Kane County Road Improvement Impact Fee
Advisory Committee

Kane County Government Center
County Board Room

Meeting Minutes - December 20, 2006, 8:00 a.m.

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
Rick Dunlap	Fox Valley Building Trades/Local 150
Jeffrey Schielke	Mayor, City of Batavia
Larry Keller	President, Village of West Dundee
Christine Ludwiszewski	Attainable Housing Alliance
Catherine Hurlbut	Kane County Board

Others Present:

Carl Schoedel	Kane County Division of Transportation
Tom Rickert	Kane County Division of Transportation
Steve Coffinbargar	Kane County Division of Transportation
Jerry Dickson	Kane County Division of Transportation
Heidi Files	Kane County Division of Transportation
Phil Bus	Kane County Development and Transportation Group
Kai Tarum	Kane County Development Department
Patrick Jaeger	Kane County State's Attorney
Debra Allan	Kane County Board
Karl Fry	Intersect LLC, Consultant for Kane County
Dan Olsem	Crown Community Development
Brian Townsend	City of St. Charles
Sharon Gorrell	Realtors Association
Cynde Sawa	Centex Homes
Ray Keller	Village of Gilberts
Joel Cavalarro	Village of West Dundee
Perry Clark	Sugar Grove Economic Development Committee
Denny Wiggins	Fox Valley Home Builders
Tom Armstrong	City of Elgin
Jerry Deering	City of Elgin
John Noble	City of Batavia
George Brust	Village of Hampshire
Mary Randle	Metro West COG
Sue McLaughlin	Village of North Aurora
Michael Brown	Village of Montgomery
Joseph Heinz	Heinz & Associates Engineering, Village of Dundee
Scott Buening	Village of Sugar Grove
Sean Michels	Village of Sugar Grove
Daryl Devick	City of Aurora
Phil Page	City of Geneva
Chuck Radovich	City of Geneva

I. CALL TO ORDER

Chairman Wolfe called the Kane County Road Improvement Impact Fee Advisory Committee meeting to order at 8:07 a.m.

II. ROLL CALL/

A quorum was established with (8) voting members present.

III. PUBLIC COMMENTS

President Sean Michels, Village of Sugar Grove, stated that at last night's Sugar Grove Village board meeting, the members discussed the impact fee proposal. He proceeded to discuss the impact of the fees and their effect on a large national development (1.3 million sq. feet of retail) coming to the Village of Sugar Grove. At the county's proposed road impact rate, the fee would be $1.8 million; at 60% of the proposed fee, the amount would be $4.2 million; and at 100%, the amount would be $7.0 million. President Michels pointed out the village was making improvements to other agency roads, mainly the state. Currently, the village and a developer were in negotiations with IDOT to construct $16.0 million in improvements. The proposed impact fee would place a burden on the developer. In addition, Mr. Michels pointed out a number of projects the village was planning to improve, including Warren Road, Municipal Drive, and two bridges over the railroad tracks. A number of improvements were being planned in coordination with Will County. Michels asked for consideration of the impact fees and asked the county to consider the improvements that local municipalities were already making.

IV. APPROVAL OF MINUTES - Not available; deferred to next month.

V. RECEIVING COMMUNICATIONS -

Staff recently met with representatives of Tri-Cities which resulted in the Tri-Cities requesting staff to share the entire Brent Coulter document. The document was included in the members' packets. Also, the City of Geneva e-mailed comments regarding the CRIP list to KDOT staff which comments were included in members' packet.

VI. REPORTS

Fee Calculation Methodology - Mr. Fry reviewed how the costs per trip in the service area were determined (Hurlbut arrives), how the eligible project costs of a project were determined, and how the number of new trips were calculated. In addition, explanations followed on the Pass-by Trip Reduction Factor, the Diverted-Linked Trip Reduction Factor, and the Unit Impact Fee. For those land uses not published in the impact fee schedule, Mr. Fry was able to calculate an appropriate fee using the formulas above, as explained, and using the available data for that land use. President Keller asked if the Pass-by Trip Reduction Factor or Diverted Link Factor increased the overall cost to the fees that are remaining or was it a reduction factor in certain types of business, wherein Mr. Fry explained that, in summary, it was an allocation based on the actual impact fee for each use. As to how much time was spent in determining the calculations, Mr. Fry stated that specific appraisals were not done but estimates of how right-of-ways, etc., were factored into a project, were considered.

VII. OLD BUSINESS

A. Impact Fee Schedule- Mr. Fry reminded members that the fee table presented was the same fee table presented last week. A review of the fee table followed, noting that the residential use was based on dwelling units; retail and commercial based on square footage; and hospitals and nursing homes based on the number of beds. Mr. Fry reminded the members that the fees per trip were broken down by percentages of 100%, 80%, and 60% and that he recommend the county charge no more than 80% of the impact fees to allow for any overages or decreases of construction costs, other uncertainties, and state requirements. He reminded members that the County was looking to hold a public hearing on this matter in March or April, 2007. A discussion followed on the rationale for using the 80% figures. From a technical aspect, Mr. Fry explained that some of the projects were justified partially based on development outside the county and that some of the capacity generated by those projects would be incurred by development outside the county which was another reason that some of the fees could be slightly reduced. Mr. Fry supported using the 80% fees but not going any lower than the 60% fees since a technical basis supported the 60% rate.

Mayor Schielke discussed his past experience with developers in the industrial and warehousing area and explained that a "comparison shopping" was taking place between municipalities in the county. He preferred to see comparable fees from other counties, wherein Mr. Fry stated that DuPage County was at approximately the same fees as Kane County's current ordinance. He explained the fees between municipalities were more difficult to determine because many of them were negotiated through various agreements. Mr. Fry explained that Kendall, DeKalb, McHenry and Grundy Counties did not have legislative authority to put into effect impact fees. Mayor Schielke expressed concern about comparison shopping between the municipalities as it relates to industrial uses and believed it would negatively impact industrial and residential uses. Chairman Wolfe, however, commented on how Kane County benefited from those industrial businesses exiting Chicago and moving to Kane County.

Mayor Keller reiterated the issue was transportation and it had to be addressed. He emphasized that any change in the method of collecting funding was very difficult and, therefore, he suggested that the fees be phased in. Griffin was not against the fees so long as they were justified. He expressed concern about putting the burden on new development. Hurlbut pulled the discussion back around to the cost for roadway improvements, pointing out that the county cannot tax the existing development but, instead, must charge the new developments in fair ways and must consider the actual costs of construction. She suggested the cities provide better ideas if they knew of any. Mayor Schielke stated he supported a county impact fee but he did not want to negatively impact the county because of it. He was also supportive of a phase-in program with periodic reviews of the program.

Fee comparisons between retail and convenience markets were briefly reviewed. A comparison of diverted linked trips and pass-by trips for convenience markets and day cares were also noted, which Mr. Fry explained the figures being presented were straight out of the ITE Trip Generation Manual. He asked that if members were aware of any studies or numbers that were higher than those being proposed, to bring them to his attention. Mr. Keller inquired how close to the 10 years would the projects be completed, wherein Dir. Schoedel explained that if the fees were at 100% then he felt that most of the projects would be completed or have the funding available for those projects. However, because the 100% rate was not being considered, he expected the projects to take longer than 10 years. Mr. Fry reminded the members that the State statute requires the county to spend the monies in five years and, in essence, the county had 15 years to complete the projects. Mr. Fry mentioned that some of the projects may be "staged" and may have to be scaled back. Dir. Schoedel also added that another way highways were improved in the county was at the time of construction by the developers. If more projects could be made eligible for impact fee credits, more projects could occur.

B. Implementation Options for New Impact Fee Schedule - Mr. Fry reviewed six options for the new impact fee schedule, one of which included a phased-in approach. Details followed on how the county administered the last ordinance and when the new ordinance would take place, noting a specific date could begin the new process. Mr. Fry did point out that the longer the county delayed, the longer the fees were not collected. An explanation followed on the difference of when the fees were payable and when the fees would be determined. If the grandfathering option was chosen, Mr. Fry reiterated that he wanted to make sure that staff and the developers were clear on the intent of the ordinance. Mayor Schielke recommended the county using the phase-in process and start at 40% of the 80% fee rate and increasing it by 10% every year so that after five years it would reach 80% of the 80% figure, and that a review occur after the five years. Personally, he believed the fees could be used as a developer incentive to bring in development sooner rather than later since the fees would increase over the next years. The board could use its own discretion to review the program after a few years and adjust it accordingly.

Mr. Fry stated he would like to go to the public hearing with some recommendations the committee was considering. Once the public hearing occurred the committee had 30 days to define its final recommendation. He asked that if members wanted certain things to occur as an end result, that they provide staff with the information so that staff could work on language to implement it. Ms. Ludwiszewski pointed out the phase-in process at 40% would not be consistent across the board since a few of the services areas at the lower end would experience higher fees while some of the service areas would experience fees similar to the current ordinance. Discussion followed on how the fees should begin at 40% of the 80% and increase thereafter by 10% for the next five years, ending at 80% of the 80%. Hurlbut expressed concern about raising enough funding for the projects to be completed. She favored a higher percentage to pay for the road projects. Hurlbut clarified she was not looking at the cost of the roadway projects being funded but was looking at what percentage of the costs the county was covering, because whatever was not covered by the fees had to be covered some other way, pointing out that taxpayers did not want to pay for new improvements. **Mayor Keller moved to using the 80% column as the base for the new fee calculation. The fees would then start with 40% of the 80% column (which equals 32%) and increase uniformly by 8% per year to arrive at 64% at the end of five years. Motion died for lack of a second.**

Staff then presented new percentage figures on the overhead for clarification. Ms. Ludwiszewski voiced her dissatisfaction over the increase, but Hurlbut discussed the fact that the approach was different and in order to make it more equitable, the committee addressed the fees as best as it could with the previous ordinance. Now it was addressing the fees more accurately as to the costs of the roadway improvements with the facilities driven approach. **The matter was tabled to Friday January 12, 2007 (tentatively), 8:00 a.m. in order for the municipalities to address the new percentage figures and to allow for additional input on motion by Griffin, seconded by Ludwiszewski. Motion carried unanimously.** Staff would present the new figures as discussed on the overhead.

VIII. NEW BUSINESS

A. Recommendation of Public Hearing Date - Deferred.

B. Next Steps -

C. Schedule Next Meeting - The committee concurred to hold its next meeting on January 12, 2007, 8:00 a.m.

PUBLIC COMMENT

Mr. Brian Townsend, City of St. Charles, was of the understanding, after hearing member comments, that 60% would be the ceiling based on two bullet points discussed. Mr. Fry clarified that the 60% figure was not the ceiling but instead was the 80% figure and that there were good reasons from a policy standpoint to consider reducing it further to 60%, if this Committee so choses

Ms. Ludwiszewski asked that staff provide a response to Brent Coulter's letter. Mr. Schoedel stated staff did provide responses to the letter at the last meeting and it was a condensed version. However, he offered to expand on the responses if necessary. Griffin asked for clarification of the Discussion bullet points regarding the 60% figure, wherein Mr. Fry said if it was believed, from a policy standpoint, that a fee should be lowered, the lower five bullet points *could* be used as justification for lowering the fee.

President Sean Michels, Village of Sugar Grove, believed Kane County was similar to Cook County in that it was creating a revenue stream. He stated the CRIP list was a wish list and the projects would be going to other counties and negatively affect the county.

Mr. Joel Cavallano, Village of West Dundee, asked for clarification about an earlier comment on a 2% gas tax and funding for the RTA. Hurlbut explained her comments.

IX. ADJOURNMENT

The meeting was adjourned at 10:00 a .m. on motion by Keller, seconded by Schielke. Motion carried.

Celeste Weilandt
Recording Secretary