

**TOWN OF COTTAGE GROVE
TOWN BOARD ORDINANCE 2026-06-01**

CREATING SECTION 07.04 OF THE CODE OF ORDINANCES OF THE TOWN OF COTTAGE GROVE, DANE COUNTY, WISCONSIN TO ESTABLISH A USH 12/18 & NORTH STAR ROAD INTERSECTION IMPROVEMENT IMPACT FEE

WHEREAS, based on the results of a traffic impact analysis, new development along and near North Star Road north of U.S. Highway (USH) 12/18 requires improvements to the intersection of USH 12/18 and North Star Road, for which the Town anticipates no outside funding support; and

WHEREAS, the Town desires to recover the cost of such intersection improvements via an impact fee on projected new development within a designated service area along and near North Star Road north of USH 12/18, in accordance with the requirements of Section 66.0617, Wisconsin Statutes, and an associated public facilities needs assessment dated May 6, 2026; and

WHEREAS, on June 1, 2026, following a Class 1 notice, the Town Board held a public hearing on this proposed amendatory Ordinance; and

WHEREAS, this Ordinance and the associated public facilities needs assessment were made available for public inspection and copying in the office of the Town Clerk at least 20 days prior to the hearing; and

NOW, THEREFORE, BE IT RESOLVED that the Town Board of the Town of Cottage Grove, Dane County, Wisconsin, does ordain that the following addition to Chapter 7 of the Town Code of Ordinances are hereby adopted:

Section 1. Section 07.04 of the Town Code of Ordinances is hereby created to read as follows:

07.04 USH 12/18 & NORTH STAR ROAD INTERSECTION IMPROVEMENT IMPACT FEE

(1) PURPOSE.

This section is intended to impose an impact fee on new development along and near North Star Road north of USH 12/18 for improvements at and near the intersection of U.S. Highway 12/18 and North Star Road. The impact fee described in this section:

- (a) Has been imposed under, and is authorized by, § 66.0617, Wis. Stats., and
- (b) Is based on a public facilities needs assessment dated May 6, 2026, on file with the Town Clerk.

(2) DEFINITIONS AND METHODS.

- (a) As used in this section, “building area” shall mean the total indoor floor area of any new building, or any building expansion, that is permitted after May 1, 2026, as determined by the Building Inspector. “Building area” shall be measured on a net basis if the same project also involves floor area removal or demolition, and shall not include floor area that is rebuilt as a result of fire, flood, or other similar circumstance as determined by the Building Inspector.
- (b) As used in this section, “outdoor parking, storage, and activity area” shall mean the total new (after May 1, 2026) outdoor surface area that is to be improved and used for outdoor vehicle parking and circulation, equipment or material storage and/or outdoor services or other business-related activity. The Plan Commission shall determine the square footage of each “outdoor parking, storage, and activity area” during the design review process described in Section 12.08 of this Code, which the Town Clerk shall then convey to the Building Inspector. The Commission shall exclude any outdoor waste dumpster storage area and may exclude any other area if it determines that such area will not generate any additional vehicular traffic.

(3) TIMING AND SERVICE AREA.

The impact fee described in this section shall be paid with each building permit application resulting in a project that:

- (a) Includes one or both of the conditions described in subsection (2), and
- (b) Is within the geographic service area for the impact fee as described in the associated public facilities needs assessment.

(4) AMOUNT OF IMPACT FEE.

- (a) \$0.21 per square foot of building area, plus
- (b) \$0.105 per square foot of outdoor parking, storage, and activity area.

(5) NOTIFICATION AT TIME OF PAYMENT.

At the time that the Town collects each impact fee, it shall provide to the applicant from which it received the fee an accounting of how the fee will be spent, which may be the public facilities needs assessment or a summary thereof.

(6) ACCOUNTING.

The Town Treasurer shall place all collected impact fees in a separate segregated interest-bearing account, which shall be accounted for separately from the other Town funds.

Each collected fee shall be identified by parcel number and date paid within the fund. 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, or refunded under subsection (7).

(7) REFUNDS.

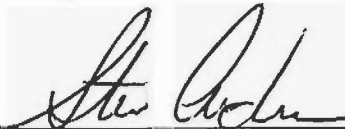
Any collected impact fee that is not used within 8 years after it is collected to pay the capital costs for which it was imposed shall be refunded to the payer of such fee, along with any interest that has accumulated.

(8) APPEALS.

An applicant for a building permit, or other payor of the fee set forth in this section, who is aggrieved by a decision of any Town official, may appeal the amount, collection, refund or use of the impact fee, under the provisions of Chapter 68, Wis. Stats. If the notice of appeal challenges the imposition of an impact fee, or the amount imposed, the applicant or payor may pay the fee imposed under protest and the Building Inspector shall issue any building permits withheld solely due to the nonpayment of the fee. If the applicant prevails on appeal, the Town Treasurer shall refund that portion of the fee so paid as finally determined in the appeal process.

Section 2. If any section, clause, provision, or portion of this Ordinance is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this Ordinance shall not be affected thereby. If an application of this Ordinance to a particular structure, land, or water is adjudged unconstitutional or invalid by a court of competent jurisdiction, such judgment shall not be applicable to any other structure, land, or water not specifically included in said judgment. If any requirement or limitation attached to an authorization given under this Ordinance is found invalid, it shall be presumed that the authorization would not have been granted without the requirement or limitation and, therefore, said authorization shall also be invalid. Any other ordinances whose terms are in conflict with the provisions of this Ordinance are hereby repealed as to those terms that conflict.

This above and foregoing Ordinance was duly adopted at a meeting of the Town Board of the Town of Cottage Grove on the 1st day of Jun 2026, by a vote of 4 in favor and 0 opposed.



Steve Anders, Town Chair

TOWN OF COTTAGE GROVE

Attested by:



Kim Banigan, Town Clerk

PUBLIC FACILITIES NEEDS ASSESSMENT

This report supports an impact fee for improvements at and near the intersection of U.S. Highway 12/18 and North Star Road, to correspond with requirements of Section 66.0617 of Wisconsin Statutes

Town of Cottage Grove
Dane County,
Wisconsin

Date: May 6, 2026

Prepared with Assistance
from MDROffers Consulting

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I. Introduction

This report serves as the public facilities needs assessment (“Needs Assessment”) to support a Town highway impact fee for anticipated improvements at and near the U.S. Highway (USH) 12/18 intersection with North Star Road. Such needs assessments and impact fees are described and authorized in Section 66.0617 of Wisconsin Statutes.

The Town of Cottage Grove is in Dane County, Wisconsin. The Town surrounds the Village of Cottage Grove on the Village’s east, south, and west sides. Additionally, the Town shares borders on its west end with the City of Madison and Village of McFarland.

The *Town of Cottage Grove Comprehensive Plan*, last amended in January 2025, is the policy guide for future change in the Town. The *Plan* includes this vision statement:

Town of Cottage Grove Vision

At the edge of an expanding urban area, the Town of Cottage Grove is also on the cutting edge of preserving farms and a rural livelihood. The Town...

- Works to preserve its land base, productive farmland, and continued farming.
- Embraces natural resource preservation in an agricultural setting.
- Guides housing development away from farming areas and towards developed areas.
- Encourages rural and agricultural support businesses in planned locations and intensities.
- Provides a quiet location for rural living close to the city.
- Seeks cooperation with neighbors, the County, and State to advance our vision.

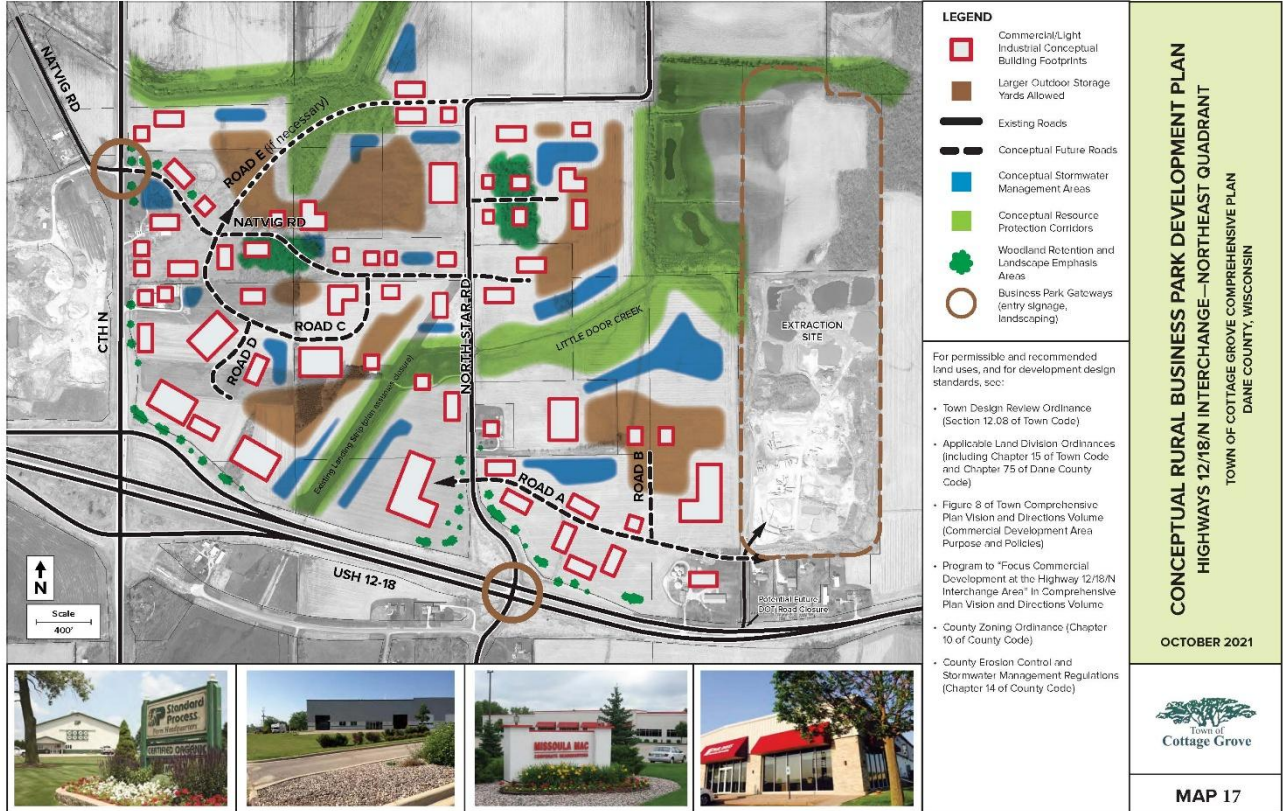
To address its limited aspirations for business development, the Town’s *Comprehensive Plan* also includes the following economic development objective: “Develop commercial development areas within the Town, particularly near the Highway 12/18 and County Highway N interchange”. Elaborating upon that objective, the Town Plan has as a top priority program to “Focus Commercial Development at the Highway 12/18/N Interchange Area”.

Land surrounding the interchange of USH 12/18 and County Highway (CTH) N is the primary area within the Town planned for future commercial and light industrial development. High-quality economic development in this area is critical to the fiscal health of the Town, in order to help preserve farmland and avoid land use conflicts in other areas. It will also be a source of jobs and community identity, and ideally will help advance the agricultural economy.

About 550 acres around the 12/18/N interchange area are designated within the “Commercial Development Area” future land use category in the Town *Plan*. Per the Conceptual Rural Business Park Development Plan that is part of the *Comprehensive Plan* (copied below as Exhibit A), the Town envisions a rural business park over an approximately 300-acre area northeast of the Highway 12/18/N interchange. The proposed structure of the business park is guided by existing and proposed roads, natural areas, and development sites and opportunities. A new east-west road between North Star Road and CTH N would expand access. Still, the recently improved North Star Road is envisioned to provide continued local access to USH 12/18. Wisconsin Department of

Transportation (“WisDOT”) plans do not suggest the closure of that intersection, even as future USH 12/18 upgrades are envisioned.

Exhibit A—Conceptual Rural Business Park Plan, Town of Cottage Grove Comprehensive Plan



II. Inventory of Existing USH 12/18 & North Star Road Intersection and Environs

The Town is crossed by several federal, state, and county highways.

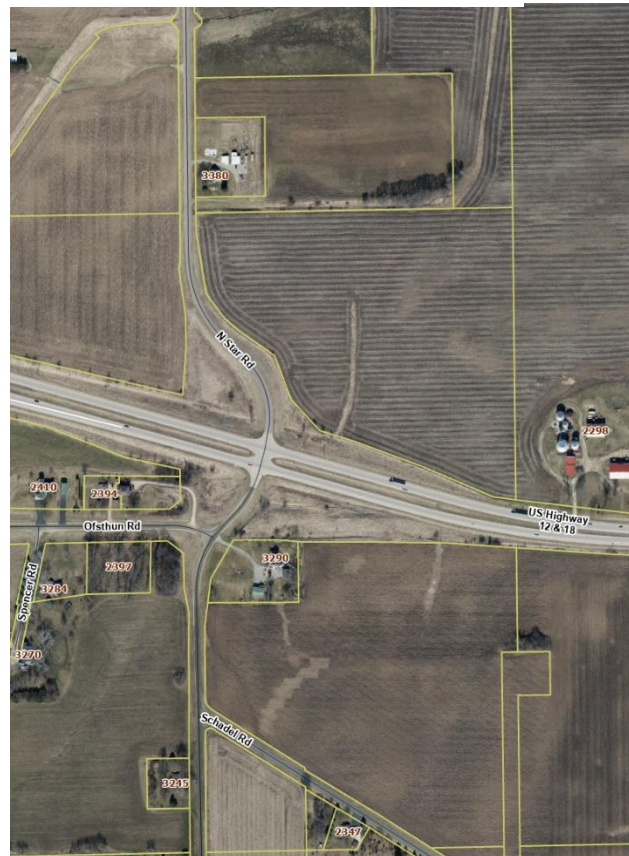
Among these is USH 12/18, which crosses the southern part of the Town. USH 12/18 is a principal arterial with an interchange at CTH N. USH 12/18 also has an at-grade intersection at North Star Road approximately 3,000 feet east of that CTH N interchange. USH 12/18 is a rural four-lane east-west roadway with an approximate 50-foot-wide median and a posted speed limit of 55 mph in the vicinity of North Star Road. USH 12/18 transitions to a two-lane, rural highway one-half mile east of the North Star Road intersection.

North Star Road is a rural, two-lane, north-south local road with a posted speed limit of 45 mph. It serves residential, agricultural, and commercial/industrial use areas on both sides of USH 12/18. North of USH 12/18, the Town resurfaced and widened North Star Road in anticipation of planned commercial and industrial development along it. Limited development has occurred to date, but more is anticipated.

As represented in Exhibit B, the USH 12/18 & North Star Road intersection is an at-grade, two-way stop-controlled intersection (the North Star Road approaches are controlled) with no turn lanes along USH 12/18. As suggested in the May 2026 *Traffic Impact Analysis ("TIA")*, *Ironstone Commercial Park and Viney Acres*, prepared by traffic engineers at Snyder & Associates, the absence of dedicated left turn lanes at USH 12/18 and North Star Road is a safety concern, with this concern increasing as traffic volumes of USH 12/18 increase in the future and there is more demand to make left turns as predominately commercial/ industrial development along North Star Road occurs.

Through the TIA, Snyder indicated that the intersection of USH 12/18 & North Star Road currently operates at Level of Service (LOS) E in the PM peak hour, with an average northbound-to-North Star delay of 35 to 50 seconds. Snyder projected that, by 2046, that intersection will have significant increases in delay time, reaching LOS F (50+ second delay), in the PM peak hour for northbound traffic.

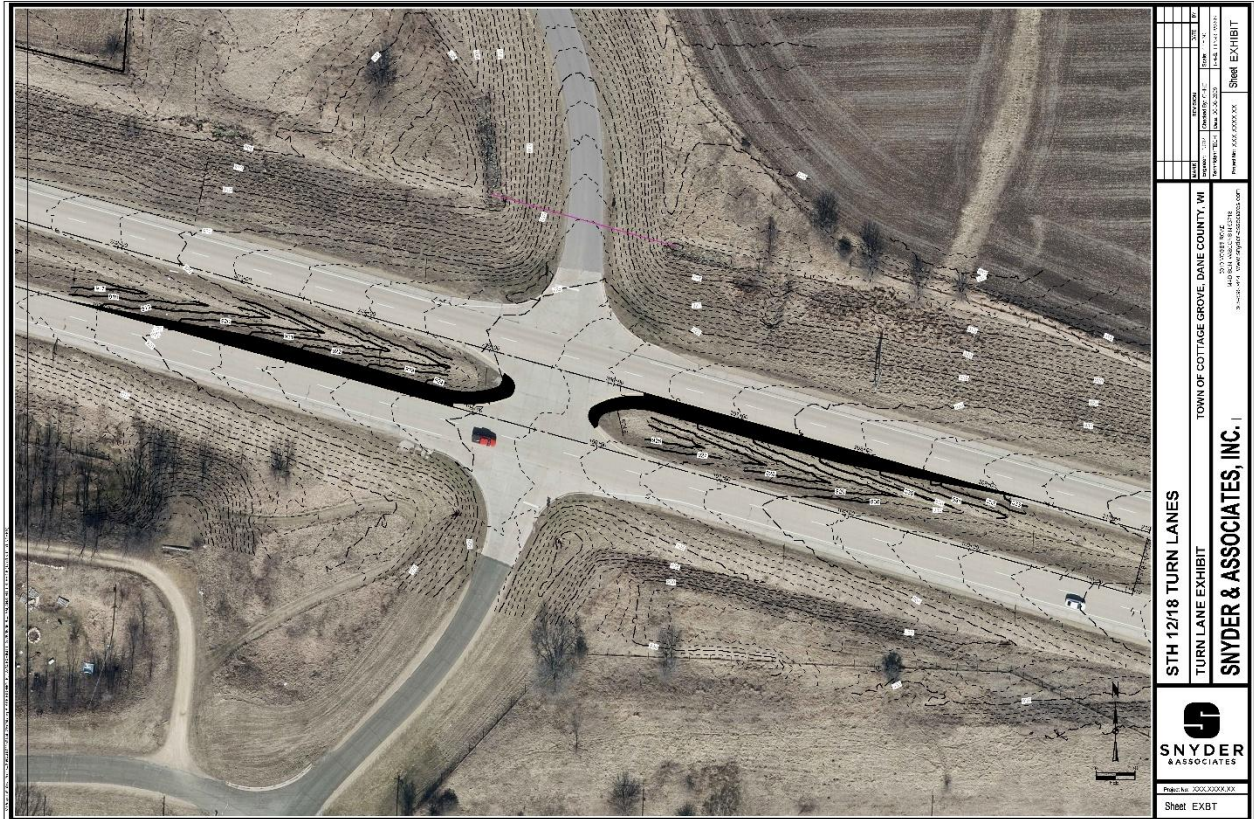
Exhibit B—Existing Conditions



III. Projected Highway Intersection Improvements and Cost

Through the TIA, Snyder advised that two 150-foot long left turn lanes be installed along USH 12/18 approaching its intersection with North Star Road. Snyder noted in the TIA that such recommended improvements address forecasted LOS deficiencies and reduce crash potential, aligning with WisDOT’s safety and performance objectives. The following map Exhibit C reflects the recommended turn lane improvements in black.

Exhibit C—Map of Proposed Left Turn Lanes along USH 12/18 at North Star Road Intersection



Snyder prepared an Opinion of Probable Project Cost, reproduced as Exhibit D, for design and construction of these turn lanes. The total cost estimate for both turn lanes is \$269,369. Snyder indicates that one-half of this estimated cost, or \$134,685, is attributable to each turn lane. The Town has determined to adopt an impact fee for the northbound turn lane only at this time. If required by WisDOT, the Town will have to determine an alternate means to fund a southbound left turn lane, because the planned “Commercial Development Area” north of USH 12/18 derives little to no benefit from a southbound turn lane.

Exhibit D—Opinion of Probable Project Cost for Proposed Left Turn Lanes along USH 12/18 at North Star Road Intersection

OPINION OF PROBABLE PROJECT COSTS

NORTH STAR ROAD & STH 12/18: LEFT TURN LANES



TOWN OF COTTAGE GROVE, WI

PROJECT NO. 125.0174.30

5/6/2026

ITEM #	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENDED PRICE
EARTHWORK					
1	Removing Asphaltic Pavement	2220	SY	\$ 9.25	\$ 20,535.00
2	Excavation Common	1000	CY	\$ 18.00	\$ 18,000.00
3	Finishing Roadway	1	EA	\$ 610.00	\$ 610.00
4	Base Aggregate Dense 3/4-Inch	110	TON	\$ 28.50	\$ 3,135.00
5	Base Aggregate Dense 1 1/4-Inch	550	TON	\$ 19.00	\$ 10,450.00
6	Base Aggregate Dense 3-Inch	1520	TON	\$ 18.00	\$ 27,360.00
7	Tack Coat	60	GAL	\$ 2.60	\$ 156.00
8	HMA Pavement 4 MT 58-28 S	270	TON	\$ 100.00	\$ 27,000.00
9	Mobilization	1	EACH	\$ 50,000.00	\$ 50,000.00
10	Water	75	MGAL	\$ 40.00	\$ 3,000.00
11	Salvaged Topsoil	2730	SY	\$ 2.70	\$ 7,371.00
12	Silt Fence	100	LF	\$ 2.60	\$ 260.00
13	Erosion Mat Class I Type B	2000	SY	\$ 1.50	\$ 3,000.00
14	Rock Bags	1	EACH	\$ 25.00	\$ 25.00
15	Traffic Control	1	LS	\$ 31,000.00	\$ 31,000.00
16	Geogrid Type SR	2000	SY	\$ 2.60	\$ 5,200.00
17	Marking Line Epoxy 4-Inch	750	LF	\$ 1.90	\$ 1,425.00
18	Marking Line Epoxy 8-Inch	300	LF	\$ 2.45	\$ 735.00
21	Marking Removal Line 4-Inch	750	LF	\$ 0.80	\$ 600.00
22	Sawcut Asphalt	15	LF	\$ 5.20	\$ 78.00
23	6" Topsoil, Fertilizer, Seed, & Mulch	2000	SY	\$ 1.50	\$ 3,000.00
SUBTOTAL:					\$ 212,940.00
CONTINGENCY (10%):					\$ 21,294.00
CONSTRUCTION TOTAL:					\$ 234,234.00

Other Project Costs
Engineering, Survey Fees: \$ 35,135.10
Permits: \$ 10,000.00
TOTAL PROJECT COST: \$ 269,369.10

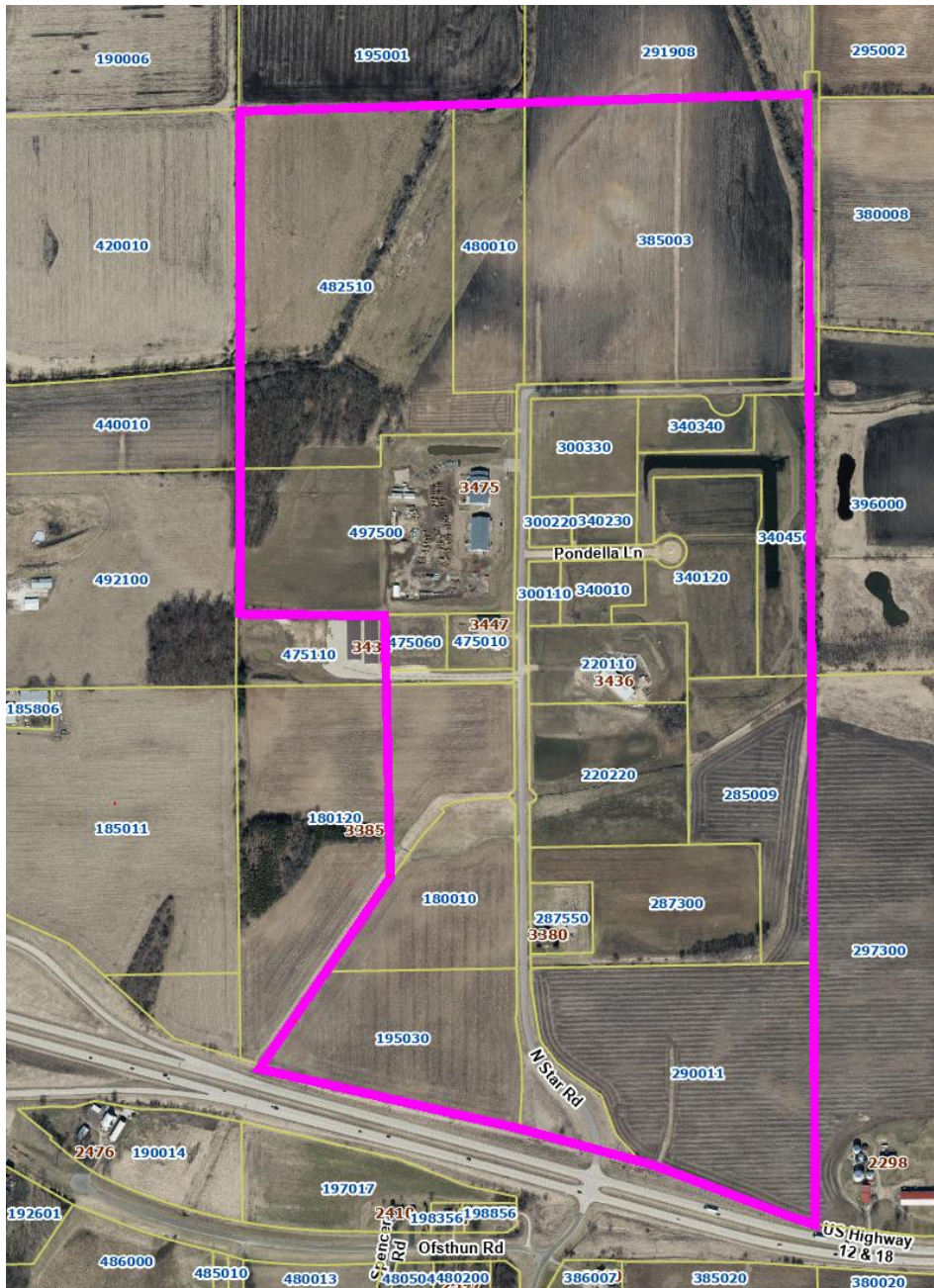
Notes

- (1) Used 112lb/sy/in for HMA conversion.
- (2) Used 2.1 ton/cy for 3/4-inch base aggregate, 2.0 ton/cy for 1-1/4-inch base aggregate, and 2.2 ton/cy for 3-inch base aggregate conversions.

IV. Proposed Service Area, Service Standard, and Fee Amount

The proposed service area within which the Highway 12/18 & North Star Road Intersection Improvement impact fee is advised ("Service Area") is depicted in Exhibit E.

Exhibit E: Proposed Impact Fee Service Area



This service area includes all the following 2026 Dane County tax parcels:

071133195030	071127340450	071134220110
071133180010	071127340340	071134220220
071128475060	071127300330	071134287550
071128475010	071127300220	071134287300
071128497500	071127340230	071134287550
071128482510	071127340120	071134290011
071128480010	071127340010	
071127385003	071127300110	

The proposed service area also includes the eastern 9.1 acres of 2026 tax parcel 071133180120 and the eastern 1.0 acre of tax parcel 071128475110. The western parts of these parcels are anticipated to be served predominantly by a new road extending west to CTH N.

The Service Area was selected based on the following factors:

- All or part of each parcel planned within or adjacent to the “Commercial Development Area” as indicated within the *Town of Cottage Grove Comprehensive Plan*.
- Primary access to the surrounding highway network anticipated to be via North Star Road to and through its intersection with USH 12/18, as opposed to via other streets/intersections, particularly the new east-west street proposed to intersect with CTH N at Natvig Road.

Within this Service Area, the Town has measured approximately 276 acres (12,024,900 sf) of total land area. Of that total, approximately 144 acres (6,265,600 sf) are projected to be usable for development. The remainder is constrained by existing development, environmental conditions such as wetlands, or existing or proposed stormwater management facilities.

Based on the characteristics of existing commercial/industrial development in and near the Service Area, the Town anticipates that these 144 developable acres will be developed with approximately 552,300 sf of new and expanded buildings and 1,036,700 sf of new and expanded outdoor parking, storage, and activity areas, at time of their full build-out. Within the next 15 years, the Town anticipates that approximately 60% of these projected build-out conditions will occur. Therefore, the projected 15-year buildout within the Service Area is estimated at approximately 331,405 sf of new and expanded building area and 621,996 sf of new and expanded outdoor parking, storage and activity area. This is the proposed universe of building and development that the Town proposes to assign Highway 12/18 & North Star Road Improvement impact fees at time of building permit.

The Town estimates that indoor building area and outdoor parking, storage, and activity area will both generate vehicular traffic affecting the USH 12/18 and North Star Road intersection, but with building area generating traffic at twice the rate as the outdoor parking, storage, and activity area. This is due to greater typical intensity of employment and activity within buildings.

As estimated in the previous section of this Needs Assessment, the total projected cost of the northbound left turn lane along USH 12/18 at North Star Road is \$134,685.

Given the above figures, the proposed impact fee for new and expanded building area within the

Service Area is \$0.21 per square foot, and the proposed impact fee rate for new and expanded outdoor parking, storage, and activity area is \$0.105 per square foot, calculated as follows:

15-year buildout projected building sf	331,405
<u>x Impact fee rate per new/expanded building sf</u>	<u>\$0.21</u>
Projected impact fee subtotal from buildings	\$69,595
PLUS	
15-year buildout projected outdoor area sf	621,996
<u>x Impact fee rate per new/expanded outdoor area sf</u>	<u>\$0.105</u>
Projected impact fee subtotal from yard areas	\$65,310

Wisconsin Statute 66.0617 requires this Needs Assessment to address the effect of recovering capital costs through impact fees on the availability of affordable housing within the Town. Because this impact fee will be assigned almost entirely to future non-residential development, there is no anticipated impact on affordable housing.