

Exhibit A.

**Public Facilities
Needs Assessment
and Impact Fee
Study**



PREPARED FOR:

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Public Facilities Needs Assessment and Impact Fee Study

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PUBLIC FACILITIES NEEDS ASSESSMENT AND IMPACT FEE STUDY

PURPOSE AND BACKGROUND

Ruekert & Mielke, Inc. (R/M) and the Village of Hartland (Hartland) have prepared impact fee studies in 1998 and 2008. This study will update those fees for the parks and recreation facilities, the library facilities, and the transportation facilities. Each section explains the basis for each recommendation. Police facilities and fire protection and emergency medical facilities will be updated in an amendment after updated facilities plans become available.

Purpose of Impact Fees

Impact fees can provide a needed source of funding for infrastructure. They are designed to recover the costs of public facilities needed to serve new growth by applying the adage "growth pays for growth." The Village has done well at doing so. It enacted impact fees well over 20 years ago, and since then, it has met many of the needs created by new growth.

This study is a public facility needs assessment under Wisconsin Statutes § 66.0617(4). This study develops and recommends impact fees that comply with the impact fee standards in Wisconsin Statutes § 66.0617(6).

Requirements and Restrictions

Requirements to impose impact fees in Wisconsin Statutes § 66.0617 include the following:

- Conduct a public needs assessment that
 - Defines the service area.
 - Provides service standards to determine the infrastructure needs.
 - Includes an inventory of existing public facilities.
 - Identifies existing deficiencies (lack of facilities for the current population).
 - Lists facilities needed to serve new growth, along with cost estimates.
 - Estimates the effect of the impact fees on the availability of affordable housing.
- Make the public needs assessment available to the public for at least 20 days before the public hearing.
- Issue a Class 1 notice about the new public needs assessment.
- Hold a public hearing.

To keep imposing impact fees, Wis. Stat. § 66.0617 require the following:

- Explain to developers what the fees will be used for when the fees are collected.
- Segregate the funds.
- Spend the money only on the capital costs for which the fees were imposed.
- Refund the money to the original payer if the money is not spent within 8 years (10 years for sewer infrastructure).
- Specify a procedure within the municipal ordinances for developers to contest the fees.

Impact fees cannot be used for

- Vehicles.
- Operation and maintenance expenses.
- Infrastructure to serve the needs of the current population (existing deficiencies).
- Infrastructure to serve needs beyond the forecast period.
- Infrastructure to comply with current law (e.g. American with Disabilities Act).
- Infrastructure that will serve new growth outside of the municipality.
- Facilities that are not listed in Wis. Stat. § 66.017(1)(f)1 such as cemeteries, community centers, and electric utilities.

As required by the Wisconsin statutes, each section of this study on a department that recommends impact fees for new projects contains an inventory of existing facilities, a list of future projects, the service standards, existing deficiencies, and the calculation of the impact fee. The study also contains the required analysis on the effect that the proposed impact fees would have on housing affordability.

Other Items of Note

- The cost for land can be included, as can legal, engineering, and design costs for the new public facilities.
- Fees must be reduced proportionate to new funding sources for the same projects. For instance, if the municipality wins a grant or levies a special assessment on a project for which impact fees are being charged, the impact fees must be reduced proportionate to the amount of this new funding.

- Fees must also bear a “rational relationship” to the need for the new public facilities required to serve new development.
- Municipalities can pay debt for new-growth projects with impact fees. That means that the fees can go toward debt payments for the life of the loan.

Example

To illustrate how impact fees are formed, a simple example is provided. Happyville anticipates a lot of residential growth. To figure out how much developers might pay for parks to serve the new growth, Happyville puts together an impact fee study. Let’s say the National Recreation and Park Association recommends 1 acre of parkland per 100 residents – that recommendation is the standard Happyville chooses to use for how much parkland it should have. Happyville has 700 residents. That means Happyville should have 7 acres. However, its current inventory for parks is 3 acres. This means Happyville has an existing deficiency of 4 acres.

The growth forecast shows that Happyville will add 300 more residents. Therefore, the future need for the community is a total of 10 acres. Happyville plans to buy 8 acres of land and develop it into parkland. After the land purchase, Happyville will have a total of 11 acres of parks, which is 1 more than what the standard says it needs. The 1 “excess” acre that will serve needs beyond the forecast period cannot be paid for with impact fees. Nor can the 4 acres that will meet an existing deficiency. That means of the 8 acres being purchased, only 3 are eligible to be paid for with impact fees. (8 acres minus 4 acres for an existing deficiency minus 1 “excess” acre = 3 acres.)

Of the total project cost, 37.5 percent is eligible to be paid for with impact fees (3 divided by 8 = 37.5 percent). Each acre is estimated to cost \$100,000 for a total of \$800,000, so \$300,000 can be collected in impact fees.

The impact fee for parks is the eligible project cost divided by the forecast number of new residential units. Happyville anticipates each new home will be occupied by 2 people each. Therefore, there will be 150 new homes in the forecast period. (300 new residents divided by 2 people/home = 150 new homes.) \$300,000 divided by 150 new homes equals an impact fee of \$2,000 per home.

Takeaways and Best Practices

- Impact fees seldom pay for entire projects.
- Thus, municipalities should develop a plan for how to pay for the rest of the projects.
- Otherwise, they may end up not following through on the projects and refunding the money. Issuing refunds may prove very challenging.
- Municipalities should follow through on their plans for serving new growth.
- Debt provides a way for municipalities to spread out the cost recovery for new growth beyond 8 years.

- Certain kinds of impact fees (parks, library) can be charged only to residential development. The rest can be charged to all kinds of development.

A Municipality's Right to Flexibility

State statutes grant much latitude to municipalities in how they spend impact fee funds. As the footnotes to Wisconsin Statutes § 66.0617 explain, the law “allows a municipality to impose impact fees for a general type of facility without committing itself to any particular proposal before charging the fees.” The footnotes to the statutes make explicit that a “municipality must be allowed flexibility to deal with the contingencies inherent in planning.” The project details that follow in this study represent Hartland’s best planning at this time, but Hartland reserves its statutory right to alter its planning to best suit evolving needs after this study is finished.

GENERAL

The growth forecast and service area give a common framework for developing impact fees for specific facility types.

Growth Forecast

Hartland's most recent comprehensive plan offers a growth forecast for land use in acres. This forecast includes both residential and nonresidential development. A column was added to show the change in acreage for each land-use category.

<u>Land Use</u>	<u>Current</u>	<u>2045</u>	<u>Increase (Decrease)</u>
Commercial	89	79	(10)
Business Park	228	247	19
Industrial	209	135	(74)
Public/Institutional	219	222	3
High Density Residential	202	251	49
Medium Density Residential	26	11	(15)
Low/Medium Density Residential	361	364	3
Low Density Residential	560	760	200
Estate Residential	130	117	(13)
Park	236	236	-
Open Space	254	249	(5)
Utility	4	13	9
Agriculture	100	-	(100)
Vacant	99	-	(99)
<u>Downtown Mixed Use</u>	-	<u>34</u>	<u>34</u>
Total	2,717	2,717	-

To determine residential growth, the change in acreage for each residential land-use category was multiplied by the estimated number of residential units per acre, and then the change in

residential units for each residential category was added together. This method of forecasting shows a net increase of 794 residential units.

Land Use	Increase (Decrease)		Current	2045	Increase (Decrease) /Units **
	in Acres	Units/Acre *			
High Density Residential	49	8.00	1,616	2,008	392
Medium Density Residential	(15)	5.00	130	55	(75)
Low/Medium Density Residential	3	2.50	903	910	8
Low Density Residential	200	1.00	560	760	200
Estate Residential	(13)	0.20	26	23	(3)
Downtown Mixed Use	34	8.00	-	272	272
Total	258		3,235	4,028	794

* All units/acre come from the ranges in Figure 21 of Hartland's comprehensive plan except downtown mixed use; that unit comes from <https://sustainablecitycode.org/brief/mixed-use-zoning/>

** Total rounded to a whole number

The US Census Bureau estimates an average of 2.53 persons per household in Hartland. An additional 794 residential units with 2.53 people per household yields 2,009 more people by 2045.

However, the large development underway at the old quarry site will build 267 units, and these units cannot be included in the impact-fee analysis since the infrastructure needed to serve them will be funded through the tax increment district (TID) in which it is occurring. Impact fees need to be adjusted whenever there is another source of funding for the infrastructure to serve new growth, whether it comes from a TID, a grant, or some other way. Subtracting 267 units from the 794 units yields 527 units eligible for impact fees, or an increase of 1,333 people eligible for impact fees.

One change from the prior study is to propose a uniform rate for residences. The prior study split residential fees into 3 categories, one for studios and one-bedroom apartments, another for two-bedroom units, and the third for three-bedroom units and single-family homes. The reason for the switch to a uniform rate is the difference of people per unit among the categories has diminished considerably. According to US Census data, the number of people per household in the Village has declined, while at the same time the number of people per apartment has risen, according to National Multifamily Housing Council data. This compression of people per unit in each category makes the distinction less significant. Additionally, having only one fee for residential units reduces variability in forecasting.

To determine nonresidential growth, land-use data was also used. The table below adds up the net change in acres from Table 1 for nonresidential land devoted to uses that would be eligible for impact fees: commercial, business park, public/institutional, and downtown mixed use. The industrial category was excluded from the total because the reduction in acreage is due to the old quarry site currently being classified as industrial land use.

Land Use	Current	2045	Increase (Decrease)
Commercial	89	79	(10)
Business Park	228	247	19
Public/Institutional	219	222	3
Downtown Mixed Use	0	34	34
Total			46

For those impact fees that can be charged to both residential and nonresidential development, the cost for new growth needs to be divided between the two kinds of development. Using equalized value provides a reasonable way to allocate costs between the two. The equalized values in the table below come from the Wisconsin Department of Revenue’s Waukesha County 2023 Statement of Changes in Equalized Values for Hartland.

Type of Development	2023 Equalized Value	Share of Total
Residential	\$ 1,378,980,500	69.9%
Nonresidential *	\$ 592,494,200	30.1%
	\$ 1,971,474,700	100.0%

* Nonresidential = Commercial + Manufacturing

This approach would allocate a little over two-thirds of the cost to residential development, with the remainder being charged to nonresidential development. To develop a fee for nonresidential development, a forecast for the gross building area of nonresidential development was created. The acreage in the table below comes from the forecast in Table 3.

Land Use	Development (Acres)	Development (sq ft)	Gross-Floor-Area-to-Total-Area Ratio	Forecast Incremental Building Floor Area (sq ft)
Nonresidential	46	2,003,760	0.25	500,940

Hartland’s current ordinance allows for redevelopment to be charged impact fees if the redevelopment adds new residential dwelling units or “or that results in nonresidential uses that create a need for new, expanded or improved public facilities within the village.” R/M recommends that Hartland keeps that section of its ordinance so that it can continue to adequately fund the cost imposed by new growth.

Service Area

Wisconsin Statutes s. 66.0617(4)(a)2 require Hartland to base impact fees on an explicitly identified service area. The service area for this study is the entire Village of Hartland.

Annual Increases

Hartland could automatically adjust its impact fees each year to account for inflation. This practice helps Hartland's fees keep pace with rising costs for projects. Hartland should consider adjusting fees each year based on a reliable yet readily accessible measure of inflation for projects, such as the US Census Bureau's Construction Price Index for single-family houses under construction. Hartland could use the change from the twelve-month period preceding October of the prior year to implement its increases in January.

Other municipalities tie their increases to such measures. Doing so provides a cogent rationale for not only the increase but also the amount of the increase itself.

PARKS AND RECREATION FACILITIES

Hartland plans to continue to impose impact fees to fund parks and recreation facilities described in the 2008 impact fee study.

The tables below come from Hartland's Comprehensive Outdoor Recreation Plan with updates from Village staff, and they inventory Hartland's parks and recreation facilities. The following table inventories the Village's parks, and the features they contain.

Public Facilities Needs Assessment and Impact Fee Study

Table 6 -- Parks Inventory

	Sunnyslope		Nottingham		Bark River		Hartbrook	Penbrook	Centennial	Nixon Park	Bark River	Mill Place	Cottonwo	Maple
	Park	Park	Joliet Park	Castle Park	Park	Park	Park	Park	Park		Greenway	Greenway	d Wayside	Wayside
Area (acres)	0.1	1.8	1.4	4.2	6.0	12.5	28.8	14.5	16.0	1.7	7.1	52.7	28.9	
Classification	M	M	N	N	N	C	C	C	C	G	G	R	R	
Park sign	1		1	1	1	1	1	1	1			1	1	
Parking lot					1	1	1	1	1			1	1	
Shelter				1	1	1	1	1	4			1		
Storage facility					1	1	1	1	2					
Restrooms			a		1	1	a	1	3					
Concession									2					
Stage (Fine Arts Center)									1					
Drinking fountain					1	1	1	1	3					
Bleacher					4	2	2	5	2					
Bench	1		4	3	6	9	5	11	12	3	3	4		
Picnic tables			2	2	10	6	4	6	32			3		
Barbeque grill						1	1		3					
Paved path		1		1	1	1	1	1	1	1	1			
Nature trail						1	1						1	
Natural/scenic area	1				1	1	1	1	1	1	1	1	1	
Sledding hill														
Play structure			1	2		1	1	1	2					
Swing, child			2	4		2		2	4					
Swing, infant			2	2		2	2	2	2					
Spring horse			2	2				2	3					
Merry-go-round			1	1		1			1					
Teeter totter														
Slide				1					1					
Balance beam									1					
Parallel bars														
Climbing structure									1					
Sand box				1					1					
Splash pad									1					
Baseball diamond						1	1	1	1					
Softball diamond					1									
T-ball field			1			1			1					
Football field									1					
Soccer field									1					
Multi-purpose field			1	1	1	1	1	1	1					
Basketball court						1	1							
Basketball 1/2 court			1											
Tennis court								1	1					
Pickleball court								4	8					
Volleyball court						1								

M = Mini park; N = Neighborhood park; C = Community park; G = Greenway; R = Conservancy area; U = Undeveloped

The next table inventories Hartland's trails in miles.

Table 7 – Trails Inventory

	Total Length/ Size	Asphalt of Concrete Surface	Wood Chip, Gravel, Earthen, or Boardwalk Surface
Bark River Greenway	0.22	0.22	0.00
Bark River Park	0.47	0.28	0.19
Centennial Park	0.39	0.39	0.00
CTH E	1.26	1.26	0.00
Four Winds	0.16	0.16	0.00
Hartbrook Park	0.65	0.65	0.00
Hartridge Homeowners Assn Trail	1.27	1.27	0.00
Maple Wayside	0.13	0.13	0.00
Mary Hill	1.71	1.71	0.00
Mary Hill Park	0.04	0.04	0.00
Mill Place Trails	0.48	0.48	0.00
Nixon Park	0.56	0.49	0.07
North Shore Drive	0.44	0.44	0.00
Penbrook Trail	0.53	0.53	0.00
River Meadow Trail	0.32	0.25	0.07
River Reserve Trails	2.27	1.77	0.50
Tradition of Hartland	0.50	0.50	0.00
Village of Hartland Trail	0.84	0.84	0.00
TOTAL	12.24	11.41	0.83

The following table inventories the parks and recreation facilities within the Village.

Facility	Village Facilities	School Facilities		Other Recreation Facilities	Total	
		Publicly Accessible	Not Publicly Accessible		Publicly Accessible	All
Play structure	8	5	1	-	13	14
Splash pad	1	-	-	-	1	1
Baseball diamond	4	1	3	-	5	8
Softball diamond	1	1	5	-	2	7
T-ball field	3	3	-	-	6	6
Football field	1	-	3	-	1	4
Soccer field	1	-	1	-	1	2
Soccer field (youth)	-	11	7.5	-	11	18.5
Multi-purpose field	7	-	4	-	7	11
Basketball court	2	-	3	-	2	5
Tennis court	2	-	12	-	2	14
Pickleball court	8	-	-	-	8	8
Volleyball court	1	-	-	-	1	1
Dog park	-	-	-	-	-	-
Swimming pool	-	-	-	-	-	-
Fitness center	-	-	-	-	-	-
Disc golf course	-	-	-	-	-	-
Track	-	-	2	-	-	2

The table below lists likely future projects for parks and recreation facilities, along with their estimated costs. The cost estimate for the bathrooms comes from industry sources while the park shelter cost estimate comes from Village staff.

Project	Sq Ft	Cost
Bathrooms	N/A	250,000
Park Shelter	1,890	\$ 100,000
Total		\$ 350,000

The standards that follow come from Hartland's Comprehensive Outdoor Recreation Plan, which are in turn based on two nationally recognized industry sources, the Trust for Public Land and the National Recreation and Park Association. They are typically expressed in terms of facilities to population. For instance, the standards indicate that for every 2,191 residents, a community should have 1 play structure. The next column, Current Inventory, shows how many or how much of each facility the Village has right now. The next column shows what the Village should have for each facility based on the current Village population. The Surplus column compares the Current Goal to the Current Inventory: a positive number indicates the Village exceeds the standard while a negative number indicates the Village has an Existing Deficiency, or not enough of that facility at present.

The 2045 Goal column shows how much the Village should have of each facility based on the population forecast from Table 1. The next Surplus column compares what the Village has to what the future goal says the Village should have. A positive number indicates the Village has adequate facilities already; a negative one indicates a future need.

The Total Project Cost column has an entry only if both the project is likely to move forward and the project can be at least partially attributed to new growth. The Impact Fee Eligible column calculates how much of a facility impact fees can pay for. For a facility to be eligible, it must have a negative number in the Surplus column. The calculation does deduct Existing Deficiencies, however, since impact fees cannot pay for those. (Existing Deficiencies are current needs that are unmet. Since they are not attributed to new growth, impact fees cannot pay for them according to state law.)

The Impact Fee Eligible column is then multiplied by the Total Project Cost in the next column to yield the column on the far right, New Growth Share. The total amount at the bottom of this column is the amount that can be recovered through impact fees.

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Table 10 - Service Standards

Recreational Facility Type	Standard of Residents/Facility	Current		Surplus (Existing)		Surplus (Future Need due to New Growth)		Impact Fee Eligible	Total Project Cost	New Growth Share
		Inventory	Current Goal	Deficiency)	2045 Goal					
Play Structure	2,191	13.0	3.7	9.3	4.3	8.7	N/A		\$ -	
Splash Pad	10,000	1.0	0.8	0.2	1.0	0.0	N/A	\$ -	-	
Baseball Diamond	8,748	5.0	0.9	4.1	1.1	3.9	N/A		-	
Softball Diamond	4,667	4.0	1.8	2.2	2.0	2.0	N/A		-	
Tee Ball Diamond	13,267	2.0	0.6	1.4	0.7	1.3	N/A		-	
Football Field	9,879	1.0	0.8	0.2	1.0	0.0	N/A		-	
Soccer Field	6,250	1.0	1.3	(0.3)	1.5	(0.5)	21%		-	
Soccer Field (youth)	3,292	11.0	2.5	8.5	2.9	8.1	N/A		-	
Multi-purpose Field	3,292	7.0	2.5	4.5	2.9	4.1	N/A		-	
Basketball Court	3,734	2.0	2.2	(0.2)	2.5	(0.5)	36%		-	
Tennis Court	10,000	4.0	0.8	3.2	1.0	3.0	N/A		-	
Pickleball Court	20,000	1.0	0.4	0.6	0.5	0.5	N/A		-	
Volleyball Court	8,383	2.0	1.0	1.0	1.1	0.9	N/A		-	
Multi-use Court	13,736	-	0.6	(0.6)	0.7	(0.7)	10%		-	
Dog Park	43,183	-	0.2	(0.2)	0.2	(0.2)	3%		-	
Swimming Pool	10,500	-	0.8	(0.8)	0.9	(0.9)	13%		-	
Trails (miles)	6,640	12.2	1.2	11.0	1.4	10.8	N/A		-	
Bathrooms	1,500	6.0	5.5	0.5	6.3	(0.3)	89%	250,000	222,167	
Parkland (acres)	240	175.7	34.1	141.6	39.7	136.0	N/A		-	
Shelter (sq ft)	7	1,120.0	1,120.0	-	1,302.4	(182.4)	10%	100,000	9,651	
Total								\$ 450,000	\$ 231,818	

Source: Hartland's Comprehensive Outdoor Recreation Plan, except standards for Bathrooms and Shelter, which are from Village Staff, and Trails are from Trust for Public Land

The table below calculates the impact fee. It shows the relevant rows from the last three columns from the prior table. The New Growth Share is summed into a Subtotal, and then the current impact fee fund balance is deducted from it. The Total New Growth Cost is what is eligible to be recovered from impact fees. That amount is then divided by the number of future residential units to arrive at the Recommended Fee for parks and recreation facilities.

Table 11 - Impact Fee Calculation

	Impact Fee	Total Project	New Growth Share
	Eligible	Cost	
Bathrooms	89%	250,000	222,167
Park Shelter	10%	100,000	9,651
Subtotal		\$ 450,000	\$ 231,818
Less Current Impact Fee Fund Balance			160,204
Total New Growth Cost			\$ 71,614
Development Type		Forecast Units	Recommended Fee
Residential		527	\$ 136

The recommended fee is significantly less than the current fee of \$1,184 because the Village has already addressed many of its parks and recreation needs, and it has a significant balance in its impact fee fund balance for parks.

TRANSPORTATION FACILITIES

Hartland plans to continue to impose impact fees to transportation facilities described in the 2008 impact fee study. In particular, it is considering an expansion to its Department of Public Works (DPW) garage. The size of the current DPW facility is listed below.

Department of Public Works	Area (Sq Ft)
Shop Area/Storage	15,400
Cold Storage (less Police Stall)	3,040
Total	18,440

The garage expansion is listed below. The cost estimate is based on industry sources.

Project	Sq Ft	Cost
Garage Expansion	1,120	\$ 548,800
Total	1,120	\$ 548,800

The service standard is based on the expertise of Village staff, expressed in a ratio of square feet of facility space to population. Since the current facilities are adequate for the current needs, the analysis that uses this standard indicates that there are no Existing Deficiencies with the current facilities, and the proposed Additions can be completely attributed to new growth. Therefore, the entire cost of the potential projects can be recouped through impact fees.

A significant amount of debt remains from the facility expansion proposed in the 2008 study and completed since then. The calculation below applies the same percentage to the debt from the prior study. The eligible debt is then added to the cost for the proposed facility expansion in this study, and then the Current Impact Fee Fund Balance is deducted, yielding the Total New Growth Cost. This amount is then divided first between residential and nonresidential growth. The residential growth cost share is divided by the forecast number of residential units to produce the Recommended Fee per Residence. The nonresidential growth cost share is divided by the forecast gross building area to produce the Recommend Fee per 1,000 square feet of new nonresidential development. The growth forecast numbers come from the Growth Forecast section of the study.

	Estimated Eligible Cost	New Growth Share	New Growth Cost
Remaining Debt from Future Growth Projects	\$ 316,177	81.6%	\$ 258,000
New Space	\$ 548,800	100%	548,800
Subtotal			\$ 806,800
Less Current Impact Fee Fund Balance			\$ 95,272
Total New Growth Cost			\$ 711,528
Share of Costs	%	\$	
Residential	69.9%	\$ 497,690	
Nonresidential	30.1%	213,838	
Total	100.0%	\$ 711,528	
Residential Forecast			
New Residential Units (a)	527		
Residential Share of Costs (b)	497,690		
Recommended Fee per Residence (c) = (b) / (a)	\$ 944		
Nonresidential Forecast			
Forecast Incremental Building Floor Area in sq ft (a)	500,940		
Nonresidential Share of Costs (b)	\$ 213,838		
Recommended Fee per 1,000 Sq Ft (c) = (b) / (a) X 1,000	\$ 427		

The fee above would be a significant increase over the current residential fee of \$250 due to the addition of this new project.

LIBRARY FACILITIES

Hartland plans to continue to impose impact fees to fund library facilities. Hartland first imposed impact fees for its library in 2008. Since then, the library constructed the expansion proposed in the prior study.

Below is an inventory of the current library.

Space	Area (Sq Ft)
Existing Facility	24,100

The library does not anticipate needing to expand its facilities in the next ten years. Therefore, the impact-fee calculation does not include any new projects, only the debt for its prior expansion. For the standards and their application to the expansion project, which are included by reference, please see the 2008 R/M impact fee study.

The Current Impact Fee Fund Balance is deducted from the debt to arrive at the Total New Growth Cost. That amount is divided by the forecast number of residential units to arrive at the Recommended Fee.

	Eligible Cost	New Growth Share	New Growth Cost
Remaining Debt from Library Expansion	1,236,816	42.9%	530,594
Less Current Impact Fee Fund Balance			\$ 289,056
Total New Growth Cost			\$ 241,538
			Recommended
Development		Forecast Units	Fee
Residential		527	\$ 458

The proposed fee is substantially lower than the current fee of \$950 because there are no new projects being proposed, and much of the debt for the new-growth expansion has already been paid off.

HOUSING AFFORDABILITY

Most households in Hartland find housing affordable. Hartland’s median household income of \$88,382 exceeds Wisconsin’s median household income of \$67,080.

The information above provides context for evaluating the effect of impact fees on housing affordability. The table below uses the estimated average value of a new house in Hartland.

Table 17 - Effect of Recommended Impact Fees on Housing Affordability

	<u>Without Impact Fees</u>	<u>With Proposed Impact Fees</u>
Home Price ⁽¹⁾	\$ 297,400	\$ 299,081
Down Payment	\$ 29,740	\$ 29,908
Amount Financed	\$ 267,660	\$ 269,173
Principal and Interest Payment ⁽²⁾	\$ 21,570	\$ 21,692
Taxes ⁽³⁾	\$ 7,524	\$ 7,567
Insurance	\$ 1,300	\$ 1,300
Annual Housing Cost	\$ 30,394	\$ 30,558
Annual Income Required ⁽⁴⁾	\$ 108,550	\$ 109,137
Additional Annual Income Required		\$ 587
Additional Income as % of Total		0.5%

⁽¹⁾ Median Hartland home value per US Census data

⁽²⁾ Assumes a 30-year fixed mortgage at 7% annual interest

⁽³⁾ Assumes the following tax rate: 2.53%

⁽⁴⁾ Assumes debt payments are no more than 28% of income

SUMMARY AND NEXT STEPS

To fund the facilities needed by growth, we recommend revising the Village’s impact fees. The table below shows all the residential fees; the ones in italics are the ones that are proposed to be updated.

Table 18 - Summary of Residential Impact Fees

Department	Current	Proposed	Change	Change
<i>Parks</i>	\$ 1,184	\$ 136	\$ (1,048)	-89%
<i>Library</i>	\$ 950	\$ 458	\$ (492)	-52%
<i>Department of Public Works</i>	\$ 250	\$ 944	\$ 694	278%
Police	\$ 32	\$ 32	-	0%
Fire	\$ 110	\$ 110	-	0%
Total	\$ 2,526	\$ 1,681	\$ (845)	-33%

According to state statute, municipalities must now provide developers with explanations of how the impact fees being collected will be spent. R/M recommends that Hartland provides a written or electronic copy of this study to satisfy this statutory requirement.

To move forward with new impact fees, the following steps need to take place:

- 1) This study is presented to Hartland's Village Board.
- 2) The Village Board directs that a public hearing be held to hear public comment on this public facilities needs assessment and the proposed impact fees.
- 3) An ordinance is drafted to implement the recommended impact fees.
- 4) A Class 1 notice is published in the Village newspaper to provide the public with 20 days' notice prior to the public hearing as required under Wisconsin Statutes 66.0617(4)(3)(b). The needs assessment must be available 20 days prior to the public hearing to allow the public sufficient time to review.
- 5) A public hearing is held to hear public comment on the needs assessment and the proposed ordinance to impose public facilities impact fees.
- 6) After the public hearing, the Village Board may adopt the proposed ordinance as recommended or adopt the ordinance with amendments.

R/M encourages Hartland to periodically update its impact fees to ensure they reflect the best growth forecasts, as well as the best capital cost and project estimates. Revisiting the fees every 3 to 5 years can help a community adjust its plans for new growth to provide the correct level of funding and avoid changing rates as drastically as would be the case if the community waited longer to update its fees. Police and fire impact fees can be updated sooner; they can be updated shortly after new facilities plans become available.