential: **\$2,158** based on a three person household

Multi family residential: **\$1,439** based on a two person household

While these calculations are valid, household size varies significantly. A single uniform fee is easier to administer, more predictable, and reduces disputes over occupancy assumptions.

I recommend a flat **\$1,000 law enforcement impact fee per residential unit**.

This amount partially recovers growth related capital costs while keeping Cottage Grove aligned with surrounding communities.

Comparison to Nearby Municipalities

Related Police/Fire/EMS impact fees in nearby municipalities:

- McFarland: \$2,091
- Windsor: \$355
- Verona: \$310
- Fitchburg: \$882
- DeForest: \$736.87
- Deerfield: \$679

A \$1,000 fee places the Village closer to the regional range while still recovering a portion of the costs created by growth. Perhaps looking at this fee in relation to all other fees (building permits, impact fees, park fees, etc) would give a better idea of the cost of building in each of those communities

Addressing the Double Payment Concern

A concern has been raised that a new homeowner pays an impact fee and then also pays property taxes.

Property taxes fund ongoing services. Impact fees fund expansion required by development.

Existing residents have already been paying for the expansion needed to serve new residents. The impact fee corrects that imbalance by allocating the initial capital cost to the development that creates the demand.

After a home is built, the new resident contributes to operating costs just like everyone else.

The ongoing operation of the police department and the new station is shared by all residents. The impact fee simply ensures that the cost of creating capacity is not borne entirely by those who were already living here.



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Conclusion

The Ehlers public facility needs assessment demonstrates that a majority of the police facility cost is attributable to growth. The Village has met the statutory requirements for adopting a law enforcement impact fee.

A uniform **\$1,000 per residential unit law enforcement impact fee** is a reasonable and balanced approach. It allows growth to contribute toward the infrastructure required to serve it while ensuring that existing taxpayers are no longer solely responsible for the upfront expansion costs.

At a minimum, growth should help pay for growth, while ongoing public safety services remain a shared community responsibility.

Recommendation

Approve a \$1000 per residential unit law enforcement impact fee for residential units and approve Ehler's recommendations for industrial and commercial.