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PG eyes impact fee shift

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PRAIRIE GROVE – A sliding scale called the “Naperville Formula,” predicts that five-bedroom homes will send fewer students into a school district than four-bedroom houses. And that has led some municipalities, but not all, to attach a lower impact fee to the bigger house.

In Prairie Grove, village officials are seeking a way to change a \$7,000 discrepancy between the impact fees that Terra Cotta developer Westminster Swanson Land Partners could pay to build a four-bedroom house versus a five-bedroom home.

Prairie Grove Village Administrator Jeannine Smith said the impact fees would be among the items that the Village Board addresses with Westminster Swanson at a Tuesday night meeting. The two still are hashing out the annexation agreement for the proposed 1,400-home, 1,100-acre development north of Ames Street and on both sides of Route 31.

“We want to make sure that growth occurs in a way that all the impact to the community is managed,” Smith said. “It’s not just a home going up and one family moving in, it’s how does it affect economy, how does it affect roads.”

In much the same way that village officials are considering the impact of the proposed development, municipalities across the county have questioned how much money developers should pay to help schools, libraries, parks and even first responders meet the demand of new constituents.

Impact fees are money paid by developers to help manage the rising demands that new residents put on infrastructure and facilities. They can be set by municipal ordinance or determined through annexation agreements between communities and developers.

In McHenry, city law requires a developer to pay \$12,085 in total impact fees to build a four-bedroom home and \$12,238 for a five-bedroom home, Community Development Director Joe Napolitano said.

In Woodstock, the legal difference in impact fees between the two sizes of home is \$10, with the larger home being charged more, Finance Director Roscoe Stelford said.

“It’s based on population and how many people you think it’s going to generate,” Stelford said. “That’s the whole idea of the impact fee, how much impact it is going to have on the city.”

Prairie Grove officials are concerned that the \$7,000 difference in impact fees currently approved by the three school districts that would serve the Terra Cotta development would give developers an incentive to build more five-bedroom homes than those with four bedrooms.

Under the current fee schedule, the developer would pay \$16,619.47 in impact fees to build a four-bedroom house and \$9,715.77 for a five-bedroom.

Village leaders want to equalize the impact fees between the two size houses, capping the total that could be collected at almost \$14.3 million, a cap which Westminster Swanson and the districts already have agreed upon.

"It's very, very complex," said Steve Todd, a member of the District 46 School Board who helped negotiate the impact fees with Westminster Swanson. "Each district is going to benefit from the fees in Prairie Grove.

"All the school systems, [districts 46], 47 and 155, have signed off on the fees that you see."

Farther west, Wonder Lake currently is in the early stages of annexation negotiations that could bring a 3,700-home development to property between McHenry and the village. Wonder Lake Village President Tony Topf said it's important that municipalities kept impact fees fairly consistent with their neighbors in order to encourage growth.

"If [impact fees are] lower in another municipality for another developer, his house would be cheaper for the same house built," Topf said. "You need to be fair to the developer. If they can't sell the house, they can't compete. It has to be a level playing field."

Determining an appropriate impact fee is a complicated task, Stelford said.

"You're talking about money, you're talking about a lot of money in the case of developments, so it has to be scientific," he said. "It can't just be a number that you pick out of a hat."

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