



Chicago Metropolitan Agency for Planning

233 South Wacker Drive
Suite 800, Sears Tower
Chicago, IL 60606

312-454-0400 (voice)
312-454-0411 (fax)
www.cmap.illinois.gov

Memorandum

To: Economic & Community Development Committee
From: Paul Reise, Assistant Regional Planner- Economic Development
Subject: Regional Snapshot Report - Impact Fees
Date: February 19, 2008

As part of the development of the Regional Comprehensive Plan, a series of Regional Snapshot reports will be prepared on major issues that need to be addressed in the plan. The purpose of these reports is to establish linkages between CMAP's policy areas, gather background data, and initiate discussions on major regional issues early in the planning process.

CMAP is researching Impact Fees and their effects on development within the region. Through this research, CMAP is seeking to quantify the degree to which Impact Fees are used, what effects these fees have on economic development, land-use, and housing, as well as determining policy recommendations to be considered for inclusion in the Regional Comprehensive Plan. Staff will give a brief presentation on the methodology and preliminary findings of the research at the February 26th Economic & Community Development Committee meeting.

Our research explores why Impact Fees are an important issue in the Northeastern Illinois region. We examine the correlation between Impact Fees and growth and whether Impact Fees lead to higher densities (or cheaper buildings) due to higher land costs. We look into the effect of fees on employment and business retention/ attraction. Finally our research covers the effects on affordable housing- whether Impact Fees cause housing prices to rise, and/or lower the supply of affordable housing.

Future research will attempt to determine some of the legal, procedural, and equity limitations of Impact Fees as well as to further integrate our policy recommendations into the Regional Comprehensive Plan.

ACTION REQUESTED: Discussion and comments.