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Woodstock considering break in impact fees

WOODSTOCK – City officials are hoping a proposed break in impact fees for residential developers will encourage growth.

The Woodstock City Council is set to vote Tuesday night on an adjustment to the city fees, which go toward balancing the fiscal impact per new individual on services such as schools, parks, libraries and streets.

If passed, the adjustment would mean 23 percent to 29 percent cuts in the fee for nearly every type of new residence. For a one-bedroom apartment, the change lowers the impact fee from \$4,087 to \$2,894. For a house with four bedrooms or more, the fee would change from \$15,581 to \$11,885.

"I think the reason this question came up from the city council's perspective was if we reduce the fees, will that then encourage additional residential development to occur in Woodstock?" Planning and Zoning Administrator Jim Kastner said.

Mayor Brian Sager said the hope was that a reduction to the fees ultimately would make Woodstock a more attractive option.

"We hope that we will see an increased amount of housing starts as we reduce impact fees," he said.

Impact fees are based in part on land value, and Woodstock had not updated its fees to show the change in land values since 2003.

The proposed change reduces impact fees in large part based on lower land values compared with 10 years ago, Kastner said.

In addition to providing a potential benefit to developers, Kastner said, the change also would make the city more "legally defensible."

"The impact fee cash contribution has to reflect the value of that land, and it's been a number of years since we adjusted the fees to do that," he said.

Kastner said he was unsure whether the lower fees would have an effect because none of the surrounding municipalities have taken a similar measure recently.

"The lower fees may be helpful, but I don't think it's the overriding decision for moving here," he said.

The council on Tuesday also will vote on whether to give builders the option of deferring those impact fee payments for up to 12 months.

Kastner said that would create more paperwork and clerical work, and potential budget issues, as the city wouldn't know exactly when payments are coming.

"The question is always do you charge those fees up front or do you allow them to be deferred to a different time," Sager said. "It is an opportunity for us to be quote-unquote more business friendly."

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