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Kane County could reduce impact fee to spark growth

By James Fuller

At least some reduction in the fees Kane County charges developers and businesses looking to locate within its borders is likely after a lengthy debate by elected officials Monday.

But a chasm still remains among board members who disagree on what effect the fees really have on economic and job growth.

The county imposes the fees to hold new developers accountable for the road improvements needed to accommodate the increased burden on roads and highways resulting from the growth. The county board's Transportation Committee will take up the debate on impact fees Thursday morning.

But the board established this week that there isn't enough consensus behind either a full abatement of the fees or leaving the fees at current levels.

Some board members want to cut the fees as low as possible, believing the current levels sway businesses to locate just outside county borders to avoid the payment.

A new Kohl's or J.C. Penney department store would pay about \$143,000 under the current fee schedule. But it's not just the big-box stores some county board members worry about.

"I'm worried about the small business," county board member Drew Frasz said. "The fast food place, the bicycle repair shop — this fee could be greater than the cost of all the equipment they need to do business."

Representatives from the villages of Hampshire, Gilberts and Sugar Grove all spoke in favor of at least a reduction in fees. The Metro West Council of Government, an association of local municipalities, also sent a letter in support of reduced or eliminated county impact fees. But many of those local governments have their own impact fees. It's a fact that didn't escape board member John Hoscheit.

"The municipalities would be thrilled if this impact fee was gone," Hoscheit said. "If the new development comes in, 70 percent of that property tax bill goes to the school district, and we get stuck with the bill for the transportation. We're really mortgaging the future for transportation improvements."

Other board members said they fear losing the money from the impact fees means they'll have to find other ways to supplement transportation funding. The alternative to either increased taxes or some other fee increase might be to delay or shelve certain road improvement projects. But that creates a whole new problem, board member Jeanette Mihalec said.

"Companies will leave if roads are congested and it increases their time and costs to do business," she said. "Say we eliminate the fees. We won't know if it improves or attracts business because we did that or because the economy improves."

Board members said they want more information about the impact fees municipalities charge, including any discounts, before making a final decision. That information will likely come before the Transportation Committee. Its chairman, Cathy Hurlbut, is one of the more outspoken board members favoring not reducing the impact fees.

“If you think that by reducing this fee you’re bringing in business, you’re wrong,” Hurlbut said. “But we do want to be seen as team players. My issue is not one person has told me one business that has not come here because of our road impact fee.”

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