



MEETING DATE: **May 19, 2026**

PREPARED BY: Joshua Clements, AICP, Planning Director

REQUEST: **CITY OF SUN PRAIRIE:** Introduction and discussion regarding the draft Cooperative Plan with the Town of Sun Prairie. **(PC25-3282)**

Background:

The State of Wisconsin Statutes provides two primary avenues for two or more local governments to coordinate to manage growth and change, General Agreements ([§66.0301](#)) and Cooperative Plans ([§66.0307](#)). The City of Sun Prairie has intergovernmental agreements with four of its five neighbors, the Town of Sun Prairie being the remaining. City staff and the Town board representatives have been working cooperatively with the Capital Area Regional Planning Commission on the creation of an agreement for the past several months. The negotiating team has arrived at a draft plan that satisfies representatives of the town and city staff.

The Town recently completed an update to their comprehensive plan and approached the city to create an agreement to manage future development and address some anticipated challenges. City staff and town representatives recognize the value in proactively and cooperatively planning to anticipate development and other issues of mutual interest.

Cooperative Plans allow neighboring jurisdictions to proactively plan for and agree on future growth and change, including boundary changes, land uses, infrastructure, and natural resources protection, in addition to improved coordination, certainty, and avoiding conflicts. Cooperative Plans are formal state-approved contracts reviewed by the Wisconsin Department of Administration (DOA) which is ultimately responsible for their certification.

Discussion

City staff have pursued the following general goals, informed by the Comprehensive Plan (summarized):

- (1) Define and protect a rational city growth area that controls land use, infrastructure, and political conflicts
- (2) Limit non-agricultural development in the town to areas unlikely to be in conflict with current and future city interests.
- (3) Reinforce communication and coordination mechanisms

The Town communicated the following goals (summarized):

- (1) Preserve the town tax base from annexation
- (2) Avoid a uniform “1 per 35 acres” subdivision standard in rural areas previously enforced by the County
- (3) Coordination of development and provision of city utilities- limit “proactive” utility extensions
- (4) Predictable boundaries and growth areas
- (5) Preserve farmland
- (6) Reinforce communication and coordination mechanisms

The cooperative plan creates four geographical areas of the Town (see Cooperative Plan Sections 7 & 8, and Map A):

- **Urban Development Area (UDA).** Approx. 1,300 acres (1,000 developable) in areas adjacent to the City, which would accommodate about one-third of the city's projected housing demand over twenty years. This allows property to be attached to the city via unanimous petition of the owners, an alternative to annexation, and prohibits town objection. No subdivisions are permitted while the property remains in the town.

We arrived at this land area through computation of land available to the west and north of the City through other intergovernmental agreements, and incorporated an anticipated amount of infill and redevelopment, to result in a sufficient area, with contingency, to meet the Dane County / CARPC 20-year housing need projection. The parties considered environmental conditions, current land uses and infrastructure to lands into this area that are most likely to develop and steer development away from less fragmented and higher productivity farming soils.

- **Rural Development Area (RDA).** Areas near existing nodes of rural housing, not near the city, where the City agrees to not enforce its ETJ authorities to enable the Town to grow its tax base.
- **Extraterritorial Authority Area.** The City and Town agree that only land uses permitted in the *current* town comprehensive plan, agricultural and limited lot splits, are permitted throughout areas of the town not within the UDA or RDA. Land divisions are subject to City review and confirmation, and the City agrees not to object to land divisions consistent with the Town's comprehensive plan.
- **Highway N Corridor Joint Planning Area.** An overlay area following County Highway N, the City and Town recognize the importance of this corridor for each jurisdiction, the likely development pressure, and aspires to create a joint plan for managing future development.

The plan also contains provisions concerning the coordination of infrastructure, including the city attaching the full rights-of-way adjacent to attaching properties, and that construction traffic shall avoid town roads wherever possible.

City Benefit	Town Benefit
UDA enables rational outward growth	Creation of RDA creates areas of rural development not subject to city ETJ review
Streamlined attachment of properties in the UDA to the city	Creation of RDAs allows expansion of tax base to help offset value lost to annexation
Town may not contest attachments in the UDA	Alternative revenue sharing vs. conventional annexation
No town rezoning or subdivisions allowed in the UDA	New city development shall coordinate and limit impacts on town infrastructure.
Continue to enforce ETJ in most of the Town; areas outside of the UDA and RDA are reserved for ag use and very limited lot splits. This trade-off is farmland preservation and fewer long-term barriers to city development, and less opportunity for town tax base growth	Annexation of property outside of the UDA not allowed unless the Agreement is amended. This limits available land for development to a predictable area for duration of the Agreement
Town islands are allowed, with sunset dates for planning and continuity of city services and infrastructure, ensuring management challenges will be limited	Town islands reduce impacts on affected properties.
Greater predictability, lower likelihood of disagreements	Greater predictability, lower likelihood of disagreements

Town Islands

Town islands are land that is within the jurisdiction of the town but are surrounded by property incorporated into the city. Creation of town islands is not permitted by State Statute through conventional annexation and may be allowed through an intergovernmental agreement.

Town islands are created typically due to new developments that leave out property owners that are not cooperating in an annexation, typically rural housing on private sewer and water systems.

Allowing the creation of town islands per this plan enables city development to be more rational and compact than common alternatives of designing and leaving long undeveloped “flag lots” of property remaining in the town for legal continuity. Creating islands reduces conflict between property owners and also allows a city to grow around these areas that may otherwise create “walls” that effectively create de-facto growth boundaries.

Town islands create challenges for each jurisdiction.

- Residents utilize city roads, parks, etc., without paying city taxes. By their nature, they often have little or no town infrastructure and require use of city roads to access.
- Create a patchwork of different service providers, which can create delay, confusion, administrative costs in police, fire, snow removal, and other local services.
- Create barriers to efficient future growth through compact infrastructure and utilities.

The Plan allows (A) the creation of town islands in the Urban Development Area (see Map A), and (B) that property in these islands automatically are attached to the city after twenty years to eliminate long-term challenges to governance and growth.

Revenue Sharing

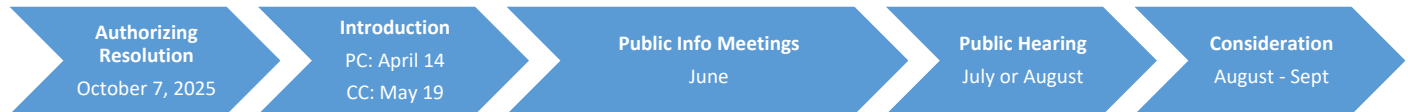
The State Statutes provide for the town to receive five years of payments from the city in the amount equal to the town share in the year the attachment is made. For undeveloped land, these payments are typically small due to relatively low assessment value of farm and undeveloped property.

A primary goal stated by the Town in this agreement is to improve financial resilience and predictability through the creation of limited Rural Development Areas in the town, and through an alternative revenue sharing arrangement.

The Plan modifies the standard revenue sharing arrangement of 5 years to 10 years (except for attachment of town islands), which we believe is a reasonable compromise in exchange for town island and urban development area provisions.

Timeline

City staff expect the process to require approximately three months from introduction to the Plan Commission to potential adoption by the City Council and Town Board. This is due to the overlapping mandatory notice and comment periods required by Wisconsin Statutes and timing of city and town meetings. The following is an approximate timeline:



As shown in the enclosed process flowchart, a public hearing must be scheduled for at least 60 days after adopting the authorizing resolution, with an additional 20-day comment period following the hearing prior to considering adoption of the plan.

Recommendation

Staff recommends that the Council affirm the content of the Cooperative Plan and authorize city staff to determine a date for a Joint Public Hearing with the City Council and Town Board. The hearing requires quorum of the Council and Town Board with a 30-day public notice. Public information meetings will be held in the City and Town.

Attachments

- Cooperative Plan, public draft 2025-0327
- Cooperative Boundary Plan Process Flowchart (WI DOA)
- Cooperative Boundary Plan Factsheet (WI DOA)

File: **PC25-3282**

Parcel ID#: N/A