



## City considers compromise

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MARENGO – A residential impact fee discussion went late into the night Tuesday as City Council members struggled to find a balance between attracting development and fairly funding the city's taxing bodies.

The Committee of the Whole meeting had been scheduled to revisit the fees, which pay for a development's perceived effects on a community's services and infrastructure. They are roughly based upon household size and type.

After council raised those fees in the spring, developers' frustration sparked the re-examination this summer, as did the city's interest in competing with surrounding municipalities in attracting more development.

But a local researcher has warned against trying to undercut nearby towns when setting such fee schedules.

Developer John Green of Centrum Properties complained about the hike in fees since four years ago when he first pitched Seven Oaks, a 264-home subdivision that he wants to build on 207 acres east of Meyer Road.

"It needs to get set - you have to quit screwing around," Green said Tuesday to the council.

Currently, Marengo's impact fee for a four-bedroom single-family home is \$32,393. Todd Hall, Ward 4 alderman, initially suggested reducing the fees to between \$26,000 and \$27,000, which he said would bring Marengo closer to fees levied by surrounding municipalities.

Mike Smith, Ward 1 alderman, pitched a compromise: cut \$3,000 from the current total impact fees by reducing by 10 percent amounts earmarked for each taxing body – park, municipal, rescue squad, library, fire protection, and three public school districts.

At press time, six of seven council members present had expressed support for Smith's idea. They had started to schedule another Committee of the Whole meeting in the hope of having a formal proposal ready for the City Council's next session Aug. 13.

Diane Bradbury, Ward 2 alderman, emphasized that attracting residential development now would prompt the population increase necessary to attract the commercial development for which city leaders have expressed a desire to have. Bradbury, Hall and others have stated their fears that lower fees in nearby communities or unincorporated areas will pull developers away from Marengo.

"We have empty storefronts," Bradbury said. "It comes down to competition with surrounding communities with lower impact fees."

Roger Dahlstrom, research associate at Northern Illinois University's Regional Development Institute, advised against cross-community comparisons when calculating impact fees. Dahlstrom has consulted on more than 60 planning and feasibility studies statewide. Ideally, he said, analysis for an impact-fee schedule takes into account millions of calculations that local officials simply do not have the time and expertise to complete.

"Someone will pay," Dahlstrom said. "If the existing community is willing to pay more than its share to encourage [business], that's fine, but without analysis, you don't know whether you're doing that."

## **COMMENTS**

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