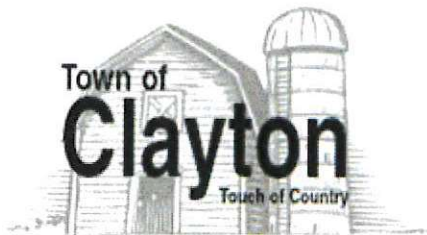


PUBLIC FACILITIES NEEDS ASSESSMENT FOR FIRE STATION IMPACT FEES

Town of Clayton
Wisconsin



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Public Safety & Municipal Management

Town of Clayton
Public Facilities Needs Assessment for
Fire Station Impact Fees

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I. INTRODUCTION

The Town of Clayton is in northeastern Winnebago County, approximately five miles west of Appleton and eight miles north of Oshkosh. The town is approximately 36 square miles in size, or nearly 23,000 acres. Clayton splits its east boundary with the Village of Fox Crossing and the Town of Neenah. Its south line is shared with the Town of Vinland, and its west with the Town of Winchester. Clayton shares a common boundary on the north with the towns of Dale and Greenville, which are in Outagamie County.

Although the Town of Clayton is predominantly rural, recent residential, commercial, and industrial developments have increasingly given the town more of a suburban appearance on its eastern side. With this development has come population growth. At the time of the 2010 U.S. Census, Clayton had a population of 3,951. Its population had increased by 1,687 since 1990, a 74.5% increase. However, since 2010, the WDOA estimates the Town of Clayton population at 4,193. This is a mere 1.6% increase since 2010 and an obviously outcome of the 2008 recession. USH 10, STH 76 and CTH "II" are Clayton's major transportation links to the Fox Cities. The driving force behind the Town of Clayton's growth has always been the proximity to the urban amenities and the employment opportunities in the Fox Cities.

The Town maintains an effective comprehensive plan and land development process that encourages orderly growth. The Town is expected to grow to 5,685 people by 2040. Household projections call for the addition of 493 households by 2040. To accommodate the anticipated growth, the Town is taking the necessary steps to ensure public facilities and public infrastructure are in place to accommodate new development. Since future residents and property owners who require the excess capacity are not part of the town during the construction of such facilities, existing residents and property owners may bear more than a proportionate share of the costs to build or expand facilities required for future development. In 2006 the Town of Clayton adopted impact fees to allow the town to recover these costs and equitably distribute the financial burden between new and existing property owners and developers. The Town of Clayton has retained McMahon to prepare a park impact fee study to present a projection of the capital costs for providing new facilities, improvements or expansions to existing facilities relate to the town's growth.

Purpose of Needs Assessment

In 1993, Wisconsin Act 305 gave municipalities the authority to impose impact fees on developers to pay for the capital costs for construction, expansion, and improvements of facilities which will serve new development. Wisconsin State Statute 66.0617 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. The purpose of this public facilities needs assessment is to determine the park and recreation needs for land development and make recommendations regarding the amount of impact fees to impose on developers in accordance with Wisconsin State Statute 66.0617. Currently the Town of Clayton does have an impact fee ordinance in place. This public facility needs assessment is necessary for the town to amend their current impact fee ordinance. Part of the documentation reviewed for this study was the December 2006 "Public Facilities Needs Assessment for Fire Station Impact Fees" by Foth & Van Dyke and Associates. For consistency purposes, impact fee calculations were formatted similar to the December 2006 study.

Scope of Needs Assessment

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.

Before enacting an ordinance that imposes impact fees, or amending an existing ordinance that imposes impact fees, a municipality shall hold a public hearing on the proposed ordinance or amendment. Notice of public hearing shall be published as a class 1 notice and specify where a copy of the proposed ordinance or amendment and the public facilities needs assessment may be obtained. The public facilities needs assessment shall be available for public inspection and copying in the office of the clerk of the municipality at least 20 days before the public hearing.

Available Information

The following information and reports were utilized for the preparation of this study:

- *Town of Clayton Comprehensive Plan 2016-2036*, Adopted August 17, 2016, Amended November 8, 2017.
- The December 2006 "Public Facilities Needs Assessment for Fire Station Impact Fees" by Foth & Van Dyke and Associates.
- The 2008 "Town of Clayton Fire Response Time Analysis Study" by RW Management Group, Inc.
- The June 2011 "Clayton-Winchester Fire Department Risk and Equipment Analysis" by RW Management Group, Inc.
- Meetings with Town Administrator
- Building Inspector Building Reports 2006-2020
- U.S. Census Bureau
- Wisconsin Department of Administration (WDOA)
- Wisconsin State Statute

II. IMPACT FEE REQUIREMENTS

Impact fees are regulated under Wisconsin State Statute 66.0617. An impact fee is defined as cash contributions, contributions of land or interests in land or any other items of value that are imposed on a developer or property owner by a municipality. A developer, as defined by the statute, is a person that constructs or created land development. Land development, as defines by statute, means the construction or modification of improvements to real property that creates additional residential dwelling units within a municipality or that results in nonresidential uses that create a need for new, expanded, or improved public facilities within a municipality.

Per Statute, public facilities for which impact fees can be imposed means highways, and other transportation facilities, 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. "Public facilities" does not include facilities owned by a school district.

Per Statute, capital costs means the capital costs to construct, expand or improve public facilities, including the cost of land, and including legal, engineering and design costs to construct, expand or improve public facilities, except that not more than 10 percent of capital costs may consist of legal, engineering and design costs unless the municipality can demonstrate that its legal, engineering and design costs which relate directly to the public improvement for which the impact fees were imposed exceed 10 percent of capital costs. Capital costs does not include other noncapital costs to construct, expand or improve public facilities, vehicles; or the costs of equipment to construct, expand or improve public facilities. Wisconsin State Statute does not prohibit or limit the authority of a municipality to finance public facilities by any other means authorized by law, except that the amount of an impact fee imposed by a municipality shall be reduced to compensate for any other costs of a public facilities imposed by the municipality on developers to provide or pay for capital costs.

Revenues from each impact fee that is imposed shall be placed in a separate segregated interest-bearing account and shall be accounted for separately from the other funds of the municipality. Impact fee revenues and interest earned on impact fee revenues may be expended only for the particular capital costs for which the impact fee was imposed, unless the fee is refunded. Impact fees that are not used within 8 years after they are collected to pay the capital costs for which they were imposed shall be refunded to the payer of fees for the property with respect to which the impact fees were imposed, along with any interest that has accumulated.

The creation of an impact fee includes the following key elements:

- Preparation of a public facilities needs assessment to determine that the fee is calculated and applied appropriately.
- Adoption of an impact fees ordinance; and
- Implementation of a public hearing process for the review of the public facilities needs assessment and proposed ordinance..

Impact fees imposed by the adopted ordinance are required by statute to meet the following standards:

- Shall bear a rational relationship to the need for new, expanded or improved public facilities that are required to serve land development.
- 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.
- 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.
- Shall be based upon actual capital costs or reasonable estimates of capital costs for new, expanded or improved public facilities.
- Shall be reduced to compensate for other capital costs imposed by the municipality with respect to land development to provide or pay for public facilities, including special assessments, special charges, land dedications or fees in lieu of land dedications or any other items of value.
- Shall be reduced to compensate for moneys received from the federal or state government specifically to provide or pay for the public facilities for which the impact fees are imposed.
- May not include amounts necessary to address existing deficiencies in public facilities.
- May not include expenses for operation or maintenance of a public facility.
- Shall be payable by the developer or the property owner to the municipality in full upon the issuance of a building permit by the municipality. Except as provided in this paragraph, if the total amount of impact fees due for a development will be more than \$75,000, a developer may defer payment of the impact fees for a period of 4 years from the date of the issuance of the building permit or until 6 months before the municipality incurs the costs to construct, expand, or improve the public facilities related to the development for which the fee was imposed, whichever is earlier. If the developer elects to defer payment under this paragraph, the developer shall maintain in force a bond or irrevocable letter of credit in the amount of the unpaid fees executed in the name of the municipality. A developer may not defer payment of impact fees for projects that have been previously approved.

III. GROWTH PROJECTIONS

Historic and Projected Population and Households

Estimated growth forms the basis for determining how many future developments will be served by the fire station facility development. The following table illustrates the projected population for the Town of Clayton. Sources used are the U.S. Census Bureau, Wisconsin Department of Administration (WDOA), Town of Clayton Comprehensive Plan, and East Central Wisconsin Regional Plan Commission (ECWRPC). It should be noted that the Town of Clayton Comprehensive Plan uses WDOA populations projects as does ECWRPC.

Table 3-1

Historic and Projected Population - Town of Clayton

Year	Census	WDOA Pop. Estimate	WDOA Projections	Comp Plan Projections	ECWRPC Projections
2000	2,974				
2010	3,951				
2015		4,053			
2016		4,061			
2017		4,062			
2018		4,183			
2019		4,186			
2020		4,193	4,510	4,510	4,510
2025			4,855	4,855	4,855
2030			5,200	5,200	5,200
2035			5,470	5,470	5,470
2040			5,685	5,685	5,685

Sources: U.S. Census Bureau, Wisconsin Department of Administration Demographic Services Center, Town of Clayton Comprehensive Plan 2016-2036.

The following table details historic and projected household information for the Town of Clayton. Household projections were only available from the WDOA. Household is defined as an occupied housing unit.

Table 3-2

Projected Households and Household Size - Town of Clayton

Year	Census Households	Average Household Size	WDOA Household Projections
1980	742	3.17	
1990	809	2.80	
2000	1,071	2.78	
2010	1,438	2.75	
2015			1,521
2020			1,668
2025			1,808
2030			1,949
2035			2,068
2040			2,161

Source: U.S. Census Bureau 1980-2010, Final Household Projections for Wisconsin Municipalities: 2010-2040 Wisconsin Department of Administration, Demographic Services Center, October 2013. Town of Clayton Comprehensive Plan 2016-2036.

Utilizing WDOA projections, the Town of Clayton is projected to add 493 households between 2020 and 2040, approximately 25 homes per year. In addition to population and household projections the Town of Clayton creates annual building reports from the Building Inspector. Table 3-3 illustrates the number of new single family home permits over the last 15 years.

Table 3-3
Building Inspector Report – New Single Family Homes

Year	New Homes
2006	40
2007	25
2008	19
2009	14
2010	16
2011	8
2012	13
2013	15
2014	20
2015	22
2016	12
2017	16
2018	10
2019	10
2020	6
Total	246
15-Yr Average	16

Source: Town of Clayton

It is difficult to predict the timing of future development with any precision. This impact fee study used the same population projections that were used in the Town of Clayton Comprehensive Plan for consistency between the projected population and the list of recommended capital improvements. The projected growth may occur by 2040 or it may take longer. However, for purposes of this impact fee study a projected planning horizon population of 5,685 was used to calculate service level standards and the recommended impact fees.

The Town of Clayton Hwy 10 & 76 Corridor Land Use Master Plan allows for a variety of future housing sizes and styles including small apartment unit (4-6 units), townhouses, condominiums and cottage styles. The Master Plan also identifies future goals for the creation of medium and high density residential districts to provide ample opportunities for higher density residential development which matches market demands for urban living. Because of the known proposed housing developments in the next 10 years, for the purpose of this impact fee study 1,000 additional housing units by 2040 was used.

Commercial/Industrial Projections

Existing commercial developments are located primarily along USH 76, CTH II and near the STH 76/USH 10 interchange. Industrial developments are limited to land north and south of CTH II, east of STH 76. In 2020, the Town of Clayton hired Cedar Corporation to prepare a Land Use Master Plan to address land use and growth along the STH 76 and USH 10 corridor. The study area contains approximately 3,200 acres of which the vast majority are in an agricultural or undeveloped state. This Master Land Use Plan will be adopted as a component of the Town of Clayton Comprehensive Plan in 2021.

As Clayton grows, there will be opportunities for mixed-use development, particularly on the north side of CTH II, just east and west of STH 76. Retail, office, and two-family and multi-family residential are the most likely components of these mixed-use developments. The town understands that mixed use developments are becoming more popular especially as an attraction to younger generations. Creating opportunities through Planned Unit Development has been recommended, which will address this growing need.

The Town of Clayton's Future Land Use Plan Map provides some direction relative to where both business and industrial uses can co-exist and areas where business solely maybe the more appropriate use due to traffic patterns and access. Based on information about the regional economy and current industry clusters, the Town should focus its efforts on attracting advanced manufacturing, professional service, and transportation/logistics businesses (shown in Master Land Use Plan). Because of this, instead of projecting commercial and industrial land use separately, they are combined.

Table 3-4
Projected Commercial/Industrial Square Feet
2020-2040

Land Use	Existing Land use Acres (2020)	Future Land Use Acres (2040)	Change (2020- 2040)	% of Future Land Use	Future New Land Use Square Feet (2040 less 2020)	Projected Square Feet Coverage (15%)
Commercial/Industrial	1,038	2,569	1,531	53.2%	66,693,061	10,003,959
Residential	3,322	4,670	1,348	46.8%		
Total	4,360	5,288	2,879	100%		

Sources: Wisconsin Department of Revenue Annual Assessment Report for year 2020. Town of Clayton Comprehensive Plan 2016-2036, The Town of Clayton Hwy 10 & 76 Corridor Land Use Master Plan.

Utilizing this projection technique, the Town of Clayton is estimated to add approximately 10 million square feet of commercial/industrial structures by the year 2040. This table also details the proportion of public facility development costs which should be attributed to residential, commercial and industrial growth. As detailed 53.2% should be allocated to commercial/industrial development and 46.8% to residential development.

IV. INVENTORY OF EXISTING AND FUTURE FIRE DEPARTMENT FACILITIES

Existing Fire Department Facilities and Services

Town Hall and Fire Station

The Clayton Town Hall and Fire Station building is located in Larsen at 8348 CTH "T", in the west central portion of the town. In 2012, the Town of Clayton decided to remodel its existing town hall and administrative offices and create an addition to their connected fire station. By adding 2,620 sq. ft. of new space, the complex now contains 5,300 sq. ft. The new space consisted of an additional double-loaded drive through an apparatus bay, fire department showers, generator, toilets, and hose tower. The existing space was a completely remodeled town hall, meeting room, town offices and training room. The Town Board resolved parking deficiencies at the building site when development took place at the adjoining Trailhead Park. The existing parking lot serving the Town Offices and Town Hall was improved and expanded into the area designated for the development of Trailhead Park. The larger parking lot now serves the Town Offices, the Town Hall and Fire Department, and persons utilizing the facilities at the park. With the recent space improvements made to the town hall and a generator in place, the Town of Clayton is working towards establishing the renovated town hall as an emergency shelter facility.

The Fire Department is attached to the Town Hall in Larsen. It contains approximately 3,300 square feet. The Town recently opened a sub-station on the east side of the town to improve on response times. This sub-station is temporary until the new fire station is complete.

Fire and Emergency

Fire and emergency rescue is provided by the Town of Clayton Fire Rescue Department. The Department includes a staff of First Responders and volunteer firemen.

Fire Service Area

Per Wisconsin Statute 60.55(1), the town shall provide for fire protection for the town. Fire protection may be provided by a number of different methods. The town may provide for the equipping, staffing housing, and maintenance of fire protections services.

In 2008 the Town of Clayton contracted with RW Management Group, Inc. for a study to determine how fire response times could be improved in the town. The study looked at the operations of the Clayton-Winchester Fire Department, the need for a new fire station, and the location for the new fire station. Numerous recommendations were made on improving the operations of the Fire Department. The creation of the Town of Clayton Fire Rescue resulted from the recommendation within this report.

Source: Town of Clayton Comprehensive Plan 2016-2036 – Adopted August 17, 2016.

Future Fire Department Improvements

Facilities

The Town of Clayton currently plans to design and construct a new fire station. The new facility is planned to include 9,600 sq. ft. for apparatus storage, 6,800 sq.ft. for training purposes, and 9,300 sq. ft. in the second level for administration. The Town currently owns 7.11 acres of land located at 2990 CTH II in the Town of Clayton for the new fire station facility. The Town of Clayton has hired Cedar Corporation to complete a Space Needs Study for the new facility. The study will include opinion of probable costs for the project.

Service Area

The service area of the new fire station will be defined as the entire Town of Clayton. It currently takes a significant amount of time (as much as 15-20 minutes) to service some areas of the town from the location of the existing fire station. The new facility is expected to greatly improve overall response time in the Town of Clayton as well as meet the needs of future growth and anticipated increases in fire and emergency related calls. It is planned to have apparatus and staff allocated to both stations.

Staffing and Equipment

The need for a new fire station is also directly related to the need for facility space to provide fire protection services at appropriate staffing levels with the proper equipment. As the Town of Clayton continues to grow, there will be a need for additional volunteers, vehicles, and equipment. Table 4-1 details existing fire department inventory.

Table 4-1
Fire Department Inventory

<u>Apparatus</u>	
E43- 1994 Pierce Saber engine	
E143- 2011 Pierce Impel engine	
T343- 2000 Welch 4,000g tender	
R43- 2017 Ford F550 rapid response truck 200g tank with Ultra high pressure pump	
<u>Staff</u>	
Paid on-Call Members	27
<u>Facilities</u>	
Existing Fire Station (sq.ft.)	3,300

Service Level Standard

Quantitative standards for fire protection services are often established by the local fire department. Some of the options for establishing this standard include comparing the department to other departments in the region, to other departments that serve the same population size or service area, to existing town level standards, or to county averages.

The service level standard for the Town of Clayton is based on ISO standards and evaluation. ISO stands for Insurance Services Office. The ISO scores fire departments on how they are doing against its organization's standards to determine property insurance costs. After analyzing the data it collects, the ISO assigns a Public Protection Classification (PPC) on a scale from 1 to 10. The higher the ISO fire protection call (Class 1 being the best), the better the department, at least in the eyes of the ISO.

The 2006 Foth & Van Dyke Public Needs Assessment for Fire Station Impact Fees used ISO rating schedule for a service level standard to evaluate response. While ISO does assess fire department response it has a limited focus. For that reason, RW Management Group, Inc. used (National Fire Protection Association) NFPA 1720 to evaluate response capabilities, response time, and effectiveness and efficiency of the fire department in their 2008 and 2011 reports. The Foth & Van Dyke report identified response within portions of the Town of Clayton from the existing fire station as being inadequate based upon ISO and 5 miles of road travel. NFPA 1720 uses the following formula for the calculation of travel time. This formula is based upon the fact that the average responding speed, with the use of lights and sirens, is 35 mph. It is intended for use with response distances from ½ mile to 8 miles.

$$\text{Calculation of Travel Time} = (1.7) (\text{distance}) + 0.65.$$

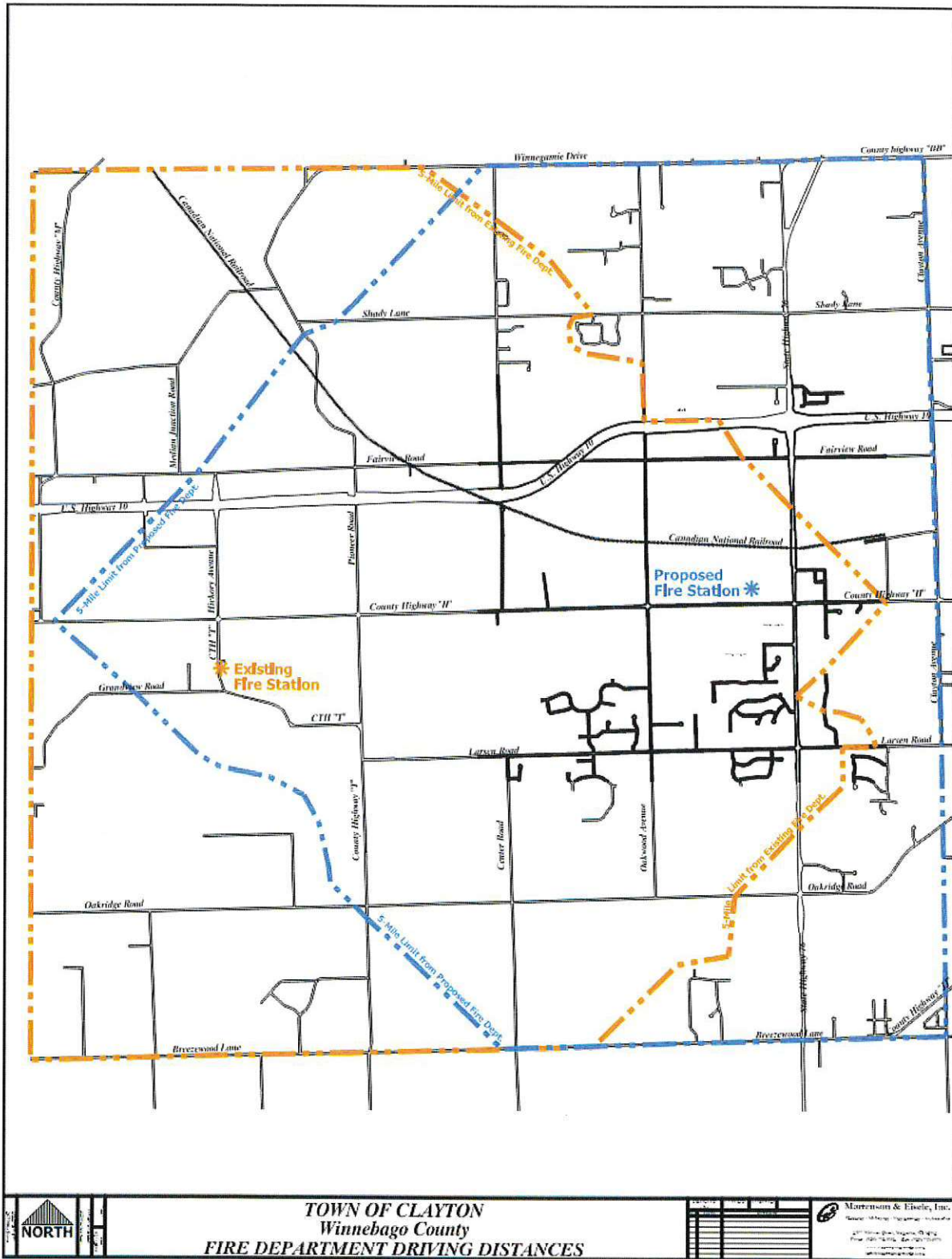
Using the NFPA formula with the ISO 5 road mile parameter indicates that, at 5 miles from the station, travel time is approximately 9 minutes and 12 seconds.

The conclusion from both evaluations is that the existing station is not located to allow acceptable response times to areas of the Town of Clayton because of the road distance traveled.

Based on the ISO standards of a fire station services a five mile area, the Foth & Van Dyke assessment used this standard to allow the Town to create a map showing the existing service area of the fire station and where a new fire station should be located to serve the remaining and growing portion of the town. The RW Management reports support this location and recommends a satellite station be considered at the new fire station location until the new station can be constructed. In 2011, the Town made improvements to the current fire station (Larsen station) and the Town is currently renting a facility (sub-station) on Hwy 76 (east side of town) where one fire truck is stored.

The Town of Clayton Fire Department has an ISO rating of 6 within 5 road miles of the station and a rating of 10 for locations more than 5 road miles from the fire station. As a result of the newly opened sub-station on the east side of town, the Town conducted an ISO audit in June 2021. With both stations almost the entire town will be within the 5 road mile limit for ISO rating. The results of the audit were not available at the time of this study.

Overall, it is clear that by providing two fire stations within the town with overlapping coverage areas the response times in the town will greatly improve and thus greatly improve the overall fire protection of the entire community.



V. ALLOCATION OF COSTS

Capital Costs

The Town of Clayton has hired Cedar Corporation to complete a Space Needs Study for the new facility. The study will include opinion of probable costs for the project. The table below details the probable capital costs for the new fire station facility to be recovered from impact fees. The Town has determined that 60% of the probable capital costs should be used in calculating the impact fee. The estimated costs only include those which can be applied to impact fee. Note that 10% of capital costs may consist of legal, engineering, and design costs which relate directly to facility development unless the town can demonstrate that its legal, engineering and design costs need to exceed the 10% threshold.

Table 5-1

New Fire Station Estimated Capital Costs

	Total Estimated Costs	Impact Fee Applied Costs
New Fire Station		
Fire Administration (includes 2 nd level)	\$1,860,000	\$1,116,000
Fire Apparatus Bays	\$1,776,000	\$1,065,600
Training Rooms	\$1,020,000	\$ 612,000
Site Prep	\$ 650,000	\$ 390,000
Subtotal	\$5,306,000	\$3,183,600
Planning, Design, Engineering, Legal, Contingency	\$ 530,600	\$ 318,360
Total	\$5,836,600	\$3,501,960
Fund Balance Applied		\$ - 27,112
Final Total	\$5,836,600	\$3,474,848

Source: Space Needs Study-Cedar Corporation, 2021

No fire fighting vehicles or related equipment is being included in the capital costs to be recovered by impact fees.

From 2016-2020, the Town had a Fire Station Impact Fee fund balance of \$27,112.00. This amount can be applied to the Impact Fee Applied costs for a final total of \$3,474,848 estimated project cost to be applied to the impact fee.

Fire Station Impact Fee

The share of the cost that should be paid by each land use category may be calculated in a number of ways. Ideally, each land use category and each specific development should pay for fire facilities in proportion to the amount of service that it requires. However, without a model for predicting the number of calls for fire services from a particular type of land use, another factor must be used. The following tables allocate costs based on the amount of development being added to the town by 2040 based on the growth projections in Section III of this analysis.

Table 5-2

Impact Fee Computation per Household Development

Total Fire Station Facility Cost-Impact Fee Eligible	\$3,474,848
Share of Residential Growth Attributed to Total Future Growth (Table 3-4)	46.8%
Share of Facility Costs Attributed to Residential Growth	\$1,626,229
Future Housing Units Growth: 2020-2040	1,000
Impact Fee per New Housing Unit	\$1,626

The total impact fee to be applied to new residential housing units is calculated to be \$1,626. This would be the fee charged to new single family and two family residential developments in the Town of Clayton in the defined service area. Should multi-family development occur in the town, three or more units per structure, then half of the total impact fee shall be applied to each unit within the multi-family structure. It is considered equitable for a single family home and duplex to pay the same amount in impact fees because they generally have similar lot sizes. It is also therefore considered equitable that two multi-family units are proportionate to one single family or one duplex structure.

Table 5-3

Impact Fee Computation per Square Foot for Commercial/Industrial Development

Total Fire Station Facility Cost-Impact Fee Eligible	\$3,474,848
Share of Commercial/Industrial Growth Attributed to Total Future Growth (Table 3-4)	53.2%
Share of Facility Costs Attributed to Commercial/Industrial Growth	\$1,848,619
Future Commercial/Industrial Growth: 2020-2040	10,003,959
Impact Fee per New Commercial/Industrial Square Foot	\$0.18

Fee Comparison to Similar Communities

Municipality	Fire Single family	Fire Multi-family
Town of Clayton -Ordinance (2006)	\$560	\$280/unit
Town of Clayton - current	\$575	
Town of Grand Chute	\$305	\$1.50 per \$1,000
Village of Fox Crossing	\$149	\$1.6198 per \$1,000
Town of Vinland	-	-
Village of Harrison	\$660	\$611/unit
Town of Omro	-	-
Village of Greenville	-	-
Town of Buchanan	-	--
Town of Kaukauna	-	-
Village of Sherwood - proposed		

Effect of Impact Fees on Housing Affordability

The total impact fee for fire station is \$1,626 for each new residential unit in the town. The following table assesses the effect on this fee on housing affordability.

Table 5-4
Effect of Impact Fees on Housing Affordability

	Calculations	Data Sources and Assumptions
Median Housing Value	\$ 262,400	2013-2017 ACS-Census Data from WDOA
Estimated Housing Mortgage	\$ 236,160	Assumes median housing value less 10% for down payment
Annual Cost of Housing:		
Annual Mortgage Payment	\$ 13,524	30 year mortgage at 4% interest
Estimate of Property Taxes	\$ 4,390	\$16.73/\$1,000 (2020 T.Clayton mill rate)
Estimate of Insurance	\$ 850	
Total Annual Cost of Housing	\$ 18,764	
Median Household Income (2019)	\$ 98,458.00	2019 WDOA
Total Housing Cost as a % of Income	19%	
Impact Fee	\$ 1,626.00	
Median Housing Value + Impact Fee	\$ 264,026.00	
Annual Mortgage Payment w/Impact Fee	\$ 13,622.76	30 year mortgage at 4% interest
Annual Housing Cost with Taxes and Fees	\$ 18,862.71	
% Increase in Annual Costs	0.52%	
Annual Housing Cost with Fees as % of Income	19.16%	
Increase in % of income for Housing	0.10%	

The fire station impact fee will increase the percent of income for housing by an estimated amount of 0.10%. This is considered negligible and therefore the impact fee will not have an adverse effect on affordable housing in the Town of Clayton.

VI. IMPLEMENTATION

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 a fire station facility in the Town of Clayton 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 Town, including an identification of any existing deficiencies in the quantity or quality of those public facilities.
- Forecasts were made regarding future conditions in the Town.
- New public facilities, or improvements or expansions of existing public facilities were identified.
- Service level standards to be provided by the planned facilities were determined.
- Costs estimated of the planned projects were allocated to the proportionate share of facilities that are needed to serve new development during the planning period.
- An estimate of the effect of the proposed impact fee on housing affordability.

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 of 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.
 - 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 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 charges 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 Town 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 fund for cash financing and debt service payments.