

Village of Fox Lake
Impact Fee Special Committee Meeting
January 11, 2006
6:00 p.m.

I. Call to Order – 6:07 p.m.

II. Roll Call

Present Chairman Ulasz, Trustee Beskow and Trustee Murrey. Bill Hart was also in attendance.

III. Discussion of Impact Fee Ordinance

Chairman Ulasz stated we are here tonight to discuss the Impact Fee Ordinance, to review the impact fees we currently have and how they compare with other Villages. We would eventually make a decision as to the recommendation to the Village Board regarding Impact Fees. Bill Hart provided an Impact Fee Study Spreadsheet that they had compiled.

Trustee Beskow stated he would like to compare what Bill Hart has provided to us and what Dr. Benedetti provided to us regarding Impact Fee analysis. He asked Bill Hart if he had an opportunity to review that and if there was any place that showed a large difference.

Bill Hart stated the one that really jumps out at you is Mc Cullom Lake; they want \$4,500.00 for one, two or three bedroom. Island Lake has both an impact fee and a tax lag fee; it was my understanding that the impact fee was the tax lag fee so I do not know what they are doing with both of the fees included.

Chairman Ulasz stated comparing Antioch he really has a large difference between the two fees. Bill Hart stated it seems inconsistent as to how he put these together. A lot of them are based on the Naperville formula, one of the areas he talked about of students per household and then they talked about Tuition Fee, which is new to me. I would say on the average we are very close. One of the indications that Dr. Benedetti worked on was Richmond and their fee schedule is similar to Mc Cullom Lake, which is \$4,000.00 for everything and yet we are still pretty close to them on the attached single family homes. I feel we are on the high end of the fees.

Chairman Ulasz asked Bill Hart if he looked at our neighboring communities like Volo, Spring Grove and Lakemoor. Bill Hart stated Spring Grove is also Nippersink School District. I have discussed this with the Nippersink School District since we are getting close to their area. The only thing we have now in their School District is Sundial Farms and they negotiated an Impact Fee with them 15 years ago with the Annexation Agreement. It is extremely low for the square footage of the home. Trustee Beskow stated Dr. Benedetti has listed \$1.79 per square foot for the Nippersink School District. Volo has been much lower than ours. Bill Hart stated very seldom do you see a 5 bedroom unit, most of the time it is a 2 or 3 bedroom unit even for town homes.

Trustee Beskow asked if Lake County has an impact fee for schools. Bill Hart stated they put a system that they put together this last year of recommendations, but they have not passed an impact fee yet. Mc Henry County has a fee but Lake County does not as of yet. Trustee Beskow stated so they are putting the burden on us, or impact fees are paying for the County residents to come to our School Districts. Bill Hart stated in a way yes, but if it is unincorporated the County is the only one to be able to collect. Trustee Beskow stated he understood that but look at all the students we have such as Vista Subdivision, Lotus Woods Subdivision and they have no impact fees paid. Trustee Murrey stated he thought it was passed by the County, Bill Hart stated he would check but he thought it only a recommendation at this time. The recommendation is based on the Naperville formula, which is based

on the number of children plus a flat fee. Attorney Teegen was looking at a different formula but I haven't had any more discussions with him on that.

Bill Hart stated Antioch reviews and redoes their ordinance every year. The school systems are asking us to put a cost of living raise in the ordinance. Trustee Beskow stated what Dr. Benedetti is asking for is a \$400.00 increase and in addition a CPI increase annually. I don't know if we want to raise any of our base figures. I see no problem with adding the price index on it. Bill Hart stated he kept on referring to Richmond and Lakemoor which are the two highest ones, even with the \$400.00 increase it wouldn't bring us up to them. Trustee Beskow stated another item we might want to consider if we are going to change the impact fees are we going to change the structure. Such as Lake Villa where they have fees for Roads, Fire Protection, Police, Library etc. Bill Hart stated this has come up before for consideration.

Chairman Ulasz wanted to make sure it was clear besides the Impact Fees that goes to the Schools, we have the Library at \$210.00 per household and Parks for \$2,000.00 each home. We seem to be in line with the four bedrooms and in the average for the three bedrooms. Trustee Beskow stated quite a few locations don't necessarily go by bedroom but square footage. Bill Hart stated there are some that do go by square footage, I could go through the ordinances and let you know which ones they are if you would like. Chairman Ulasz asked Trustee Murrey when they raised them in the past what was the basis for the raises. Trustee Murrey stated we already had one established in 1999, we asked the different taxing bodies come up and show us the validity for their requested raises to impact fees. Bill Hart stated there has been ordinances prior to 1999, that is one of the items that Dr. Benedetti brought up regarding the funding because at one time it was 60% and 40%. Chairman Ulasz asked what the school could use the impact fees for, I understand there is a specified criteria. Bill Hart stated for Buildings, it goes to the building fund.

Trustee Beskow stated that last time Dr. Benedetti appeared before us they no longer are requesting the change of percentage to be done. They are happy with the way it is. Chairman Ulasz asked where should we go from here, we have items we are looking at, do we need to further investigate other communities etc. Trustee Murrey stated he feels the investigation has been done, Bill's spreadsheet and the school's spreadsheet we have the information needed. Bill Hart stated he would like to bring up one point; we keep on going around in circles regarding town homes and condominiums. Especially with the Naperville formula that we use, an attached single family home has fewer children than detached. The two-bedroom town home is more than a two-bedroom single family home. If you look at the areas in town such as Hickory Cove it has a large number of children in the homes, where Ranier Woods has only one or two, Holiday Park has less than 10 of the 200 units they have completed. They may be on the increase but still the attached single family home doesn't produce high numbers of children as the detached single-family homes. On the other hand Apartments historically produce a lot of children for the school district.

Chairman Ulasz asked if we are going to look at this as a whole and do it across the board or are we going to look at each individual category? Bill Hart stated we have traditionally used the Naperville formula and it is still what we need to apply. The logic for us to use an established formula is to keep us from being sued and it has been tested in court. The Naperville formula has held up in the Courts.

Trustee Beskow stated the one thing we should decide is everyone in agreement with having the CPI Index increase annually. Trustee Murrey stated it would help to not have to revisit this each time. The whole premise was to recoup the fees for the first year on the home that we lag in the State of Illinois on the parcel of property, if we start tacking on other items it is almost like we should make it part of the building permit. On the other side the real estate tax is not the total piece of the puzzle to fund the schools. I understand the School District has the problem to provide excellence in teaching in the public sector with next to no dollars. The consumer index thing is like we are adding to the bureaucracy, onto something that is already failing and has been failing for the last decade and a half. I

don't like it the CPI myself. The legislator's put the cap on the real estate tax and they don't know what the impact would be to the other taxing bodies.

Trustee Beskow stated he believes in the impact fees. Trustee Murrey agreed. Trustee Beskow stated he doesn't believe that here is the impact fee and no matter who you are this is what you pay. They should pay where the impact is, for instance when the senior facilities are built we don't charge them the school impact fees. If you notice Round Lake here, they have the impact fees are negotiated, in other words they are charged based on the impact they are creating. Chairman Ulasz stated she is in favor of the CPI, what we are setting right now is good for this year's standard. The schools accumulate this fund in order to build and each year the cost of building goes up. The annual increase would hopefully increase to match what the cost of building is for the Schools. Trustee Murrey asked what was last years CPI, Chairman Ulasz stated is was 3.3%. We would be providing the impact fees at the current level they need to build the schools. Trustee Murrey stated if we did the CPI I would not want to increase any of the figures we have now in place. Chairman Ulasz stated she felt the \$400.00 across the board was way too much. Trustee Beskow stated he cannot see the need for an increase. Chairman Ulasz stated she could see a small increase but \$400.00 is way too much in my opinion.

Trustee Murrey asked when does the CPI come out each year the first of the year? Bill Hart stated he thought it was published annually in January each year. Trustee stated it has fluctuated from 2.9 to 6 % in the last 10 years. I don't mind the CPI increase as long as the fees are charged on the basis of what are going to provide. If they don't have an impact there should be no fee. We may have the same for Fox Lake Country Club, that is a senior gated community. Bill Hart would review these applications and then bring it before the Board for approval of waiving the fees.

Chairman Ulasz asked where is the general thought process after all this discussion. Trustee Beskow stated I would like to have another Committee Meeting and invite the Superintendent of the Schools. If we don't come to something that they agree with it is only going to be a battle down the line. I would like to come to an agreeable recommendation with the schools and then bring it to the Village Board for consideration and approval. Trustee Murrey stated that would be another comfort level to invite the School Districts within Fox Lake to come to the next Committee meeting and present their requests.

Trustee Beskow stated I feel like Trustee Murrey I don't feel our fees are to low, I don't really have a problem with an annual increase. Trustee Murrey stated we want to give the Schools what they need, but the \$400.00 is a little ludicrous and it is almost extorting the developers, and the fees get added into the price of the home. The CPI index is a nice tool, but it runs away if you don't monitor each year. If that is considered I would like to leave the fees and structure as is if we use the CPI.

Trustee Murrey stated we should schedule a meeting that is convenient for all the Superintendents or school representative to attend and not conflict with their meeting nights as well. We would want to include Fox Lox Elementary #114, Grant High School, Gavin School, Big Hollow School, and Nipparsink School District.

Chairman Ulasz directed Deputy Clerk Ward to contact the School Districts to obtain two dates they would be available to attend and then notify the Committee with the intent the next Committee Meeting would be held the 1st or 2nd week in February.

IX. Audience Comments – None

X. Adjournment

There being no other business to discuss the Committee Meeting was adjourned at 6:55 p.m.

**Carol Ward
Deputy Clerk**