Kane County Road Improvement Impact Fee Advisory Committee

Kane County Government Center

Meeting Minutes - April 19, 2006

Members in Attendance:

Chairman Don Wolfe	Kane County Board
Vice Chairman Frank Griffin	Kane County Economic Development Advisory Board
Christine Klein	Fox Valley Association of Realtors
Jeffrey Schielke	City of Batavia
Larry Keller	Village of West Dundee
Dave Morrison (alternate)	Village of Elburn
Christine Ludwiszewski	Attainable Hosing Alliance
Catherine Hurlbut	Kane County Board
Jan Carlson	Kane County Board

Others Present:

Carl Schoedel	Kane County Division of Transportation
Heidi Files	Kane County Division of Transportation
Tom Rickert	Kane County Division of Transportation
Jerry Dickson	Kane County Div. of Transportation
Steve Coffinbargar	Kane County Div. of Transportation
Atty. William Chesbrough	Kane County State's Attorney
Karl Fry	Intersect LLC, Consultant for Kane County
Phil Bus	Kane County Development Department
Kai Tarum	Kane County Development Department

I. CALL TO ORDER

Chairman Wolfe called the Kane County Road Improvement Impact Fee Advisory Committee meeting to order at 8:00 a.m.

II. ROLL CALL/ INTRODUCTIONS

A quorum was established with 9 voting members present.

III. PUBLIC COMMENTS - None

IV. MINUTES

January 18, 2006 Meeting Minutes - were approved on motion by Schielke, seconded by Carlson. Motion passed unanimously by voice vote of 9-0.

V. RECEIVING COMMUNICATIONS - None

VI. REPORTS

a) Discussion Topics for Revised Ordinance - Mr. Fry, with Intersect LLC, emphasized that today's topics for discussion were just for discussion purposes in order for members to begin thinking about the topics and bringing them to the own communities for discussion. A PowerPoint presentation of the five topics followed:

i) Exempt Development Types - The current ordinance includes six exemptions: 1) internal alteration of non-residential buildings, 2) expansion of a dwelling unit; 3) in-kind replacement; 4) public schools; 5) government buildings and 6) accessory buildings. Some possible additions to those exemptions could include temporary structures, affordable housing, senior housing, religious institutions, private schools, charitable organizations, hospitals, and not-for-profits. For informational purposes, Mr. Fry reviewed a list of exempt uses adopted by five organizations in the State of Illinois: DuPage County, Hoffman Estates, Kane County, Naperville, and Schaumburg. He pointed out that Kane County's current ordinance has very similar exemptions to the other organizations except for Naperville, which adds Temporary Structures and Religious Institutions as an exempted use. A comparison of exemptions in other states followed. Mr. Fry raised some of the issues that arise when considering exemptions: the uses still generate traffic; the ownership or use may change over time and loss in revenue could result; clear definitions are difficult to determine, i.e., defining "affordable housing"; the fee is not a tax; and, once exempt uses occur are under consideration, sometimes it is difficult where to "draw the line."

ii) Eligible Road Improvement Projects - Recalling that the county's current ordinance only allows county projects to be eligible for the impact fees, Mr. Fry explained that under the new ordinance, which will be a facilities-driven ordinance, the road improvement projects included in the Comprehensive Road Improvement Plan and the costs for those projects, will be allocated back to new development within their service areas. Possible changes to the new ordinance could include 1) state highways (which is allowed by state statute); 2) roads based on their functional classifications, such arterials, collectors, etc., without regard to jurisdiction; and 3) selectively significant regional projects, such as Illinois Route 47 or tollway interchanges. However, project eligibility issues could include 1) state routes could level out the fees due to a lack of county projects; 2) a significant fee increase could occur which could reduce the funds for county projects; 3) by adding state routes, it could discourage state funding, but if partially funding the projects, it could encourage more State projects; and 4) complex administrative issues would exist.

Fees could also be based on roads by functional classification as opposed to jurisdiction. Mr. Fry pointed out that once the Comprehensive Road Improvement Plan is completed, he will be identifying each of the projects on those roads to determine which roads should be eligible for impact fees. Some of the issues raised by using functional classification include 1) eligibility based on functional classification rather than jurisdiction; 2) the jurisdiction being insignificant to a driver; and 3) less funding is available for county projects. As to basing the fee on regionally significant projects, the Route 47 interchange and the local toll bridges could be considered significant projects and could be prioritized county-wide.

iii) Support for 2030 Plan - Some of the strategies to support the goals of the 2030 Plan include strengthening and directing development towards existing communities and using economic incentives such as exempting downtown in-fill and redevelopment and encouraging mix-used development, transit-oriented development, and low impact development. Dir. Tarum added that the 2030 Plan encourages mix-use development, walkability and getting residents out of their cars.

iv) Service Area Boundaries - Per Mr. Fry, two relevant and legal criteria must be considered when implementing fees for service area boundaries. First, the fees must be "specifically and uniquely attributable" to the development and must demonstrate a connection between traffic generated by the development and the fee that the development is charged. Secondly, the fee payer must receive a "direct and material benefit" from the fees paid. A couple of issues raised when considering revising the service area boundaries include: First, the uniformity of the fees. The more service areas there are, the more difficult it is to keep the fees level. Secondly, projects are needed in each of the service area and must be either multiple projects or projects of considerable size.

v) Next Steps - Chairman Wolfe emphasized to the committee that no decisions needed to be made today but instead to work steadily on the process. Mr. Fry indicated there was no real legal deadline on this matter until the county board sets the public hearing date. He further emphasized that the board members should return to their communities and organizations to discuss the information presented. Per Wolfe's request, Mr. Fry contrasted the needs-driven approach against the facilities-driven approach. Because projects could be chosen under the facilities-driven approach, Hurlbut expressed concern whether the county was being arbitrary in choosing its projects. She asked what other organizations or communities were using the facilities-driven approach. As to arbitrarily choosing projects, Mr. Fry explained that justification would be necessary. Concerning the larger projects and what occurs when they affect more than one service area, Mr. Fry explained the fee can be split between the service areas or it can be allocated on traffic generation, etc. However, where projects affect multiple areas, Mr. Fry stated it was a legal issue but he could justify it by the transportation planning and weighing the risks/rewards. He stated there is the likelihood that certain projects may be utilized more than others. Schielke agreed it was more fair if all projects were pooled together versus having individual service areas. Griffin concurred and added that the economic benefit of the development had to be recognized in the entire county. Keller explained a simple method and an equitable method needed to be determined. He suggested leveling the fee structure by using "rings" thereby expending a certain percentage of the funds towards those projects that were closest to the development. He explained that additional fees will never cover the full funding of the road improvements and the county and the state will always have to put in their own funds. Mr. Fry believed Mr. Keller's suggestion was worth a review.

Mr. Fry proceeded to explain a number of approaches that could occur when overlapping facilities-driven projects occur, noting that the facilities-driven approach provided the county with much flexibility. Further demonstration followed on how traffic generation, through modeling, would justify the fees between the areas. Hurlbut asked if the county could be divided into four quadrants, with the Critical Growth Area being the dividing line and reviewing the projects within those quadrants and balancing them out. Schielke asked if the fee schedule could be the same for each boundary area, wherein Mr. Fry stated it could which was why he was recommending that the county use the facilities-driven approach. Per a question, Mr. Fry stated he was recommending three to five service areas. Griffin asked to see a model whereby everyone pays the same set fee, but Mr. Fry explained that legally, the fee has to be calculated and the flat fee is not allowed.

In using four service areas, Ludwiszewski asked Mr. Fry's input on how urban and rural areas would be separated out, wherein Mr. Fry stated he would hold off his comment until the traffic modeling was reviewed, explaining the modeling results should be available in a couple of months. Griffin asked to see the top three models of staff's recommendations, wherein Mr. Fry stated some alternatives would be provided to the board.

For the next meeting, Chairman Wolfe said he would like to discuss the 2030 Plan and discuss the exempt development uses. Dir. Bus asked whether partial discounts could apply for projects in the Urban Corridor which relate to certain criteria that relate to the goals of the impact fee ordinance as opposed to a full discount, such as providing a 20% discount for a compact mix-use design development; 20% for walkability to a bus route; and/or 20% for housing and job creation. Mr. Fry indicated it could be done. Chairman Wolfe asked that the matter be discussed at the next meeting. When discussing exemption types at the next meeting, Hurlbut emphasized that members clearly define exemption types. For the next meeting, Griffin asked that colored maps and the latest definitions be provided to the members. Staff would e-mail them to members.

VII. OLD BUSINESS

Chairman Wolfe asked that staff hold future meetings in the lower auditorium. Regarding the 8:00 a.m. meeting time, Chairman Wolfe suggested that board members e-mail staff of their available times. Carlson stated he would like to review the appeals process and possibly streamline it. Dir. Schoedel concurred.

VIII. NEW BUSINESS

a) The next meeting was tentatively scheduled for May 24, 2006, 8:00 a.m. Staff would notify the board members with a confirmed date and meeting location.

IX. ADJOURNMENT

The meeting was adjourned at 9:28 a.m. on motion by Carlson, seconded by Morrison. Motion passed unanimously.

\s\ Celeste K. Weilandt
Celeste K. Weilandt, Recording Secretary