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# **Public Facilities Needs Assessment and Impact Fee Study**

Prepared for the

**Village of Jackson**

by Trilogy Consulting, LLC

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## CHAPTER ONE: INTRODUCTION

### INTRODUCTION

Under Wisconsin Statutes §66.0617, municipalities may adopt impact fees to pay for the proportionate share of capital costs for public facilities needed to serve new development. Impact fees may be collected for highways and other transportation facilities, traffic control devices, facilities for collecting and treating sewage, facilities for collecting and treating storm and surface waters, 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.

The Village of Jackson (Village) has experienced steady population and business growth and is expecting continued growth in the future. The Village imposes the following fees on development to defray the capital costs of public facilities:

- Water, police, and fire facilities impact fees imposed under Wisconsin Statutes §66.0617.
- Sewer service fees for new connections to the sewer system or existing connections that expand and require a larger meter. These fees are part of the wastewater utility's fees and charges under the authority of Wisconsin Statutes §66.0821.
- A parks facilities fee that was established under the authority of municipalities to require fees in lieu of land dedication for park development as a condition of subdivision plat approval under Wisconsin Statutes §236.45(6). Under Wisconsin Statutes §236.45(6), a municipality may impose a fee to fund the acquisition and initial development of land for parks as part of a subdivision ordinance. 'Initial development' of parks includes grading, landscaping, installation of utilities, construction of sidewalks, installation of playground equipment, and construction or installation of restroom facilities.

The current fees that the Village imposes on new development to fund public infrastructure improvements are as shown in Table 1.

**Table 1 - Existing Development Fees**

Type of Fee	Current Fee	Village Ordinance
Sewer Service Fee	\$4,000 per Residential Equivalent Unit	Sec. 2-314
Water Impact Fee	\$820 per Residential Equivalent Unit	Sec. 2-315
Park Service Fee		Sec. 2-316
Single-Family	\$850 per dwelling	
Multi-Family	\$740 per unit	
Police and Fire Facilities Impact Fee		Sec. 2-317
Single-Family	\$1,430 per dwelling	
Multi-Family	\$1,280 per unit	
Non-Residential	\$2.80 per \$1000 of improvements	

The 2017 Wisconsin Act 243 required municipalities to follow the procedures and requirements of Wisconsin Statutes §66.0617 for impact fees in order to impose park development fees under Wisconsin Statutes §236.45(6). In addition, the Village has recently constructed major improvements or to provide expanded fire and police services, and has updated plans for parks, water and sewer service, since the adoption of the fees in 2011. Therefore, the Village retained Trilogy Consulting to prepare this impact fee study to convert the park development fee to a park impact fee, evaluate impact fees for fire, police, and water facilities, and update the sewer service fee.

This report satisfies the requirements of Wisconsin State Statutes §66.0617, properly allocates the capital costs for the facilities between existing development and new development and may be used by the Village as the basis for adopting an impact fee ordinance.

**AUTHORITY TO IMPOSE IMPACT FEES UNDER WISCONSIN STATUTES**

In 1993, Wisconsin Act 305 created Section §66.55 (now §66.0617) of the Wisconsin Statutes, which provides the authority for cities, villages, and towns to impose impact fees on new development for recovering capital costs of public facilities. The statute specifies the type of facilities for which impact fees may be imposed and prescribes the procedural requirements for impact fee ordinances enacted by a municipality. In 2006, the statute was amended by Wisconsin Acts 206 and 477. In 2007, the statute was again amended by Wisconsin Act 44. Most recently, the statute was amended by 2017 Wisconsin Act 243.

### *Eligible Facilities*

The impact fee statute allows the use of impact fees for a wide variety of public facilities projects. Impact fees may be used to pay for a proportionate share of capital costs of highways, traffic control facilities, sewerage facilities, storm water facilities, water supply facilities, parks facilities, solid waste and recycling facilities, fire protection facilities, law enforcement facilities, emergency medical facilities and libraries that are necessary to serve related growth. Impact fees may not be used for any public facilities that are not listed in statutes.

### *Eligible Costs*

Impact fees may only be used to fund capital costs of public facilities, which are defined as the cost to construct, expand or improve public facilities. Eligible costs may include land, legal, planning, engineering and design costs. Impact fees may not be used for the purchase of vehicles and equipment or for operation and maintenance expenses.

### *Determining the Amount of the Fees*

Impact fee law requires that impact fees must bear a rational relationship to the need for new, expanded or improved public facilities. This means that impact fees should not be charged to new development if that development is not likely to create a demand for the specific type of facility for which an impact fee is imposed. For example, most communities that charge an impact fee for parks do not impose them on nonresidential development. It also means that the amount of the impact fee should be based on a reasonable estimate of the demand that a new development will create for public facilities. For services that serve both residential and nonresidential properties, such as water and sewer service, this requires finding a reasonable basis for determining the amount of capital costs of facilities are required for residential versus nonresidential development.

Impact fees may not be used to correct existing deficiencies in the public facilities for which they are imposed. Examples of existing deficiencies may include:

- Facilities or portions of facilities that need to be replaced due to age or obsolescence.
- Improvements made to existing facilities to meet state or federal requirements or utilize improved technology.
- Facilities or portions of facilities that are required to provide the desired service level standard for existing development.

State law also requires that impact fees cannot exceed the proportionate share of the capital costs required to serve new development as compared to existing development. The share of

the costs to serve new development versus existing development must be determined based on explicitly defined service level standards. Service level standards are not dictated by state statute but must be identified by the municipality imposing impact fees. Each facility must be analyzed to determine the share of the facility that is needed to provide the established service level to the existing development versus the excess facility space that is available to serve new development. The same service level should be applied to both existing and new development when determining if there is a portion of facilities that are needed to provide the desired service level to existing development. If new facilities are needed in part to provide the desired service level standards to existing development, then a portion of the total capital costs may need to be allocated to meet an existing deficiency when determining the amount of total costs that are eligible to be recovered through impact fees.

The amount to be recovered through impact fees must be reduced to compensate for other charges imposed on land development to pay for the capital costs of new facilities, such as special assessments, land dedications, or fees in lieu of land dedication. Impact fees must also be reduced to compensate for state or federal grants received by a municipality to pay for the facilities for which the fees are imposed.

2017 Wisconsin Act 243 added a new standard for impact fees, that the fees ‘May not include amounts for an increase in service capacity greater than the capacity necessary to serve the development for which the fee is imposed.’ This is more specific than the requirement that fees ‘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.’ This standard has not yet been interpreted by the courts to determine what standards municipalities may be required to meet to prove that an impact fee isn’t more than the cost of capacity needed to serve a specific development.

### *Procedural Requirements*

Before adopting or amending an impact fee ordinance, a municipality must prepare a Public Facilities Needs Assessment that includes the following components:

- 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.
- 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 may be imposed. This identification shall be based on explicitly identified service areas and service standards.

- 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 cumulative effect of all proposed and existing impact fees on the availability of affordable housing within the municipality.

A municipality must also hold a public hearing on the proposed impact fee ordinance and make a copy of the public facilities needs assessment and proposed ordinance available for public review at least 20 days prior to the public hearing.

### *Summary*

Wisconsin impact fee law contains specific requirements for the process of adopting or amending an impact fee ordinance and for determining the amount that can be charged for an impact fee. Impact fees imposed under Wisconsin Statutes §66.0617 may not be used to correct any existing deficiencies in public facilities. Fees must also bear a rational relationship to the need for new, expanded or improved public facilities for which they are imposed and the fee may not exceed the proportionate share of capital costs required to serve new development versus existing uses. The impact fee charged to a property owner must also be reduced to compensate for other capital costs required by the municipality on land development to provide or pay for any public facilities for which impact fees are imposed. Wisconsin Statutes §66.0617 imposes additional standards and requirements upon the imposition of impact fees that may be relevant in particular situations.

In summary, it is important that a municipality that adopts impact fees:

- Prepares a public facilities needs assessment and conducts a public hearing;
- Ensures that the public facilities needs assessment contains all the items listed above, as prescribed by Wisconsin Statutes, and that the computed fee does not include any portion of capital costs that are needed to remedy any existing deficiencies or serve existing development;
- Follows the plan as laid out in the public facilities needs assessment in terms of the share of capital costs that are intended to be recovered through impact fees; and
- Revises the needs assessment if specific projects change significantly.

## CHAPTER TWO: POPULATION AND DEVELOPMENT PROJECTIONS

### PLANNING PERIOD AND STUDY AREA

An important element of determining appropriate impact fees is projecting the amount of future development that will occur in the service area during the selected planning period. These projections are important for planning for the facilities needed to serve new development as well as calculating the proportionate cost of facilities per unit of development.

The planning period for this impact fee study is 2010 through 2040 for parks, police, and fire facilities. Planning for these facilities began with the previous impact fee study conducted in 2010, and they are projected to serve the population through 2040. The planning period for the water impact fee is through 2035, consistent with the recently completed Water System Master Plan. The planning area for this study is the entire Village of Jackson, since the facilities evaluated in this study serve the entire Village.

### HISTORICAL AND FORECAST POPULATION AND HOUSEHOLDS

Several sources of information were reviewed in preparing summaries of historical and forecast population and households in the Village: the U.S. Census, the Comprehensive Plan for the Village of Jackson: 2050, historical trends in residential building permits, and population and household estimates from the Wisconsin Department of Administration.

As shown in Table 2, the Village experienced an annual growth rate of 92 new households and 182 people per year between 2000 and 2010, or an annual population growth rate of 3.2 percent. This growth slowed somewhat between 2010 and 2020, but the Village continued to experience steady population growth.

**Table 2 - Historical Population and Households**

Year	Population	Households	Persons per Household	Housing Units	Vacancy Rate
2000	4,938	1,949	2.53	2,011	3.1%
2010	6,753	2,870	2.35	3,061	6.2%
2020	7,185	3,216	2.23	3,300	2.5%
Annual Growth, 2000-2010	182	92		105	
Annual Growth, 2010-2020	43	35		24	

*Source: U.S. Census Bureau.*

The Village is planning for continued population growth. As shown in Table 3, the Village expects an increase in population of 2,525 persons and 1,222 new households between 2020 and 2040. Assuming a 2.5 percent vacancy rate, it would require approximately 1,252 new housing units to accommodate this projected population increase.

***Table 3 - Projected Population, Households, and Housing Units***

Year	Population	Households	Persons per Household	Housing Units
2020	7,185	3,216	2.23	3,300
2025	8,435	3,756	2.25	3,852
2030	9,085	4,086	2.22	4,191
2035	9,485	4,309	2.20	4,419
2040	9,710	4,438	2.19	4,552

*Source: WI Dept. of Administration.*

*Note: Projected Housing Units are based on 2.5% vacancy.*

**HISTORICAL AND FORECAST NONRESIDENTIAL DEVELOPMENT**

The Village of Jackson has also experienced steady nonresidential development in recent years. Commercial development has included new development and business expansion along the Main Street corridor, particularly near the interchange with USH 45. New industrial development has occurred primarily as infill of the industrial park in the northwest quadrant of the Village.

With substantial population growth projected for 2020 through 2040, it is expected that nonresidential development will also continue at a rapid pace. Table 4 shows the historical net new construction for commercial and industrial development from 2011 through 2022, with 20-year projections based on maintaining the pace of development experienced in the past 12 years.

**Table 4 - Historical and Forecast Nonresidential Development**

Year	Commercial	Manufacturing
2010		
2011	\$2,163,000	\$0
2012	\$131,600	\$0
2013	\$1,066,200	\$0
2014	\$96,400	\$2,316,300
2015	\$1,801,300	\$6,852,100
2016	\$6,429,300	\$1,657,900
2017	\$8,184,400	\$2,057,700
2018	\$5,724,000	\$0
2019	\$5,106,500	\$2,879,700
2020	\$2,485,100	\$1,390,800
2021	\$4,030,900	\$73,100
2022	\$3,713,800	
Annual Average		
2011 - 2022	\$3,411,042	\$1,566,145
20-Year Projection	\$68,220,833	\$31,322,909

*Source: Wisconsin Department of Revenue.*

## **CHAPTER THREE: FIRE IMPACT FEE ANALYSIS**

### **INTRODUCTION**

The Jackson Fire Department was established in 1892 and serves the Village of Jackson, Town of Jackson and Town of Polk with fire prevention, building fire inspection, fire suppression, and 24-hour paramedic coverage.

From 1974 to 2022, the Department operated from a station located at W204 N16722 Jackson Drive, which was formerly a business office and received several renovations over the years. Prior to this location, it was housed since 1931 at the previous Village Hall site at N168 W20635 Main Street, which had received numerous renovations since its original construction.

In August 2016, the “Village of Jackson Space Needs Analysis” was completed for the Village by Cedar Corporation, which recommended a significantly larger fire facility at a different location to better serve the entire area. In 2022, the Village completed construction of a new Municipal Complex at N168 W19851 Main Street that houses the fire department, police department, and Village administration to replace the old fire station and Village Hall. Additional capacity provided in this new facility to serve future development may be recovered from new development through impact fees.

This chapter includes the majority of the elements for a public facilities needs assessment under Wis. Stats. §66.0617: an inventory of Fire Department facilities, service level standards, deficiencies in prior facilities, a list of recent improvements and actual costs, and the proportionate share of the cost of new improvements that are attributable to new development.

### **FIRE DEPARTMENT FACILITIES**

The prior fire station on Jackson Drive was 13,800 square feet, spread between two buildings, most of which was the apparatus bay. The Space Needs Analysis noted several deficiencies in this facility in terms of the amount of space and functional obsolescence.

Facility space deficiencies in the prior station mostly focused on the absence of space that modern fire stations require. These spaces include a public lobby area, more administrative space, a living area and kitchen for both full-time staff and paid-on-call volunteers, sleeping rooms for full-time positions, shower and locker facilities, and equipment storage space. Additionally, as the Village grows, the Department will need to hire more firefighters and EMTs, including full-time employees, in order to provide around-the-clock coverage of the service area.

**Table 5 - Former Fire Station Facility Space**

Type of Space	Existing Facilities, 2016
	Square Feet <sup>(1)</sup>
Administrative Space	3,471
Apparatus Bay	10,329

Notes:

(1) Source: Space Needs Analysis, Cedar Corp.

In 2022, the Village completed construction of a new municipal complex at N168 W19851 Main Street to house the Village Hall, Police Department, and Fire Department, that replaces the old facilities. Some spaces are shared among all the departments and are included in each department’s area proportionately.

**Table 6 - New Fire Station Facility Space**

Type of Space	New Facility Square Feet <sup>(2)</sup>
Police	
Office Space	9,450
Garage	6,650
Fire	
Administrative Space	13,450
Apparatus Bay	11,940
Shared Space	
Police Portion	4,335
Fire Portion	6,120

Notes:

(2) Source: Email from Brian Kober, 11/14/2022

**SERVICE LEVEL STANDARDS AND DEFICIENCY / GROWTH ANALYSIS**

Wisconsin Statutes §66.0617 requires that a public facilities needs assessment identify any deficiencies in existing facilities. It also limits impact fees to recovering only the proportionate share of the cost of facilities required to serve new development as opposed to existing land uses, based on explicitly defined service level standards. Therefore, the share of the cost of new fire station facilities related to remedying any existing deficiencies versus the share related to serving new development must be identified.

The service level standard for fire station facilities is not set by Wisconsin Statutes, rather it is determined by amount of facility space that the Village decides is necessary to provide service.

The Village planned for and constructed the new fire station based on the projected 20-year space needs of the Fire Department. Therefore, the service level standard for Fire Department facilities is based on the amount of space recently constructed to serve the projected 2040 population.

As shown in Table 7, the new fire station will provide 3,245 square feet of space per 1,000 population for the projected 2040 population. This service level was used to determine the amount of facility space that would be required to provide the same service level for the existing 2010 population at the time the fire impact fees was initially adopted. A 21,914 square foot facility would have been needed to provide the same level of service for the 2010 population. Therefore, 21,914 square feet of the new fire station is the proportionate share of that facility that is needed to serve the existing population of the Village. The additional 9,596 square feet that is provided in the new fire station represents the proportionate share of capacity that is available to serve future growth in Jackson.

**Table 7 - Analysis of Fire Station Facility Space to Serve Future Growth**

	Square Feet	Percentage
<b>Service Level Standard</b>		
New Fire Facilities	31,510	
2040 Population	9,710	
Service Level per 1,000 Population	3,245	
<b>Space Needed for Current Population</b>		
2010 Population	6,753	
Service Level per 1,000 Population	3,245	
Required Fire Station Space - 2010	21,914	
<b>Proportionate Share of New Facility for Current vs. Future Population</b>		
Fire Station Space Required for Current Population	21,914	69.5%
Fire Station Space for Future Growth	9,596	30.5%
Total Fire Station	31,510	100.0%

**ALLOCATION OF COSTS AND FIRE IMPACT FEE CALCULATION**

The Village incurred \$11,701,611 in capital costs for the new municipal complex. The Fire Department constituted 51% of the construction cost, or \$5,967,822. As shown in Table 7, 30.5 percent of the new station represents capacity to serve future development through 2040.

Therefore, 30.5 percent, or \$1,820,185, of the cost is the proportionate share of the cost that the Village may recover from new development.

Since the Fire Department serves both residential and nonresidential development, the impact fee eligible costs must also be allocated between residential and nonresidential development. Costs were allocated between broad categories of land use based on the anticipated equalized value of new development in each category.

The projected value of development for residential, industrial and commercial development is shown in Table 8. Based on the number of new residential dwelling units and square feet of nonresidential development between 2010 and 2040, and the recent and current value of new construction in the Village, Table 8 shows the projected total value of new development between 2010 and 2040 in current dollars. It is expected that approximately 73.8 percent of new property value will be residential development, while approximately 17.7 percent will be commercial, and 8.5 percent will be industrial.

**Table 8 - Allocation of Fire Impact Fee Costs to Projected Residential and Nonresidential Development**

Fire Facilities Allocation	Projected Units 2010-2040	Average Value / Unit	Total Forecast of Value of Improvements	Percent of Total Incremental Value	Allocated Share of Future Growth Costs
Residential <sup>(1)</sup>	1,491	\$283,482	\$422,671,700	73.8%	\$1,343,691
Commercial <sup>(2)</sup>			\$101,408,633	17.7%	\$322,382
Industrial <sup>(2)</sup>			\$48,477,409	8.5%	\$154,112
<b>Total</b>			<b>\$572,557,742</b>		<b>\$1,820,186</b>

*(1) Residential forecast is based on actual net new construction from 2011 to 2020, plus projected new units at \$300,000 per unit.*

*(2) Commercial and Industrial forecast is based on actual net new construction from 2011 to 2020, plus 20-year projections from Table 4.*

Based on the projected units of new development (residential dwelling units and \$1,000 of non-residential improvement value), Table 9 shows the impact fee per unit that would be required to recover the eligible costs.

**Table 9 - Calculated Fire Impact Fees**

Development Type	Impact Fee Allocation	Incremental	
		Development 2010-2040	Cost per Unit
Residential	\$1,343,691	2,957	\$454 per person
Commercial	\$322,382	\$101,408,633	\$3.18 per \$1,000 improvements
Industrial	\$154,112	\$48,477,409	\$3.18 per \$1,000 improvements

The cost per unit for residential units is based on the estimated number of persons per unit for various sized dwelling units. Since smaller units typically have fewer residents per unit and lower value per unit, it is recommended that the Village charge lower impact fees for smaller units.

**Table 10 - Recommended Fire Impact Fees for Residential Units**

Type of Residence	Fee per Unit
Single-Family	\$1,022 per house at 2.25 persons / unit
Multi-Family	\$795 per unit at 1.75 persons / unit

## **CHAPTER FOUR: POLICE IMPACT FEE ANALYSIS**

### **INTRODUCTION**

The Village of Jackson Police Department currently employs 11 full-time sworn officers and additional support staff. Prior to construction of the new Municipal Complex in 2022, the Department occupied approximately 2,497 square feet of the building at N168 W20733 Main Street that also housed the Jackson Village Hall, plus 1,600 square feet of garage space.

In August 2016, the “Village of Jackson Space Needs Analysis” was completed for the Village by Cedar Corporation, which recommended a significantly larger police facility in conjunction with other Village services. In 2022, the Village completed construction of a new Municipal Complex at N168 W19851 Main Street that houses the police department, fire department, and Village administration to replace the old police station and Village Hall. Additional capacity provided in this new facility to serve future development may be recovered from new development through impact fees.

This chapter includes the majority of the elements for a public facilities needs assessment under Wis. Stats. §66.0617: an inventory of Police facilities, service level standards, deficiencies in the existing facilities, planned improvements and estimated costs, and the proportionate share of the cost of new improvements that are attributable to new development.

### **EXISTING AND PLANNED POLICE STATION FACILITIES**

The Police Department previously occupied 2,497 square feet of space at N168 W20733 Main Street, in the original building built in 1931. This consisted of a small lobby and reception area, office space for the Chief, Sergeant, and Investigator, a small printer room, locker rooms, and an interview room. A lower level housed a small evidence and weapons storage area, a multi-purpose room that was used for breaks, evidence preparation, and as a squad room, along with a holding cell. The Police garage housed four squad cars, larger evidence storage, and ancillary space.

The prior facilities were woefully inadequate for modern Police department needs, with several areas being used for multiple purposes that should remain separate. Specifically, the prior station lacked in fully secure entrance areas, office space, interview rooms, safe victim rooms, proper evidence preparation areas, a larger garage and storage area, plus all ancillary areas the building would need.

In 2022, the Village completed construction of a new Municipal Complex at N168 W19851 Main Street to house the Village Hall, Police Department, and Fire Department, that replaced the old

facilities. Some spaces are shared among all of the departments and are included in each department’s area proportionately.

**Table 11 - Existing Police Station Facility**

Type of Space	Existing Facilities, 2016	
	Square Feet <sup>(1)</sup>	
Police		
Office Space		2,497
Garage		1,600

Notes:

(1) Source: Space Needs Analysis, Cedar Corp.

**Table 12 - New Police Station Facility**

Type of Space	New Facility	
	Square Feet <sup>(2)</sup>	
Police		
Office Space		9,450
Garage		6,650
Shared Space		
Police Portion		4,335
Fire Portion		6,120

Notes:

(2) Source: Email from Brian Kober, 11/14/2022

**SERVICE LEVEL STANDARDS AND DEFICIENCY / GROWTH ANALYSIS**

Wisconsin Statutes §66.0617 requires that a public facilities needs assessment identify any deficiencies in existing facilities. It also limits impact fees to recovering only the proportionate share of the cost of facilities required to serve new development as opposed to existing land uses, based on explicitly defined service level standards. Therefore, the share of the cost of new or expanded police station facilities related to remedying any existing deficiencies versus the share related to serving new development must be identified.

The service level standard for police department facilities is not set by Wisconsin Statutes, rather it is determined by amount of facility space that the Village decides is necessary to provide service. Planning and design for the new police station is based on the projected 2040 space needs. Therefore, the service level standard for Police Department facilities is based on the amount of space to be provided to the serve the projected 2040 population.

As shown in Table 13, the new police station will provide 2,105 square feet of space per 1,000 population for the projected 2040 population. This service level was used to determine the amount of facility space that would be required to provide the same service level for the existing 2010 population at the time that police impact fees were initially adopted. A 14,212 square foot facility with an efficient layout would have been needed to provide the same level of service for the 2010 population. Therefore, 14,212 square feet of the planned police station is the proportionate share of that facility that is needed to serve the population of the Village as of 2010. The additional 6,223 square feet that is provided in the new police station represents the proportionate share of capacity that is available to serve future growth in Jackson.

***Table 13 - Analysis of Police Station Facility Space Needed to Serve Future Development***

	Square Feet	Percentage
Service Level Standard		
New Police Facilities	20,435	
2040 Population	9,710	
Service Level per 1,000 Population	2,105	
Space Needed for Current Population		
2010 Population	6,753	
Service Level per 1,000 Population	2,105	
Required Police Station Space - 2010	14,212	
Proportionate Share of New Facility for Current vs. Future Population		
Police Station Space Required for Current Population	14,212	69.5%
Police Station Space for Future Growth	6,223	30.5%
Total Police Station	20,435	100.0%

**ALLOCATION OF COSTS AND POLICE IMPACT FEE CALCULATION**

The Village incurred \$11,701,611 in capital costs for the new municipal complex. The Police Department constituted 34% of the construction cost, or \$3,978,548. As shown in Table 13, 30.5 percent of the new station represents capacity to serve future development through 2040. Therefore, 30.5 percent or \$1,213,457 of the cost is the proportionate share of the cost that the Village may recover from new development.

Since the Police Department serves both residential and nonresidential development, the impact fee eligible costs must also be allocated between residential and nonresidential development. Costs were allocated between broad categories of land use based on the anticipated equalized value of new development in each category.

The projected value of development for residential, industrial and commercial/institutional development is shown in Table 14. Based on the number of new residential dwelling units and square feet of nonresidential development between 2010 and 2040, and the recent and current value of new construction in the Village, Table 14 shows the projected total value of new development between 2010 and 2040 in current dollars. It is expected that approximately 73.8 percent of new property value will be residential development, while approximately 17.7 percent will be commercial, and 8.5 percent will be industrial.

**Table 14 - Allocation of Police Impact Fee Costs to Projected Residential and Nonresidential Development**

Police Facilities Allocation	Projected Units 2010-2040	Average Value / Unit	Total Forecast of Value of Improvements	Percent of Total Incremental Value	Allocated Share of Future Growth Costs
Residential <sup>(1)</sup>	1,491	\$283,482	\$422,671,700	73.8%	\$895,794
Commercial <sup>(2)</sup>			\$101,408,633	17.7%	\$214,922
Industrial <sup>(2)</sup>			\$48,477,409	8.5%	\$102,741
<b>Total</b>			<b>\$572,557,742</b>		<b>\$1,213,457</b>

(1) Residential forecast is based on actual net new construction from 2011 to 2020, plus projected new units at \$300,000 per unit.

(2) Commercial and Industrial forecast is based on actual net new construction from 2011 to 2020, plus 20-year projections from Table 4.

Based on the projected units of new development (residential dwelling units and square feet of nonresidential development), Table 15 shows the impact fee per unit that would be required to recover the eligible costs.

**Table 15 - Calculated Police Impact Fees**

Development Type	Impact Fee Allocation	Incremental Development 2010-2040	Cost per Unit	Units
Residential	\$895,794	2,957	\$303	per person
Commercial	\$214,922	\$101,408,633	\$2.12	per \$1,000 improvements
Industrial	\$102,741	\$48,477,409	\$2.12	per \$1,000 improvements

The cost per unit for residential units is based on the estimated number of persons per household for dwelling units of various sizes. Since smaller units typically have fewer residents and are of lower property value, it is recommended that the Village adopt lower fees for smaller units. The proposed residential impact fees are shown in Table 16.

**Table 16 - Recommended Police Impact Fees for Residential Units**

Type of Residence	Fee per Unit
Single-Family	\$682 per house at 2.25 persons / unit
Multi-Family	\$530 per unit at 1.75 persons / unit

## **CHAPTER FIVE: PARK IMPACT FEE ANALYSIS**

### **INTRODUCTION**

This analysis focuses only on those parks that are owned by the Village. While other public and privately owned parks and recreational facilities may be available for use by Village residents, the Village may only impose impact fees for costs that the Village will incur; therefore, all standards are based on those facilities that the Village provides and will provide.

The Village of Jackson provides a wide variety of local parks, playgrounds, and land for athletic facilities offering both active and passive recreational opportunities for Jackson residents. Jackson Park, located in the center of the Village, is the main community park, and second largest at 25 acres. A second community park is Hickory Lane Park, in the southeast portion of the Village. Meadowview Park and Reis Memorial Park are small neighborhood parks, sized at 2 and 1 acres, respectively. Cedar Run Park is a large 26-acre passive park along Cedar Creek, with walking trails and a picnic area. Currently, the Village has five parks, and provides a wide array of amenities such as trails, playgrounds, tennis courts, volleyball courts, ice rinks, a splash pad, and baseball and soccer fields. The Village last updated its Parks, Recreation and Open Space Plan (PROSP) in January 2021. The plan recommends many new or improved facilities in the Village's parks as well as development of additional park land.

The Village currently collects a park development fee from new residential development under Section 2-316 of the Municipal Code. Municipalities may impose impact fees for parks, playgrounds, and land for athletic facilities under Wisconsin Statutes §66.0617. Under Wisconsin Statutes §236.45(6), a municipality may impose a fee to fund the acquisition and initial development of land for parks as part of a subdivision ordinance. 'Initial development' of parks includes grading, landscaping, installation of utilities, construction of sidewalks, installation of playground equipment, and construction or installation of restroom facilities. If a municipality imposes a park fee under Wisconsin Statutes §236.45(6), the fee and the process for adopting the fee must meet all the requirements of the impact fee statute, Wisconsin Statutes §66.0617. The ordinance was last amended in 2011, prior to the most recent updates to Wisconsin's impact fee legislation.

To reflect the Village's current plans for new park and recreation land and amenities, and to ensure compliance with Wisconsin Statutes, this chapter includes the majority of the elements for a public facilities needs assessment under Wis. Stats. §66.0617: an inventory of park facilities, service level standards, deficiencies in the existing facilities, planned improvements and estimated costs, and the proportionate share of the cost of new improvements that are attributable to new development.

**PARKS, PLAYGROUNDS, AND LAND FOR ATHLETIC FACILITIES**

As of 2010, the Village had 68 acres of active and passive parkland. Through a combination of land acquisition and utilization of property already owned by the Village, park land is expected to increase to 76.7 acres in the future, as shown in Table 17.

***Table 17 - Existing and Planned Parkland Inventory***

Park Name	Park Type	Existing Acres	Future Acres
Cedar Run Park	Community Park	26.0	26.0
Jackson Park	Community Park	25.0	25.0
Meadowbrook Park	Neighborhood Park	2.0	2.0
Reis Memorial Park	Neighborhood Park	1.0	1.0
Hickory Lane Park	Community Park	14.0	14.0
Cedar Creek @ CTH P	Neighborhood Park	-	5.0
Lake Hasmer Access	Special Purpose Park	-	1.7
Dog Park	Special Purpose Park	-	2.0
<b>Total</b>		<b>68.0</b>	<b>76.7</b>

*Source: Village of Jackson Parks, Recreation & Open Space Plan 2021.*

The Village’s parks provide a wide array of amenities depending on the location and function of each park. Some, such as Jackson Park and Hickory Lane Park, are heavily developed with a variety of facilities, while others, such as Cedar Run Park, primarily provide enjoyment of natural features. The PROSP describes opportunities for several new amenities at Village parks, some of which would rehabilitate or replace existing facilities, but most would be new facilities for current and future residents. Existing and planned park amenities listed within the PROSP are summarized in Table 18.

One of the main goals in the PROSP is to expand the trail network in the Village and connect all existing trails, in conjunction with regional trails identified by Washington County, to create a cohesive and comprehensive system of trails for non-motorized recreation. Table 19 shows the length of trails that were complete as of 2010 and the planned length of trails in 2040. This includes only those identified by the PROSP that would be the undertaking and responsibility of the Village, not the County or any other entity.

**Table 18 - Current and Planned Park Amenities**

Park Name	Pavillion	Baseball Field	Basketball Court	Soccer Field	Open Picnic Area	Concessions	Playfield	Playground	Softball Field	Splash Pad	Tennis Court	Volleyball Court	Ice Skating Rink	Boat Launch	Skate Park	Disc Golf	Walking Trails
Cedar Run Park					1												1
Jackson Park	3	2	3	3	1	1	2	2			4	4			1	1	
Meadowbrook Park				1	1		1	1									
Reis Memorial Park					1		1	1									
Hickory Lane Park	1	3	3	1	1		1	1	1	1		2	1				1
Cedar Creek @ CTH P					1									1			
Lake Hasmer Access Dog Park	1							1					1	1			1
<b>Total</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>8</b>	<b>4</b>	<b>6</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>

Source: Village of Jackson Parks, Recreation & Open Space Plan 2021.

**Table 19 - Existing and Planned Trail System**

<b>Linear Parks</b>		2010	Future
Trail Section	Trail Type	Feet	Feet
Hickory Lane Park	Park Trails	1,575	1,575
Jackson Drive to Spruce Street	Connector Trails	657	657
Hickory Lane to Sherman Road	Connector Trails	4,175	4,175
Glen Hill Drive to Sherman Road	Connector Trails	2,923	2,923
Crestview Drive to Cedar Creek Road	Connector Trails	629	1,381
Industrial Drive to Hasmer Lake	Connector Trails	3,652	3,652
Apple Lane Park and Ride to Tillie Lake Court	Connector Trails	-	2,961
Main Street Market to Eagle Drive	Connector Trails	-	1,968
Crestview Drive to Jackson Park	Connector Trails	-	2,700
Cedar Creek Trails	Park Trails	-	7,300
Jackson Drive to CTH P	Connector Trails	-	5,220
Cedar Creek Road to Hasmer Lake	Connector Trails	-	4,130
<b>Total</b>		<b>13,611</b>	<b>38,642</b>

Source: Village of Jackson Parks, Recreation & Open Space Plan 2021; Washington County GIS.

**SERVICE LEVEL STANDARDS AND DEFICIENCY / GROWTH ANALYSIS**

Wisconsin Statutes §66.0617 requires that a public facilities needs assessment identify any deficiencies in existing facilities. It also limits impact fees to recovering only the proportionate share of the cost of facilities required to serve new development as opposed to existing land uses, based on explicitly defined service level standards. Therefore, the share of the cost of new or expanded park facilities related to remedying any existing deficiencies versus the share related to serving new development must be identified.

The service level standard for park facilities is not set by Wisconsin Statutes, rather it is determined by facilities the Village decides is necessary to provide service. Therefore, the service level standard for park facilities is based on the amount of parkland and amenities to be provided to serve the projected 2040 population.

***Table 20 - Analysis of Parkland Service Level Standards and Share of New Parkland Needed to Serve New Development***

	Municipal Parks (acres)	Linear Parks (feet)
2010 Existing Space	68.0	13,611
2019 Existing Space	68.0	19,292
Future Space	76.7	38,642
2040 Population	9,710	9,710
Future Service Level Standard (unit per 1,000 pop.)	7.9	3,980
2010 Population	6,753	6,753
Service Level Standard	7.9	3,980
Space Needed to Serve 2010 Population	53.3	26,874
2010 Surplus / (Deficiency)	14.7	(13,263)
Percentage Share to Remedy Deficiencies	0.0%	53.0%
Percentage Share to Serve New Growth	100.0%	47.0%

Table 20 shows the service level standard for parks in terms of acres per 1,000 residents based on the planned parkland acres and projected 2040 population. The existing surplus or deficiency of parkland to serve the 2010 population was evaluated based on the planned

service level standards. Surplus or deficiencies in the amount of parkland as of 2010 were determined by applying the future service level standards to the 2010 population to calculate how much, if any, additional parkland would be needed to serve the 2010 Village population to the same service level standard.

When these standards are applied to the 2010 population and compared to parkland in existence as of 2010, the Village had more than enough parkland to meet the planned service level standards. Therefore, all new parkland acquisitions are attributable to expanding the Village's park system to serve future development. Regarding the planned trail system, based on the service level standards at the future network and population, about 53.0 percent of the planned new trails are needed to provide the planned service level standard for existing residents. The remaining 47.0 percent of the costs of new trails projects can be attributed to new growth and recovered through impact fees.

#### **COST ESTIMATES, ALLOCATION OF COSTS, AND PARK IMPACT FEE CALCULATION**

The PROSP did not include cost estimates for the various new parks and improvements recommended. Cost estimates were developed using comparable costs from other communities, average land value in the Jackson area, and average cost for development of trails. In addition, most of the improvements within existing parks were either to upgrade existing facilities or to replace older equipment. Upgrade and replacement costs are not eligible to be funded using impact fees, so the focus of this analysis was on the costs to acquire the land for and develop the new parks and trails identified in the PROSP.

The net cost to be funded by the Village was allocated between the proportionate share needed to serve future growth and costs needed to remedy existing deficiencies or serve the existing Village population. Acquisition and development costs for new parks were allocated based on the percentages shown in Table 20.

Of the total costs, approximately 68 percent, or \$1,639,380, was allocated to future growth and therefore able to be recovered through impact fees. In total, \$770,412 in costs are attributable to existing deficiencies and must be funded by other sources. As the Village completes the various projects, the actual costs may vary from these estimates. However, the amount of impact fee revenues used to finance the projects should be based on the percentages shown in Table 21.

Since park and recreation facilities are primarily used by residents, impact fee costs are allocated entirely to residential development. Based on the projected population increase in the Village of Jackson through 2040, the impact fee eligible cost amounts to \$554 per capita, as

shown in Table 22. Based on estimated persons per unit for different sizes and types of dwelling units, Table 22 shows a recommended schedule of park impact fees per unit for units of various sizes.

**Table 21 – Planned Park Improvements and Estimated Costs**

Park	Project Description	Costs	Eligible Costs	Deficiency Share	Growth Share	Deficiency Portion	Growth Portion
Trail System	System of Connecting Bicycle and Pedestrian Trails	\$1,213,950	\$1,213,950	53.0%	47.0%	\$643,242	\$570,708
	Acquisition of Land along Cedar	\$40,000	\$40,000	53.0%	47.0%	\$21,195	\$18,805
	Pedestrian access bridge over railroad tracks	\$200,000	\$200,000	53.0%	47.0%	\$105,975	\$94,025
Hickory Lane Park	New playground (completed 2018)	\$313,993	\$97,093	0.0%	100.0%	\$0	\$97,093
New Park @ CTH P & Cedar Creek	Land Acquisition	\$0	\$0	0.0%	100.0%	\$0	\$0
	Development - natural area, picnic table, boat launch, parking	\$150,000	\$150,000	0.0%	100.0%	\$0	\$150,000
Dog Park	Land Acquisition	\$164,000	\$164,000	0.0%	100.0%	\$0	\$164,000
	Development - fencing, trails, waste stations, benches	\$75,000	\$75,000	0.0%	100.0%	\$0	\$75,000
Lake Hasmer	Land Acquisition	\$219,749	\$219,749	0.0%	100.0%	\$0	\$219,749
	Development - shelter w/concessions and restrooms, boat launch/rental	\$100,000	\$100,000	0.0%	100.0%	\$0	\$100,000
New Park @ Eagle Dr. & Hickory Ln.	Development - trail head, boat launch, picnic tables, parking	\$150,000	\$150,000	0.0%	100.0%	\$0	\$150,000
<b>Total</b>		<b>\$2,626,692</b>	<b>\$2,409,792</b>	<b>32.0%</b>	<b>68.0%</b>	<b>\$770,412</b>	<b>\$1,639,380</b>

**Table 22 - Park Impact Fee Calculation**

<u>Fee Calculation</u>	
<u>Impact Fee Costs per Capita</u>	
Total Impact Fee Eligible Costs	\$1,639,380
2010 - 2040 Population Increase	2,957
Impact Fee Costs per Capita	\$554
 <u>Proposed Impact Fee Schedule</u>	
Single-Family Impact Fee	\$1,247 per house at 2.25 persons / unit
Multi-Family Impact Fee	\$970 per unit at 1.75 persons / unit

## **CHAPTER SIX: WATER IMPACT FEE ANALYSIS**

### **INTRODUCTION**

The Village of Jackson first began providing water service in 1969, eliminating the need for individual wells on private properties. All the Village's water comes from ground water, provided by five municipal wells. The Jackson Water Utility was named Water System of the Year in 2007 by the Wisconsin Rural Water Association. The Village began collecting impact fees for water facilities in 2006. Their intent was to pay for the construction of two new wells that would provide additional capacity for new growth.

This chapter includes the majority of the elements for a public facilities needs assessment under Wis. Stats. §66.0617: an inventory of Police facilities, service level standards, deficiencies in the existing facilities, planned improvements and estimated costs, and the proportionate share of the cost of new improvements that are attributable to new development.

### **EXISTING AND PLANNED WATER FACILITIES**

Prior to 2006, the Jackson Water Utility owned four wells actively providing ground water, two elevated tanks providing necessary water pressures and peak water demand, and a distribution system comprised of nearly 38 miles of mains. At that time, the Utility pumped 223 million gallons of water in a year, serving over 2,500 customers and providing water for fire protection.

In 2006, the Utility constructed a new well, Well No. 5, to build additional capacity for future growth. An additional well, Well No. 6, was constructed and placed into service in 2010. At that time, the smallest well, Well No. 2, was taken out of service, as it was extremely undersized and no longer functionally necessary. The distribution system has also since been extended to a total length of almost 52 miles of water mains, serving about 3,500 customers. Table 23 shows the existing water facilities, as of 2021.

In 2017, City Water LLC prepared an update to the Water System Master Plan to evaluate changing water demands, the water system assets, and the Utility's ability to meet future water supply needs. In 2021, City Water LLC also prepared an analysis of expansion of the water system to serve additional service areas. Both documents were reviewed for this analysis for potential inclusion of future facilities in the water impact fee.

**Table 23 - Existing Water System Facilities**

**Water Supply**

Well ID / Location	Year Constructed	Capacity (gallons / day)
Well No. 1 / Center Street	1949	604,800
Well No. 2 / Main Street (Not in Service)	n/a	n/a
Well No. 3 / Highland Drive	1979	1,224,000
Well No. 4 / Cedar Parkway	1998	1,584,000
Well No. 5 / Northwest Passage	2006	1,728,000
Well No. 6 / Jackson Drive	2010	1,152,000

**Water Storage**

Elevated Tank ID	Year Constructed	Capacity (gallons)
No. 1	1969	200,000
No. 2	1995	500,000

**Water Distribution**

Main Diameter	Length (feet)
4"	1,000
6"	23,585
8"	143,219
10"	1,270
12"	74,427
16"	23,573

The planning documents above describe the ability of the existing facilities to meet the future water demand of the Village of Jackson. One of the conclusions is that with the additions of Wells 5 and 6, the current water supply facilities are sufficient to meet the future demand through 2035. Therefore, no further water supply capacity expansion is anticipated at this time. Additionally, the current storage facility capacity of 700,000 gallons will also meet future demand through the study period of 2035. The 2021 water system expansion analysis of an expansion to a specific area outside of the current water service area confirmed that existing supply and storage facilities can meet future demand without additional expansion.

**SERVICE LEVEL STANDARDS AND DEFICIENCY / GROWTH ANALYSIS**

Wisconsin Statutes §66.0617 requires that a public facilities needs assessment identify any deficiencies in existing facilities. It also limits impact fees to recovering only the proportionate share of the cost of facilities required to serve new development as opposed to existing land

uses, based on explicitly defined service level standards. Therefore, the share of the cost of new or expanded water system facilities related to remedying any existing deficiencies versus the share related to serving new development must be identified.

The service level standard for water system facilities is not set by Wisconsin Statutes, rather it is determined by amount of water used by a typical water customer of the Jackson Water Utility. Evaluation of the ability of water facilities to meet future demand was based on a review of the engineering plans, trends in water demands in the Village, and the capacity of the facilities as they existed prior to 2006.

One of the key metrics in evaluating the adequacy of a water supply is the ability to provide maximum day water demands with the largest capacity well out of service. Table 24 shows this analysis, both with current facilities and with the facilities as they existed prior to 2006. The projected maximum day water demand in 2035, based on projections of Village growth and maximum demand to average day demand ratio of 2.0, is 1,596,000 gallons in one day. As shown, with the largest well out of service, the water supply could meet this demand with facilities prior to 2006. This means that all future added capacity is needed to serve new growth in the Village and can be recovered through the water impact fees.

**Table 24 - Analysis of Water System Facility Capacity**

Supply Wells	Design Capacity (gpm)
No. 1	370
No. 3	850
No. 4	1,200
No. 5	1,000
No. 6	800
Total	4,220
Capacity with Largest Well out of service	3,020 gpm
	4,348,800 gpd
Capacity with Largest Well out of service - before 2006	1,220 gpm
	1,756,800 gpd

### ALLOCATION OF COSTS AND WATER IMPACT FEE CALCULATION

The cost included in the original impact fee calculation was \$822,663, with the capacity to serve 1,000 residential equivalent units, or REUs. The actual cost of construction of Well No. 5 was recorded as \$859,110. The cost of construction of Well No. 6 was \$529,212.<sup>1</sup> Well No. 6 is sized to provide 80% of the capacity of Well No. 5, so it was determined that Well No. 6 could provide capacity for 800 REUs.

The total cost of the two new wells was \$1,388,322. However, the Village has been collecting water impact fees since 2006. Through 2021, \$1,375,609 has been collected, which is nearly the full cost of the two new wells.

The Village has two water system projects to extend service to future areas of development; one recently completed water main extension and one planned future water main extension. The Village recently completed a 12-inch diameter watermain extension south along County Road P. This water main extension is within the future growth area of the Village and is adjacent to areas planned for future industrial and non-retail commercial development, between USH 45 and CTH P, south to Western Avenue.

The second water system project is a water main extension to expand the high side pressure zone system north of the Village. This would serve new development on the north side of the Village and provide looping between the high- and low-pressure districts. This is a future project for which the timing will be determined by the pace of new development.

The cost of these projects is shown in Table 25. Since both main extensions serve both new development and system looping functions, fifty percent of the costs were included in the proposed water impact fee.

The projected future residential equivalent units are based on the projected growth in the number of households between 2020 and 2040, from Table 3, plus an allowance for nonresidential development. Nonresidential water sales are currently about 50 percent of residential sales. If nonresidential growth occurs in proportion to residential growth, the Village could expect an estimated 1,833 REUs between 2020 and 2040. This compares to 773 REUs between 2010 and 2021. Based on these assumptions, a water impact fee of \$946 is recommended.

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<sup>1</sup> Costs obtained from Jackson Water Utility annual reports on file with the Public Service Commission of Wisconsin.

**Table 25 - Estimated Water System Expansion Costs and Proposed Impact Fee**

Project	Description	Estimated Cost	Impact Fee Portion
Watermain Extension - CTH P <sup>(1)</sup>	3,368 LF of 12-inch watermain and appurtenances	\$864,383	\$432,191
Watermain Extension - High Side Zone Expansion <sup>(2)</sup>	10,620 LF of 12-inch watermain and appurtenances	\$2,604,030	\$1,302,015
<b>Total</b>		<b>\$3,468,413</b>	<b>\$1,734,206</b>
Projected Future Residential Equivalent Units (REUs)			1,833
<b>Impact Fee per REU</b>			<b>\$946</b>

(1) Costs are from the project bid schedule, and include a proportionate share of road repair and general site costs.

(2) Estimated costs are from the "Water & Sewer Expansion Analysis", Village of Jackson, October 2021, City Water, LLC.

## **CHAPTER SEVEN: SANITARY SEWER SERVICE FEE ANALYSIS**

### **INTRODUCTION**

The Village of Jackson owns, maintains, and is responsible for the sanitary sewer collection system and wastewater treatment plant, to handle all sanitary sewage in the Village and portions of the surrounding Towns. The treatment plant was originally constructed in 1978 and has received several upgrades and expansions as the Village has grown. Much of the treatment plant is now nearing the end of its functional life; this and stricter standards for phosphorus treatment require modifications and additions to the existing plant.

The Village began collecting a sewer impact fee in 1999 to pay for a portion of the expansion of the wastewater treatment plant. In 2010, this fee was converted to a sewer service fee and applies to each new connection to the Village sewer system. In 2022, a new facilities plan for the wastewater treatment facility was prepared by Town & Country Engineering, Inc. This document was reviewed and relied upon for the assumptions and projections regarding the treatment plant expansion plans, capacities, and cost estimates that went into the analysis of the updated sewer service fee, as explained in this chapter.

### **EXISTING AND PLANNED SANITARY SEWER FACILITIES**

The sanitary sewer collection system consists of about 44 miles of sewer mains of varying diameters, which flow into one of two main interceptors and from there into the treatment facility. Only one lift station is currently needed within the collection system, to pump wastewater flow from the Twin Creeks subdivision south of Cedar Creek in the southern end of the Village.

Existing facilities for sewer collection and treatment are shown in Table 26. The treatment facility has current capacity to treat 1.69 million gallons per day of wastewater on average, as well as the amount of pollutant loadings shown. While currently the overall amount of flow is not yet at capacity, several of the loadings have exceeded the plant's rated capacity during peak events, as shown in Table 27. The treatment of wastewater includes preliminary, secondary, and tertiary processes, with the disinfection using chlorination and de-chlorination, followed by discharge to Cedar Creek. The complete facility contains about 20 buildings and structures, most of which need replacements or upgrades.

Recommendations in the plan include renovations to most existing buildings, upgrades to the aeration basins, new selector basins for added phosphorus removal, an additional clarifier to increase treatment capacity, the addition of a UV disinfection system, expansion of the storage

garage, construction of a new waste receiving station, and the addition of a new aerobic digester. Once the recommended upgrades and expansions are complete, the facility will have the capacity to treat, on average, 2.046 million gallons of wastewater per day. A breakdown of the recommended plan by facility, and the estimated cost, is shown in Table 28.

***Table 26 - Existing Sewer Facilities***

**Wastewater Treatment Facility**

	Design Capacity	Units
Annual Average Flow	1.69	MGD
Max Day Flow	n/a	MGD
Peak Hourly Flow	6.25	MGD
BOD	2,710	lbs / day
TSS	3,188	lbs / day
NH <sub>3</sub> -N	320	lbs / day
Phosphorus	64	lbs / day

**Sanitary Sewer Collection System**

Main Diameter	Length (feet)
6"	2,358
8"	142,043
10"	17,642
12"	28,836
15"	11,344
18"	13,798
21"	4,601
24"	5,277
30"	5,846
36"	422

**Table 27 - Current Wastewater Treatment Inflows**

**Current Treatment Demand**

	Units	Annual Average (2017-2021)	% of Capacity	Max Monthly Average (2017-2021)	% of Capacity
Annual Average Flow	MGD	1.227	72.6%	1.357	80.3%
BOD	lbs / day	2,555	94.3%	2,685	99.1%
TSS	lbs / day	3,233	101.4%	3,699	116.0%
NH <sub>3</sub> -N	lbs / day	213	66.6%	216	67.5%
Phosphorus	lbs / day	64	100.0%	73	114.1%

**Table 28 - Recommended Facility Plan Cost Estimates**

Phase 1 - Administrative, Storage, Tertiary Treatment	<u>Est. Cost (Alt. 3)</u>
05 - Site Work	\$705,750
STR. 10 - Service Building	\$1,523,100
STR. 60 - Tertiary Filter Building	\$2,094,100
STR. 70 - Disinfection Tank	\$579,500
STR. 95 - Storage Garage	\$698,500
Additional Contractor Costs	\$840,200
Electrical Costs	<u>\$1,400,300</u>
Total Phase 1 Construction Cost	\$7,841,450
Phase 2A - Process Upgrade	<u>Est. Cost (Alt. 3)</u>
05 - Site Work	\$1,176,250
05 - Additional Site Work	\$36,800
STR. 15 - Influent Screening Building	\$410,900
STR. 20 - Pretreatment Building	\$761,200
STR. 20 - Existing Waste Station	\$326,600
STR. 25 - Existing Septage Tanks	\$124,000
STR. 30 - Aeration Basins	\$780,500
STR. 31 - RBC Tanks	\$50,000
STR. 32 - Selector Basins	\$961,600
STR. 35 - Aeration Control Building	\$26,700
STR. 40 - Secondary Clarifiers #1 & #2	\$109,000
STR. 45 - Secondary Clarifiers #3 & #4	\$1,215,800
STR. 46 - Secondary Clarifier #6	\$868,100
STR. 50 - Secondary Sludge Building	\$1,002,500
STR. 55 - RAS Pumping Station	\$48,000
STR. 65 - Blower Building	\$330,400
Additional Contractor Costs	\$1,234,300
Electrical Costs	\$2,057,100
Projected Inflationary Increase <sup>(1)</sup>	<u>\$3,056,409</u>
Total Phase 2A Construction Cost	\$14,576,159
Phase 2B - Solids Handling Upgrade	<u>Est. Cost (Alt. 3)</u>
05 - Site Work	\$470,500
STR. 75 - Gravity Thickener	\$30,000
STR. 81 - Sludge Drying Beds	\$40,000
STR. 82 - Sludge Processing Building	\$1,787,200
STR. 85 - Sludge Storage Tank	\$80,000
STR. 90 - Sludge Pumping Building	\$317,700
STR. 80 - New Aerobic Digestors	\$1,651,800
Additional Contractor Costs	\$656,600
Electrical Costs	\$1,094,300
Projected Inflationary Increase <sup>(1)</sup>	<u>\$1,625,901</u>
Total Phase 2B Construction Cost	\$7,754,001
Engineering, Admin, Legal, Contingencies	\$6,841,000
<b>Total Project Costs</b>	<b>\$37,012,700</b>

(1) Assumes inflation of 4 percent per year for six years.

### SANITARY SEWER SERVICE FEE CALCULATION

While the improvements recommended in the facility plan will be utilizing and repurposing many of the existing structures and buildings, the extent of the renovations will result in what will essentially be a new facility, intended to serve the Village projected population and growth through 2045. Because of this, the fee was calculated in a straightforward manner, using the full estimated costs of the improvements and the entire capacity of the plant after expansion is complete.

The first step in the calculation of the service fee is to determine the unit to which it is charged. Currently, the fee is charged per Residential Equivalent Unit (REU), which is the amount of wastewater a typical residential user in the Village discharges into the treatment plant. In 2010, this was determined to be 300 gallons per day, but wastewater demands have changed since in the past 13 years. Water use (and related wastewater discharge) for residential users has been on a downward trend for several years. The facilities plan contained more recent data on sewer use for all customers of the Village sewer utility. Based on this data, the typical residential customer discharges 41,274 gallons of wastewater per year into the sanitary sewer collection system. However, the treatment plant influent flow is higher than the billed sewer use from customers because it contains infiltration and inflow (I/I). Infiltration and inflow is generally clear water that seeps into the collection system through cracks in the collection mains, usually at times of heavy rain or snow melt. The determination of the REU must account for that I/I, so that it reflects the actual capacity of the planned treatment plant. While the Village is undertaking steps to reduce its I/I, currently it is about 50 percent of influent flows at the treatment plant. The average residential flow per customer, therefore, was multiplied by two to come up with the total REU definition of 82,548 gallons per year.

The planned capacity of the expanded treatment plant is 2.046 million gallons per day, or 746,790,000 gallons per year, as shown in Table 29. The capacity divided by the REU definition results in a total capacity of 9,047 REUs that can be served by the expanded and upgraded treatment plant. Currently, average annual wastewater influent at the plant is the equivalent of 5,574 REUs, so the plant is being designed to serve an additional 3,473 REUs, for both residential and commercial / industrial development, in future growth.

The calculation of the service fee is shown in Table 30. The total cost of the improvements (\$37,012,700) is divided by the total capacity, in REUs, of the planned treatment plant. This results in a sewer service fee of \$4,091 per REU. This will apply to both residential and non-residential development. The number of REUs assigned to a new non-residential use should be

based on an estimate of the proportionate sewer flows it will generate compared to a typical residential customer. The facilities plan is projecting significant commercial and industrial growth, so a substantial share of sewer service fees is expected to be generated from non-residential fees.

Because the Village will likely be issuing debt to finance the improvements to the treatment plant, it should increase the amount of the service fee annually to reflect the interest that it will pay on its debt, in whichever form that ultimately takes. The recommendation of this analysis is to increase the fee annually by the annual interest rate the Village pays on the debt issued for the construction of the plant improvements.

***Table 29 - Determination of Residential Equivalent Unit***

	<b>Design Capacity</b>
Average Annual Influent Flow	2.046 MGD 746,790,000 gallons
Residential Equivalent Unit	
Average Annual Billed Residential Flow per Customer	41,274 gallons
Plus 50% Infiltration & Inflow	41,274 gallons
Total Residential Equivalent Unit	82,548 gallons
 Number of REUs in Design Capacity	 9,047

***Table 30 - Calculation of Sewer Service Fee***

<b>Total Project Costs</b>	<b>\$37,012,700</b>
Total REUs Served	9,047
 <b>Cost per REU</b>	 <b>\$4,091</b>
New REUs Served	3,473

## **CHAPTER EIGHT: RECOMMENDED FEES AND IMPLEMENTATION**

### **INTRODUCTION**

The purpose of this study was to prepare a public facilities needs assessment and calculate an appropriate impact fee that recovers the proportionate share of the capital cost of new or expanded fire, parks, police, water and sewer facilities in the Village of Jackson to serve new development. The report fulfills the public facilities needs assessment procedural requirement under Wisconsin Statutes §66.0617.

To determine the appropriate amount of the fees, the following analysis was performed:

- An inventory was conducted of the existing facilities in the Village.
- Forecasts were made regarding future conditions in the Village.
- Service level standards to be provided by the planned facilities were determined.
- Costs of the planned projects were allocated to the proportionate share of facilities that are needed to serve new development during the planning period.
- A schedule of proposed impact fees was calculated for each facility type.

### **RECOMMENDED IMPACT FEE SCHEDULE**

Based on the analyses described above, this study recommends that the Village can impose impact fees up to the amounts shown in Table 31. This amount reflects the maximum amount that the Village could impose, based on the application of Wisconsin Statutes 66.0617. The Village may choose to impose a lesser amount as a matter of policy.

Wisconsin Statutes allow, but do not require, municipalities to designate different impact fees for specific areas in the municipality based on differences in the facilities needed to serve those areas. This report recommends adopting uniform Village-wide impact fees, as the planned facilities will benefit the entire Village.

The proposed fees should be imposed on all new development in the Village, and on redevelopment that results in a new or intensified use of a property. For example, if a commercial property is redeveloped with residential uses, park impact fees may be imposed. Fire and police impact fees may be imposed if the redevelopment results in a more intense use of the property.

**Table 31 - Existing and Proposed Impact Fees**

Type of Fee	Current Fee	Recommended Fee
Sewer Service Fee	\$4,000	\$4,091 per Residential Equivalent Unit
Water Impact Fee	\$820	\$946 per Residential Equivalent Unit
Park Service Fee		
Single-Family	\$850	\$1,247 per dwelling
Multi-Family	\$740	\$970 per unit
Police and Fire Facilities Impact Fee		
Single-Family	\$1,430	per dwelling
Multi-Family	\$1,280	per unit
Non-Residential	\$2.80	per \$1000 of improvements
Fire Impact Fee		
Single-Family		\$1,022 per dwelling
Multi-Family		\$795 per unit
Non-Residential		\$3.18 per \$1000 of improvements
Police Impact Fee		
Single-Family		\$682 per dwelling
Multi-Family		\$530 per unit
Non-Residential		\$2.12 per \$1000 of improvements

**IMPACT ON THE AVAILABILITY OF AFFORDABLE HOUSING**

One of the requirements of Wisconsin Statute §66.0617 is to estimate the cumulative effect of all proposed and existing impact fees on the availability of affordable housing within the municipality. A generally accepted definition determines housing as affordable if a household spends less than 30 percent of their income on housing expenses.

The Washington County area median income, according to the most recent data from the Wisconsin Housing and Economic Development Authority, is \$85,000 for a three-person household, meaning housing costs would need to be less than \$2,125 per month to be considered affordable for the median 3-person household. This equates to a mortgage payment, including property taxes, on a home valued at around \$325,000, assuming a 10 percent down payment and a 30-year loan at 6 percent interest. For the same size household making only 60

percent of the area median income, or \$51,000 per year, a home with a value of about \$195,000 would be considered affordable, with a monthly payment of \$1,275.

A search on the real estate website Zillow.com<sup>2</sup> reveals a number of newly constructed homes currently for sale. The sale prices range from \$499,000 to \$556,000 for 3-4 bedroom single-family homes. It also lists a newly constructed 3-bedroom condominium for sale for \$290,000 in the Stonewall Heights development. Based on the current market, new housing construction, which would be the only housing that would pay the impact fees, is generally not affordable for households at or below the median household income in the Village.

Based on the cost of new housing, this evaluation concludes that the imposition of impact fees will not have a direct impact on affordable housing, because the affordable housing available in the Village of Jackson consists of older homes that would not be subject to impact fees when they are sold on the market. Furthermore, impact fees on new housing construction functions to offset the amount of general tax levy funds that are needed to pay for the construction of the public facilities for which impact fees are imposed. This serves to aid the affordability of ongoing housing costs for existing Village residents and property owners.

Also, as stated in the Village's comprehensive plan, the Village is a member of the HOME Consortium, which serves the housing needs of Jefferson, Ozaukee, Washington, and Waukesha Counties. This organization exists to aid in the creation of affordable housing through assistance with down payments and existing home rehabilitation funding assistance, among other services. These programs are available to households that earn less than 80 percent of the area median income. Impact fees on new housing would not affect the ability of households to take advantage of them.

### **ENACTING THE IMPACT FEE ORDINANCE**

Prior to amending a local ordinance to impose impact fees on new development, a municipality 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:
  - a. An inventory of existing public facilities, including identification of any existing deficiencies in those public facilities, for which it is anticipated that an impact fee may be imposed.

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<sup>2</sup> On February 9, 2023

- b. An identification of new, improved or expanded public facilities that will be required because of new development, or the identification of excess capacity in existing public facilities that are used by new development. This shall be based upon an explicit level of service and standards.
  - c. A detailed estimate of the capital costs of providing or constructing the new, improved or expanded public facilities, including an estimate of the cumulative effect of all proposed and existing impact fees on the availability of affordable housing within the municipality.
2. Publish a Class 1 notice of a public hearing on the proposed ordinance that specifies where a copy of the proposed ordinance and public facilities needs assessment may be obtained.
3. Hold a public hearing prior to enacting or amending an ordinance to impose impact fees. The public facilities needs assessment must be available for public review for at least 20 days before the date of the hearing.

#### **IMPOSITION AND COLLECTION OF FEES**

Impact fees may be imposed on persons developing land, where development is defined as the creation of additional residential dwelling units that create the need for new, expanded or improved public facilities. In other words, development can mean the construction of a new residential building, or the expansion or remodeling of an existing building that results in a use that requires a higher demand for public services than the previous use.

The impact fees collected must be reduced to compensate for other capital costs imposed by the municipality to provide or pay for public facilities due to new land development. For example, if a developer is required to contribute land, facilities or other items of value to provide a facility that a municipality would otherwise fund with impact fees, then the impact fee charged to the developer must be reduced proportionately.

In general, impact fees may not be collected until a building permit is issued. However, 2017 Wisconsin Act 243 modified Wisconsin Statutes §66.0617(6) to require that if the total impact fees imposed on a development are more than \$75,000, the municipality must allow the developer to defer payment of the fees for four years or until 6 months before the municipality incurs costs to construct the facility for which the impact fees are imposed. While fees are deferred, the developer must maintain a bond or irrevocable letter of credit in the amount of the unpaid fees.

2017 Wisconsin Act 243 also created Wisconsin Statutes §66.0617(7) that requires a municipality to provide the developer that pays the impact fees with an accounting of how the impact fees will be spent.

### **MANAGING IMPACT FEES**

Impact fees must be placed into segregated accounts, meaning each type of fee has its own account. The impact fees and any interest earned on the account balance must be expended only for the facilities for which the fees have been imposed. Impact fees may be used to pay directly for project costs or may be used to pay for the debt service on bonds issued to finance a capital project.

In order to ensure that impact fees are not used to pay for more than the proportionate share of capital costs for facilities needed to serve new development, the public facilities needs assessment should be referenced when determining the amount of impact fee revenues to apply to funding for a specific facility. If a project is modified from what is detailed in the needs assessment, it may be necessary to review and update the needs assessment and impact fee ordinance.

Impact fees that are collected but are not used within a reasonable period after collection to pay for the capital costs for which they were imposed must be refunded to the payer of the fees. 2017 Wisconsin Act 243 amended the impact fee statute to change the time limits for spending impact fees. The current time limits require impact fees and accumulated interest earnings to be spent within 8 years of when the fees are collected for most public facilities, and 10 years for sanitary sewerage facilities. It also changed the refund requirement to have the refund made to the payer of the fees instead of the current property owner at the time of the refund.

It is recommended that the Village take the following steps to ensure that impact fees are expended within the statutory time limits and that the fees are properly applied to the project shown in the public facilities needs assessment:

- Maintain a spreadsheet or other list of the amounts collected, showing the date paid, tax key, property owner, number of units, fee per unit, and total amount paid for each type of fee.
- Maintain a spreadsheet showing the project costs funded through impact fees. At a minimum, it should show the year of the project, a brief description, total cost (including construction and legal, engineering, etc.), the amount financed from impact fees, the amount borrowed, a debt service schedule and the share of debt service to be

paid from impact fees. Ideally, this spreadsheet would also be linked to a sheet showing the balance of impact fee funds by account, showing payments made from each impact fee for cash financing and debt service payments.

#### **ANNUAL ADJUSTMENT AND PERIODIC REVIEW**

It is further recommended that the Village increase the amount of the fees each year by an inflationary factor to make the fees more inter-generationally equitable, in that the amount of the fee paid by any new development is approximately equal to the amount paid in any other year, adjusted for inflation. Fees may be adjusted by the annual increase in an inflation index, such as CPI or the Construction Cost Index published by Engineering News Record, or by a fixed rate tied to an established percentage, such as the interest on a loan, as mentioned in Chapter 7 for the sewer service charge.

The impact fees calculated in this report were based on numerous assumptions and forecasts in future development and service levels provided by the Village. The exact specifications of public facilities' design and costs may vary from the estimates developed through the analysis of this report. Therefore, it is recommended that the impact fees be reviewed on a consistent basis to adjust for changes in inflation, development trends or major changes in project plans, ideally on a schedule of every three to five years.