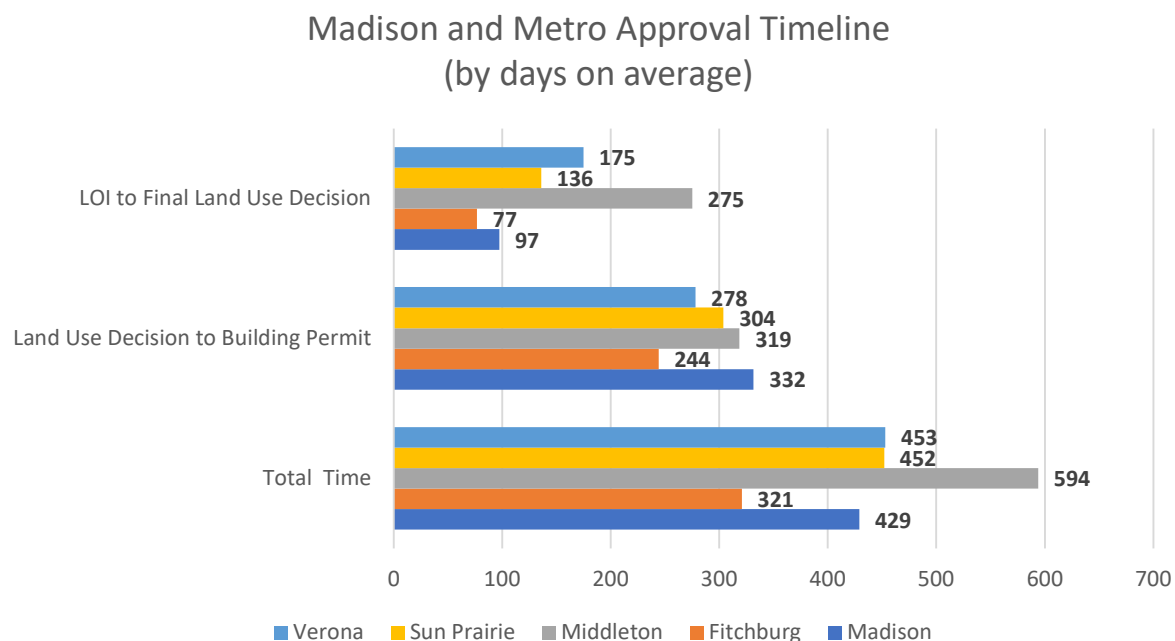


## A Comparison of the Approval Process Durations in the Greater-Madison Area<sup>1</sup>

This study identified multi-family and mixed-use developments with 60 or more housing units that were issued building permits in the last five years and whose letter of intent was dated on or after January 1, 2018, across five greater-Madison area cities. Within these parameters, we identified 9 developments in Fitchburg, 65 developments in Madison, 6 in Middleton, 9 in Sun Prairie, and 6 in Verona.

In this study, we note two markers for comparison across the cities. First, what we term the front-end process is the average time across all projects in a city that passes between the date of a developer's letter of intent (LOI) and the city's final land use decision to approve a project. Second, what we term the back-end process is the average time across all projects in a city that passes between the date of the city's final land use decision and the building permit for a project. The Total Average Time for each city is the average of the sum of durations of the front-end process and back-end process for each development.

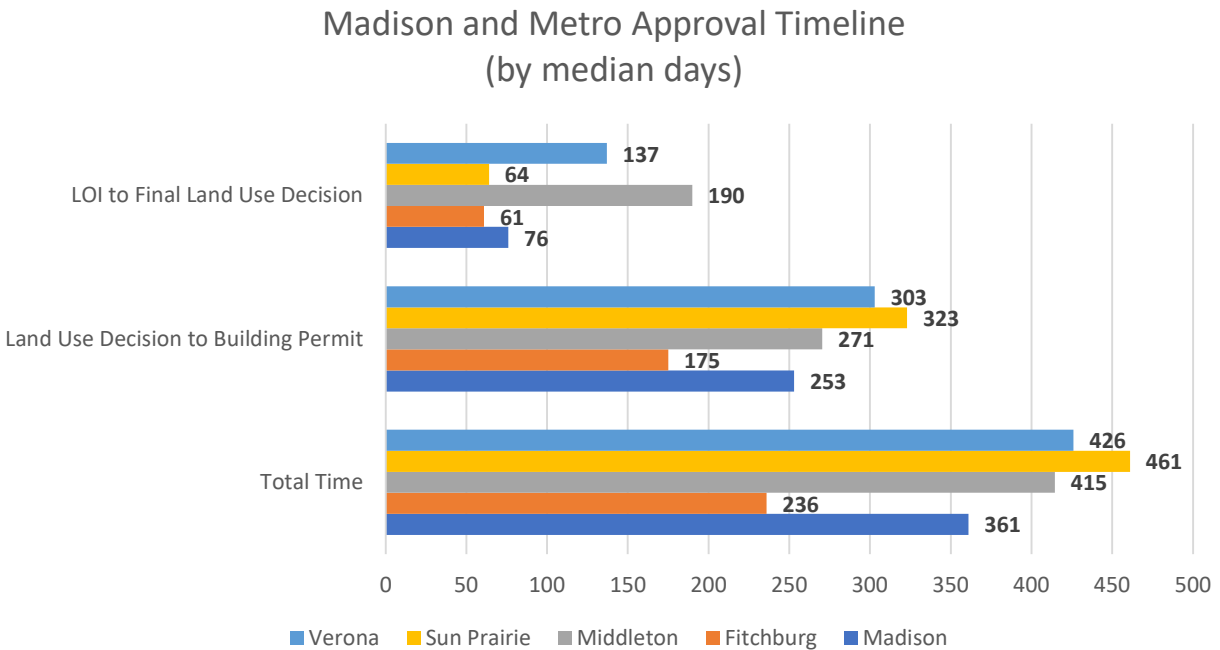


In this study, we also identified the median time across the front-end and back-end process for multi-family and mixed-use developments with 60 or more housing units in each city. Identifying the median time between the letter of intent, final land use decision, and building permit of the developments in each city reduces the magnitude of the impact that outliers have on the measure of central tendency. For example, projects that take considerably shorter or longer between the letter of intent and final land use decision or between the final land use decision and building permit impact the median front-end duration, median back-end process

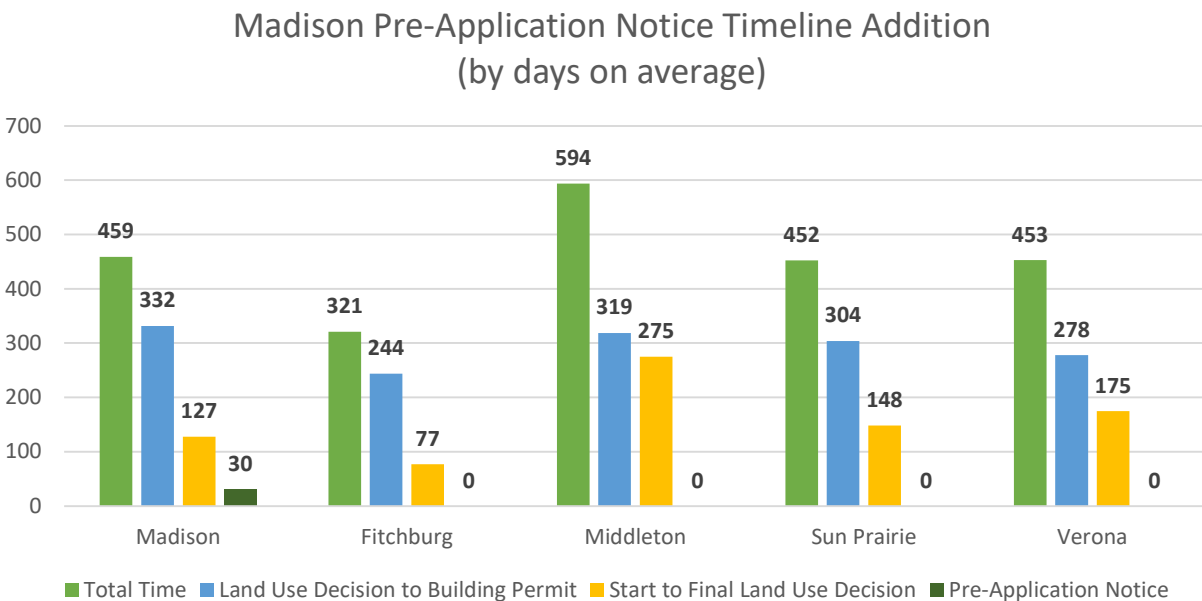
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<sup>1</sup> Report produced by Downtown Madison Inc., (DMI) Senior Policy Researcher Gabriel Terrell and Policy Researcher Luis Navarette in collaboration with Smart Growth of Greater Madison Inc., Executive Director, Bill Connors.

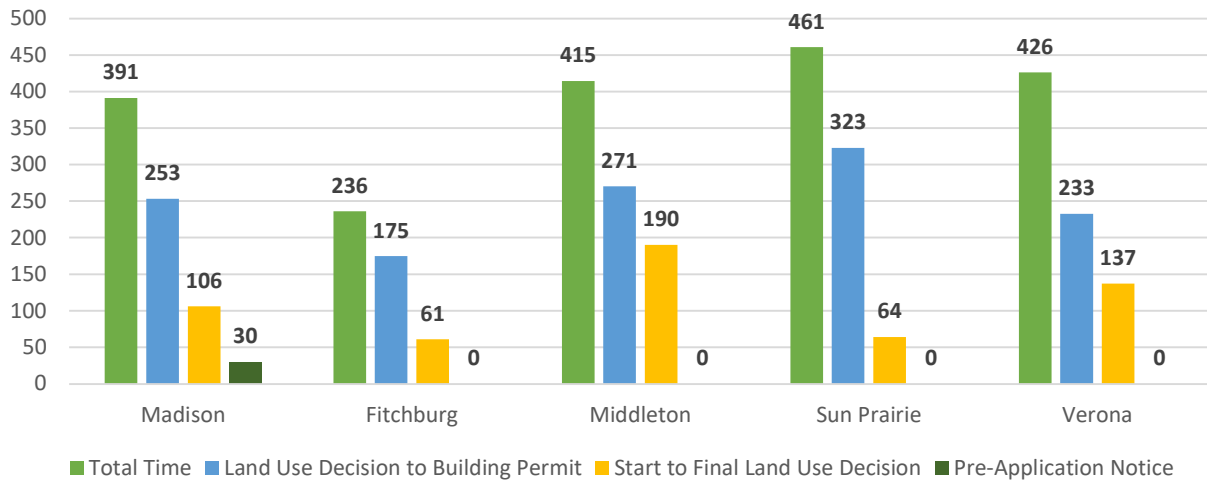
duration, and median Total Time less than the average calculations, which are more susceptible to being skewed by outliers, especially in smaller sample sizes.



In Madison, there is a mandatory 30-day notice to facilitate neighborhood input, termed in this study a pre-application notice, which occurs before a developer submits a letter of intent for a development to the city, which coincides with the start of this study's development approval process. The additional 30-day pre-application notice is noted in the charts below, either by the Timeline Addition by days on average or by Timeline Addition in median days. Please note, the other four greater-Madison area cities do not require a pre-application notice.

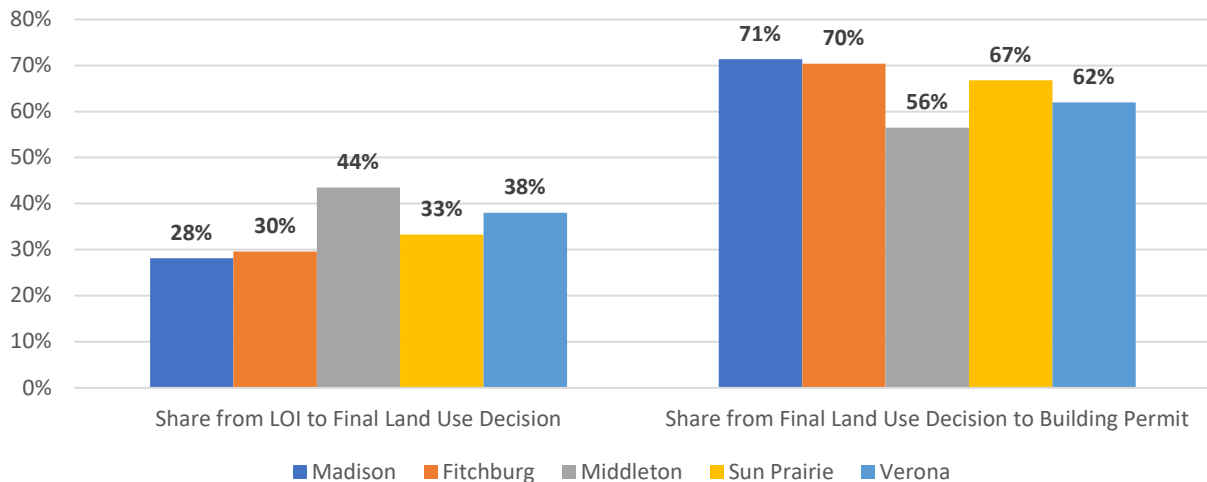


### Madison Pre-Application Notice Timeline Addition (by Median days)

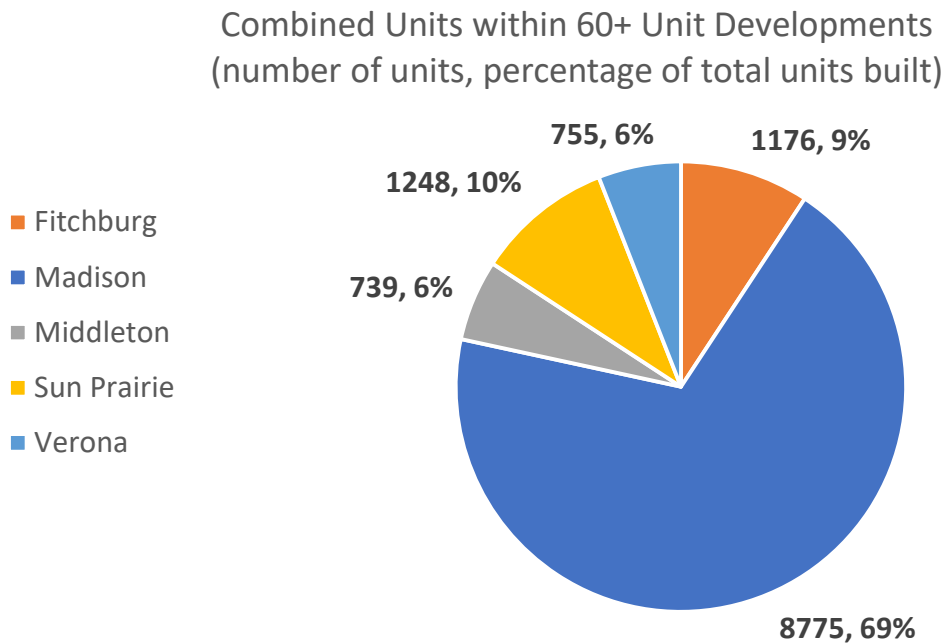


The proportion of time that the developments in this study take between the front-end process and the back-end process is variable. Below, in the chart to the left, is the share of the total time that the front-end process takes across the cities in this study. Below, in the chart to the right, is the share of the total time that the back-end process takes across the cities in this study.

### Madison Metro Approval Timeline (by share of time)



The study also tracked the number of units that were created in the developments with 60 or more housing units. The pie chart below indicates the number of units built in the study time period as a share of the total number of units built across the five greater-Madison communities. The first number listed outside the corresponding city's proportion of the total pie chart is the total number of units that were issued building permits in that city. Following the total number of units is the city's corresponding share of the total number of units issued building permits across all cities within the study timeline.



## Methodology

### 1. Data Collection

- **Sources:** This study reviewed city meeting minutes, agendas, and agenda packets, and building permits to identify the timeline for development projects with 60 or more units in Fitchburg, Madison, Middleton, Sun Prairie, and Verona. For projects with 60 or more units in Madison, we first accessed the City of Madison's Licenses & Permit Records database, and downloaded the dataset of all New Commercial Construction records from January 1, 2018, through February 29, 2024. Within the Description column are listed the number of new units the building permit was issued for. We then used Legistar to catalog the project's final land use record, as well as its letter of intent. For projects with 60 or more units in Fitchburg, we reviewed the Plan Commission and Common Council meeting agenda packets from January 1, 2018, through February 29, 2024. We were able to record the letter of intent and final land use record through this process. City staff graciously provided building permit record data for these projects upon request. For projects with 60 or more units in Verona, we reviewed the Plan Commission and Common Council meeting agenda packets from January 1, 2018, through February 29, 2024. We were able to record the letter of intent and final land use record through this process. Building permit record data was available online at the city's Building Inspection Department Construction Reports. For projects with 60 or more units in Middleton, we reviewed the Plan Commission and Common Council meeting agenda packets from January 1, 2018, through February 29, 2024. We were able to record the letter of intent and final land use record through this process. Building permit record data was available online at the city's Building Inspection Department Permit and Inspection portal.
- **Documentation:** This study did not incorporate developments whose letter of intent occurred before January 1, 2018. In addition, this study did not incorporate extended timelines that involved informational presentation or citizen involvement before an application was filed for each city except Madison, where a 30-day pre-application notice is required. For every piece of data collected, we either provided a direct hyperlink to the online source or note that certain data could be verified through email correspondence with the city. We are deeply indebted to the assistance from the City that we received from Fitchburg, Middleton, Sun Prairie, and Verona; without their assistance and review of our dataset, this study would not have been feasible.

### 2. Data Entry

- **Spreadsheet Organization:** The timeline data from our study is organized in the attached spreadsheet. The first column is the development project's name, the second is the development's address, the third is the number of units within the building, the fourth is the date of the letter of intent for the development, the fifth is the date of the final land use decision, and the sixth column lists the date when the building permit was issued.

### 3. Analysis

- **Metrics Calculation:** At the base of the spreadsheet for each city are calculated averages of the developments listed. The calculated average approval times for each city between

the following three dates: letter of intent to final land use decision, final land use decision to building permit, and letter of intent to building permit. Also included are the medians between the three dates. The share of time taken between letter of intent to final land use decision is calculated by dividing the average time from the letter of intent to final land use decision by the average Total Time. The share of time taken between the final land use and the building permit is taken by dividing the average time from the final land use decision to the building permit by the average Total Time.

## 5. Review and Update

- **Accuracy Checks:** Periodically, we contacted city planners for their confirmation on certain data points, particularly for projects with unclear approval dates.
- **Updates:** Updated the spreadsheet as new information became available, ensuring that our analysis remained current.

## 6. General Caveats that Apply to All Cities in This Study

- **Projects with no buildings containing 60 or more units were excluded:** Development projects containing multiple smaller buildings that cross the 60-unit threshold over time have been excluded from the study.
- **Causes of Delay During Front-End Process.** It is important to note that the time between the letter of intent and the final land use decision can be affected by various factors, including delay or initial disapproval by a political body and delay by the development team in providing new materials responding to comments by city staff or a political body.
- **Causes of Delay During Back-End Process.** The time between final land use decision and the issuance of a building permit can be affected by various factors, such as the developer's choice to delay applying for the permit due to economic factors, general contractor availability, and supply chain issues.

There is one caveat for the approval process in **Madison**:

1. When a project goes through a lengthy review process and is denied approval, and then a developer (not necessarily the same developer) files a new application for a similar development concept on the same site, and the second application is approved, the study will consistently measure the process from the time of the first application for all cities in the study. This approach was applied to The Continental and 302 S Paterson. In the case of The Continental, the Plan Commission denied approval of the Conditional Use Permit based on the first application, and shortly thereafter the developer filed a second application which contained some revisions but was substantially the same project, and the Plan Commission approved the second application. In the case of the 302 S Paterson, the Landmarks Commission denied an application to combine parcels inside and outside of a local historic district, and shortly thereafter, a different developer filed a second land-use application with some revisions, including not requiring parcels within the local historic district with parcels outside of the district, but which was substantially the same project, and the second application was approved. Ignoring the first part of the process for initially denied and resubmitted projects would give an

inaccurate impression that these development projects sailed through the land-use review and approval process quickly.

There are several caveats for the approval process in **Fitchburg**:

1. Projects under SmartCode zoning do not require Plan Commission review and instead receive SmartCode Administrative Approval. This applies to the following projects:
  - Osprey Apartments, 5118 Lacy Rd
  - The Limerick, 5128 Lacy Rd
  - The Edge at Terravessa, 888 Brassica Rd
  - The Cesta (proposed in Terravessa)
2. The length of time between application submittal and approval may include multiple rounds of review. In such cases, the approval timeline is also dependent on how quickly the applicant responds to the review feedback. This applies to the following projects:
  - Osprey Apartments: Application received 2/4/2020, two rounds of review
  - The Limerick: Application received 7/31/2020, two rounds of review
  - The Edge at Terravessa: Application received 11/11/2021, two rounds of review

There are several caveats for the approval process in **Middleton**:

1. A Letter of Intent is dated in the first GIP approval at Plan Commission. The Final Land Use Approval is when the development had a SIP approval by Common Council.
2. As with other developments where there were multiple buildings approved, this study only reviewed buildings with 60 or more units. For example, the 38Ten Parmenter was issued building permits for a 55 unit building on 8/30/2022, but that date was not used in the study. Instead the building permit for the 76 unit building provided on 1/31/2023 was used. Similarly, Conservancy Bend Residences was provided a building permit on 12/4/2020, but that was not used as it was for 5-unit townhouses. Instead the 2/4/2020 building permit for the 87 unit building was used.
3. There are six developments in Middleton that have a record of a final land use decision, but have not, as of 3/25/2024, been issued a building permit. Their final land use decision dates for these pending projects span from 4/4/2023 to 12/5/2023.

There is one caveat for the approval process in **Sun Prairie**:

2. When a project goes through a lengthy review process and is denied approval, and then a developer (not necessarily the same developer) files a new application for a similar development concept on the same site, and the second application is approved, the study will consistently measure the process from the time of the first application for all cities in the study. This approach was applied to The Preserve at Prairie Lakes, involving two applications. The first application was submitted in 2019 and denied by the City Council. The second application, which included some revisions but was substantially the same project, was submitted for the site in the fall of 2020, and this project moved forward for construction. Ignoring the first part of the process for initially denied and

resubmitted projects would give an inaccurate impression that these development projects sailed through the land-use review and approval process quickly.

There are several caveats for the approval process in **Verona**:

1. The Sugar Creek Commons Buildings B and C were not included in the study as the Letter of Intent was filed in 2017, before the parameters of the study allowed.
2. The 43-unit Encore Apartment A, 410 Church Avenue, and 39-unit Encore Apartment B, 406 Church Avenue, are connected by underground parking, and were issued a combined building permit for 82 units.
3. The Oakmont Senior Community at 841 N Main Street was not included in this study as the developer submitted a site plan, conditional use permit, and certified survey map, and zoning amendment for 841 N Main Street in 2017.

This report was published on April 2, 2024.