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Impact fee vs. taxes debate to continue in Kane County

By James Fuller

The burden of paying for road improvements needed because of new development in Kane County will either shift toward businesses or current taxpayers as county officials reexamine local impact fees.

Kane is one of only two local counties — DuPage is the other — to charge impact fees on would-be new development. The fees, an estimated \$600,000 this year, help pay for infrastructure projects caused by the increases in traffic generated when a new business or residential development comes to the county.

Kane County created the impact fees at a time when new development in the county was so rapid that tax dollars alone couldn't fund the number of road improvement projects needed. But that growth spurt is over, and it's time for the county to set impact fee levels for the next five years.

A board committee Thursday decided to move ahead with a staff recommendation that would keep the fees mostly flat for at least next year. But that recommendation may become just a placeholder for a larger debate.

A split over the issue popped up on the board during the past couple of weeks. Some board members believe the impact fees should be slashed if not abated for the foreseeable future. The fees deter new business from coming to the county, some officials said.

"If I'm a business owner, why would I come to Kane County to pay the fees when all I have to do is cross over the county line to not pay the fees?" board member Melisa Taylor said.

Board members offered at least five different ideas for what level of impact fees the county should charge. Mike Donahue said there should be no impact fee, but he'd settle for a fee of 10 percent for the sake of keeping the possibility of charging a higher fee alive for the future.

"(Abating) the impact fee is the one thing that this county board can do to stimulate economic development and job growth in the county," Donahue said. "I personally don't buy into the argument that by lowering these fees we're putting the burden on the backs of our taxpayers."

But other board members don't buy that argument. Transportation Committee Chairman Cathy Hurlbut said reducing or eliminating impact fees will either cause local taxpayers to make up the lost funds or delay road improvement projects.

"I think it's a little bit of an improper statement to say it's not a taxpayer benefit to collect these funds," Hurlbut said.

"Yes, money for projects comes from the motor fuel tax or other (state and federal) sources, but it is still a tax on our local taxpayers that's being paid and reduced by the fact that we collect an impact fee for the

developments. You may say it's not on our property tax bill, but there's still a tax right now that's being applied to our local residents."

That thinking, and the fact there is no proposal on the table to recoup the road money lost if impact fees are suspended, has some board members thinking the fees should be increased.

Board member Bonnie Kunkel said a case can be made that developers should pay 100 percent of the cost of the road improvements needed when they come to town.

"Government assesses these fees so people make smart economic decisions when they locate," Kunkel said. "Otherwise a shopping mall can make a decision to go out where it is incredibly expensive to add roads or schools, but the developers don't care if they don't have to pay the cost. Urban sprawl costs money."

With no general agreement in sight, Kane County Board Chairman Karen McConnaughay called on the board to get more input from other local governments, and their taxpayers, and continue the debate at the board's committee of the whole meeting later this month.

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