

**TOWN OF CONCORD**

**PLAN COMMISSION**

**PUBLIC FACILITY NEEDS ASSESSMENT  
AND IMPACT FEE ANALYSIS**

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**FINAL REPORT**

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**September 10, 2007**

## **1.0 PREFACE**

The Concord Town Board has directed the Town of Concord Plan Commission to undertake a "Public Facility Needs Assessment", pursuant to Section 66.0617 of the Wisconsin Statutes, to determine whether or not a need exists for the adoption of the impact fees within the township. On June 13, 2001, the Town Board adopted an Impact Fee Ordinance instituting an Open Space/Park Development Fee in the amount of \$500.00 per residential unit for future parkland development within the township. Due to recent changes in the impact fee authorizing Statutes adopted by the Wisconsin Legislature in Chapters 203 and 407, Laws of Wisconsin (2005-2006), effective June 14, 2006, there were significant changes to the manner of imposing and the purposes for impact fees. Therefore, the Plan Commission undertook a comprehensive review of the history of the Open Space/Park Development Impact Fee and the future needs of the township. This report summarizes the results of that study over the course of several months and numerous special meetings of the Plan Commission to address this issue.

According to Section 66.0617(4), Wis. Stats., such a study must address the following issues:

- An inventory of existing public facilities including identification of existing deficiencies, if any, for which it appears that an impact fee may be imposed.
- An identification of the new facilities, 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.
- A detailed estimate of the capital cost of the new public facilities, the improvements or expansions in existing public facilities identified above, including an estimate of the effect of recovering these capital costs through impact fees on the availability of affordable housing within the township. The eventual impact fee ordinance may provide for a waiver of assessment of the impact fee against developments incorporating low-cost housing or for a reduction in the fee for such development of low-cost housing.

## **2.0 DEMOGRAPHIC BACKGROUND**

### **2.1 GEOGRAPHIC DESCRIPTION:**

The Town of Concord is located in eastern Jefferson County, Wisconsin and abuts the Waukesha County line. The City of Oconomowoc and highly developed Town of Summit in Waukesha County lie adjacent to the township. The expanding Village of Sullivan abuts the southern town boundary. Interstate Highway "94" traverses the township in an East – West

direction. There is an interchange between "I-94" and County Highway "F", which has a low development activity at the present time. County Trunk Highways "F", "B", "E", and "P" serve the township as well as U. S. Highway "18", which runs along the southerly boundary of the Town. The Town is experiencing gradual residential growth and minor commercial and industrial growth over the recent years. This trend is expected to continue due to the expansion of population pressure and land development from the Milwaukee-Waukesha metropolitan area to the East. There is a marked progression away from agricultural activities as the primary source of income for residents of the Town of Concord (See, Table 1 in the Appendix).

## **2.2 RESIDENTIAL DEVELOPMENT:**

Residential growth in the Town of Concord has progressed along with the development of several subdivisions over the last twenty (20) years. An outline of those subdivisions follows below. The U. S. Census (2000) data indicates that 91.1% of the residential structures in the Township are owner occupied. These units are primarily composed of family households (79%) as opposed to persons living alone (17%) or multi person, non-family households (4%). The makeup of the residential population in the Township is indicative of more orientation towards single family residential development that will continue on into the future as the demand increases. With the primary orientation towards family and single family demands, less multi-family would most likely be required over the next 25 years.

Recent developments at the subdivision level include the following:

**STONERIDGE SUBDIVISION (2006)** - Nine (9) single-family homesites on larger (2-acre plus) lots has been platted. It is located along Golden Lake Park Road, north of Golden Lake Park View Subdivision and across the road from Ruder's Subdivision. These lots have been platted, but no residences have been constructed on any of the lots at the present time.

**UNION HILL (2003)** - Fifteen (15) single-family residences have been allowed in this area which is located on the east side of Golden Lake Park Road, south of Ruder's Subdivision. All but two of these lots contain residences currently.

**GOLDEN LAKE PARK VIEW SUBDIVISION (1974)** – Thirty (30) single-family residential homes have existed in this subdivision since that time. This subdivision is located south of Stoneridge and across the road from Union Hill. All of the existing lots have a single-family residential structure on them at the present time.

**RUDER'S SUBDIVISION (1966)** – Twenty (20) single-family homes have been built here. This subdivision lies off of Golden Lake Park Road and across from Stoneridge Subdivision but north of Union Hill Subdivision.

**SPACIOUS ACRES MOBILE HOME PARK (1974)** – a 274-lot mobile home park, which rents spaces to individuals who own their own mobile home or modular home. All of the sites are currently rented with the exception of an approximate 5% vacancy rate.

### **2.3 POPULATION PROJECTIONS:**

The Town of Concord's population, according to the 2000 census was 2023 persons. This was an increase of approximately 7.38% over the time period 1990 through 2000. The growth rate in the time period prior to 1990, specifically the 1980 through 1990 census was 4.38%. Since the recent population growth was displayed in Table 1, attached to the Appendix, the Wisconsin Department of Administration estimated that the population of the Town would increase at a rate of 2.27% through 2005 and at a rate of 5.2% by the next census in 2010. More recently, the Department of Administration figures showed the Town's population from 2000 through 2006 to have grown from 2023 to 2092 persons, which constitute a rate of growth of 3.41 %. As compared with the earlier Department of Administration projection of 2.27% through 2005, the actual amount appears to be a little higher (3.41%). The actual percentage growth is, therefore, a little more rapid than originally anticipated in the projected population growth, as displayed in Table 2 of the Appendix. The more recent figures were just released in 2007, however.

Also, in Table 2 in the Appendix, the projected population growth is displayed all the way through 2025. This is compared to other surrounding townships in Jefferson County and Waukesha County that about the Town of Concord together with the State of Wisconsin as a whole and Jefferson County as a whole. The growth and population appears to be a little more rapid than originally anticipated. The population growth is not expanding at a tremendously rapid rate but is fairly constant over this time period. We have projected the general population to grow at a rate of 5.5 % over the next ten years for the reasons expressed above.

## **3.0 NEEDS ASSESSMENT**

### **3.1 HISTORY OF CURRENT IMPACT FEES**

The assessment of the \$500.00 per residential lot impact fee for Open Space/Park Development has been in effect for approximately six years. The fees generated by the imposition of this impact fee have totaled \$36,000.00 from 2002 through 2006. The fees have been utilized for improvements to Dahnert Park for the addition of handicapped restroom facilities and access in 2007, and installation of playground equipment at Golden Lake View Park, at a total cost of \$15,346.11. Also, the installation of handicapped restroom facilities and access in 2004 in the Community Center was funded from this account at the amount of \$13,692.35. The balance of the fees imposed for Open Space/Park Plan Development are still in an account pending future expenditures.

While new subdivisions are currently being developed or are in the planning stages, the Town Board has required park land dedication in each of these subdivisions for neighborhoods parks. This has not resulted in an increase of parkland due to the fact that these parks largely remain undeveloped after six years. The Plan Commission was unable to find any use of the Open Space/Parkland Development Fee over the past six years other than the more recent 2004 and 2007 expenditures. The conclusion of the Plan Commission is that the number of new parks contemplated within the township is not deemed sufficient to warrant continuation of this impact fee for open space/parkland development. This is especially true in view of the increased administrative expenses incurred in imposing such a fee necessitated by statutory amendments at the State level in 2006. For instance, the requirement of the township to maintain a segregated account and before the impact fees, which bears interest, and the requirement that all of these impact fees be spent within seven years after the date of collection or refunded to the property owners, poses significant administrative problems for the Town Treasurer and Town administration. These administrative costs will not keep pace with the contemplated requirement for town parks into the future.

The number of building permits issued in the township over the last seven years indicates an average of 14.4 building permits issued per year for new residential construction between 2002 and 2006. Table 3, contained in the Appendix, outlines the annual building permit issuance in the township from 2002 through 2006. At the rate of \$500.00 per new residence, the average annual collection of this impact fee has been in the vicinity of \$7,000.00. The Plan Commission finds that continuation of this fee is not warranted at this time. However, the fees generated by the past collection efforts should be kept in a segregated, interest-bearing account as required by Section 66.0617(8), Wis. Stats. The future expenditures from this account should only be withdrawn associated with capital costs allowed for parkland improvements to existing parks or for purchase and development of new parks in the township.

The Plan Commission next turned to examine a broader view of impact fees and the relationship to town financing mechanisms. They discussed possible areas of the use of impact fees within the Town of Concord. Underlying all of their considerations was a basic premise of impact fees as gleaned from the discussion among the members of the Plan Commission.

The perception on the Plan Commission membership was that the intent of impact fees was to impose and adopt such fees to apply prospectively to new real estate development within the Town of Concord – residential, commercial or industrial --- so as to internalize the added costs associated with the increased public infrastructure, which such land development causes. When a real estate development occurs within the township, it occurs within a framework of an existing public infrastructure. When maintenance, expansion or replacement of a component of that public infrastructure is warranted, general tax revenue, uniformly applied to the existing population and new development, should be used to fund such routine, periodic upgrades. However, when the new real estate development results in an inordinately high degree of public infrastructure expansion; an impact fee levied only on

the new development to pay a portion of that cost is not only proper, but also it is fair and equitable to both the long-term residents of the Town of Concord as well as the newcomers. In this fashion, both existing development and new development will bear their percentage of the financial burden of financing the public infrastructure improvements on a more fair and sound financial footing.

With the foregoing policy goal in mind, the Plan Commission identified the following areas of potential impact fee assessment associated with capital improvement projects within the township:

- Improvement of the Town Hall/Community Center;
- Fire and Emergency Medical Services; and
- Highway and Transportation Services.

### **3.2 IMPROVEMENT OF TOWN HALL/ COMMUNITY CENTER**

The “new” Town Hall at W1095 Concord Center Drive was purchased from the Watertown Unified School District in August 2003 for an amount of \$200,000.00. This building was formerly the Concord Elementary School. The school was closed and the student population assimilated into other facilities within the school district. Therefore, the school building was available and was purchased by the township as its new Town Hall and Community Center. Only minimal improvements have been made to the building since its acquisition by the Town to retrofit it from an elementary school to a public Municipal Building and Community Center.

One of the old classrooms is presently used for a public town meeting space and is used for meetings of the Town Board, Plan Commission and other public committees. The former principal’s office is used for the office of the Town Clerk. A Senior Citizens room has been outfitted with private donations and staffed on a volunteer basis by senior citizens of the township. Active programming occurs in this facility. A local church rents the entire building for use on Sundays to conduct religious services and Sunday School. The school gymnasium and small kitchen have been retained and are used for sports activities, rental for weddings, family reunions and similar private gatherings.

Members of the Plan Commission decided that there are no immediate plans on the part of the current Town Board to significantly improve and renovate the structure for a variety of public uses, including private rental of the facility. In addition, a projected increase in population associated with new land development in the township would not be directly correlated to an increased need for more or varied public uses for the building beyond those currently supplied.

For the reasons noted above, the Plan Commission finds that there is no present need to adopt and assess impact fees for renovation of the existing Town Hall/Community Center. Furthermore, since the building was acquired in 2003, assessment of impact fees related to any of the capital costs of acquisition would be improper under Section 66.0617(6)(f) Wis.

Stats., in that the fees would be collected from future land development to pay for capital costs to address deficiencies in public services as they existed in 2003. Therefore, the Plan Commission would not recommend adoption of impact fees for this purpose.

### **3.3 FIRE AND EMERGENCY MEDICAL SERVICES**

The Town of Concord currently obtains fire protection and emergency medical services by way of mutual aid agreements with surrounding jurisdictions. There are at least three agreements currently in effect. One is with the Village of Sullivan Volunteer Fire Department, a second is with the Town of Ixonia Fire and EMS Services, and a third is with the Village of Johnson Creek Fire and EMS Services. These other jurisdictions provide services on an annual contractual basis. The Township renews the contracts annually.

There is no current plan for the foreseeable future to establish a local fire protection or emergency medical service. The cost would be prohibitive, especially in view of the fact that these other agencies are able to provide adequate coverage since they exist on three separate sides of the township. Utilizing impact fees to subsidize the annual contract renewals was not held by the Plan Commission to be appropriate. The provision of the services is contracted for annually and, while it may increase somewhat due to an increase population being served, the Plan Commission felt they would need to show a direct needs-based relationship between new residential or commercial development within the township and the increased costs of the annual contracts. This would be difficult to prove or substantiate. Therefore, the Plan Commission recommends that no impact fee be adopted for this purpose due to the fact that the need is non-existent and the quantification of that need is difficult to achieve.

### **3.3 HIGHWAY AND TRANSPORTATION SERVICES**

The Town of Concord maintains a Highway Department, which presently occupies the former Town Hall and outbuildings, consisting of a garage and salt shed. This facility is located at W1185 Concord Center Drive. Outside storage of road salt, asphalt, sand and gravel is also located on this site. The Highway Department consists of three (3) part time employees and four to five extra snowplow contractors. The part time employees perform snow plowing in winter and road repair and patching in the summer. Private contractors perform any major road improvements. The Highway Department owns a smaller dump truck with detachable plow attachment; three (3) large dump trucks with detachable snowplow attachments, wing plow attachments and sanders/salters; an end loader; and a tractor with side-mounted mower attachment.

The current physical layout of the Highway Department appears to be adequate. There is available space at the existing location for expansion to meet the need of increased outside storage capacity for road maintenance equipment, consumable road materials and de-icing agents. This increased outside storage capacity would be necessitated by the addition of more roads within the township in the future. As real estate development increases in the Town, it may be necessary to add storage buildings to the existing facility because it was not

designed for transportation services purposes. As the Town continues to grow and expand, increased on-site storage space will be necessary. As more streets and roads are added to the Town's maintenance jurisdiction, additional storage space will be needed for de-icer and road materials. New heated storage of road maintenance equipment will be needed at a more distant point in the future as more "urbanized subdivisions" are developed. This is slated to occur most likely within 10 to 15 years of the present date. The new real estate development will require expansion and development of the existing site to accommodate the growing needs of an expanding road infrastructure. The highway maintenance facility needs to be renovated in the future although it is not in any immediate plan.

Therefore, the Plan Commission does not recommend the imposition of the impact fee to cover capital costs of a new highway facility at this time. However, creation of an impact fee for this purpose in the future may be warranted, however.

Along with increased real estate development comes a need to add to and reinforce the local highway grid. As increased traffic flows occur, due to increased population and attendant use, road surfaces will degenerate more rapidly requiring a more frequent need of replacement. The Town of Concord currently has 75 miles of roads within its jurisdiction. Interstate Highway 94 bisects the township traveling East-West. U. S. Highway 18 traverses the southern boundary of the Town. The total state highways equal 6 miles and Jefferson County maintains 18 miles of county trunk highways under its jurisdiction. Jefferson County has highway jurisdiction over County Trunk Highways "B", "E", "F", and "P". The Town maintains fifty-one (51) miles of roads under its jurisdiction. This Town system was evaluated on April 21, 2007 using the PASER System. The PASER System is used by a technician to evaluate the condition of a road surface analyzing the distress and performance characteristics, and the person attributes a numerical rating from "10" (best condition) to "1" (worst condition). Attached as Table 4 of the Appendix is the road evaluation of all the roads within the township subject to Town jurisdiction with the PASER rating indicated next to each entry. There are also recommendations as what work has to be done to upgrade each road and increase its PASER rating.

Using the road evaluation, as outlined in Table 4, the Town Board noted that many of the roads are rated in the "3" or "4" categories and will continue to deteriorate over the next several years. Therefore, the governing body of the township has set upon a capital funding process addressing the capital cost outlay to repair and refurbish the Town's roadway system over the next ten to fifteen years. What is apparent in the undertaking of this project is the increasing capital outlay needed to address these issues. Table 5 of the Appendix summarizes the Town Board's portion of the annual budget dedicated to major road improvements. An examination of this table, which outlines the cost between 2000 and 2007, reveals a 258.6 % increase in those costs from the year 2000 (\$69,598.00) to 2007 (\$180,000.00). Much of this increase in expenditure has to do with increased traffic flows due to increased development and, perhaps to a smaller extent, the increased number of vehicles per household. It also is seriously affected by the rising cost of surfacing materials (e.g., asphalt, concrete, seal-coating) equipment operating and repair costs, and wages. While residents of the subdivisions in the township pay, either directly or indirectly, for the



street and roadways in their own development, which are required to be installed at the expense of the developer; they do not pay for the increased road repair and maintenance costs which their use of the general road system in the township generates in traveling to and from their residences. Upgrading and repairing these road surfaces is something that can be addressed by impact fees to balance the sharing of costs of the new real estate development on its total impact on the Town highway system into the future. The Plan Commission does recommend the adoption of an impact fee to address this issue and finds a definite need, which will be ongoing, commensurate with new development. New real estate development, even if it proceeds slowly, will have a greater cumulative effect on highway expansion and maintenance over the next 25 years.

It should also be noted that new real estate development that is nonresidential in character would also cause an increase in impact on the Town road system. There will most likely be increasing commercial and/or industrial development centered around the "Concord Town Center" and the interchange with "I-94" in the future. Already there are commercial entities located in this area and, due to the proximity of the interstate highway; this condition will only tend to grow. This interchange is one of only two remaining "undeveloped" interchanges on I-94 between Milwaukee and Madison. The value of undeveloped land in this area is escalating very rapidly. Therefore, it is the finding of the Plan Commission that the area in the vicinity of the interchange and in the Concord Town Center area will experience a moderate increase in development over the next ten (10) years. Due to the zoning restrictions in these areas, and in conjunction with the Smart Growth Plan that is currently under consideration, some limitation on this development may be forthcoming. However, the pressure is already there to convert agricultural land into commercial and/or industrial development and this need will increase in the future.

Impact fees can be assessed against non-residential property as long as that property is related to or a factor in the cause of the need. The commercial developments in this area will not only bring increased traffic to the area, but will also necessitate the construction of new roads to support the minimal infrastructure that is currently in place. Because these commercial developments will not be part of a plat or subdivision, it will be increasingly difficult to recover exactions from these businesses to offset their increased impact on the public highway infrastructure of the township. Therefore, imposition of an impact fee for road maintenance and construction is appropriate in this circumstance.

The Plan Commission also felt that if the type of commercial or industrial development is "transportation-intensive", there should be a higher impact fee placed upon these types of businesses. For instance, a trucking firm or terminal, a manufacturing/processing plant with a number of employees, or other businesses that generate heavy truck traffic, such as construction or mineral extraction, should bear a higher impact fee because their use of personal vehicle traffic of employees and the truck traffic they generate in the ordinary course of their businesses will generate more wear and tear on the existing highway infrastructure within the township. Some means of calculating and determining this increased impact should be formulated.

A final consideration of the Plan Commission was that the Plan Commission noted the ease of administrative compliance with the new impact fees law if the only impact fee imposed related to highway construction and maintenance as opposed to the park/open space land dedication account. It is hard to keep track of the installment payments into that account and calculation of the seven-year return period during which they must be distributed. The bookkeeping system maintained by the Town Treasurer would not be unreasonably burdened or complicated by the single impact fee for highway maintenance and road improvements. Whatever fees were collected within the year could be spent within the following year as part of the budgetary process for the annual road improvement capital account. This will have a cost savings to the township in reduced administrative expenses and not lead to a carryover that could result in a need to pay these fees back if they are not expended within seven years.

#### **4.0 IMPACT FEE CALCULATIONS**

##### **4.1 PROJECTED COSTS FOR IMPROVEMENTS**

As can be seen from Table 5 in the Appendix, the annual costs for major road improvements, consisting of seal coating, paving and roadway replacement average approximately \$112,550.00 per year for the past seven years. However, since implementation of a more aggressive road replacement policy engaged in by the Town Board, due in part to a faster depreciation in the transportation infrastructure within the Town over the past three years, the more recent years' expenditures average \$147,600.00 for each of the past three years. The population growth and the orientation of that growth appear to be tending towards single-family developments in the estimation of the Park and Planning Commission from the applications they have monitored. Several of the members of the Commission had more direct information regarding the increasing cost of asphalt, an oil-based product, the cost of diesel fuel to operate the heavy road construction equipment, and the cost of concrete. This was predicted to result in an increase on average of 7% annually over the next ten years in each of these supply areas. Thus, the attendant cost of the Town's annual contracting for road construction improvements in the near future will tend upwards in the same 7% proportion in the eyes of the Plan Commission. The projected future ten-year capital-spending amount for road improvements (2008 through 2018) can be calculated using either the past ten-year average cost (\$112,550.00) as outlined on Table 6 of the Appendix using 2007 as the base year for initiating the computation or the past three-year average cost (\$147,600.00) as outlined on Table 7 of the Appendix using 2007 as the base year for initiating the computation. There is a total difference of \$518,165.00 in expenditures over that ten-year period between the total of the projections in Table 6 and 7.

The Park and Planning Commission felt that a realistic view of the data available would support the projections reflected in Table 7 and, therefore, opted to use the assumption of the higher annual projection for road and highway improvements (\$147,600.00 in Table 7) instead of the older cost figures based on the past ten years (\$112,550.00 in Table 6). The Commission felt that the trend on the cost figures will be driven not only by an increase in

the population in the Township, but also on the performance side, the inflationary pressures of actual contractors' cost factors will also have a bearing on these projections, which the members of the Commission felt should be reflected in its recommendations.

#### **4.2 PROPOSED IMPACT FEES**

The past average number of building permits issued in the township is equal to 14.4 per year (2002 – 2006). These have all been for single-family residences over the past four years. With the pace of new real estate land development increasing, judging by the past subdivision approvals in the last four years, the Plan Commission estimates that projected population growth will be in the vicinity of 5.5 % over the next 10 years, as outlined in Section 2.3 above. Thus, a cumulative annualized average number of building permits should be 5.5 % higher than the past average. The future annual average should then be adjusted to be 16 (14.4 average past annual permits issued X 5.5%) building permits per year, taking into account that population growth would be cumulative. The Plan Commission assumed a future annual issuance of 16 building permits would be issued on a minimal basis. Use of the building permit number is reasonable here because impact fees are assessed at the time of issuance of a building permit for new construction.

The average growth rate in population over the next ten years (5.5 %) is also an appropriate measure to use to segregate out that portion of the average road improvement spending by the Town that should be financed by the use of an impact fee. The increased usage of the road system in the Town is commensurate with the growth in population. Since the more people moving into new residences or driving to and from their residences in the Town to points outside of the Town, the more the roads will be used and need to be more frequently replaced due to normal wear and tear. The fact remains that new development agents (e.g., real estate developers, home building contractors, or new residents to the Town) do not contribute to the repair of the existing road system, outside of the added cost within their subdivisions included for roads that they pay as a portion of the individual lot price. Thus, the acceleration in the decline of the existing road system is partially caused by the added population as a distinct factor. Using the population growth rate then is an acceptable way to account for that portion of the Town's road improvement budget allocated to new development pressures causing a more rapid deterioration of the roads.

The Plan Commission next took the total road repair budget allocation over the next ten years, adjusted for inflation of 7 % annually, as outlined in Table 7 of the Appendix that resulted in a total of \$2,182,059.00. If one presumes that use of this adjusted figure would represent the accurate adjusted total cost of road improvements over the next ten years, then the amount of that total attributed to the increase in population alone would equal \$120,000.00 (\$2,182,059.00 multiplied by 5.5 %) to be funded from an impact fee assessed against new residential development or nonresidential development over the next ten years. This also assumes a 5.5 % sharing of the new development in the ongoing maintenance costs of existing roads and highways needing improvements since that percentage represents the projected amount of growth in building over the next ten (10) years. Since there will be a total of 160 building permits issued for the total dwellings of all types in the township on

average over the next ten (10) years, the recommended Transportation Improvement Impact Fee should be set at \$750.00 per residential dwelling unit (hereafter referred to as "Residential Equivalent Unit" or "REU") over that time frame (\$120,000.00 divided by 160 new building permits).

For multi-family dwellings the Transportation Improvement Impact Fee should be collected at as single REU for each dwelling unit in the building. This is reasonable because, according to 2000 Census data, the average size of "family unit" for the Town of Concord was 2.67 persons in each household. This size household can be accommodated in a multi-family building as much as a single-family residence. With this size dwelling unit occupancy, the number of vehicles per dwelling unit would still be one or two, the same as a single-family residence. Therefore, the impact fee should not vary by type of dwelling unit (e.g., single-family, two-family or multi-family) and should be assessed on a per dwelling basis.

The Park and Planning Commission did note one exception to the dwelling unit configuration. If any elderly housing or assisted living residences were constructed in the Town, the residents would not be using the roads extensively, although employees and family visitors would have some impact on the road system. Thus, the Commission felt that a single REU and Transportation Improvement Impact Fee should be imposed for every four (4) units or rooms in the facility.

Commercial, agricultural and industrial development has a higher impact on the use of the road infrastructure in the Town than residential development, the Plan Commission found. This is because more deliveries and services would need to be provided to such businesses. In addition, the employee transportation to and from work over Town highways would be substantially increased. Most likely some employees would originate their route outside the borders of the Town (i.e., they would not reside within the Town of Concord). As to agricultural uses, the effect of heavy machinery and tractors operating on the Town's roads between the fields and the farmsteads also has a added wear factor imposed that should be reflected as a factor in imposition of a Transportation Improvement Impact Fee on these facilities. Therefore, the Plan Commission found that an equitable method of assessing and imposing a Transportation Improvement Impact Fee against commercial, agricultural or industrial facilities would be to simply assess at the rate at triple the impact fee for a dwelling unit for each new agricultural, commercial, retail, or industrial entity that is built in the township. This would also apply to any rezoning, conditional use permit or expansion of existing facilities in the township. The Park and Planning Commission recommends that 3 REUs be the basis of nonresidential development, which would be equal to \$2,250.00 Transportation Improvement Impact Fee.

However, the Commission felt that if only a small accessory building or an addition on a residence were added to either residential or nonresidential development, such an improvement should not trigger or require assessment of a Transportation Improvement Impact Fee. Thus, they recommend for such situations that an improvement less than 500 square feet in size should not require payment of a Transportation Improvement Impact Fee.

If the agricultural, commercial or industrial entity is "transportation-intensive" an extra REU should be added to the total with the net result that such operations would be assessed a Transportation Improvement Impact Fee four times that of a dwelling unit. This would equal an amount of \$3,000.00 each. The decision of whether a nonresidential entity is "transportation-intensive" should be outlined in the ordinance. It is difficult to determine quantifiable, objective criteria to measure if a business, for example, is "transportation-intensive." Thus, size of the gross floor area of the building(s) or structure(s) to be constructed on the property would be one universal method to make this decision without an arbitrary case-by-case basis. Examples of such businesses would be a trucking firm with or without terminal, a feed mill with deliveries daily of crops from the fields for storage or transportation to consumers, a gasoline station or convenience store with much local traffic, or a manufacturing facility with 20 employees. The Plan Commission or Town Board can avoid problems arising out of acting on a case-by-case basis with inclusion in the ordinance of distinct criteria to make such a finding.

The rationale for assessing on the basis of triple REUs for these types of entities rests in the fact that the average "family size" of a dwelling unit in the Town, according to the 2000 Census was 2.67 persons. If one postulates that there may be two adults in each household then four trips per household per day (just going to and from work) is not unreasonable as a minimal impact on the roads and highways. That would mean there is an average of four trips per day for each REU. Looking at a manufacturing facility that employs 10 people would result in at least 20 trips per day during the workweek. On the other hand there may be larger firms with 20 employees, which would still result in 40 trips per day. The Plan Commission felt that an equitable compromise for agricultural, retail, commercial or industrial would be at a factor of three REUs because that would account for an increased average level of traffic for such entities. Adding a fourth REU for "traffic-intensive" operations simply recognizes that these types of facilities contribute more than the "average" share of a retail, commercial or industrial business because of their unique attributes.

In summary, the Transportation Improvement Impact Fees found to be reasonable for the Town of Concord to impose for highway improvements and maintenance are as follows:

Per Dwelling Unit -----	\$ 750.00.
Per Agricultural Operation -----	\$2,250.00.
Per Retail, Commercial, Industrial Business -----	\$2,250.00.
Per "Transportation-Intensive" Business -----	\$3,000.00.

## **5.0 EFFECT OF IMPACT FEES ON AFFORDABLE HOUSING PRICES**

Section 66.0417 of the Wisconsin Statutes requires the Town to determine the effect that a proposed impact fee would have on the cost of affordable housing within the township. The purpose of this part of the law is to encourage municipalities considering such an impact fee to analyze what effect the assessment of such an impact fee will have on the price of a home in Concord township.

The timing of the impact fee is an important consideration here. The fee is collected at the time that a building permit is issued. Oftentimes this occurs after the property owner has brought the lot from the land developer. While it used to be the case that the fee was included in the cost of the vacant lot, the 2006 changes in the law allowed the real estate developer or realtor to defer collection of the fee until the building permit was actually pulled and issued by the Town. Therefore, the ultimate initial buyer of the home, if buying from a developer, may end up paying more than the amount the municipality imposes due to builder's mark-up, cost of construction, financing, sales commissions, overhead or profits. Builders' mark-ups vary considerably; however, a typical amount is 30%. This analysis assumes an impact fee to the end residential user of \$750.00. This assumption incorporates the base impact fee (i.e., \$750.00) plus the Builder's mark-ups (i.e., \$225.00), which would result in a total "adjusted" impact fee of \$975.00, which the builder would pass on to the homeowner.

The median household income according to the 2000 Census for the Town of Concord is \$52,885.00. Mortgage lenders typically recommend that a household's total housing cost, including principal, interest, taxes, and homeowner's insurance, equal no more than 28% of the household income. For a median income household in Concord, that recommended shelter cost equates to no more than \$14,807.00 per year.

Home prices vary considerably, and what qualifies as affordable housing will vary based on income and the size of home required by the household. However, new entry-level homes are generally priced from \$150,000 to \$250,000. The effect of the impact fee can best be gauged as seen in the examples set forth in Table 8 of the Appendix. The home values of \$150,000.00 and \$175,000.00 were selected for comparison because they are at the lower range for new homes which a person seeking affordable housing would be attracted to for budgetary reasons.

As shown by the examples, the impact fee as marked up by the builder adds very little (\$67) to the annual housing cost for the homes. For the slightly more expensive home, the price is above 28% of the median household income regardless of the impact fee. It is clear that the proposed Transportation Improvement Impact Fee is not the deciding factor in what is affordable; rather, it is the actual price of the home and the limitations of the household income in the current market picture which present a much larger effect on the affordability

and accessibility of single-family homes for persons in households at or below the median annual income for the Town of Concord.

## **6.0 CONCLUSION AND SUMMARY OF RECOMMENDATIONS**

The Park and Planning Commission of the Town of Concord undertook the task of performing a Public Facilities Needs Assessment Study based upon the charge to the Commission from the Town Board. The Commission used all of the guidelines, required under Section 66.0617 (4) Wis. Stats. The Commission reviewed demographic factors in the township consisting of the geographical location of the township, the past history of residential development over the last 20 years and formation of subdivisions within the township as well as future population projections. Furthermore, the Commission examined the history on the assessment of impact fees by the Town of Concord for parkland development and acquisition. It was felt by the Commission that this type of impact fee was neither equitable nor reasonable to continue in view of more current limitations on these types of fees. More specifically, the fact that these fees have to be spent within a seven year timeframe under current law, coupled with the future park development plans for the Township, would result in the accumulation of this fee in the segregated accounts, which would have to be refunded to the property owners in the future. Therefore, the Park and Planning Commission recommended the elimination of these types of impact fees for the future.

The Commission also looked at the need for impact fees in other areas such as the improvement to the Town Hall/Community Center that was acquired in 2003. They concluded that it was not necessary to adopt an impact fee for this purpose.

The Park and Plan Commission also looked at the increased need in cost for fire and emergency medical services that will occur in the future as the projected population grows approximately 5.5% over the next ten years. It was felt that no impact fee should be adopted for this purpose due to the fact that it is difficult to quantify the increased need that will occur because of added population. This is something that can be reserved for the future.

The Commission did conduct an extensive study of highway and transportation services needs by the Township as their population grows, both in residential and non-residential development. There is a marked increase in the costs to repair and maintain the existing transportation infrastructure for the Township. Therefore, it was recommended that the Town Board adopt a Transportation Improvement Impact Fee.

In analyzing the computation of that fee, the demographic data was utilized to arrive at a figure of \$750.00 per Residential Equivalent Unit (REU). It was felt that this would be a fair percentage of the future projected highway maintenance budget of the Town Board. Because agricultural, retail, commercial and industrial entities have a higher impact on the road wear and tear, an amount of 3 REUs per impact fee for these entities was due largely to

population growth and increased land development. Finally, in the "Transportation-Intensive" business four REUs, or \$3,000.00, was felt to be an appropriate Transportation Improvement Impact Fee due to the factors involved in these larger developments and the congruent affect on the traffic patterns and usage within the Township. Therefore, an impact fee, improvement and maintenance of the existing road system within the Town of Concord was suggested at the following levels:

Per Dwelling Unit -----	\$ 750.00.
Per Agricultural Operation -----	\$2,250.00.
Per Retail, Commercial, Industrial Business -----	\$2,250.00.
Per "Transportation-Intensive" Business -----	\$3,000.00.

**DATED** at Concord, Wisconsin, this 10<sup>th</sup> day of September 2007

Respectfully submitted,

**TOWN OF CONCORD PARK AND  
PLANNING COMMISSION**

BY   
David Janquart, Chairperson



**TOWN OF CONCORD**

**PLAN COMMISSION**

**PUBLIC FACILITY NEEDS ASSESSMENT  
AND IMPACT FEE ANALYSIS**

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**APPENDIX**

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**TABLE 1**

**OCCUPATION OF EMPLOYED ADULTS AGE 16 AND OVER,  
TOWN OF CONCORD, JEFFERSON COUNTY (2000)**

<b>Occupation</b>	<b>Percentage of Total Employed (1159)</b>
Management, professional, and related occupations	26.7%
Service occupations	11.6%
Sales and office occupations	24.8%
Farming, fishing, and forestry occupations	1.4%
Construction, extraction, and maintenance occupations	13.6%
Production, transportation, and material moving occupations	21.8%
<b>TOTAL:</b>	<b>100%</b>

*Source: U.S. Bureau of Census, WI Dept of Administration*

**TABLE 2****PROJECTED POPULATION GROWTH (2000-2025)**

	<b>Census</b>	<b>Census</b>	<b>Census</b>	<b>Projection</b>	<b>Projection</b>	<b>Projection</b>	<b>Projection</b>	<b>Projection</b>
	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>
<b>T. Concord</b>	<b>1,805</b>	<b>1,884</b>	<b>2,023</b>	<b>2,077</b>	<b>2,128</b>	<b>2,176</b>	<b>2,227</b>	<b>2,280</b>
T. Farmington	1,528	1,404	1,498	1,513	1,535	1,554	1,576	1,599
T. Ixonia	2,905	2,789	2,902	3,054	3,201	3,344	3,490	3,637
T. Jefferson	1,204	1,130	1,212	1,239	1,263	1,286	1,312	1,335
T. Oconomowoc	7,340	7,323	7,451	7,442	7,400	7,370	7,354	7,404
T. Ottawa	2,795	2,988	3,758	3,920	4,057	4,191	4,327	4,497
T. Sullivan	1,646	1,924	2,124	2,272	2,416	2,556	2,698	2,841
T. Summit	1,057	1,009	1,042	1,062	1,084	1,107	1,128	1,144
T. Watertown	1,921	1,840	1,876	1,891	1,904	1,915	1,929	1,945
V. Sullivan	434	449	688	738	786	833	880	928
C. Oconomowoc	9,909	10,993	12,382	12,835	13,190	13,542	13,902	14,375
Jefferson Co.	66,152	67,783	75,767	79,030	82,161	85,178	88,302	91,464
Wisconsin	4,705,642	4,891,769	5,363,715	5,563,896	5,751,470	5,931,386	6,110,878	6,274,867

Source: U.S. Bureau of Census, WI Dept of Administration

**TABLE 3**

**NUMBER OF BUILDING PERMITS ISSUED  
IN THE TOWN OF CONCORD (2002-2006)**

<b>YEAR</b>	<b>NUMBER OF PERMITS ISSUED</b>
2002	6
2003	6
2004	31
2005	15
2006	14
<b>TOTAL:</b>	<b>72</b>

*Source: Town Clerk, Town of Concord, Jefferson County, Wisconsin*

**TABLE 4**

**TOWN OF CONCORD  
ROAD EVALUATION  
APRIL 21, 2007**

1. North Hillside – from CTH-B to Northside Drive; Rate 4-5, crackfill/chip seal
2. Northside Dr – Ixonia/Split; Rate 3-4, pulverize & 3" asphalt
3. Pleasant Ridge – pulverize old pavement, grade new cul-de-sac, 3" asphalt
4. Homeview Rd – private driveway; chip seal or overlay & patch, culvert, Rate 2-3 Bankert driveway
5. Amaranth Rd – Dow Didion's driveway; Rate 6, chip seal
6. Oikoi Road – John Dahm private driveway; Rate 9
7. West River Rd – major cracks, bridge condemned by state to Woody; Rate 4-5, crack repair from Woody to Hwy F, Rate 2-3, pulverize
8. Woody Lane – from east River Rd to Northside Dr; pulverize & 3" asphalt, Rate 2-3
9. Shady Lane – private drive, dead end; Rate 3-4, chip seal or overlay – consider putting in a turnaround for emergency & plowing
10. East River Rd – 2 year PUMT; Rate 9-10 from CTH-F to Elm
11. Elm Dr – from CTH-B to Allen Rd; gets new bridge – from E. River to CTH-B; Rate 3, pulverize & 3" from E River to Allen; Rate 4-5
12. Allen Rd – from CTH-f to Elm Dr; Rate 4-5, could be chip sealed. Allen Rd from Elm Dr to Ski Slide Rd; Rate 3 yr. PUMT, Rate 9 (Keep track of cracks)
13. Allen Rd – from Ski Slide to Morgan – Rate 7, had overlay 3 yrs. ago, needs crackfill
14. Morgan Rd. – from Allen to CTH-B; Rate 5, bad area in low section, needs wedging
15. Morgan Rd – from CTH-B to Dead end; Rate 3 or 2, chip seal
16. Willow Glen Rd – from CTH-B to Concord Center Drive; Rate 5, overlay 1 1/2"
17. CTH DR – from Summit to Willow Glen Rd; Rate 3-4, scratch and 1 1/2" overlay
18. Morgan Rd – from CTH DR to dead end; Rate 5 or 6, chip seal
19. Concord Center Dr. – from CTH DR to Mark Groose; Rate 3, pulverize & 3" asphalt
20. Willow Glen Rd – from Concord Center Dr to Reinders; Rate 3, pulverize & 3" asphalt
21. Willow Glen Rd – from Reinders to CTH-F; Rate 6, chip seal
22. Meadow Lane - from Willow Glen Rd; Rate 2-3, pulverize & 3" asphalt, work with Willow Glen
23. Inlynd Dr – from STH 18 to dead end; Rate 3
24. Buth Rd. to Church Dr. – Rate 3, pulverize or possible double seal coat
25. Golden Lake Rd – from STH 18 to CTH BB; Rate 5-6, needs chip seal ASAP
26. Golden Lake Park Circle – from Golden Lake; Rate 5-6, crackfill to Golden Lake Rd
27. Ruders Circle – Rate 1, pulverize & 3" asphalt
28. Cedar Lane – from Golden Lake Rd to dead end; Rate 3, should be pulverized
29. Indian Point – from STH 18 to TR; Rate 3, pulverize with Ruders

**TABLE 4**

**Town of Concord Road Evaluation, April 21, 2007**

30. Trail Dr – from Indian Point; Rate 4, chip seal
31. Knoll Dr – CTH-F to dead end; Rate 3, patch & chip or overlay
32. Bakertown Rd – from Sullivan limits North; Rate 4
33. Sunnyside Rd – from Bakertown to CTH-F; Rate 10, 1 yr old
34. Mill Rd – from Bakertown to CTH-F; Rate 4, could overlay or chip seal
35. Hickory Hill Lane – from Mill to end; Rate 4
36. Hickory Hill Rd – from CTH-F to Mill; Rate 2-4
37. Lakeview Rd – from CTH-F, private driveway needs to be turned over to owners
38. Bakertown – from Sunnyside to Pioneer; Rate 6, chip seal
39. Rocky Lane – from Pioneer to Bakertown Rd; Rate 6, chip seal & patch
40. Elder Dr. – from Pioneer to end; Rate
41. Elder Lane – from Elder Lane to dead end; Rate 5, private driveway
42. Bakertown Rd – from Pioneer to Hillside; Rate 8-9, watch cracks, 3 yrs. old
43. Hillside Dr – from Bakertown to Kellers; Rate 2-3, should pulverize, could wedge & overlay
44. Bakertown Rd – from Hillside to Townline; Rate 5
45. Evergreen Rd – from Bakertown to Town Line; Rate 5, patch and chip seal
46. Hillside Dr. – from Bakertown ¼ mile to CTH-B; 3yrs old, watch cracks, Rate 8-9
47. Hillside Dr – from CTH-B ¼ mile south to new pavement; Rate 5
48. Peaceful Lane – from CTH-B to dead end; Rate 4, private drive
49. Sunset Dr – from CTH-B to dead end; Rate 5, overlay or chip seal
50. South Island View – from CTH-B to end; Rate 4, private drive
51. Stonewood Dr – from CTH-B to dead end; Rate 3, pulverize of share with Farmington overlay
52. Ranch Rd – from Hillside to CTH-P; Rate 6, crackfill
53. Island View – north from Ranch Rd to south end; Rate 5
54. Church Rd – from Island View to Highmound; Rate 9-10, 2 yrs old
55. Highmound Rd – from CTH-B to dead end; Rate 3-4
56. Ridgeview Lane – from Pioneer to dead end; Rate 5
57. Colonial Dr – from Pioneer Rd to end; Rate 4-5
58. Grey Fox Tr – from Concord Center Dr to end; Rate 3-4, close to pulverize, should chip seal ASAP
59. Country View – from Concord Center to end; Rate 5

**TABLE 5**

**ROAD IMPROVEMENTS FOR PAVING, SEAL COATING AND REPLACEMENT**

2000	Jefferson County -	69,598.11	
2001	Jefferson County -	42,106.34 (Seal coat Elm & Willow Glen)	
2002	Amon & Sons -	100,518.29	
2003	Wolf Paving (Bakertown)	45,288.11	
	Crack Filling	11,800.00	Total 57,088.00
	Lange – Road signs	17,782.60	
2004	Wolf Paving	105,576.00	
2005	Amon & Sons	188,252.30	
2006	Payne & Dolan	157,265.26 (Concord Center)	
2007	Scott Construction		
	Jefferson County Highway Dept.		
	Amon & Sons		Total \$180,000.00 (estimated)

## **TABLE 6**

### **TABLE BY YEAR**

**PROJECTED AVERAGE ROAD IMPROVEMENTS CAPITAL EXPENDITURES FOR TOWN  
OF CONCORD BY YEAR FOR NEXT TEN YEARS, ASSUMING 7% RATE OF INFLATION**

<b>2008</b>	<b>\$120,429</b>
<b>2009</b>	<b>\$128,858</b>
<b>2010</b>	<b>\$137,879</b>
<b>2011</b>	<b>\$147,530</b>
<b>2012</b>	<b>\$157,857</b>
<b>2013</b>	<b>\$168,907</b>
<b>2014</b>	<b>\$180,731</b>
<b>2015</b>	<b>\$193,382</b>
<b>2016</b>	<b>\$206,919</b>
<b>2017</b>	<b>\$221,403</b>
<b>Total</b>	<b>\$1,663,894</b>

\* 2007 was taken as the Base Year with average expenditures of \$112,550.00



## **TABLE 7**

### **TABLE BY YEAR 2**

**PROJECTED AVERAGE ROAD IMPROVEMENTS CAPITAL EXPENDITURES FOR TOWN  
OF CONCORD BY YEAR FOR NEXT TEN YEARS, ASSUMING 7% RATE OF INFLATION**

<b>2008</b>	<b>\$157,932</b>
<b>2009</b>	<b>\$168,987</b>
<b>2010</b>	<b>\$180,816</b>
<b>2011</b>	<b>\$193,473</b>
<b>2012</b>	<b>\$207,017</b>
<b>2013</b>	<b>\$221,508</b>
<b>2014</b>	<b>\$237,013</b>
<b>2015</b>	<b>\$253,604</b>
<b>2016</b>	<b>\$271,357</b>
<b>2017</b>	<b>\$290,352</b>
<b>Total</b>	<b>\$2,182,059</b>

\* 2007 was taken as the Base Year with average expenditures of \$147,600.00

**TABLE 8**

**Effect of Residential Impact Fee on Affordable Housing Based on Cost  
of a New Entry Level Home in Town of Concord, 2007**

**\$150,000 Home**

	<u>Without Impact</u>	<u>With Impact Fee</u>
Home Price	150,000	150,975
Down Payment 10%	15,000	15,097.50
Amount Financed	135,000	135,877.50
Annual Principal & Interest Payments	10,239	10,306
Taxes	2,641	2,641
Insurance	250	250
Total Annual Housing Cost	13,130	13,197

**\$175,000 Home**

	<u>Without Impact</u>	<u>With Impact Fee</u>
Home Price	175,000	175,975
Down Payment 10%	17,500	17,597.50
Amount Financed	157,500	158,377.50
Annual Principal & Interest Payments	11,946	12,013
Taxes	3,082	3,082
Insurance	300	300
Total Annual Housing Cost	15,328	15,395