

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
August 8, 2023**

CALL TO ORDER

President Ryan Kauffman called the meeting to order at 6:00 p.m.

ROLL CALL

Board Members Physically Present: President Ryan Kauffman; Trustees Tom Guist, Kit Kuhrt, Karin McCarthy-Lange, Karen Novy, Jennifer Jones Sinnott, and Andrew Torres.

Staff Physically Present: Dan Di Santo, Village Administrator; Tina Touchette, Village Clerk; Jennifer Hughes, Public Works Director; Jason Bastin, Interim Chief of Police; Andrea Lamberg, Finance Director; Rod Zenner, Community Development Services Director; Joe Renzetti, IT/GIS Director; Kerry Behr, Project Engineer; Bridget Bittman, Community Relations Manager- Marketing; Kevin Leighty, Economic Development Director; Steve Raasch, Facilities Manager; and Dave Silverman, Village Attorney.

PUBLIC FORUM

Public Forum was opened at 6:00 p.m.

Lee Hoffer addressed the Board regarding impact fees. He was a School Board member for 8 years; Village Board previously got rid of impact/transition fees; he pushed for impact fees; School Board pushed to have an impact study done; there was a proposal to cut impact fees by 50%; saw there was an increase of 6.5% on tonight's agenda item; not a good basis to look at and compare fees with other communities; Oswego is mostly residential; other communities have more industrial; look at what has been done in the past; 70% of the tax bill goes to the school district; impact fees affect the whole community; not valid to tie into CPI; don't think it's the Village's responsibility to be competitive; responsible to the residents; only benefits the developers with the impact fees lower.

There was no one else who requested to speak. The public forum was closed at 6:06 p.m.

OLD BUSINESS

There was no old business.

NEW BUSINESS

F.1 Change in Fiscal Year

Director Lamberg addressed the Board regarding the transitioning from fiscal year to a calendar year. She noted the following communities have changed from fiscal year to calendar year: Aurora, Barrington, Batavia, Brookfield, Buffalo Grove, Deerfield, DeKalb, Evanston, Glencoe, Glen Ellyn, Glenview, Highland Park, Hoffman Estates, Joliet, Naperville, Oak Brook, Orland Park, Park Ridge, Peoria, Rockford, Villa Park, Wheaton, Winnetka, and Woodridge. The following was presented to the Board:

Benefits

- Eliminates timing difference between the levy and budget.
- Aligns the payroll/tax year to the budget.
- Positions infrastructure projects more closely to the budget cycle.
 - Presents challenges with the budget
- Provides improved timing of procurement of infrastructure projects.
 - Limits us now with vendors bidding on projects

Drawbacks

- Budgeting for the transition year is imprecise and will likely result in increased budget amendments.
- Trending for the first two years after the transition is difficult.
- ERP programming is dependent on ERP provider availability.

Timing

- The Transition Year, TY25, would run for 20 months from 5/1/2024 through 12/31/2025.
 - Two full construction cycles
 - Two full property tax cycles
 - One full and one partial compensation adjustment cycles
 - One full winter/plowing season.
 - One audit/year end/State Comptroller filing.
- The first fiscal year with the new timing would be Fiscal Year 2026 which would run from 1/1/2026 – 12/31/2026.

Board and staff discussion focused on why 20 months instead of 8 months; State will not accept two yearend submittals; financial system only allows one year; reports will be off by one year if doing an 8-month stub year. Director Lamberg will be preparing an ordinance, for the next Board meeting, for the change from fiscal year to calendar year. There was no further discussion.

F.2 Review Development Impact Fees

Administrator Di Santo addressed the Board regarding impact fees and presented the following for conversation, direction, and input:

Review Development Impact Fees

- + Background
- + Comparative Analysis
- + Developments In Process
- + Kendall County Transportation Impact Fee
- + Fees Collected on Senior Developments
- + Other Considerations
- + Recommendation

Background

- + Due to public infrastructure needs arising from rapid growth, in 1996 the Board adopted **land-cash donations** for school and park sites
 - Land-cash donations are to be used for the acquisition of land for a school/park site or other infrastructure benefitting that specific development
- + In 2001 the Board adopted **development impact fees**, last updated in 2015 and 2017
 - Impact fees are to be used for capital projects that benefit the paying developer, not operational expenses

Current Fees

Units Constructed in CUSD #308

Village of Oswego	48.45557%
CUSD #308	38.01931%
Oswego Fire Protection District	3.46492%
Oswegoland Park District	6.49522%
Oswego Public Library	3.56620%

Units Constructed in Yorkville CUSD #115

Village of Oswego	48.45557%, and the totality of any remaining fees
Oswego Fire Protection District	3.46492%
Oswegoland Park District	6.49522%
Oswego Public Library	3.56620%
Yorkville CUSD #115	Flat Fee of \$1,500

SD308, No Transportation Fee	Total	Village	SD308	Fire	Park	Library	
Single-Family	\$11,650.00	\$5,645.07	\$4,429.25	\$403.66	\$756.69	\$415.46	
Townhome/Multi-Family	\$6,407.50	\$3,104.79	\$2,436.09	\$222.01	\$416.18	\$228.50	

SD115, No Transportation Fee	Total	Village	SD308	Fire	Park	Library	
Single-Family	\$11,650.00	\$8,574.32	\$1,500.00	\$403.66	\$756.69	\$415.46	
Townhome/Multi-Family	\$6,407.50	\$4,040.88	\$1,500.00	\$222.01	\$416.18	\$228.50	

SD308, With Transportation Fee	Total	Village	SD308	Fire	Park	Library	Transportation
Single-Family	\$11,650.00	\$4,717.15	\$3,701.18	\$337.31	\$632.31	\$347.17	\$1,915.00
Townhome/Multi-Family	\$6,407.50	\$2,176.87	\$1,708.02	\$155.66	\$291.80	\$160.21	\$1,915.00

SD115, With Transportation Fee	Total	Village	SD308	Fire	Park	Library	Transportation
Single-Family	\$11,650.00	\$6,918.33	\$1,500.00	\$337.31	\$632.31	\$347.17	\$1,915.00
Townhome/Multi-Family	\$6,407.50	\$2,384.88	\$1,500.00	\$155.66	\$291.80	\$160.21	\$1,915.00

Existing Development Impact Fees

SD308, No Transportation Fee	Total	Village	SD308	Fire	Park	Library	
Single-Family	\$11,650.00	\$5,645.07	\$4,429.25	\$403.66	\$756.69	\$415.46	
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Development Impact Fees + 6.5% Increase

SD308, No Transportation Fee	Total	Village	SD308	Fire	Park	Library	
Single-Family	\$12,407.25	\$6,012.00	\$4,717.15	\$429.90	\$805.88	\$442.47	
Townhome/Multi-Family	\$6,823.99	\$3,306.60	\$2,594.43	\$236.45	\$443.23	\$243.36	

SD115, No Transportation Fee	Total	Village	SD308	Fire	Park	Library	
Single-Family	\$12,407.25	\$9,229.15	\$1,500.00	\$429.90	\$805.88	\$442.47	
Townhome/Multi-Family	\$6,823.99	\$4,401.04	\$1,500.00	\$236.45	\$443.23	\$243.36	

SD308, With Transportation Fee	Total	Village	SD308	Fire	Park	Library	Transportation
Single-Family	\$12,407.25	\$5,023.76	\$3,941.76	\$359.24	\$673.41	\$369.74	\$2,039.48
Townhome/Multi-Family	\$6,823.99	\$2,318.36	\$1,819.04	\$165.78	\$310.76	\$170.63	\$2,039.48

SD115, With Transportation Fee	Total	Village	SD308	Fire	Park	Library	Transportation
Single-Family	\$12,407.25	\$7,465.52	\$1,500.00	\$359.24	\$673.41	\$369.74	\$2,039.48
Townhome/Multi-Family	\$6,823.99	\$2,637.40	\$1,500.00	\$165.78	\$310.76	\$170.63	\$2,039.48

New Home Starts

New Home Starts	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Oswego	372	224	96	79	83	88	112	131	127	66

New Homes Starts	2016	2017	2018	2019	2020	2021	2022
Oswego	52	27	439	90	284	132	371

March 7, 2023 – COW

- + The Board directed staff to:
 - Update the fee comparison
 - Consider increasing fees by 6.5% then CPI capped at 3% each year
 - Replace Kendall County Transportation Fee with a local infrastructure fee
 - Review capital planning by each co-terminus government unit
 - Consider raising the Fire impact fee on senior housing

Current State of Fees

- + Our fees are currently competitive, and it is important to stay within market for continued growth
 - To remain in market, staff recommends periodic reviews of fees rather than annual fee escalators
- + Water connection fees are a good way for future development to help pay for Lake Michigan water
 - Our water connection fee is currently low within the market

Comparative Analysis

- + Surveyed 9 comparable and/or nearby suburbs
 - Montgomery, Yorkville, Plainfield, Aurora, Naperville, New Lenox, Woodridge, Romeoville, and Lockport
 - Not all communities assess fees the same way
 - About half assess impact fees on behalf of other governments (none for Park Districts)
- + Used the following typical unit data
 - Single-Family: 4 bedrooms, 3 bath, 2,750sf, \$450,000 value
 - Townhomes: 3 bedrooms, 3 bath, 2,000sf, \$325,000 value
 - Apartments: 2 bedrooms, 2 bath, 1,100sf, \$125,000 value

Total Fees (permit/utility/land-cash/impact)

- + Single-Family
 - Total Fees/Unit: \$23,871 (\$22,255 average/\$23,765 median)
 - Within market and more than Yorkville (\$19,919), Montgomery (\$15,536) and Aurora (\$19,730), but less than Plainfield (\$27,917)
 - Maximum increase to remain competitive is \$3,000
- + Townhomes
 - Total Fees/Unit: \$15,057 (\$16,036 average/\$15,607 median)
 - About \$1,000 below market and more than Montgomery (\$13,185) and Aurora (\$13,420), but less than Yorkville (\$17,963) and Plainfield (\$18,161)
 - Maximum increase to remain competitive is \$3,000
- + Apartments
 - Total Fees/Unit: \$13,177 (\$10,661 average/\$10,604 median)
 - Currently higher than market and more than Montgomery (\$12,483), Aurora (\$10,604), and Plainfield (\$11,401), but less than Yorkville (\$15,234)
 - Limited room to increase and remain competitive

Non-Village Fees (land-cash/impact)

+ Single-Family

-Non-Village Fees/Unit: \$12,323 (\$12,987 average/\$14,087 median)

-Of those that charge impact fees, we are about \$1,000 less

-We collect about \$500 less in land/cash fees

+ Townhomes

-Non-Village Fees/Unit: \$6,616 (\$7,975 average/\$7,515 median)

-Of those that charge impact fees, we are about \$500 higher

-We collect about \$1,000 less in land/cash fees

+ Apartments

-Non-Village Fees/Unit: \$5,460 (\$5,269 average/\$4,861 median)

-Of those that charge impact fees, we are about \$1,250 higher

-We collect about \$500 less in land/cash fees

School/Park Land-Cash Fees

+ Land acreage calculated using student generation tables for each unit type and bedroom count

+ Cash in lieu of land calculated based on fair market value of an improved acre of land

+ Current fair market value (2015): \$79,500

-Without including Naperville: \$102,525 average/\$97,741 median

Water Connection Fees

+ Revenue is deposited into the Water/Sewer Capital Fund

+ Water Connection Fees will help offset revenue otherwise needed through rate increases for Lake Michigan connection

+ Currently \$2,200/unit (same for all unit types)

-Single-Family: \$3,400 average, up to \$5,200 supported in other communities

-Townhomes: \$3,300 average, up to \$5,000 supported in other communities

-Apartments: \$1,600 average, Montgomery is outlier with \$4,359

Developments in Process

- + Two Developments are approved for Concept Plan
 - Sonoma Trails (811 units)
 - Diamond Point (52 units)
- + Any changes in fees would apply to these projects
- + Increases to fees would substantially impact the economics of these deals, possibly ending them
- + The Board can consider grandfathering these projects

Kendall County Transportation Impact Fee

- + Outdated fee for County infrastructure (\$1,915/unit)
- + County supports elimination of the fee
 - No municipality has ever collected/remitted it to the County
- + Staff recommends converting to an Oswego Regional Infrastructure Fee
 - Example: Wolfs Crossing

Senior Developments

- + School impact fees are waived for senior housing since no students are generated
 - Staff recommends adopting this practice into ordinance
- + Fire District data shows senior housing sees 1.8 times as man calls for service as non-senior housing
 - Staff recommends doubling the Fire impact fee for senior housing

Other Considerations

- + Review percentage split of impact fees based on capital planning
- + Review how fees can be used, such as only in Oswego corporate limits
- + Differentiating fees for hybrid developments such as senior villas and single-family rentals

Recommendation

- + Consider increasing non-Village impact fees by up to \$1,000 for single-family units
- + Consider updating the fair market value for land/cash fees
- + Consider increasing water connection fees by \$1,000 - \$3,000 for single-family and townhome units
- + Consider grandfathering fees for Sonoma Trails and Diamond Point
- + Replace the Kendall County Transportation Impact Fee with an Oswego Regional Infrastructure Fee
- + For senior developments, eliminate collection of school impact fees and charge double the Fire impact fee

*****Based on Board input and direction, staff will return to a subsequent COW with follow-up information and recommendations*****

IMPACT FEES ASSESSED 2019-Present

Development	TOTAL DIF	Village	SD308	Fire	Park	Library	Transportation	Water Connection	School Land/Cash	Park Land/Cash	TOTAL FEES
Redwood	\$916,283.68	\$443,985.06	\$348,360.48	\$31,748.11	\$59,513.91	\$32,676.11	\$0.00	\$314,600.00	\$54,516.33	\$226,233.15	\$1,511,633.16
Oswego Senior Living	\$563,951.71	\$440,880.27	\$0.00	\$31,526.09	\$59,097.73	\$32,447.61	\$0.00	\$312,400.00	\$0.00	\$209,899.00	\$1,086,250.71
Townes of Ashcroft Walk	\$1,114,918.60	\$540,233.57	\$423,879.19	\$38,630.57	\$72,415.53	\$39,759.74	\$0.00	\$382,800.00	\$98,327.10	\$303,081.03	\$1,899,126.73
Southbury Pod 8	\$1,083,463.22	\$524,991.87	\$411,920.21	\$37,540.68	\$70,372.46	\$38,637.99	\$0.00	\$204,600.00	\$148,954.87	\$214,337.57	\$1,651,355.66
Southbury Pod 3	\$652,407.96	\$316,124.14	\$248,037.98	\$22,605.14	\$42,374.82	\$23,265.89	\$0.00	\$123,200.00	\$89,693.26	\$129,063.48	\$994,364.70
Avanterra	\$1,130,736.29	\$547,898.03	\$429,892.89	\$39,178.63	\$73,442.91	\$40,323.83	\$285,335.00	\$327,800.00	\$184,124.27	\$308,745.41	\$1,951,405.97
Hudson Pointe	\$1,411,592.22	\$683,986.71	\$536,671.08	\$48,909.94	\$91,684.90	\$50,339.59	\$277,675.00	\$319,000.00	\$386,162.96	\$115,895.10	\$2,232,650.28
Hudson Pointe - Emblem	\$1,401,677.10	\$679,182.34	\$532,901.46	\$48,566.40	\$91,040.90	\$49,986.00	\$597,480.00	\$686,400.00	\$61,475.28	\$137,401.44	\$2,286,953.82
Tuscany Station*	\$3,075,637.52	\$1,490,299.51	\$1,169,321.90	\$106,567.08	\$199,766.99	\$109,682.05	\$0.00	\$1,056,000.00	\$130,821.00	\$729,295.00	\$4,991,753.52
TOTAL	\$11,350,668.30	\$5,667,581.52	\$4,100,985.19	\$405,272.64	\$759,710.16	\$417,118.80	\$1,160,490.00	TOTAL \$3,726,800.00	TOTAL \$1,154,075.07	\$2,373,951.18	\$18,605,494.55

*Credit of \$2.45M owed by Village for the acquisition of the Metra/Venue 1012 parking lot parcel. To be paid from Village impact and water connection fees.

Payments per Fiscal Year (May 1 - April 30)

	2020	2021	2022	2023	*2023-Hold	Grand Total
Oswego Comm Unit School District	398,006.48	561,734.67	582,659.31	565,946.16	520,698.26	2,629,044.88
Land/Cash Fee-School District	148,092.90	116,773.39	42,963.68	43,805.71		351,635.68
Land/Cash Fee-School District-Wolf's Crossing			184,124.36	99,811.71		283,936.07
Impact Fees-School	249,913.58	444,961.28	355,571.27	232,884.74		1,283,330.87
Impact Fees-School-Wolf's Crossing				189,444.00	520,698.26	710,142.26
Oswegoland Park District	171,722.21	315,669.20	558,182.76	444,012.17	121,318.92	1,610,905.26
Land/Cash Fee-Park District	147,590.28	252,671.70	191,884.92	167,730.38		759,877.28
Land/Cash Fee-Park District-Wolf's Crossing			308,745.51	228,898.60		537,644.11
Impact Fees-Park District	24,131.93	62,997.50	57,552.33	47,383.19		192,064.95
Impact Fees-Park-Wolf's Crossing					121,318.92	121,318.92
Oswego Public Library	14,448.05	35,568.78	72,474.00	49,990.48		172,481.31
Impact Fees-Library	14,448.05	35,568.78	72,474.00	49,990.48		172,481.31
Oswego Fire Protection	33,700.93	59,153.68	77,355.23	67,171.33		237,381.17
Impact Fees-Fire	33,700.93	42,072.68	72,998.73	61,270.83		210,043.17
Review Fee-Fire District		17,081.00	4,356.50	5,900.50		27,338.00
Village of Oswego	208,664.35	508,264.56	1,347,243.99	941,685.58		3,005,858.48
Transportation Development Fee			285,335.00	283,420.00		568,755.00
Impact Fee	208,664.35	508,264.56	1,061,908.99	658,265.58		2,437,103.48
Grand Total	826,542.02	1,480,390.89	2,637,915.29	2,068,805.72	642,017.18	7,655,671.10

**** 2023 thru period 10 (May 1, 2022 - Feb 28, 2023)

*Holding Direct Impact Fees for School & Park pertaining to Wolf's Crossing Properties

Board and staff discussion focused on needing several discussions before making a decision; land cash is supposed to be used for acquisition of land; not one developer paid the 2005 impact fees; in 2014, taxing districts got together to fund a study; in 2015, new fees implemented; in 2017, fees implemented for townhomes and apartments; transportation fee is for newly annexed properties; so far in 2023, new homes starts are above 300; CPI increase was in 2005; reviewing fees periodically; using water connection fee to pay for the new water source; some of the neighboring communities use the 2001 study; tried to compare apples to apples on new construction; Plainfield is the highest on total fees; not recommending increasing more than \$3,000.00; limited room to increase with apartments; half of the communities in the list do not charge impact fees; last appraisal, on the current fair market value, was done in 2015; will discuss water rates at the next Committee of the Whole; if there are any increases to fees, Sonoma Trails and Diamond Point may go away; could grandfather these developments; converting the Kendall County Transportation Impact fee to an Oswego Regional Infrastructure fee for Wolf's Crossing; adopt an ordinance to waive school impact fees for senior housing; doubling the Fire impact fee for senior housing; capital projects; 6.5% is too much for developers; have to do something for the fire department; shuffle the percentage around; talk about increasing each year versus a percentage increase auto added each year; connection fees for water to help out residents; shifting fees around; the Kendall County Transportation Impact fee cannot be shifted to the fire department; will hold an intergovernmental meeting with other taxing bodies; will clarify other taxing bodies' budget details and capital projects; \$3,000.00 is guesstimated; concerns with increasing too much; difficult for the Village to get regional and industrial because we are not close to interstates; concerned with what other communities are doing; wanting development, residential, and growth; number one thing businesses are interested in is growth; currently in discussions with the school district; not wanting to unduly burden the school district because of the growth; essential to get other taxing bodies' capital needs; not every community is giving to the school district; in the past, communities would provide information on what they paid; updating the fair market value; changing from schools and giving to the fire department; school district is getting the tax money but no impact of students for senior developments; did not include Naperville in the numbers; a lot of information to digest; not allowed to charge impact fees on senior developments that do not have students; careful with not going too high; can see a few increases; if it's not broken, don't fix it; percentage of interest saved if having to bond out; whether the review period should be every two years; grandfathering developments that have approved project plans; direct impact on transition period.

Board agreed with the following:

- Converting the Kendall County Transportation Impact fee to an Oswego Regional Infrastructure fee
- Reviewing fees often to make sure we are in line with fees
- No escalators

More discussion on impact fees will be needed. There was no further discussion.

CLOSED SESSION

There was no closed session.

ADJOURNMENT

The meeting adjourned at 7:07 p.m.

Tina Touchette
Village Clerk