

**Parks Division
Proposed Park Impact Fee Ordinance
June 2016**



Impact Fees - General

- Impact Fees are a way for local governments to require new developments to pay a proportionate share of infrastructure costs they impose on the community.
- Wisconsin impact fees are permitted and governed by state statute section 66.0617, which was adopted in 1993.
- Impact fee ordinances must be supported by a facility needs assessment.

City of Madison Park Impact Fees

- Have been in place since 1992.
- Impact fee ordinances must be supported by a facility needs assessment.
- The current Park Impact Fee ordinance is based on a facility needs assessment prepared in 2002.
- State statute requires updating the needs assessment approximately every 10 years.

Facility Needs Assessment

- Supporting document to the proposed ordinance changes.
- Provides the underlying analysis and data that informs the proposed ordinance changes.
- Prepared by national consultant hired by the Parks Division.
- Includes updated park land and amenity inventory.
- Reviewed housing data gathered locally, statewide and nationally.

Proposed Park Impact Fee Ordinance

Comprised of Two Parts:

Park-Land Dedication

- Addresses need for additional park land due to new residential development.

Park-Infrastructure Impact Fee

- Addresses need for park infrastructure improvements due to new residential development.

Proposed Park-Land Dedication

- Level of service based on park area per resident.
- Adjusted number of residents per housing type based on census data.
- Updated fee rate when land dedication isn't possible (Park-Land Dedication Fee).
- Updated methodology used in determining per square foot land acquisition cost.

Proposed Park-Land Impact Fee

- Current level of park service based on area per resident (sq ft/person).

<u>Unit Type</u>	<u>2002</u>	<u>Update</u>
SF	423 sf	441 sf
MF	368 sf	441 sf
SRO/LH	368 sf	441 sf

Proposed Park-Land Impact Fee

- Updated persons per unit by housing type (persons/unit) based on census data.

<u>Unit Type</u>	<u>2002</u>	<u>Update</u>
SF	2.6	2.45
MF	1.9	1.67
MF 4+	1.9	3.23
MF age res.	0.95	1.30
SRO/LH	0.95	0.93

Proposed Park-Land Impact Fee

- Updated land dedication requirement based on housing type.

<u>Unit Type</u>	<u>2002</u>	<u>Update</u>
SF	1100 sf	1,081 sf
MF	700 sf	734 sf
MF 4+	700 sf	1,424 sf
MF age restricted	350 sf	573 sf
SRO/LH	350 sf	410 sf

Proposed Park-Land Impact Fee

Fee-in-lieu of Dedication

- Previously based on raw suburban land costs from 2002, with 5% annual increase.
- Proposed methodology includes annual adjustment based on current City Assessor land value data.
- Average aggregate land cost for the city determines fee-in-lieu of dedication fee rate.

Proposed Park-Land Impact Fee

City of Madison land costs per square foot (sf)

Central Core \$130.00

Developable Urban \$ 30.00

Raw Suburban \$ 2.00

Current fee-in-lieu cost per sf \$2.83

Proposed cost per sf based on
average city land cost \$3.34

Proposed Park-Infrastructure Impact Fee

- Updated number of residents per housing type based on census data.
- Provision for low-cost housing exemption.
- Incorporated accessory dwelling unit (ADU) classification.
- New category for MF units with 4 or more bedrooms.

Proposed Park-Infrastructure Impact Fee

- Updated persons per unit by housing type (persons/unit) based on census data.

<u>Unit Type</u>	<u>2002</u>	<u>Update</u>
SF	2.6	2.45
MF	1.9	1.67
MF 4+	1.9	3.23
MF age res.	0.95	1.30
SRO/LH	0.95	0.93

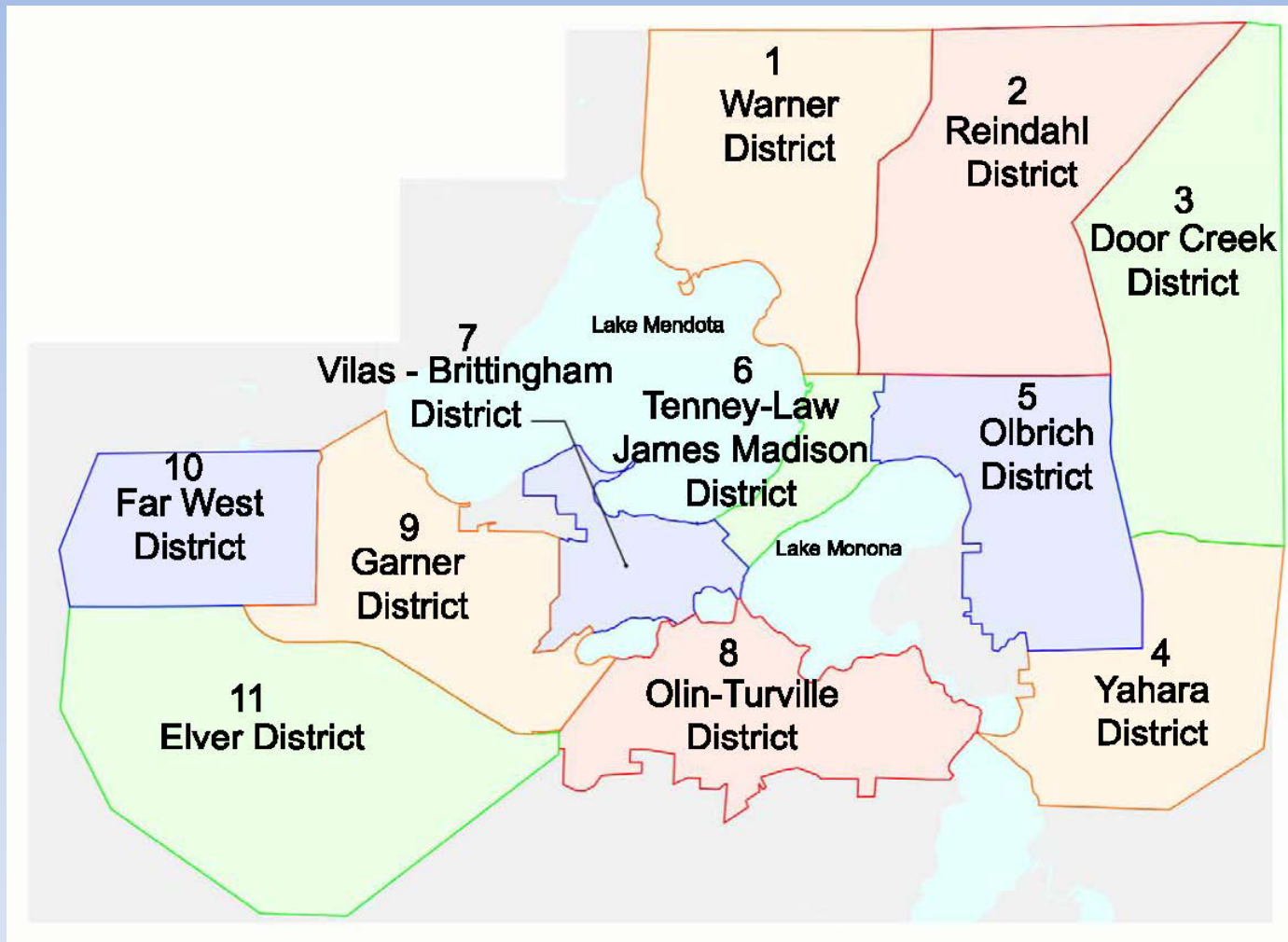
Proposed Park-Infrastructure Impact Fee

- Based on current level of park service
- Park amenity inventory
- Replacement cost per resident
- Credit for existing park debt
- Credit for anticipated outside funding (grants, etc.)
- Proposed updated cost per resident

Benefit Districts

- Park Infrastructure fees must be utilized in the district where they are collected.
- Based on the comparative analysis in the Facility Needs Assessment the benefit districts are being revised.
- The proposed ordinance reduces the number of districts from 11 to 4.

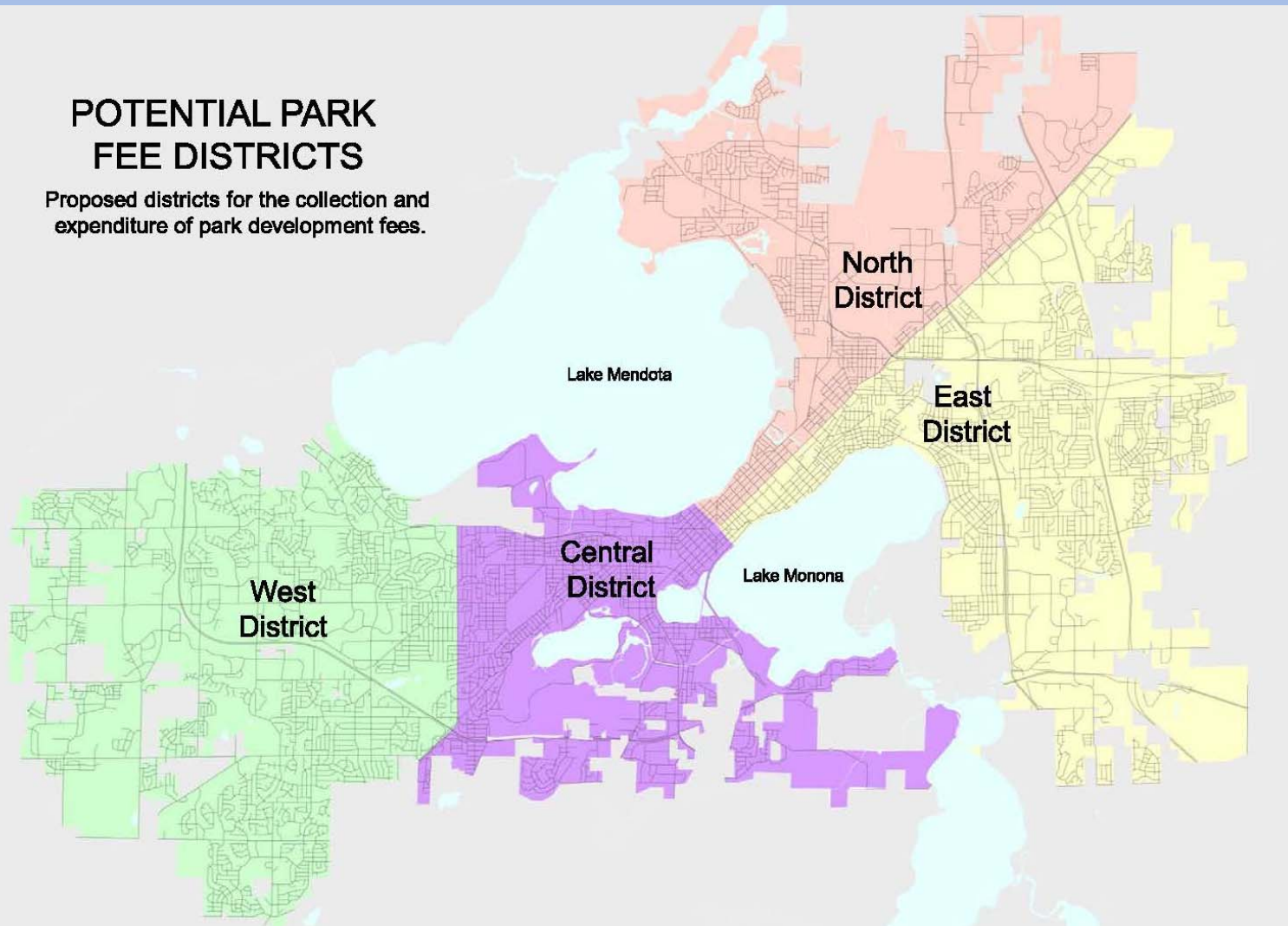
Existing Benefit Districts



Proposed Benefit Districts

POTENTIAL PARK FEE DISTRICTS

Proposed districts for the collection and
expenditure of park development fees.



Proposed City-Wide Benefit District

- 80% of the collected infrastructure fee will be allocated to the benefit district.
- 20% of the collected infrastructure fee will go to a city-wide benefit district.
- Provides funding for larger infrastructure improvements that benefit the city as a whole.