



Madison Parks Division

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DATE: June 8, 2020
TO: Board of Park Commissioners
FROM: Eric Knepp, Parks Superintendent

RE: Oscar Mayer Special Area Plan (Legistar File #59745) – June 10th BPC Meeting

At the May 13, 2020 meeting, the Board of Park Commissioners (“BPC”) referred the Oscar Mayer Special Area Plan (“OMSAP”) to the June 10, 2020 meeting. Over the past month, Parks staff have worked with other City staff to evaluate and analyze items discussed at the meeting and provide additional information to the BPC as it deliberates on this important matter. This memorandum is intended to provide additional information to the BPC and does not revisit my memorandum dated May 6, 2020 that provided a plan based review of the OMSAP from a Parks staff perspective.

Legislative Process

The BPC’s recommendations will be submitted to the Plan Commission, which is the Lead Referral on the OMSAP. The Plan Commission will subsequently make a recommendation to the Common Council after evaluating the input it receives from various boards and commissions, as well as directly from the public. This process is consistent with how neighborhood and special area plans have been developed across the City in the past. Based on where the item sets in the current process, I see three options for the BPC as it relates to actions at the June meeting.

- Recommend Approval of the OMSAP to the Plan Commission as presented to the BPC.
- Refer the OMSAP to a future BPC meeting.
- Recommend Approval of the OMSAP to the Plan Commission with conditions.

I would recommend that the BPC not simply refer the OMSAP to a future meeting without a clear direction regarding what the purpose of that referral is and what specific questions should be addressed. If the BPC wishes to propose modifications to the OMSAP, I would recommend that these be specifically addressed through conditions and comments to the Plan Commission and directly tied to existing OMSAP plan language. Based on the discussion and input received thus far, it is my opinion that the primary issue at this time relates to the sizing of the new park land. The relevant portions of the OMSAP that cover this are the Future Land Use (“FLU”) map on Page 25 of the OMSAP as well as the following language on Page 53:

Goal 1: Increase parks, urban open spaces, recreational opportunities throughout the planning area.
1. Designate a portion of the Hartmeyer property around the existing wetland as an integrated passive and active park.

Should the BPC desire to recommend modifications to the OMSAP, I would recommend that it do so with specific language that would provide clarity to the Plan Commission and Common Council as the process continues. I would, however, recommend against modifying the additional items on Page 53, as being prescriptive in a special area plan about what future parkland will be or will not be is a dangerous precedent and could create an exceptionally inequitable outcome for future residents who do not yet have a voice in the process.

Park Impact Fees

The City imposes Park Impact Fees on new units of residential development. The purpose of these fees are to secure revenue to allow for the park system to be increased in size and with improved amenities to meet the demands placed on the park system due to development of additional units of housing based on housing type and estimated number of people in those units. Though not perfect, using impact fees as a way to analyze park acreage needs and tying to plans is a reasonable tool. When reviewing Park Impact Fees, it is important to note that there are technically two fees. The first is Park-Land Impact Fees, which requires new development either dedicate square footage of new public park space or pay a fee-in-lieu of (“FILO”) dedication. Currently, the dedication for multi-family units is 734 sq. ft. or \$2,745.16 for FILO (based on a City-wide average of \$3.76/sq ft, which may actually be low in this location). The second impact fee is the Park-Infrastructure Impact Fee, which is currently set at \$1,152.46 per multi-family unit. This fee includes 80% going to one of four geographic districts (North District in the case of the OMSAP) and the remaining 20% going to a City-wide district. The City-wide district is utilized to fund improvements to the Park system’s special and community type facilities, such as Breese Stevens Field.

The current OMSAP includes approximately 2,780 units of potential new housing across the plan area, with approximately 395 on the Hartmeyer site. These are all anticipated to be multi-family units. It is critical to understand that there is no certainty of the number of units that will ultimately be constructed, or the timeline during which these will occur. It is also critical to understand that units that meet specific affordable housing criteria are, by City Ordinance as allowed under State Law, exempted from paying any Park Impact Fees or meeting dedication requirements. This means that analyzing the Impact Fee and Land Dedication requirements requires making numerous assumptions to create a comparative analytical framework. I have completed a basic comparative analysis for 8 scenarios of impact fees and park land dedication by making such assumptions, these are:

- Affordable units at 0% or 33%
- Including category 3 or not
- Sizing the park as proposed, as larger (Alder Abbas concept), and as the entire Hartmeyer parcel (FHNA concept).

This analysis shows the interrelationship of how dedication of parkland moves with number of units, timing, and how many are affordable housing units. It includes a comparative table of the acreages at the bottom of the analysis as well. Not all of these scenarios are equally likely, and some are mutually exclusive from the plan adoption perspective. I think it is problematic to assume or spend much time analyzing the OMSAP with a 0% affordable housing rate. This makes scenarios 1, 3, 5, and 7 all in fact odd to consider as anything other than a fence that is far from the City’s ideals. I also think that there is significant uncertainty around Category 3 redeveloping in the next 30-50 years, which makes scenario 2 much less valuable in analyzing. I think that the most logical scenario in this area is either scenario 4, 6, or 8, which each included approximately 33% of the units built are affordable housing over Category 1 and 2 developments. They each have differences in initial park sizing. In scenario 4, the dedication of the Park and corresponding wetlands and the East Madison Little League property would yield 22.3 acres of public land while dedication requirements would be at 24.4 acres. This would mean that over that time a limited amount of FILO funding would be generated (appx. \$400K), but correspondingly there would be no anticipated acquisition costs. This scenario would also generate \$1.66M in Infrastructure Impact Fees to be utilized to improve the system, with 80% of that amount being used within the North district. Scenario 6 would enlarge the park by approximately 4 acres which would reduce unit counts to the level where the land the City would be acquiring would exceed dedication requirements by 3.79 acres. These acres would have to be acquired through purchase. In this scenario, the total Infrastructure Impact Fees generated would be \$1.54M. Scenario 8 would lead to 38.8 acres of public land, with a dedication requirement of 19.92 acres. This would require the City to acquire through purchase the 18.88 additional acres. Additionally, this scenario would yield \$1.36M in total Infrastructure Impact Fees.

Across these three most likely scenarios, based on the decision around park sizing, the differences in directionality of acquisition costs and their intensity are significant. Acquisition of 20 acres of land will certainly come at a significantly higher price than receiving all, or nearly all, of the land for public use for free through dedication requirements. I have had initial conversations with other potential funding partners about such acquisitions, and though there is some interest, I do not believe there is significant likelihood of support that would close a financial gap of that magnitude. This does not mean there is not merit in the conversation, but it is important that extraordinary acquisition of park land be used with intention and clear purpose.

It is also important to recognize that hyper-localizing impact fees can create inequities and challenges to developing the best park system possible. The Parks Division's Capital Budget, on average, relies on approximately 40% of its funding for improvements through the utilization of impact fees. In addition to this, all land acquisitions over the past decade plus have been fully funded from Park-Land Impact Fee funding. These resources have allowed for substantial improvements to and expansion of the park system to allow for more diverse and intensive use for the community across the system. It would be challenging to meet the demands of the system if there were a requirement, long sought by some in development community, that impact fees must be used at the closest park available. It is also important to recognize that impact fees are critical in meeting changing needs of the existing system. As an example, Demetral will certainly have additional needs as the OMSAP is implemented and having resources to meet those new needs will be critical in a timely response by the City.