MEMORANDUM

TO: Advisory Committee Member
FROM: Jerry Dickson
Coordinator
DATE: October 18, 2005
RE: November 1 Meeting Packet

The Impact Fee Advisory Committee met on October 4 to discuss the update of Ordinance 04-22 and details of the development of this process. Several members requested information on the development of the current program prompting the following packet items:

Typical Information
- Agenda for November 1 meeting.
- Draft minutes of October 4 meeting

Additional Information
- Brief synopsis of the current program development.
- Copy of letter to municipalities requesting assistance in obtaining information to assist in developing land use assumptions for the proposed program.
- 2030 Executive Summary (includes Land Resource Management Plan and Transportation Plan on CD).

Please review this information before the November meeting to familiarize yourself with the data, issues and procedures enabling us to have a productive and efficient meeting.
KANE COUNTY ROAD IMPACT FEE ADVISORY COMMITTEE
AGENDA

November 1, 2005
8:00 AM

Kane County Government Center
County Board Room
719 Batavia Avenue, Building "A"
Geneva, IL 60134

1. Call to Order
2. Roll Call
3. Public Comment
4. Approval of Minutes of Meeting of October 4, 2005
5. Receiving Communications
6. Reports
   a. Staff Report – Previous Analysis of Existing Deficiencies
   b. Progress Report – Land Use Assumptions
7. Old Business
   a. Discussion on Interim Report
   b. Discussion on Facilities Driven approach to calculating fees
   c. Discussion of Kane County 2030 Land Resource Management Plan and
      Transportation Plan
   d. Synopsis of previous IF program development
8. New Business
   a. Schedule Next Meeting – Tentative date of December 6, 2005
   b. Transportation Committee recommended to County Board a December 20
date for the Public Hearing on land Use Assumptions
9. Adjournment
Kane County Road Impact Fee
Advisory Committee
Kane County Government Center
Meeting Minutes - October 4, 2005

Members in Attendance:
Chairman Don Wolfe
Vice Chairman Frank Griffin
Christine Ludwieszewski
Rick Dunlap
Catherine Hurlbut
Larry Keller
Christine Klein
Marilyn Michelini (Alt. for J. Schielke)
Dave Morrison (Alt. for J. Willey)
Jan Carlson

Kane County Board
Kane County Economic Development Advisory Board
Attainable Housing Alliance
Fox Valley Bldg & Constr. Trades Council/Local 150
Kane County Board
President, Village of West Dundee
Fox Valley Association of Realtors
Village President for Montgomery
Village Administrator for Village of Elburn
Kane County Board

Others Present:
Carl Schoedel, Dir. Kane County Div. of Transportation
Tom Rickert, Kane County Div. of Transportation
Jerry Dickson, Kane County Div. of Transportation
Heidi Files, Kane County Div. Of Transportation

Steve Coffinbargar, Kane County Div. of Transportation
Karl Fry - Intersect LLC, Consultant for Kane County
Phil Bus, Development Exec. Dir.

I. CALL TO ORDER
Chairman Wolfe called the Kane County Road Improvement Impact Fee Advisory Committee meeting to order at 8:05 a.m.

II. ROLL CALL/INTRODUCTIONS
Members introduced themselves. A quorum was established with ten voting members present.

III. PUBLIC COMMENTS - None

IV. MINUTES
Approval of May 18, 2005 Minutes - Keller moved to approve the minutes as presented, seconded by Dunlap. Motion passed unanimously by voice vote of 9-0.

V. RECEIVING COMMUNICATIONS - None

VI. REPORTS
A. Committee Organizations and Responsibilities
i) Discussion - Mr. Karl Fry, President/owner with Intersect, LLC, reported he has been retained by Kane County to provide advice to this committee and will be providing the technical work on this project. This committee will be involved in the process, and will have information available on which to make its decision. Mr. Fry asked the committee to contact him personally with any questions. Mr. Fry walked through the information that was already provided in each of the members’ binders. Future meetings will include an agenda and a PowerPoint presentation and he will follow-up to make sure the alternates have the information.

ii) Election of Vice Chairman - Chairman Wolfe opened up the meeting to take nominations for the position of vice chairman. Griffin nominated Christine Klein. Hurlbut nominated Frank Griffin. Christine Klein declined her nomination. Frank Griffin was appointed as Vice Chairman by voice vote of 9-0.

B. Presentation - Impact Fee Program Update - Mr. Fry discussed that state legislature requires the formation of this body to review impact fees, advise the county board as to the issues related to road impact fees and advise the County Board on land use assumptions and the comprehensive road improvement plan. A further summary followed on what this committee’s responsibilities included.
i) Reason for Update - Mr. Fry explained the reason for this update was principally due to a large variation in the fees, the current ordinance being somewhat inconsistent with the goals of the county's Comprehensive Plan; and to update the current methodology used to calculate the impact fee.

ii) Alternative Calculation Approaches - Currently the county's approach is "needs driven" which is a approach similar to DuPage County whereby the county calculates the amount of road capacity which is consumed by land development and then the developer is charged for that amount of road capacity. The proposed approach is a "facilities driven" approach whereby the cost of needed road improvements are allocated to new development based on traffic generation. Mr. Fry noted that every decision this committee makes as it relates to land use, or a project added or deleted, will have an impact on the fees. He further explained that the facilities-driven approach will review current and existing land use (model) for the future, using the best data available. Next, the Comprehensive Road Improvement Plan (CRIP) will be updated to include bridge development, storm sewer areas, etc. to develop cost estimates. Mr. Fry also stated this committee must consider the option of including state roads in the program or not. Including them in the program would level out the fees from one service area to the other. Currently, legislation allows the county to charge impact fees for state roads. Next, new trips from the new land use will be calculated. Next, the costs of the plan will be divided by the number of trips to give the impact per trip to the county. From there, larger service areas, possibly three or four areas, will be developed with the goal to make the impact fee program consistent with the county's overall planning goals, and benefit the county as a whole. Griffin noted that at prior meetings there was concern that the trip length data being used in the current ordinance would not be old, wherein Mr. Fry concurred and indicated that due to the time it takes for that data to be updated, it would not be available to this committee. But, the data was not necessary because with the new processing the trip length was not a critical element to the calculation. What was important was trip generation and the relationship between one type of land use from another. The City of Naperville uses the facilities-driven approach.

iii) Service Area Issues - Service areas are required by state statute. Mr. Fry explained that the City of Naperville has one service area while DuPage County has nine. He envisions three or four service areas for Kane County depending upon the different roadways being considered for the CRIP, i.e., collectors, arterials, strategic regional arterials, etc. Recalculating the last formation of the service areas, Griffin stated boundary lines were drawn to differentiate the service areas. He asked in the new proposal whether Mr. Fry saw a transition within those areas or would a line be drawn, wherein, Mr. Fry explained that boundary lines would make a difference. However, by adjusting boundaries ever so slightly, it would make a change in the fee. Mr. Fry noted that two concepts are important when considering service areas. First, fees have to be "uniquely and specifically attributable" to the impacts of a development. Second, fee payers must receive a "direct and material benefit" from the expenditure of the fees. Therefore, the fee that was charged for a large development had to be equitable to the development and the developer had to receive a benefit for each dollar he paid in fees. Hurlbut questioned the calculation of an impact contribution when a subdivision is created, for example, 12 or 13 miles away from an Interstate intersection and benefits from it. Mr. Fry explained how the SRA's may have a direct material benefit to that subdivision. He suggested that when going through the process it may be necessary to allocate the costs of the real major projects throughout the county and then only the ones within the service areas and calculate them out to be more equitable.

iv) Consistency with other Planning Documents - The County adopted the 2030 Transportation Plan and the 2030 Land Resource Management Plan on October 12, 2004. However, those two plans where adopted after the implementation of the existing impact fee program. Mr. Fry will be bringing in the documents. Chairman Wolfe suggested that staff provide copies and the CD-ROMs of both 2030 plans to the members and their alternates.

v) Public and Municipal Involvement - Mr. Fry emphasized that it will be important for the county and this committee to receive adequate input from the public and the municipalities on this matter. In addition, he recommended that the members speak to other county board members to receive their input. Mr. Fry will be forwarding a monthly status report to county board members to keep them updated.

vi) Ordinance Update Schedule - Mr. Fry provided a meeting schedule for the next 18 months. The following is proposed: 12/20/05 - hold a public hearing on land use assumptions; 1/23/06 - provide a recommendation to the county board on land use assumptions; 7/19/06 - hold a public hearing on the Comprehensive Roadway Improvement Plan and impact fee ordinance revisions; 8/17/06 - provide a final recommendation on the Comprehensive Roadway Improvement Plan and ordinance revisions; and 10/10/06 - the county board adopts the Comprehensive Roadway Improvement Plan and revised ordinance. Mr. Fry explained the importance of meeting the necessary time constraints and the requirements of holding public hearings. He asked members to contact him via cell phone or email him with questions or concerns at kfrc@Intersect-LLC.com.

Questions followed as to whether certain roadways could or could not be included as part of the CRIP, wherein Mr. Fry explained that if there was an existing deficiency, it was not fair to charge developers to fix the deficiency because it was there prior to the development. However, Mr. Fry believed those types of projects should be included in the CRIP, but funding would have to be found. If a minor fix to a road was required before a development occurred but now required much more money after the development, Mr. Fry explained that the developer was required to pay the difference. Regarding exemptions from certain uses, Mr. Fry said that this committee could recommend to the county board that no exemptions be allowed or that certain uses be exempt.
Two ways of exempting existed: First, one would calculate the fees based on projected land use and then exempt certain land uses; or, secondly, one would exempt land uses from the calculation fees and have everyone else pay for the fees, which Mr. Fry did not see as being very fair. Lastly, Mr. Fry mentioned this was a good time to begin thinking about those types of matters and he encouraged the members to think about the county’s Comprehensive Plan and how it encouraged redevelopment in historic downtowns. He posed the question to members whether historic downtowns should be exempt or discounted.

Per a question about continuing to hold back certain percentages and whether they would be affected by the process, Mr. Fry stated that holdbacks would not be affected. Hurlbut asked if the county could modify or better define the definitions in the state’s statute, whereby Mr. Fry stated that better clarification could occur if the county board could amend the technical specifications and procedures manual to give better guidance of what was expected. Chairman Wolfe directed Dir. Schoedel, Attorney Chesbrough and staff to review the definitions for better clarification.

Ms. Ludwiszewski asked Mr. Fry to provide an explanation as to why DuPage County’s needs-driven approach worked for so long but has begun to fail. Mr. Fry explained that the needs-driven approach worked for DuPage County in that it generated money for the county, whereas, that approach in Kane County may not work. He believed that if Kane County was trying to plan for the future, the facilities-driven approach was the most flexible and was envisioned by State statute. Mr. Fry reminded the members that this committee and the county board could still continue to use its current approach. Instead, however, he believed Kane County had an opportunity to be a model for other counties. Chairman Wolf also agreed, noting the last approach by Kane County did not appear to work well and the county found that out toward the end of the process. The facilities-driven approach appears to potentially generate more fees, better meet the goals of the 2030 Land Resource Management Plan and to address the variation in fees between service areas.

Griffin asked whether this board would be revisiting the CRIP deficiencies, determining the existing/future deficiencies, and how they would be calculated, wherein Mr. Fry explained that the CRIP could be revisited but he did not recommend it. Existing deficiencies only applied when an impact fee ordinance was first adopted. Once the impact fees were adopted, any deficiencies that occurred were due to development that was subject to paying a fee. Therefore, the county would be chasing a moving target. Mr. Fry stated that if the committee determined it wanted to revisit the deficiencies, it could review them early in the process. Chairman Wolfe recommended that staff provide a list of the existing deficiencies at the next committee meeting.

Rickert was hoping to would stay away from the deficiencies since much time and effort was done on the project. However, he offered to explain what the deficiencies were at that time and how they were discerned. Dir. Schoedel discussed the steps that staff took prior, explaining that the baseline information was available. This time around in the process, Mr. Fry believed better land use data existed as compared to the last time. Mr. Keller agreed there was much growth in the area, but the transportation grid needed to be current in order to collect the impact fees. He also believed that in trying to be fair, someone would always complain in the end. Conversation follows on the Catch-22 cycle of development.

VII. OLD BUSINESS

Mr. Jerry Dickson noted that two outstanding issues still existed: religions institutions and determining the fees for the Tri-Cities area. Currently, Mr. Dickson worked out agreements with religious institutions and the matter has not been resolved yet. Hurlbut asked staff to find out how other counties have handled religious institutions. Griffin asked whether new members of larger communities should be added to the committee list, wherein Rickert noted that the Kane Council of Mayors did select Mayors Schielke, Keller, and Willey to represent all of the municipalities.

VIII. NEW BUSINESS

Schedule Next Meeting - Members agreed to hold their next meeting on November 1, 2005, 8:00 a.m., Kane County Board Room, to discuss land use assumptions and existing deficiencies.

IX. ADJOURNMENT

The meeting was adjourned at 9:23 a.m. on motion by Keller, seconded by Griffin. Motion passed unanimously.

Celeste K. Weilandt
Celeste K. Weilandt, Recording Secretary
October 18, 2005

Brief Synopsis of Current Program Development

This is a synopsis of the meetings held during the development of the original Impact Fee Program in chronological order. Bullet points are representative of the highlights of the meeting.

December 9, 2002
First Advisory Committee Meeting

- Don Wolfe appointed chairman by County Board, Frank Griffin was elected Vice-Chair per the By-Laws.
- Goals and Methodology – State Statute (605 ILCS 5/5-901 et. Seq) guides the development of the program. Fees are used to correct future not current deficiencies.
- First step is the development of Land Use Assumptions. The assumptions are projected changes in land use for commercial and residential densities in conjunction with population and employment over a 20-year time period. The research data for this project was the NIPC 2020 projections and the 2000 census.
- Development of the Comprehensive Road Improvement Plan (CRIP) is another element. Components of the CRIP include: intersection improvements/signalization, road widening/expansion, bridge improvements and Right-Of-Way acquisition.
- Fee determination formula inputs: number of new trips, average trip length, % vehicle miles traveled on county road system, capacity of one roadway lane-mile operating at an acceptable level of service.
- Timelines for public hearings and County Board decisions are specific in the State Statute.
- CRIP must be updated at least every five years and may not be amended more than once a year.
- The By-Laws and responsibilities of the Committee were explained.

January 22, 2003
Advisory Committee Meeting

- Reviewed population data, which is half of the land use assumptions. Staff is developing the land use assumptions and bringing them to the committee for review.
- The methodology to develop the control totals are detailed. The County Engineer referred to a graph that showed the control totals for the 2000 census number (404,119), the NIPC adopted 2020 projection (552,034), the 2023 projection (582,271), and the preliminary 2030 projection from NIPC (750,000). We added about 10,000 people per year from the 2020 projection to the 2023 projection. Once the control totals were developed, the growth needed to be distributed.
- Growth “Hot Spots” were identified from input from both the Transportation and Development Departments and NIPC staff. Hot spots varied (municipal Comprehensive Plans, Land Use and Boundary Agreements, platted/planned subdivisions).
• Planning Partnership Areas (PPA) are used as districts or service areas for the Impact Fee program.

February 5, 2003
Advisory Committee Meeting

• The methodology used to develop assumptions about future employment was explained.
• Proposed control totals were 215,726 for 2003, 246,894 for 2013, and 278,061 for 2023.
• The 2013 employment number (246,894) exceeds the 2020 adopted NIPC forecast (231,620). NIPC underestimated what the actual employment would be (an increase of approximately 3,000 jobs per year).
• The projections help to characterize where people will be traveling (future travel demand).
• Committee was interested in determining the percent of jobs in relationship to the population.

April 10, 2003
Public Hearing on Land Use Assumptions

• Public hearing held to inform and discuss the proposed land use assumptions to the general constituency of the County.
• Staff explained the service areas proposed along with land use assumptions.
• Comments from the public reviewed by the Advisory Committee to incorporate into the recommendation to the County Board on land use assumptions.
• Explanation that NIPC 2020 numbers were used with minor adjustments to meet the 20-year projection of 2023.
• Question raised concerning municipal involvement in the development of the land use assumptions. Followed with explanation that (3) members of the Advisory Committee are municipal representatives.
• Changes are possible once the assumptions are adopted? Once adopted, changes to the land use assumptions are incorporated during the update, which is required by statute a minimum of once every five years.

April 23 2003
Advisory Committee Meeting

• Questions arose as to whether the municipalities were involved or had knowledge of the program. The County Engineer and the Asst. State’s Attorney stated that we followed the State Statute concerning notification. Chairman Wolfe suggested we spend more time on notifying the municipal representatives.
• Advisory Committee voted to recommend the land use assumptions developed to the County Board for the June 10, 2003 meeting. This meets the statute’s requirement of within 30 days of the public meeting.
• Annual updates cannot increase the total project cost by more than 10%. If more than 10% then a full update will be necessary and require a repeat of the entire process.

June 10, 2003
Kane County Board

• Resolution #03-206 approved and adopted by the Kane County Board on the Land Use Assumptions recommended by the Impact Fee Advisory Committee.

September 3, 2003
Advisory Committee Meeting
• Committee is moving into the second half of the Impact Fee Program development.
• Determining the roadway segments and intersections that are currently deficient or future deficiencies for inclusion in CRIP.
• Determination of fees, credits and developing the Comprehensive Road Improvement Plan are the primary objectives. CRIP outlines where the funds collected may be spent.
• Consultant reviewed the inputs to the fee formula based on the needs driven approach as used in DuPage County that includes new trips generated, VMT, capacity and cost for construction of new lane mile.
• Use of PM Peak Hour (4pm-6pm) traffic numbers as factor in formula.
• Technical Specifications Manual outlines the process and the details for the fee schedule by service area.

September 10, 2003
Advisory Committee Meeting

• Completed review of the draft Technical Specifications Manual.
• Public comment period will begin October 3, 2003 and run until the date of the public hearing.
• Public hearing for both the CRIP and Technical Specifications Manual are set for November 18, 2003.
• Chairman requested copies of draft documents sent to all Mayors, Administrators, Public Works departments and Township Road Commissioners.

October 8, 2003
Advisory Committee Meeting

• Verified that CRIP and Technical Manual were released for public comment and on the website.
• Began discussions on the language for Road Impact Fee Ordinance. Minor changes in definitions and administrative fee.
• Broad viewpoints on when to collect the fees, during platting or prior to issuance of building permit.

November 18, 2003
Public Hearing on CRIP and Imposition of Road Improvement Impact Fees

• Meeting consisted of acceptance of public comments:
  1. Attainable Housing Alliance – Prefer to institute the additional 2 cents a gallon gas tax that is available to the County board as an alternative for funding infrastructure improvements.
  2. City of Elgin – recommends that the development approval date be used for assessing fees rather than follow the state statute (building permit or certificate of occupancy).
  3. Village of Sugar Grove – Concerns over level of public input, assess fees to residential development and exempt commercial, fairness and service area delineations.
  4. Additional public comments referred to the 2 cents per gallon gas tax as an alternative to the impact fee.
• Consultant gave brief explanation of the fee schedule and formula for computing fees.
• Discussion of current and future deficiencies, how they were derived and the process to improve future deficiencies as defined in the statute.
• Public comment period ends November 25, 2003 and the next Advisory Committee meeting will be held on December 10, 2003 to recommend action to the County board.

December 10, 2003
Advisory Committee Meeting
• Review of public comments from the November 18, 2003 public hearing.
• Changes to impact fee schedule should be phased in. Vote 7-0 to instituting a maximum cap of 10% plus the construction cost index (as set by the Engineering News Record) to phase in future impact fee increases.
• Mayor Schielke moved to have staff examine the fee schedule as it applies to the commercial and industrial land uses and report back to committee. Vote 7-0.
• McConnaughay moved to recommend to the County Board to either adopt, reject or modify the proposed Comprehensive Road Improvement Plan and Imposition of Impact Fees, as amended by the Committee on December 10, 2003, with modifications to the fee schedule for the commercial and industrial land uses pending the staff report to the County Board. Vote 7-0.

January 13, 2004
Kane County Board

• Resolution 04-21 adopted by a 19-7 vote to adopt Ordinance 04-22.
• Moved by Wyatt and seconded by Wolfe that Ordinance 04-22 be modified.
• Motion by Hoescheit, seconded by McConnaughay to amend #04-22 to exempt hospitals, nursing homes and medical/dental offices. Motion failed 7-19.
• Motion by Carlson, seconded by Mitchell to amend #04-22 by adding section 25, Direction from the Board to Transportation Committee and all parties involved, to review #04-22 within 30 days of passage. Motion failed 6-19.
• Roll call on #04-22. Ordinance #04-22 approved. Vote 18-7.

April 1, 2004
Effective date of Ordinance 04-22.
KANE COUNTY

TRANSPORTATION PLAN

ADOPTED OCTOBER 12, 2004

EXECUTIVE SUMMARY
October 18, 2005

RE: Land Use Assumption Update

Dear:

In response to concerns regarding the equity of Kane County’s Road Improvement Impact Fee Ordinance, the County has begun to undertake an update of the Road Improvement Impact Fees program. During this update, the County will investigate a different methodology, known as the “facilities-driven” approach, which is a more flexible and supportive approach to the County’s overall land use planning goals. The County has retained Intersect, LLC to conduct the additional analyses required to perform this update. Intersect, LLC will work closely with the Road Improvement Impact Fee Advisory Committee, which includes several municipal representatives appointed by the Kane/Kendall Council of Mayors.

The first phase of the study consists of an update of the existing and projected land use assumptions, which are integral to the development of the fee calculations. A representative of Intersect, LLC will be contacting you shortly to set up a meeting to review available data and coordinate any subsequent efforts. We are asking that you cooperate in this effort by providing Intersect, LLC with your Comprehensive Plan and additional information you may have regarding the following general types of data, preferably by quarter section:

1. Number of Households
2. Housing Density
3. 2005 Population (or latest interim census since 2000)
4. Total Employment
5. Existing (2005) land use and estimated employment data, along with projected (2015) land use assumptions, preferably exhibited in acres as follows:
   - Industrial
   - Office
   - Retail
- Service
- Hospital
- Educational
- Various Residential Types

Feel free to contact Steve Coffinbargar at (630) 584-1170 if you have any questions. We thank you in advance for your timely assistance on this important project.

Sincerely,

Carl Schoedel, P.E.
County Engineer

cc: file
    Karl Fry – Intersect, LLC