



STAFF REPORT

MEMO DATE: January 15, 2021
MEETING DATE: **JANUARY 21, 2021**

TO: Village of Cottage Grove Park, Rec, & Forestry Committee
CC: Sean Brusegar – Village Parks Director
Lisa Kalata – Village Clerk

FROM: [Erin Ruth, AICP – Village Planning Director](#)

RE: **Park Fees**

BACKGROUND

The intent of this memo is to prompt a reconsideration of park fees due to various factors.

As you recall, park fees were raised substantially at the beginning of 2020. The general intent was to ensure they were comparable to other communities in the area. The application of those fees in 2020 has resulted in some feedback from developers and has revealed some issues with how the ordinances currently apply the fees.

OVERVIEW

Some pushback from developers was inevitable. Obviously, nobody wants to pay more than they are used to paying for anything. However, some detailed elements of the feedback are worth considering.

Park Fees for Multi-Family Development

As currently written, fees are the same for all housing units regardless of size, cost, or type. A studio apartment generates the same park fees as a five-bedroom house on a large lot. Generally, a unit with fewer bedrooms will likely have fewer residents and therefore fewer people using the parks and arguably less burden on the park system.

As you can see in the attached fee comparison table a number of local communities (including Waunakee, Deforest, Verona, and Stoughton) address this imbalance by reducing some park fees for multi-family units. Furthermore, Verona charges a park fee based on the number of bedrooms.

Similar arguments are often made for senior housing, which typically also has fewer residents per unit.

As multi-family development becomes more prevalent in the Village, the committee may wish to consider how fees are applied to such projects.

Park Fees and Affordability

There has also been a renewed interest in the affordability of units in the Village. The first designated affordable apartment building (Glen Grove Apartments) was approved last fall, and the Village has formed a Housing Task Force to examine housing affordability among other housing related issues.

In addition to generally having fewer residents, smaller homes or multi-family units are often intended as a more affordable alternative to a larger single-family home. However, when all fees are flat and applied equally regardless of unit size or cost, more affordable units end up paying a higher percentage of project cost toward park fees than a more expensive unit thus working against their affordability.

A reduced rate for multi-family or a per bedroom rate for some fees may help to address the impact on affordability. Furthermore, the committee may wish to consider a lower rate for designated affordable units. For example, the Glen Grove Apartments are being developed using tax credits from the State of Wisconsin. In exchange for those credits, the developer agrees to tie rents to a percentage of the county's median income for at least the first 30 years of operation. In such a project where the rents are guaranteed to remain at a certain level, it may enhance the affordability to offer a reduced park fee.

Planned Unit Developments

Like most zoning ordinances the Village ordinance allows projects a route to approval via a process called a planned unit development (PUD). A typical parcel is assigned to an established zoning district and is subject to the rules of that district. In a PUD, the developer and Village essentially negotiate the rules for that specific project. In such a project, the developer may be allowed to build at a higher density in exchange for providing a higher quality or higher value project.

As currently written, the PUD process allows virtually anything in the zoning and subdivision ordinance to become negotiable. Since park fees are established and applied via regulations in those ordinances, they in effect also become negotiable. The developer of Cottage Grove Commons paid the full fees for phase one of their project, but they used this negotiability to reduce their fees for phase two.

The committee may wish to recommend an amendment to the ordinances to declare that park fees are not negotiable. Another alternative would be to place the administration of those fees in a separate ordinance chapter, similar to sewer and water impact fees.

STAFF RECOMMENDATION

Please consider the factors described above and provide feedback to staff regarding potential amendment of the fee structures.