

ORDINANCE NO. 26-01

AN ORDINANCE TO CREATE CHAPTER 45
OF THE CODE OF ORDINANCES OF THE VILLAGE OF
PADDOCK LAKE RELATING TO WATER SYSTEM IMPACT FEES

The Village Board of Trustees of the Village of Paddock Lake, Kenosha County, Wisconsin, hereby creates Chapter 45 of the Code of Ordinances of the Village of Paddock Lake relating to Water Utility System impact fees to read as follows:

Chapter 45

WATER UTILITY IMPACT FEES

45.01 Short title.

This chapter shall be known and may be cited as the water impact fees of the Village of Paddock Lake municipal water utility ordinance.

45.02 Introduction and purpose.

Pursuant to the authority of Section 66.0617, Wisconsin Statutes, the local impact fees enabling legislation, the purpose of this chapter is to establish the mechanism for the imposition of impact fees upon new development to finance the capital costs of constructing, expanding or improving public facilities which are necessary to accommodate land development. This chapter is intended to assure that new development bears an appropriate share of the cost of capital expenditures necessary to provide public facilities within the Village of Paddock Lake and its service areas, as they are required to serve the needs arising out of land development.

45.03 Definitions.

(a) "Building permit" means the written approval issued in accordance with the provisions of Section SPS 320.09 of the Wisconsin Administrative Code by the village's office of the building inspector for any construction, repair, enlargement, improvement or alteration of any building or structure within the village. It does not include the "fast start" permit or preliminary permit issued at the time of excavation or installation of footings for any such building or structure.

(b) "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 ten (10) percent of capital costs may consist of legal, engineering and design costs unless the village can demonstrate that its legal, engineering and design costs which relate directly to the public improvement for which the impact fees were imposed exceed ten (10) percent of capital costs.

(c) "Capital costs" does not include other non-capital costs to construct, expand, or improve public facilities or the costs of equipment to construct, expand, or improve public facilities.

(d) "Developer" means a person that constructs or creates a land development.

(e) "Development" means any man-made change to improved or unimproved real property, the use of any principal structure or land or any other activity that requires issuance of a permit for a new meter or a change in meter size.

(f) "Dwelling unit" means a building or portion thereof with rooms arranged, designed, used, or intended to be used for one family. Guest houses with kitchen and bathroom facilities are considered dwelling units.

(g) "Impact fee" means cash contributions, contributions of land or interests in land or any other items of value that are imposed on a developer by village board under this section.

"Irrigation meter" means a meter installed to measure the flow of outdoor water use.

"Land development" means the construction or modification of improvements to real property that creates additional residential dwelling units within village or results in nonresidential uses that create a need for new, expanded or improved public facilities with the village.

(h) "Low-cost/low-income housing" means that per Statute 66.0617(7), the village board may discount impact fees on low-cost/low-income housing developments. The impact of these fees on the availability of low-cost/low-income housing is difficult to quantify on an overall basis. The impact of the fees on the developments that qualify for low-cost/low-income housing will be assessed at the time of final platting.

"Multifamily units" means any residential dwelling greater than a duplex or town home.

"Public facilities" for purposes of this chapter, as defined in Wisconsin Statutes 66.0617, means facilities for pumping, storing, treating, and distributing water.

(i) "Residential equivalent unit (REU)" means a unit of measure for impact fees equivalent to one residential dwelling unit. For purposes of this chapter, one residential equivalent unit is considered equal to the basic residential meter size of five-eighths inch or three-fourths inch. The residential equivalent unit is used as a single unit of measurement for all residential, non-residential, commercial, industrial, and institutional land development because of the relationship between size of the water meter and generation of water by the user or owner of record.

(j) "Service area" means a geographic area delineated by village board within which there are public facilities.

(k) "Service standard" means a certain quantity or quality of public facilities relative to a certain number of persons, parcels of land or other appropriate measures, as specified by the village board.

"Village" means the Village of Paddock Lake.

"Water utility" means the Village of Paddock Lake municipal water utility.

45.04 Impact fee revenue administration.

A. Revenues from impact fees shall be placed in one or more segregated, interest-bearing accounts and shall be accounted for separately from other funds. Impact fee revenues and interest earned thereon may be expended only for capital costs, including interest expense, for which the impact fees were imposed. (debt payments on 6.0 or revenue bonds)

B. Impact fee revenues imposed and collected, but not used within a reasonable period of time after collection to pay the capital costs for which they were imposed shall be refunded together with accumulated interest under Section 66.0617(9), Wis. Stats., to the then current owner of the property with respect to where the impact fees were imposed. Reasonable time periods for expenditure of impact fee revenues shall be within ten (10) years after the recommended time for commencement of construction, expansion or improvement of a specific public facility identified in a facilities need assessment report, subject to the adoption by the village board of a resolution extending said expenditure period for three years in accord with

45.05 Use of impact fees.

Funds collected from impact fees shall be used solely for the purpose of paying the proportionate costs of providing public facilities that may become necessary due to land development to the extent authorized by Wisconsin Statutes 66.0617. These costs may include the costs of debt service on bonds or similar debt instruments when the debt has been incurred for the purpose of proceeding with designated public facilities projects prior to the collection of all anticipated impact fees for that project, to reimburse the utility for advances of other funds or reserves, and such other purposes consistent with Wisconsin Statutes 66.0617, which are recorded and approved by the village board.

45.06 Payment of impact fees.

All structures, construction of which is commencing after the effective date of this chapter, and the use and development of all lots, shall be subject to the following water servicer fee structure. Unless otherwise expressly provided herein, all required impact fees shall be paid one hundred (100) percent upon the issuance of the building permit. For the purpose of defining the required payment methods, the following will apply: all new residential subdivisions that include single-family units, townhomes, duplexes, boarding houses, or townhomes will pay for the impact fee as defined in the previous sentence. Any property annexed to the Village of Paddock Lake containing a land development shall pay one hundred (100) percent of impact fee at the time in which the permanent meter is requested to accommodate the land development. Rates, which are in effect at the time of final plat and at the time of issuance of building permit, will be applied. Impact fee payments shall be assumed to be the responsibility of the owner of record of the property for which final plat approval is requested, the owner of record at the time of application for building permit, or the owner of record at the time of request for connection to the public water system, whichever is applicable. All fees shall be paid at the Village of Paddock Lake Hall.

A. Pre-existing development on land that is annexed to the village and is required or requested to be connected to the public water system shall pay a water connection fee equal to the amount of the water impact fee in effect at the time of connection. Connection fees shall be paid at the time an application for water service is filed with the water utility. No meter will be installed prior to payment in full of the connection fee associated therewith.

B. A lot or development shall be "connected" to the public water system for purposes of this section at such time as a permanent connection has been made to that system and the village has allowed the lot or development to begin receiving water from the system.

C. Any impact fee imposed due to installation of a larger meter pursuant to Section 45.07 shall be paid prior to installation of the larger meter.

45.07 Impact Fee Schedule

Water Pumping, Storage, and Distribution Facilities Fee

Meter Size	Flow (gpm)	REU Ratio	Impact Fee
3/4 -inch or less	15	1.0	\$3,500
1-inch	25	1.7	\$5,950
1.5-inch	50	3.3	\$9,100
Larger than 1.5 inch	By Engineering Analysis		

45.08 Appeals

The payment of an impact fee imposed under this section may be contested as to the amount, collection, or use of the impact fee by appeal to Village Water Utility Commission provided that the applicant files a written notice of appeal with the village clerk's office within fourteen (14) days of the approval by the building inspector of an application for a building permit upon which the impact fee is imposed. Such notice of appeal shall be entitled "Notice of Appeal of Impact Fee" and shall state the applicant's name, address, telephone number, address (if available) and legal description of the land development upon which the impact fee is imposed, and a statement of the nature of and reasons for the appeal. The village clerk shall schedule the appeal for consideration by the village board at a meeting as soon as reasonably practicable under the circumstances and shall notify the applicant of the time, date, and place of such meeting in writing by regular mail, deposited in the mail no later than at least three days before the date of such meeting. Upon review of such appeal, the village board may adjust the amount, collection, or use of the impact fee upon just and reasonable cause shown.

45.09 Impact fees.

A. The basis for the imposition of the water impact fees is the study and assessment conducted to establish the amount, implementation schedule and rational basis for imposition of the impact fee, which has been summarized in the Water Impact Fee Needs Assessment (April 2, 2025) prepared by Baxter & Woodman Consulting Engineers which is on file in the office of the village clerk and open to public inspection during normal business hours.

B. To place Section into effect, the village adopts an impact fee schedule, a copy of which shall be placed on file with the office of village clerk, where it shall be available for public inspection. The village board reserves the right, from time to time, to amend said schedule by means of a resolution to that effect.

C. Beginning January 1, 2027, the fees adopted pursuant to this section will be adjusted for inflation on an annual basis. This adjustment will apply to all fees in the schedule and will be based on the year-to-year change in the Midwest Consumer Price Index for All Urban Consumers (CPI-U) during the previous twelve (12) months.

D. Single-family units will be assessed one residential equivalent meter (five-eighths inches and three-quarters inches meter equals one REU). Duplexes and town homes will pay impact fees based on two residential equivalent meters. All other residential buildings, three-plexes or larger, and any other buildings (commercial, industrial, schools, etc.) will pay impact fees based on the size of the water meter(s) required. Irrigation meters greater than one inch will pay impact fees based on the size of the water meter(s) required.

E. An impact fee, as set forth in subsection D of this section, is levied against each residential equivalent unit constructed, altered, or improved within the village after the effective date of this section.

1. For new construction, each residential equivalent unit constructed or caused to be built by the owner of record shall be subject to the assessment of the impact fee.

2. For alterations or improvements to an existing residential equivalent unit, where a change in water meter size is requested, the owner of record shall be assessed an impact fee equal to the difference between the new water meter size and the existing water meter size on the residential equivalent unit.

3. The residential equivalent unit is the unit of measurement for assessment of the impact fee regardless of whether or not the proposed land development is residential, commercial, industrial, or institutional in nature.

F. These impact fees shall be collected until the capital costs associated with the projects specified in the report on impact fees have been incurred and satisfied unless such time period exceeds the limitations prescribed in Section 45.04.

Exemptions.

The following situations shall be exempted from payment of the impact fees as outlined in Section 45.09.

A. Alterations or expansion of an existing building where no additional or larger water meter connections are requested.

B. The replacement of a building or structure with a new building or structure of the same size and use where no additional or larger water and/or sewer connections are requested and where the use is not changed.

C. A change in water meter size shall not be exempted from payment of the impact fee; however, a credit shall be given for the current impact fee on the old meter size based on current rates. For example, at the time of an application for a change from a five-eighths inches meter to a one-inch meter, the impact fee would equal the current impact fee for a one-inch meter less the current impact fee for a five-eighths inches meter.

D. No impact fee shall be required, nor credited, for a change in water meter size that results in a decrease in meter size.

E. Any claim for exemption shall be made and filed prior to the time required for payment as provided by Section 45.09. Any claim not so made shall be deemed waived.

F. No impact fee shall be imposed in an amount necessary to address existing deficiencies in public facilities.

G. Upon village board approval, an exemption from or a reduction in the amount of impact fees on land development that provides low-cost housing may be made. As set forth in Section 66.0617(7), Wisconsin Statutes, no amount of an impact fee for which an exemption or reduction is provided under this subsection may be shifted to any other development in the land development in which the low-cost housing is located or to any other land development in the village.

45.10 Review.

The impact fees contained herein shall be reviewed by the village board when necessary, as a result of changing facility needs, revised cost estimates, capital improvements, changes in other funding sources applicable to public facility projects and other relevant factors in accordance with the standards for impact fees set forth in Section 66.0617(6), Wisconsin Statutes. Until changed by this process, the current fees shall stay in full force and effect.

45.11 Penalty.

(a) Any act constituting a violation of this ordinance or failure to comply with any of its requirements shall subject the offender, upon conviction, to a fine of not less than Twenty-five (\$25.00) Dollars nor more than Five Hundred (\$500.00) Dollars.

Dated at Paddock Lake, Wisconsin, this 21 day of May, 2026.

VILLAGE OF PADDOCK LAKE

By:



Alex Attiah, President

Attest:



Michelle Shramek, Clerk