

CITY OF APPLETON

Appleton, Wisconsin

FEE-IN-LIEU OF LAND DEDICATION AND PUBLIC FACILITY NEEDS ASSESSMENT

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Dated: March 7, 2022

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Executive Summary

The purpose of this project was to evaluate and update the City's current fee-in-lieu of land dedication under Wisconsin Statute, Chapter 236, and Section 236.45 Local Subdivisions Requirements. If a municipality charges a fee-in-lieu of land dedication in accordance with Wisconsin State Statute 236.45(6) (am), the municipality must follow the procedures under s. 66.0617 (3) to (5) and meet the requirements under s. 66.0617 (6) to (10).

According to the City of Appleton's (the "City") 2019-2023 Comprehensive Outdoor Recreation Plan (page 14), the City is expecting to have population growth of 3.0% every decade. This anticipated growth will require additions to the City's parkland and park facilities. A fee-in-lieu of land dedication will continue to assist in financing the acquisition or initial improvement of land for public parks.

The City currently charges a fee in lieu of land dedication as established by the following ordinance:

Appleton, WI Municipal Code, Sec. 17-29. Ordinance No. 44-09, 3-10-2009

Per the City, they have not updated the fee-in-lieu of land dedication since 2009.

This document serves as a summary of Baker Tilly's analysis of the City's existing fee-in-lieu of land dedication. It also serves to satisfy the statutory obligations as outlined in Wisconsin Statute 66.0617 and Wisconsin Statute 236.45 to update its existing fees and public facility needs assessment. The primary resources used in this development of this study include:

- > The City used the *The City of Appleton 2019-2023 Comprehensive Outdoor Recreation* (the Plan) as the facility needs assessment.
- > *The City of Appleton 2019-2023 Comprehensive Outdoor Recreation* (the Plan) as prepared by Rettler Corporation adopted on September 18, 2019. See the acknowledgements section of the Plan for those that were involved in its creation. The Plan is located on the City's website. <https://appletonparkandrec.org/wp-content/uploads/2020/03/FINAL-Appleton-CORP-2019.pdf>
- > *The park inventory listing as provided by the City*. This document was compiled by the City from the Plan. Refer to Appendix A.
- > *The land cost as provided by the City*. The land cost is based on the City-wide average cost of unimproved land acquisition based on recent land sales and the cost to improve the land for public parks. Per s. 236.45(6)(ac), "improvement for public parks" means grading, landscaping, installation of utilities, construction of sidewalks, installation of playground equipment, and construction or installation of restroom facilities on land intended for public park purposes." The average of four recent sales was used to determine an average cost per acre. The four sales include the following:

Tax Municipality	Close Date	Price	Acres Est	\$/Acre	Comments
City of Appleton	3/1/2021	\$149,900	2.81	\$53,345	single building site w/public water & sewer
City of Appleton	10/2/2020	\$161,405	2.74	\$58,907	single building site w/public water & sewer
City of Appleton	12/23/2020	\$158,500	2.68	\$59,142	single building site w/public water & sewer
City of Appleton	10/5/2020	\$142,500	2.01	\$70,896	single building site w/public water & sewer
			average	\$60,572	

Executive Summary (cont.)

- > *U.S. Census data 2019 5-year estimates* related to persons-per-household per dwelling unit type.

<https://data.census.gov/cedsci/table?t=Housing&g=1600000US5502375&tid=ACSDP5Y2019.DP04&hidePreview=true>

This study should be read in conjunction with these resources. We provide no assurance on the accuracy of the resources used to develop this study.

Introduction

As previously stated in the Executive Summary, the City expects to experience population growth through 2030. Planning responsibly for new growth within a community is one of many challenges facing local governments. Effective accommodation of this development requires additional park land to accommodate growth as well as the construction and upgrade of public facilities and infrastructure to serve new residents.

It is common that during the construction and upgrade of public infrastructure, many residents and businesses that will occupy the newly developed areas of the community may not yet be present. The purchase of land and the development of land often precedes the inhabiting of the property. While this may be an obvious fact, it holds important consequence for the public financing of new development. In order to apportion the public costs of new development fairly and responsibly, some measures must be undertaken to ensure that the entire cost of accommodating new development is not born solely by the current residents of the municipality. One such measure to accomplish this goal is the use of a fee-in-lieu of land dedication to offset the initial cost to local taxpayers of satisfying the additional demand on the public infrastructure and park land.

Section A – Statutory Requirements

A fee-in-lieu of land dedication must follow the requirements of Wisconsin State Statute Chapter 236 – Platting Lands and Recording and Vacating Plats. See the requirements below.

In addition, if a municipality charges a fee-in-lieu of land dedication in accordance with Wisconsin State Statute 236.45(6) (am), the municipality must follow the procedures under s. 66.0617 (3) to (5) and meet the requirements under s. 66.0617 (6) to (10). The City understands these requirements.

Wisconsin State Statute Chapter 236.45(6) – Requirements for Approval Conditions

- > *Per Subsection(6)(ac), “Improvement of land for public parks” means grading, landscaping, installation of utilities, construction of sidewalks, installation of playground equipment, and construction or installation of restroom facilities on land intended for public park purposes.*

Based on the definition above, only allowable costs are included in the fee-in-lieu of land dedication.

- > *Per Subsection (6)(b), any land dedication, easement, or other public improvement or fee for the acquisition or initial improvement of land for a public park that is required by a municipality, town, or county as a condition of approval under this chapter must bear a rational relationship to a need for the land dedication, easement, or other public improvement, parkland acquisition or initial improvement fee resulting from the subdivision or other division of land and must be proportional to the need.*

The City is meeting this requirement. The City is providing a service level of 6.99 acres per 1,000 residents. See Appendix A.

- > *Per Subsection (6)(c), If a subdivision ordinance of a municipality, town, or county requires, as a condition of approval under this chapter, that a subdivider dedicate land for public park, the municipality, town or county may offer the subdivider the option of either dedicating land consistent with the municipality’s, town’s or county’s park plan and comprehensive plan or paying a fee or other charge under par (am) in lieu of the dedication. If the subdivider elects to pay a fee or other charge under the paragraph, the fee or other charge is payable by the landowner to the municipality, town, or county upon issuance of a building permit by the municipality, town, or county. If the subdivider elects to dedicate land under this paragraph, unless the municipality, town, or county agrees otherwise, the subdivider only may dedicate land that is consistent with the municipality’s, town’s or county’s park plan and comprehensive plan.*

See Section C for the fee-in-lieu of land dedication fee calculation and the land dedication square footage requirements. If land dedication is selected, the City’s land dedication standard is 423.66 square feet per person. See the assumptions and calculations in Section C.

NOTE: The fee-in-lieu of land dedication requirements outlined in this section are subject to change by the legislature at any time. Refer to the state statute for the statutory requirements.

Section B – Compliance with Wisconsin Fee-in-lieu of Land Dedication Requirements

Fee-In-Lieu of Land Dedication Process

See Wisconsin State Statute 66.0617 for the detailed process. In addition, if a municipality charges a fee-in-lieu of land dedication in accordance with Wisconsin State Statute 236.45(6), the municipality must follow the procedures under s. 66.0617 (3) to (5) and meet the requirements under s. 66.0617 (6) to (10).

The process followed and information utilized in the development of the fee-in-lieu of land dedication is summarized below:

- Requires a Public Hearing (s. 66.0617 (3)):
 - Class 1 notice under Chapter 985
 - Provide copy of proposed ordinances
 - Provide public facilities needs assessment
- Based on a Public Facilities Needs Assessment (s. 66.0617 (4)):
 - Inventory of existing facilities, including deficiencies
 - Identification of new public facilities
 - Estimated (or actual) capital cost of new public facilities
 - Effect of recovering capital costs on affordable housing
 - Available for public inspection and copying in the office of the clerk at least 20 days before hearing
- Establish Accounting Requirements:
 - Use of funds restricted
 - Subject to refund
- Specify Appeal Procedure (s. 66.0617 (10))

Section B – Compliance with Wisconsin Fee-in-lieu of Land Dedication Requirements (cont.)

Imposition of the Fee-in-lieu of Land Dedication

The park fee-in-lieu of land dedication will be due upon issuance of a building permit.

Wisconsin State Statute Section 66.0617(7) – Low-Cost Housing

In general, the level of the fees in relation to average housing cost should not impede the affordability of low-cost housing. For example, including the proposed single-family fee-in-lieu of land dedication of \$1,115, in a typical 30-year mortgage at 3% interest would equate to an additional monthly payment of \$4.85. According to Zillow, the median home price in Appleton is \$204,832 (a). Assuming a down payment of 20%, the average monthly mortgage payment would be \$691. The fee-in-lieu would be 0.7% of the monthly payment. In addition, if the owner of a multifamily dwelling were to include the proposed multi-family fees of \$943 in a mortgage with the same terms, the additional monthly payment would be \$3.98 or 0.4% of the monthly payment.

Information from the 2015-2019 US Census showed that the City of Appleton's median household income was \$58,112 (2019 dollars). Wisconsin's median household income was \$61,747 (2019 dollars).

(a) <https://www.zillow.com/appleton-wi/home-values/>

Updates to the Report

The fee-in-lieu of land dedication should be evaluated for adjustment at least every five years to account for increases / decreases in raw land costs, grading and utilities. The City may also wish to adjust the fee periodically based on the Engineering News Record Municipal Cost Index. This will allow for changes in growth, project costs, estimates or other projects to be incorporated into the fees. See assumptions for recommendations.

Section C – Fee Calculation and Land Dedication Requirements

Assumptions

- > The fee in lieu of parkland dedication was last updated in 2009.

The City's current 2019-2023 Comprehensive Outdoor Recreation Plan (the Plan) was used as the basis for this study. This Plan was approved on September 18, 2019. As noted in the Plan, "A growing body of research provides evidence of the importance of parks, open space, and leisure programming to the environmental, social, and economic health of Communities." The plan also supports the guidelines established in the City of Appleton 2010-2030 Comprehensive Plan. Both plans can be found on the City website.

<https://appletonparkandrec.org/wp-content/uploads/2020/03/FINAL-Appleton-CORP-2019.pdf>

<https://www.appleton.org/government/planning/city-of-appleton-comprehensive-plan-2010-2030>
- > According to the City, 2020 Census data indicate the 2020 population estimate for the City is 75,644, which is an increase of approximately 3,021 since the 2010 U.S. Census (72,623 population) or a 4.1% increase. <https://www.census.gov/quickfacts/appletoncitywisconsin>
- > The City's fee-in-lieu of land dedication standard is based on 529.08 acres of parkland. This is comprised of 242.06 acres of community parks, 178.32 acres of neighborhood parks and 108.70 acres of special use parks such as Houdini Plaza and Reid Golf Course.
- > The land costs to calculate the fee-in-lieu of land dedication is based on the City-wide average cost of land acquisition and "improvements of land for public park costs" as allowed for under Chapter 236. Recent raw land sales with utility improvements show the average cost per acre is \$60,572. This is also referenced on Page 1.
- > Park development fees will not be assessed to nonresidential land uses as park usage is primarily residential in this community.
- > The Park & Open Space standards can be found in the City of Appleton 2019-2023 Comprehensive Outdoor Recreation Plan.
- > For purposes of this analysis, it is assumed that there will be an average of 2.59 persons per household for single-family housing units and 2.19 persons per household for duplex and multifamily housing units as per recent census data.

Section C – Fee Calculation and Land Dedication Requirements (cont.)

Assumptions (cont.)

- > The fee-in-lieu of land dedication standard used for consideration in this study is comprised of “active-parks” of 529.08 acres. While the type of land dedicated by developers is typically used for the development of active use parks, such use is not required. The city is currently providing 6.99 acres of parkland per 1,000 residents using the 2020 population of 75,644. The calculation is $(529.08 / 75,644) * 1,000 = 6.99$.
- > The City’s land dedication requirement is 304.67 square feet per person. This is computed as follows: $(6.99 \text{ acres} * 43,560 \text{ square feet in an acre}) / 1,000 = 304.67 \text{ square foot per person}$. This is then multiplied by the persons per household to determine the land dedication square footage.

Recommendation

The City should consider whether its existing fee-in-lieu of land dedication fee should be updated with the fees identified and explained on the following pages.

Section C – Fee Calculation and Land Dedication Requirements (cont.)

Fee Summary

Dwelling Unit Type	1 (A) Persons per Household	2 Cost per Person	3 (1*2) Fee
Single Family	2.59	\$ 423.66	\$ 1,097.29
Multi-Family	2.19	\$ 423.66	\$ 927.83
Standards:			
Cost standard per acre			<u>\$ 60,572</u> B
Parkland acres per 1,000 residents			<u>6.99</u> C
Cost per Person:			
	Cost standard per acre		\$ 60,572 B
	Multiplied by: acres per person		<u>0.0069943</u> per above
	Cost per person		<u>\$ 423.66</u>
A) Source: U.S. Census Bureau			
B) Per the City of Appleton - based recent land sales w/utilities			
C) Per the City of Appleton CORP			

Section C – Fee Calculation and Land Dedication Requirements (cont.)

Land Dedication

If land dedication is selected versus paying a fee-in-lieu of land dedication, the following land dedication square footage applies and will be applied prior to the Final Plat:

Land Dedication Requirement			
Dwelling Unit Type	1 (A) Persons per Household	2 Square Foot per Person	3 (1*2) Land Dedication Square Footage
Single Family	2.59	304.67	789.11
Multi-Family	2.19	304.67	667.26
Standards:			
Square feet per acre			<u>43,560</u>
Parkland acres per 1,000 residents			<u>6.99</u> B
Square Foot per Person:			
Parkland acres per person (7.11 / 1,000)			0.006994 B
Multiplied by: Square feet per acre			<u>43,560</u> per above
		Square feet per person	<u>304.67</u>
A) Source: U.S. Census Bureau			
B) Per the City of Appleton			

APPENDIX A

	<u>Park</u>	<u>Park Type</u>	<u>Acres</u>
<u>Included In Park Improvement Calculation</u>			
1	Appleton Memorial (AMP)	Community	140.10
2	Erb	Community	27.75
3	Pierce	Community	34.91
4	Telulah	Community	39.30
	Subtotal		<u>242.06</u>
1	Alicia	Neighborhood	12.00
2	Arbutus	Neighborhood	3.44
3	City	Neighborhood	8.00
4	Colony Oaks	Neighborhood	7.88
5	Derks	Neighborhood	9.07
6	Einstein	Neighborhood	6.60
7	Ellen Kort Peace	Neighborhood	3.38
8	Green Meadows	Neighborhood	5.60
9	Highview	Neighborhood	12.59
10	Hoover	Neighborhood	11.60
11	Jaycee	Neighborhood	4.00
12	Jones	Neighborhood	5.75
13	Kiwanis	Neighborhood	6.50
14	Linwood	Neighborhood	9.50
15	Lions	Neighborhood	4.40
16	Lutz	Neighborhood	2.70
17	Mead	Neighborhood	8.50
18	Lundgaard	Neighborhood	7.02
19	Peabody	Neighborhood	16.20
20	Pioneer	Neighborhood	0.52
21	Providence	Neighborhood	3.33
22	Schaefer	Neighborhood	6.40
23	Summit	Neighborhood	5.49
24	Veterans	Neighborhood	2.00
25	Vosters	Neighborhood	5.10
26	Vulcan Heritage	Neighborhood	2.05
27	Woodland	Neighborhood	8.70
	Subtotal		<u>178.32</u>
1	Houdini Plaza	Special Areas	1.00
2	Reid Golf Course	Special Areas	107.60
3	Union Springs	Special Areas	0.10
	Subtotal		<u>108.70</u>
	Total Park Acreage		<u>529.08</u>
	2020 Population		75,644
	Parkland per 1,000 residents		6.99