Project Description:

Impact Fee Analysis

The Village of Shorewood is a home-rule community operating under the council-manager form of government. We span 7 square miles of land area with the majority dedicated to residential land uses. The Board desires to continue growing the Village in a way that provides sustainability by making development pay for development through impact fees. The impact of development continues to shift as does the economy. It is time to reassess the impact of development and the fees that should be collected to offset that impact.

The direction from the Board is to drive investment. In order to do so effectively, we need to understand the barriers to investing in the community. While there are many factors affecting a decision to invest, the cost of doing so is often the biggest hurdle. We are looking to reduce barriers for investment to drive growth and remain relevant.

In order to be a competitive community to invest in while being responsible stewards of public money, we need to periodically re-evaluate the impact of new development. The purpose of this project is to determine: A) if the current fees reflect the impact of new development on the provision of services; B) if the fees are competitive with neighboring communities; C) if the policy to make development pay for development is still appropriate or if there are other approaches that should be considered; and D) if the fees should be adjusted, recommend new fees.

It is anticipated that this project would include conducting literature review on the cost of development and the types of costs that should be recoverable; compiling data from taxing districts within the Village as well as from neighboring communities; possibly creating and administering surveys to developers; analyzing data from existing sources as well as from the survey; and possibly creating a database.

The expected major deliverable is a report that includes a description of the methodology, identification and explanation of existing policies relating to impact fees, identification of the current impact fees with a description of the purpose of the fee, role of the taxing bodies in determining impact of development, analysis of impact fees including comparison to neighboring communities, analysis of current policy approach, recommendation for adjustment of policy approach and/or fees. There is an expectation that this project would be presented to representatives of the Village and taxing bodies.

Project Location: Village of Shorewood planning jurisdiction